

What If You Couldn't Be a Dentist?

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After years of education and training to become a dentist, what would happen if you were injured or became too sick and could not work? How would you keep up with daily or monthly expenses? Would you find yourself dipping into savings or retirement? Or, do you have a disability income policy in place?

The No. 1 reason an individual leaves the workforce early is health problems. You may or may not realize that disability income insurance is the best way to protect the income you have worked so hard to earn over the years. For most (in the event of illness or injury), without disability income coverage one's standard of living would greatly change. Disability insurance will help protect your income from the risk of a disability. Monthly benefits are provided to help cover everyday living expenses and maintain the lifestyle you have worked hard to earn. Know the difference between group and individual disability income (IDI). While both are advantageous, there are significant differences with respect to premiums and how coverage is outlined.

GROUP DISABILITY INCOME

Pros

- Can be written for a benefit period of 2 years, 5 years or to age 65.
- Group coverage does not require medical underwriting—if your health is not up to par, this is a better option for you.
- Premiums start out low.

Cons

- While group disability income tends to have lower premiums to start, rates are typically “age-banded”—over time (usually a period of every five years), insureds will see significant rate increases.
- Unlike individual disability income, on occasion, group disability income will require the participant to be totally disabled in order for benefits to be paid.

- Potential cancellation. More often than not, group coverage is an employee or member benefit. Once you leave your employer or are no longer a member of said entity, coverage could be cancelled.
- Some group disability income policies cap the obtainable monthly benefit amount which can be a disadvantage if/when you need more coverage.
- Less flexible design where coverage riders are concerned.

INDIVIDUAL DISABILITY INCOME

Pros

- Can be written for a benefit period of 2 years, 5 years, to age 65 or 67.
- Tends to have a benefit period to age 65 and provides the disabled party up to 60 percent of their pre-disability income.
- Premiums are locked in at the age in which you apply for coverage.
- Non-cancelable and guaranteed renewable to age 65. This means your policy cannot be changed or cancelled, as long as premiums are paid, until age 65.
- Own Occupation/Regular Occupation Rider. This rider allows you to continue to receive full benefits, regardless of the income you might earn from another occupation.
- Flexible product designed—you have access to coverage riders of your choice.

Cons

- The policy is medically underwritten, which is why this coverage is best to obtain prior to age 45. Age and poor health could mean coverage is up-rated or unobtainable.
- IDI does tend to be more expensive (initially) than group. However, rates are locked in—unlike group coverage.

So, what does MDIS recommend? Group disability income coverage can be advantageous for applicants who are older and/or in

poorer health. Rates are extremely competitive for younger dentists and can be a great option for those just embarking upon their new career. While group coverage is desirable for many, we do recommend said coverage is supplemented by an individual policy. Individual disability income allows the applicant to lock in a desirable rate at the time in which coverage is applied for, tailor the policy with riders specific to fit their needs, and obtain the maximum of 60 percent income available to them.

I also want to note that often we see group disability income policies being cancelled by insureds because premiums are no longer affordable due to the “age-banded” rates mentioned. Typically, when this happens (and one has not supplemented a group policy with individual coverage), disability income coverage is no longer obtainable or affordable.

In short, we want you to know your options. Study the pros and cons of individual and group disability policies. There is no “one size fits all” in the insurance industry. MDIS is here to help determine what the best options are for you and your situation. We will happily offer no-obligation individual disability income quotes through multiple carriers and will help you to select the best plan for YOU. Also, we currently have a new group disability income plan for MDA members only! We hope that many of you will find this to be a value-added service so stay tuned for more information. In the meantime, please contact MDIS regarding any questions or concerns you might have regarding disability income. 



For more information and guidance on disability policies, contact Lindsey, MDIS Practice Insurance Manager, at lindsey@mdis4dds.com or call 800-944-7550.