

# 10 Important Financial Investments for Orthopods in India

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## Abstract

Orthopedic surgeons are usually well-versed in the medical parts of their career, but they may be less so in the financial aspects. The purpose of this article is to present orthopedic surgeons with a list of ten critical financial investments that will help them ensure their financial future and improve their practice. Orthopedic doctors may make educated decisions and develop a sound financial foundation for their careers and retirement by considering these investing avenues. The article will discuss a variety of investment possibilities, including stocks, bonds, real estate, and alternative investments, as well as how to manage funds wisely to maximize profits and minimize risks.

### Life Insurance Plan

Term life insurance is recommended for doctors due to its affordability and flexibility, but should not be mixed with money back clauses. The ideal life cover amount depends on income, financial obligations, and future goals. Dave Ramsey's Rule of Thumb suggests getting coverage 10–12 times your income, while the Life Insurance Amount Formula calculates needs by adding outstanding debts, projected family expenses such as kid's education and marriage, annual expenses, and deducting current savings and investments. The White Coat Investor recommends a 30-year term life insurance policy for simplicity, and it is generally wise to have life insurance until children become financially independent and you have enough money to care for your spouse.

### Mediclaim Policy

Mediclaim coverage is crucial for orthopedic surgeons and their families in

India to cover the financial impact of medical emergencies. Factors to consider include the sum insured, network hospitals, and pre-existing sickness coverage. For major cities like Delhi or Mumbai, an insured amount of Rs 10 lakh per person is recommended. For households of two adults and one child, Rs 30 lakh is recommended. Pre-existing diseases disclosure is essential to avoid reimbursement issues like refusal of claim. Health insurance portability allows policyholders to switch insurance companies for better coverage or services, without forfeiting any accrued renewal benefits waiting period for pre-existing diseases. However, portability is only available 45 days before policy renewal.

### Fixed Deposit

Fixed deposit plans provide greater interest rates than savings accounts, making them an appealing long-term investment option. Early withdrawals, on the other hand, may result in penalties or lesser returns. Before

investing, it is important to examine the bank's trustworthiness, interest rate offered, scheme duration, and other terms and conditions. It should be noted that the interest produced by these schemes is taxable.

### Gold and Gold Bonds

Gold and Sovereign Gold Bonds (SGBs) are attractive investment alternatives for doctors in India because they provide a buffer against inflation and a secure harbor for funds. Gold is a desirable asset that gains with time, but there are expenditures to consider such as storage and maintenance. SGBs, which were introduced in November 2015, are government securities priced in grams of gold with a set annual interest rate of 2.5% and an 8-year maturity with tax advantages. Individuals, HUFs, trusts, universities, and charity institutions are all eligible investors.

### Mutual Funds

Mutual funds have several benefits, including diversification, expert management, liquidity, and cost. Doctors can invest in mutual funds and can invest on their own or use an advisor. Systematic Investment Plans (SIPs) are a popular option for doctors to engage in mutual funds because they allow them to contribute small sums on a regular basis

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and profit from the power of compounding. Before investing, it is critical to assess several mutual fund options, such as direct investment, which lowers the expense ratio, and consider variables such as the fund's performance history, fund manager track record, fund stock portfolio, and investment strategy. One of the simplest methods is to invest in index mutual funds, which provide identical returns to indexes such as the Nifty50.

### Equity Stocks

India's economic might is increasing. As a result, equity stocks provide long-term development and capital appreciation potential for investors. Doctors should examine market risks carefully and diversify their investment portfolios. They can invest in large-cap stocks with a track record of consistent growth, such as Asian Paints and Pidilite, and equities traded funds, such as Nifty Bees, or seek professional assistance in developing a portfolio that is matched with their financial goals and risk tolerance. SIPs are popular for investing in equities companies. Due to stock market volatility, the investment horizon should be more than 5 years to expect returns of 12–15%.

### Professional Indemnity

In India, professional indemnity insurance is essential for orthopedic specialists since it protects legal responsibilities resulting from medical malpractice lawsuits. It shields doctors against financial risks such as judgments, arbitration fees, medical harm, punitive damages, restitution, attorneys' fees, legal costs, and penalties. For orthopedic surgeons, the insurance should give continuity of coverage for liability from previous years of practice, offer out-of-court settlement, and have a

minimum sum insured of 1 crore. The sum guaranteed is also determined by insurance period (any one year AOY) and accident times (any 1 time AOT). For complete coverage and dependable service, it is critical to renew the policy on time and to pick a renowned insurance provider. Various medical organizations, such as Maharashtra Orthopaedic Associations, have professional indemnity programs.

### Car Insurance

Before purchasing car insurance for doctors in India, it is crucial to consider the following factors: company reputation, coverage, exclusions, deductible, claim process, premium payment frequency, add-on options such as cashless facility, customer service, claim settlement ratio, and online buying option. The Insured Declared Value is the market price of a car and the maximum sum insured if the car is stolen or damaged beyond repair. The insurance premium is also directly proportional to IVD; hence, an appropriate IVD is important. The Incurred Claim Ratio (ICR) is the total claim amount paid by the insurance company in relation to the total premium amount collected in a financial year. A high ICR indicates good compensation settlement. By considering these factors, doctors can make informed decisions and get the most value for their money when purchasing car insurance in India.

### Real Estate

Residential, commercial, real estate crowdfunding, raw land, and real estate investment trusts are all types of real estate investments in India. These investments enable investors to diversify their portfolios while also generating rental income or capital appreciation over time. Doctors should evaluate their property's

location, thorough property registration documents check, and any legal concerns relating to the property to make informed judgments. They should define their investment goals and risk tolerance, as well as perform extensive study on market trends, property valuations, demographics, and possible future growth.

### Retirement Planning

Retirement planning is important in India for a variety of reasons, including financial stability, addressing increased life expectancy, managing inflation and healthcare expenses, taking advantage of tax breaks, and gaining peace of mind during the post-retirement era. Early in their careers, Indian doctors should begin planning for retirement, diversifying their retirement portfolio to spread risk and maximize returns, considering tax-efficient retirement planning strategies such as the Public Provident Fund and the National Pension System, budgeting for health-care expenses, and seeking professional advice. Starting early investment uses power of compounding which dramatically increase their retirement savings over time, while diversifying their portfolio can help balance risk and reward. Seeking competent financial counsel can assist Indian physicians in making educated judgments and navigating the complex retirement planning alternatives.

### Conclusion

In the end, we must diagnose our own financial literacy. We must learn and study to clear blind spots in our financial knowledge. Finally, just as we utilize our medical knowledge to operate and treat our patients, we should use our financial knowledge to be financially independent, wealthy, and to assist others in achieving their life goals.

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