

# What about “asset protection”?



# What to do with your assets?

- Weigh your risk from other lawsuits
  - More likely to lose assets from non-malpractice litigants
    - Spouses
    - Business partners
    - Investment partners
    - Injuries related to MVC's
    - IRS

# What to do with your assets?

- Transfer risk to Insurance
  - Legal
  - Death and Disability
  - Liability and Property (business and personal)
  - Health and Long Term Care
  - Consider Umbrella Policies

# What to do with your assets?

- Transfer titles into spouses name
  - Offers modest protection
  - “implied officer”
  - Courts look past the deed
  - Exposure to that persons liabilities
  - ~60% of marriages end in divorce
- Which is higher risk, marriage or malpractice?

# What to do with your assets?

- Homestead
  - Off limits in Florida and Texas
  - \$50,000 protection in other states
    - Depending on state either all or none equity
- “Tenancy by the entirety”
  - Allowed by ~17 states
  - Must be married
  - Can’t be forced to sell house to satisfy a claim

# What to do with your assets?

- Asset protection attorney
  - See the attorney FIRST
  - Conversations are protected by attorney-client privilege.
- Asset and financial planner SECOND
- Trusts are a viable option IF placed before legal actions.

# Off-Shore?

- Hold you in contempt until assets transferred back to US
- US Residency
- Expensive
  - Recommend \$500,000
  - \$20,000 to set up



# Serious Asset Protection

- See an Asset Protection Attorney...
- "...suggest using accounts receivable as collateral for a loan, which can be used, say, to fund an annuity or life insurance; the accounts receivable are owned by an LLC, which then appoints the practice as its collection agent. Day to day, nothing changes. You continue to collect the receivables and then pay off the loan when you retire. If there were a judgment against you or the practice, however, the receivables would be safe since creditors can't take an encumbered asset—but the distribution of receivables would be frozen..."

-“Protect your assets before  
you're sued”

Robert Lowes. Medical  
Economics, Feb 2003