

# Disability insurance basics: What you need to know.



Whether you're already a practicing dentist or about to become one, you're likely planning on a long, successful career — with the financial rewards that go along with it. But what if you become disabled and can't practice dentistry for a period of time? If you can't work, you can't earn an income. Considering that you have a 1-in-4 chance of becoming disabled before you retire,<sup>1</sup> you can see why it's so important for ADA members to have disability income protection insurance.

Here are 6 important factors that you need to think about when you're choosing a disability insurance plan:

**1. TRUE "OWN OCCUPATION" COVERAGE.**  
This important feature pays 100% of your benefits if you're disabled, even if you're able to practice in another area of dentistry or in another profession. It's important to note that some providers will offer this coverage as an enhancement and may require you to pay an additional amount for it.

**2. YOUR INSURABILITY.**  
Your insurability is largely determined by your age and health. The younger and healthier you are, the easier it is to get insurance and the less it will cost you. Other factors can also impact your insurability, such as whether or not you smoke.

**3. RIDERS.**  
Riders are extra features that can be added to your policy for an additional fee to enhance your coverage for your specific needs and wants. Common riders include:

- Cost of Living Adjustment (COLA) — Increases benefits to keep pace with inflation
- Residual Plus — Provides benefits without being totally disabled
- Future Increase — Allows you to get more coverage in the future without a medical exam

**4. COST.**  
A number of factors can affect your premiums, such as your age, the amount of coverage you choose, features of coverage and riders, as well as the waiting period. You'll generally have the option of waiting 30, 60, 90 or 180 days before you start to receive benefits. Another factor is how your premium is charged — either level or graded. Level premiums may start a little higher, but then they stay the same for the life of the policy. Graded premiums start low and gradually increase every year.

**5. COVERAGE AMOUNT.**  
Your income will determine how much coverage you are eligible to purchase. The typical recommendation for coverage is 60% of your net monthly income. As you advance in your career and your income increases, you can apply for additional insurance or exercise a rider like the Future Increase Option to cover your needs.

**6. BENEFIT PERIOD.**  
A benefit period is the maximum duration for payment of disability insurance benefits. Most policies will provide benefits up to age 65, and some to age 67.

While you're looking into disability insurance, be sure to review ADA Disability Income Protection Insurance. This insurance includes true "own occupation" coverage as part of the base policy, so you won't have to pay an extra fee for it, with benefits paid to age 67. The coverage is available only to ADA members at one of the best rates on the market.

**To learn more about ADA Disability Income Protection Insurance and see how much you can save, contact an Insurance Plan Specialist or visit the website.**



866.607.5338



ADAPlanSpecialist@protective.com



ada.protective.com/IP

## ADA<sup>®</sup> Members Insurance Plans



<sup>1</sup>Office of the Chief Actuary. (2020, June). Disability and *Death Probability Tables for Insured Workers Born in 2000* (Number 2020.6). Social Security Administration.

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