

PHYSICIANS AS INVESTORS:

5 FINANCIAL CHECK-UPS

This special report will discuss ways to help physicians overcome the unique obstacles that can impact the growth of your wealth. Investment Answers® understands your goal is to help protect your assets while thriving within the shifting landscape of the medical industry.



INVESTMENT
ANSWERS®

ARE YOU IN NEED OF A FINANCIAL PHYSICAL?

As a physician, you've worked hard for what you have. Your path to this point has involved years of study, training and practice to become the specialist you are today. You likely cannot focus that same time and energy on ensuring sound financial decisions are made and managed.

That's where Investment Answers comes in. Founded by Certified Financial Planner™, R. Travis Terlau, we are dedicated to helping manage your family's and your financial well-being through a strategic, personalized investment plan. Our goal is to help resolve the financial problems of living too long, dying too soon or getting sick along the way—and helping to protect what you've worked so hard to build.

WE ASK IMPORTANT QUESTIONS TO SHOW YOU HOW TO **WORK LESS, MAKE MORE MONEY AND HELP SAVE MONEY ON TAXES.**

How many years have you been working?

How much money do you have?

How much debt do you have?

What is your biggest expense?

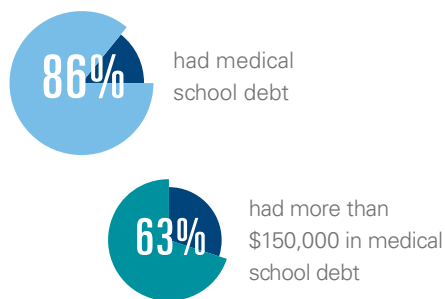
When it comes to your practice, are you a risk-taker or cautious?

As a physician, your needs as an investor are unlike most. Because of higher liability risks, complex financial situations, heavy student loan debt, and above-average income, your financial planning needs are more extensive than others.

SPECIAL FINANCIAL CHALLENGES FACING PHYSICIANS

A late start: The average physician finishes medical school at age **27** and may not finish residency until age **30**.¹

From the physicians surveyed:²



Increased liability risks: A recent NEJM study found that

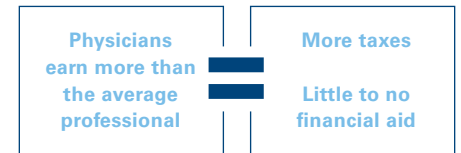
75%

of physicians in low-risk specialties had faced a malpractice claim by age 65.³

Increased risk from disability: Surveys show that many doctors are **underinsured** or **pay too much** for the coverage they have.⁴

Complex personal and professional finances: Increased regulatory burdens, liability issues, and an ever-expanding tax code mean that many physicians have complex financial circumstances, making it more challenging to develop integrated, long-term financial strategies.

A shorter working life: Having started their career at an older age, physicians have fewer years for their retirement money to accrue.



Ownership complications: As a practice owner, your complexities are often amplified as financial mismanagement can risk professional relationships with hospitals, universities and other professionals in your network.

No financial aid: Doctors often do not receive financial aid for their children, making it more important for them to put money away sooner.⁵



CHECK-UP 1: ARE YOU IGNORING THE RISKS OF ASSET PROTECTION AND LIABILITY?

We know medical liability is an omnipresent concern for you not only because of the potential effects of a settlement, but also the costs associated with fighting a prolonged legal battle.

While laws capping tort damages have been effective in some states, **physicians are frequently targeted in medical liability suits**, especially in states where hospitals are protected under charitable immunity provisions. There are also many sources of non-medical liability, such as liability for the actions of employees or employee lawsuits that can put you and your family at risk.⁶ While medical liability insurance is designed to protect personal and business assets from malpractice claims, there are limits to your coverage and many policies explicitly exclude coverage for suits arising from activities that are not directly related to the patient-physician relationship. **Jury awards in liability cases are often unpredictable** and may even exceed your coverage limits, making your assets and future income vulnerable to collection actions.

Building a relationship with a qualified financial professional who understands your entire estate can help keep you accountable to make sure your insurance is reflective of your present work and life standards. It is better to be properly insured than to struggle with the consequences of not being adequately covered.

While no asset protection strategy can be right for everyone, there are many resources available to help protect you and your family from costly litigation. Having a coordinated effort between the many professionals your estate needs, managed by your CFP®, is a powerful asset that works on behalf of you and your family.

