WEALTHCARE FINANCIALS

Income Protection for Veterinary Professionals: A Lending Guide

What Lenders Should Know About Veterinary Borrowers and Disability Risk

Veterinary professionals carry significant educational debt and, once established, generate strong incomes — making them attractive borrowers for specialty practices, equipment financing, and real estate. But one often-overlooked factor in long-term lending relationships is income protection: specifically, whether a vet's ability to repay is insured against a disability that takes them out of practice.

The Income Risk Physicians and Vets Share

According to the Social Security Administration, a working person faces roughly a 1-in-4 chance of experiencing a disability before retirement. For a veterinarian whose income depends almost entirely on hands-on clinical work — surgery, examination, procedures — even a partial or temporary disability can materially affect cash flow. Yet as of 2025, only 43% of working Americans owned disability insurance, according to the 14th Annual Guardian Workplace Benefits Study. That gap is meaningful when you're underwriting a seven- or eight-figure loan secured largely by the borrower's future earning capacity.

Why Veterinary Borrowers Are a Distinct Case

Veterinarians share several characteristics with physicians and dentists that lenders in healthcare specialty finance will recognize:

- Income tied to physical performance. A surgeon who can no longer perform surgery loses the core of their revenue. Disability coverage with an own-occupation definition matters here — it addresses whether the insured can perform their specific occupation , not simply any occupation.
- High debt-to-income ratios at career entry. New veterinary graduates often carry substantial student loan balances before building equity in a practice. Early in a career, an uninsured disability can destabilize loan repayment quickly.
- Practice value dependent on the owner-operator. Unlike some businesses, a veterinary practice's goodwill and revenue are frequently tied to one or two key practitioners. A disability affecting the primary vet can affect the collateral value of the practice itself.

How Individual Disability Insurance Fits the Lending Conversation

Lenders may already require life insurance assignments on business loans. Individual disability insurance can play a complementary role — not as a loan product, but as a layer of financial resilience that protects the borrower's income stream and, by extension, their ability to service debt. When referring a veterinary borrower to a disability insurance specialist, the key features worth discussing include:

- Noncancelable and guaranteed renewable provisions, which give the borrower long-term certainty about their coverage and premium
- Coverage that remains in force regardless of changes in the insured's health — provided premiums are paid

Coverage specifics, eligibility, and terms depend on the individual's situation and underwriting. A qualified specialist can walk borrowers through what may be available to them.

Making a Warm Referral Work

A referral from a trusted lender carries weight. Veterinary borrowers often haven't been systematically approached about individual disability coverage — it may not have been offered through their employer or veterinary school. Introducing the conversation as part of responsible financial planning, rather than a sales pitch, tends to be well received.

Wealthcare Financials works with lenders serving healthcare professionals, including veterinarians, to help their clients evaluate income-protection options. If you have borrowers who may benefit from this conversation, we're glad to be a resource.

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