



Lessons from a Disabled Dentist - by Bret Barger, DDS

When I graduated from dental school in 1989, I never dreamed that I would ever be in a position that I could not practice in the profession I love. As of April 1999 I became totally disabled from the practice of dentistry. At Georgetown University we were NEVER taught about the importance of protecting our most valuable asset, which is our ability to work and earn a living in the practice dentistry.

Fortunately for me, I was contacted by an insurance agent during my first year in practice that explained the importance of protecting my income and convinced me that disability insurance was something I needed. I had no idea that 1 in 3 dentists will be disabled for more than 90 days, 1 in 5 will be disabled for 5 or more years and 1 in 33 will become permanently disabled!

When I purchased my policy, I thought that I had the best available coverage with all of the proverbial "bells and whistles". It was only *after* I became disabled that I learned that I did NOT have the best possible coverage. This mistake will cost me almost 5 MILLION dollars Tax-Free over the life of the policy!

This is the major factor that has driven me to help other dentists prevent the same mistake. As you know, most insurance companies can use very tricky language and are looking out for *their* best interest NOT yours!!

Did you know that changing only ONE word in otherwise identical policies could change the value of the benefits by over one million dollars? Just ONE word! It is said that smart people not only learn from their mistakes but from the mistakes of others.

The following is a summary of the things that I did right and the things I did wrong:

THE THINGS I DID RIGHT

1. The most important thing that I had in my policy was a *TRUE* "OWN OCCUPATION" definition of disability. What this means is that I will receive my benefits until I am age 65 because of the fact that I am totally disabled in my regular occupation regardless of ANY other income I earn in another occupation even if I taught dentistry!

There are many companies advertising "own occupation" however, if you return to work in any occupation, your benefits will be offset by your new income.

The litmus test here is do you get your benefits regardless of any other income you earn after you are disabled as a dentist?? Make absolutely certain you know the answer to this question before purchasing or changing a policy!

2. The second most important thing that I had in my policy was Future Increase Options. This allows you to increase your benefits based *ONLY* on your income and *NOT* on your health. This was extremely important to me because I was partially disabled *BEFORE* becoming permanently disabled.

I was then able to return to work and had a substantial increase in income at which point the insurance company was obligated to increase my benefits despite my health problems.

3. The next most important thing was having residual benefits that kicked in

WITHOUT requiring total disability first. Many policies require you to be totally disabled first before they will pay for partial disability benefits.

4. Another important thing I did right was having a Non-Cancelable & Guaranteed Renewable policy. This means that the insurance company could NEVER cancel the policy and that they could NEVER change the terms or cost of the policy.
5. I did NOT purchase the "Return Of Premium" option. This is probably the worst investment a dentist can make! A substantial cost is added on to the front end of this policy. The insurance company merely borrows the extra premium that YOU pay and they earn interest on it for themselves, and they promise to give you 75-80% of your total premium back so long as you never have any claims.

You should purchase a policy thinking that someday you might need it so make sure that the substance of the policy is good and that you are not purchasing a "gimmick"! This is a situation where you are letting an insurance company invest YOUR money and then they earn the interest on their over-priced base policy. The real problem lies with the fact that if you ever need your disability policy the "refund" that you get will be decreased by whatever amount the insurance company has paid out and you can lose your entire "investment" in a matter of months. Most financial planners discourage their clients from this type of plan. REMEMBER, the most important aspect of a disability policy is the contractual content of the plan itself!

THE THINGS I DID WRONG

1. I did NOT have the ability to exercise my future increase options after I became disabled. During my last full year practicing I made considerably more money than the previous two years but I did NOT increase my benefits to reflect this increase in income. This cost over 1.3 million dollars!
2. I did not purchase the cost of living adjustment "COLA". This one mistake alone will cost me more than 1.1 million dollars! I asked my insurance agent why he had not discussed or recommended this option and his reply was "I was just trying to get you to buy something".
3. I did not choose to include a lifetime benefit. This mistake will cost me over 2 million dollars!
4. I did not have a policy that waived my deductible (elimination period) after being partially disabled, so I had to wait another 90 days for my benefits to begin. This cost me only \$18,000.
5. I did not have a disability policy to cover my business overhead expenses. This cost me several hundred thousand dollars!

In summary, I only wish that I knew then what I know now! The difference in premium between being properly protected versus being marginally protected is minimal! When it comes to protecting YOUR income don't buy based on price alone, because as with all things in life, you get what you pay for especially in insurance.

Should you ever become disabled would you prefer to explain to your family why you purchased a less expensive policy that won't pay adequate benefits or why you purchased the best policy that will allow your family to maintain their current lifestyle??

Don't leave your financial future to chance. Properly protect your most valuable asset! Should you have any questions or concerns about your existing policies or if you would like a complimentary review of what you currently have you may either [request a quote](#) or [contact me](#) personally.

[back to articles](#)

[about](#) | [articles](#) | [request personalized information](#)
[contact](#) | [feedback](#) | [home](#)