THERE ARE SIMPLE AND COMPLEX METHODS THAT INVESTMENT ANSWERS RECOMMENDS TO HELP YOU PROTECT YOUR ASSETS:

- Umbrella insurance policies to expand your liability coverage
- Trusts & other ownership strategies
- Advanced risk management techniques
- Investment diversification.*

**Diversification cannot guarantee a profit or protect against loss in a declining market.*

CHECK-UP 2: IS YOUR PROFESSION MAKING YOU A TARGET?

As a wealthy investor, you may fall under the legal definition of an “accredited investor.” **The SEC deems accredited investors as sophisticated with sufficient investing experience and wealth. Therefore, they will not need to liquidate their investments for cash needs and can withstand a total loss of their investment principal.**

While meeting the requirements for an accredited investor can increase your range of available investment opportunities, it also means that you may find yourself as the target of questionable investment schemes and unqualified financial advice. Being classified as an accredited investor may mean that many of the normal investor protections no longer apply. Therefore, it’s important to be aware of any investment that offers guaranteed returns or promises to beat benchmark returns with a *secret* or *proven* investing formula.



ACCORDING TO THE SEC, AN INDIVIDUAL ACCREDITED INVESTOR* IS ONE WITH \$1 MILLION IN PERSONAL NET-WORTH (EXCLUDING THE PRIMARY RESIDENCE) OR INCOME EXCEEDING \$200,000 (\$300,000 JOINTLY).⁷

**BENEFITS OF BEING AN ACCREDITED INVESTOR ARE SUBJECT TO CHANGE.*

CHECK-UP 3: HAVE YOU CREATED A COMPREHENSIVE FINANCIAL STRATEGY?

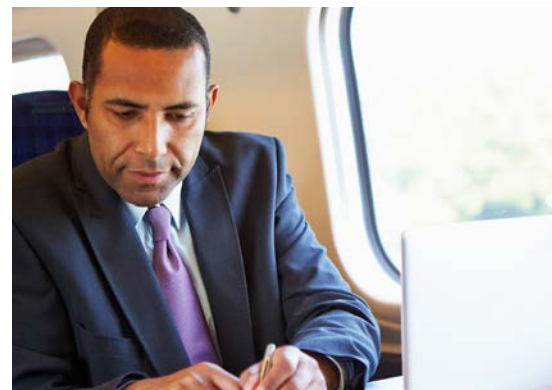
You've dedicated your career to helping others, but it's important to seek professional guidance from a qualified financial professional to save you valuable time and money. **A written budget and financial strategy can help you and your family articulate your goals and objectives, manage your income and cash flow, reflect the risk-tolerance of your practice and monitor your progress toward financial goals.** Building a comprehensive financial strategy prepares you for the consequences of important life events and potential detours, some of which are listed below.

LIFE EVENTS:

- Medical School (Advanced Degrees)
- Residency
- Marriage
- Buying of First Home
- Buying Vehicles
- Childbirth
- Child-rearing
- Private Schools
- College
- Child's Wedding
- Grandchildren
- Multiple Homes
- Travel

POTENTIAL DETOURS:

- Illness/Disability
- Divorce
- Death
- Lawsuits
- Underinsured
- Student Loans
- Interest
- Taxes
- Failed Business Attempts
- Loss from Risky Investments
- Tuition for Children
- Long-term Caregiving (Parents, Kids, Grandkids)
- Lifestyle Maintenance
- Failing to Budget
- Special Needs
- Lack of Financial Aid
- Lack of Time



CHECK-UP 4: IS YOUR LIFE AND DISABILITY INSURANCE ENOUGH TO PROTECT YOUR FAMILY?

Life insurance and long-term disability insurance shifts the liability off you to help your family recover from unpredictable events. While you may take the precaution of purchasing life insurance coverage, it is common for **physicians to unwittingly leave themselves and their families open to the risk of an illness or disabling injury.** Research shows that many physicians are underinsured at the beginning of their career (when the greater part of their earning potential is ahead of them) and may be paying too much for insurance as they near retirement.⁸

The effects of a disabling illness or injury can take a heavy toll on your income and wealth. In some cases, Worker's Comp, Social Security disability income and savings are not enough to cover the gap in income, making adequate disability insurance a financial necessity. Investment Answers can help set up the life and long-term disability insurance you need to help protect you and your family. We can help simplify and consolidate your insurances to increase your coverage, lower your expenses and reduce the paperwork you receive.

