

# Disability Income

Disability Income Insurance is much like a parachute! When it is time to use the product, it is not the time to question why you purchased a less expensive model...

Unlike a life insurance policy, where it is quite easy to figure out if a claim is to be paid or not, disability income policies vary significantly. The price differential between any two products will always be found in the "fine print". On the surface, two policies can appear the same while one is significantly less expensive. One or two words can literally change the entire policy. It could mean the difference between receiving benefits or not receiving benefits when disabled...

We have enclosed a disability income "primer" to help you when comparing different companies.

Please keep in mind we have access to most all of the disability insurance companies such as; Provident/Unum, Standard, Mass Mutual, Fidelity Security Life, , Guardian, and Union Central.

We have been working with the dental community for over 33years and offer only quality, time-tested products.

# “PRIMER” for Disability Income

## DEFINITIONS OF DISABILITY:

ANY OCCUPATION FOR WHICH YOU ARE REASONABLY SUITED – If the insurance company determines you are able to work in a reasonable occupation, you are not eligible for a benefit. **POOR!**

YOUR OCCUPATION AND NOT ENGAGED IN ANOTHER OCCUPATION “MODIFIED OWN OCCUPATION” – You are eligible for a benefit if you are unable to perform the material and substantial duties of your occupation, provided you choose not to enter a new occupation. **BETTER!**

TRUE OWN OCCUPATION “DOUBLE DIP”- You are eligible for a benefit if you are unable to perform the material and substantial duties of your occupation, regardless of whether you enter a new occupation. **BEST!**

## LENGTH OF BENEFIT PERIOD:

If you choose a true “OWN OCCUPATION” definition, what is the length of time this definition lasts? Two years, five years, to age 65 or 67? NOTE: If you choose a period of time less than age 65, it is very important that you understand how the policy reads after this period is up...

## WAITING PERIOD:

How long is the “waiting period” or “deductible” before your benefits start? 30 days, 60 days, 90 days, 180 days, 365 days? The shorter the waiting period, the higher the premium.

## **“RESIDUAL” OR “PARTIAL” DISABILITY:**

Some policies say they will provide you a benefit only if you are totally disabled. Others say “we also cover residual or partial disability” – however the *fine print* says you must meet your required waiting period while totally disabled – a partial disability will not count toward your waiting period! A strong contract (and more expensive) will read “DAYS OF TOTAL AND/OR PARTIAL DISABILITY WILL ACCUMULATE TO SATISFY THE WAITING PERIOD FOR EITHER TOTAL OR PARTIAL BENEFIT PAYMENTS”.

*An example of a partial disability claim:* After an illness or sickness, you are now only making half of what you were previously, the insurance company will pay you half of your benefit.

If you are comparing companies, it is very important you understand the differences in this portion of the contracts! Most illnesses start out as a partial disability, possibly leading you to a total disability. If you select a “TOTAL ONLY”, or a “TOTAL FIRST-THEN PARTIAL” your policy may never pay out!!!

## **NONCANCELLABLE & GUARANTEED RENEWABLE TO AGE 67:**

This provision means your policy cannot be canceled, premiums cannot be increased (unless you purchase additional protection) and restrictions cannot be added so long as you continue paying your premiums.

## **INFLATION RIDER:**

Inflation should not destroy your disability income program. An “Inflation Rider” will help you keep pace with inflation while totally (or partially, if purchased) disabled. Most companies offering this provision will adjust your benefits after being disabled for one year, and then continue to adjust each year thereafter. It is normal to tie the inflation increase to the Consumer Price Index (CPI-U). *CAUTION* – look for the maximum and minimum percentages; if these percentages are compounded each year or just added to the original benefit; and are there any “CAPS” (the maximum amount these increases can reach).

## **GUARANTEED PHYSICAL INSURABILITY RIDER (FUTURE INCREASE OPTION):**

These riders, or endorsements, provide you the right to purchase additional monthly protection without having to prove medical evidence of insurability (taking the physical) again. Late onset diabetes, macular degeneration, early arthritis, anxiety medications, back or knee injuries, aging of the spine, heart problems and high blood pressure are just some of the many reasons a professional cannot purchase additional coverage when needed most. *CAUTION* - watch for how much total additional coverage you can purchase, and how much can you purchase each year. It could be as little as \$500 additional each year, or up to one-half your basic monthly benefit – it’s all in the fine print!

## **WAIVING PHYSICIAN'S CARE:**

A company may waive the requirement of being under the regular care of a physician, if this care will not improve your condition.

## **TRANSPLANT:**

After your policy has been in force for a period of time, if a part of your body is transplanted to another person's body, and as a result you become totally disabled, a company may pay benefits as if the disability was due to a sickness. A few companies will even waive the waiting period and begin paying benefits effective the date of the transplant.

## **SPECIFIC LOSS:**

You may be considered totally disabled if you sustain the complete loss of hearing in both ears, sight of both eyes, speech, or the use of any two limbs. Physician's care may or may not be required.

## **H.I.V.**

If you contract the HIV virus, is that considered an illness even though you can still work?

## **SURVIVOR BENEFITS:**

If you should die, some companies will provide additional income to your surviving spouse, if any, or to your estate.

# **THINK ABOUT IT:**

**Buying disability  
insurance will cost you  
something...**

**Not buying disability  
insurance could cost  
you everything!**