CHECK-UP 5: DO YOU HAVE A FINANCIAL TEAM THAT WORKS EFFECTIVELY TOGETHER?

By getting **comprehensive financial guidance**, you can be spared the “*What if?*” angst of errors or missed opportunities. Building a relationship with a financial professional not only lessens the uncertainty that comes with managing your own finances, it is designed to save you time and money in the long term.

It’s not uncommon for a physician to build a team of advisors including financial advisors, accountants, insurance agents, tax-planning professionals, attorneys and practice management specialists. It’s critical to integrate your financial team into your overall goals so that each professional is tuned into what the others are doing to avoid fragmented, inefficient advice.

In order to be effective, your advisors must communicate well with each other and all work toward common, clearly defined objectives. Investment Answers can help build a network of experienced professionals with a wide range of skills and qualifications. As your financial quarterback, Investment Answers is able to help build your trusted team.



HOW INVESTMENT ANSWERS® CAN HELP YOU

Physicians face different challenges than most investors. Successful financial outcomes require personalized guidance based on a clear and comprehensive understanding of your entire set of assets and liabilities. If the financial plan you have doesn’t take into consideration your practice, goals, risk-tolerance, values and other aspects of your entire estate and personal circumstances, it is not working to best serve you.

Investment Answers wants to extend ourselves as a resource to you and your family. Founded by a CFP®, our team of fiduciaries is happy to answer any questions about your current financial situation and future goals. Join us for a free consultation to help us better understand how we can create a personalized financial plan for you and your family. Schedule an appointment online at investmentanswers.net/schedule-a-meeting.

We can help protect what you’ve worked so hard to build. Give yourself the opportunity to grow and leverage your wealth while working toward a secure financial future. 

LEAVE UNCERTAINTY BEHIND.®

FOOTNOTES, DISCLOSURES AND SOURCES:

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Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors. These are the general views and understandings of Investment Answers, LLC, and should not be construed as personalized investment or tax advice. Consult a qualified financial professional before making any financial decision. 7.19.18

¹ "The Physician Workforce: Projections and Research into Current Issues Affecting Supply and Demand." HHS. <http://bhpr.hrsa.gov/health-workforce/reports/physwfiissues.pdf>. [Accessed 28-October-2013]

² "Medical Student Education: Debt, Costs, and Loan Repayment Fact Card." AAMC. <https://www.aamc.org/download/152968/data>. [Accessed 28-October-2013]

³ "Malpractice Risk According to Physician Specialty." NEJM. <http://www.nejm.org/doi/full/10.1056/NEJMsa1012370>. [Accessed 28-October-2013]

⁴ "Survey Reveals Doctors Making Mistakes With Disability and Business Overhead Insurance Coverages." The McGill Advisory. <http://www.insurance.ada.org/Upload/Article/The-McGill-Advisory-Survey-Reveals-Doctors-Make-Mistakes-Disability-Business-Coverage.pdf>. [Accessed 28-October-2013]

⁵ "Investment Advice for Doctors: First, Do No Harm." The New York Times. <http://www.nytimes.com/2011/08/27/your-money/investment-advice-for-doctors-first-do-no-harm.html?pagewanted=all&r=0>. [Accessed 28-October-2014]

⁶ "Protecting your assets: Why medical liability insurance isn't enough." AAOS. <http://www.aaos.org/news/aaosnow/jan08/managing6.asp>. [Accessed 31-October-2013]

⁷ "Accredited Investors." SEC. <http://www.sec.gov/answers/accred.htm> [Accessed 1-November-2013]

⁸ "Survey Reveals Doctors Making Mistakes With Disability and Business Overhead Insurance Coverages." The McGill Advisory. <http://www.insurance.ada.org/Upload/Article/The-McGill-Advisory-Survey-Reveals-Doctors-Make-Mistakes-Disability-Business-Coverage.pdf>. [Accessed 28-October-2013]



ON YOUR GUARD.

PLANNING FOR RETIREMENT CAN BE
UNSETTLING. YOU WANT TO MAKE
THE RIGHT DECISIONS FOR YOU AND
YOUR FAMILY, BUT WITH SO MANY
OPTIONS AND SO MANY NEEDS TO
CONSIDER, IT'S OFTEN NOT CLEAR
WHAT THE RIGHT ANSWERS ARE.

Investment Answers is here to advocate for you, your family and your hopes for the future.

*Explore your investment options at InvestmentAnswers.net, and get in touch with our
experienced advisors to start safeguarding what you've worked so hard to build.*

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