



INSURANCE FOR NEW DENTAL SCHOOL GRADUATES

A look at options that help protect your family and your practice as you embark on your dental career.

Congratulations — you’ve made it through dental school! Now it’s time to start planning for the rest of your life. Regardless of your career path in dentistry, it’s important to consider the protection of disability, life and supplemental medical insurance.

➔ **HERE’S AN OVERVIEW OF THE TYPES OF INSURANCE YOU SHOULD CONSIDER BASED ON YOUR POST-GRADUATION PLANS.**

THE INSURANCE EVERYONE NEEDS TO CONSIDER

Disability income protection insurance can help replace your income if you become disabled and can no longer practice your specialized area of dentistry. Look for a true “own occupation” policy, which means that if you are disabled from your specialized area of dental practice, you can still receive benefits even if you are able to work in another area of dentistry, or in another field. If you have student loans, overhead expense insurance will help ensure that you can pay your student loans if you become disabled, in addition to keeping your practice running if you have one.

Life insurance is essential, especially if you have a family or plan to start one. A life insurance policy can help make it possible for your family to maintain their standard of living, even if you’re no longer there to provide for them. You don’t need to have a family to think about life insurance because the younger and healthier you are at the time of purchase, the lower your premium will generally be. You can choose between annually renewable term policies where the premiums start lower and increase with age or level term insurance plans, in which the premium remains the same for a fixed period of time. Remember that if you choose a level term insurance plan, your premiums are averaged over the term of your policy, and you will be paying more when you are just starting out than you would with an annually renewable term policy.

To help protect your savings against unexpected healthcare costs, consider a **supplemental medical insurance plan**, which can help cover the high out-of-pocket costs typically associated with high-deductible health plans and with individual health coverage purchased under the Affordable Care Act exchanges.

1 OUT OF 4 DENTISTS will be disabled long enough to collect benefits at some point before retirement.¹

INSURANCE BASED ON YOUR CAREER PATH

The career path you choose will also influence your insurance needs. Depending on whether you are planning to go into residency, a Dental Service Organization (DSO), a small group practice or an individual practice, the type and amount of coverage you’ll need will vary.

Completing additional education

While you may not be bringing in a substantial income, you should still consider financial protection for you and your family. Look for options that are no cost or low cost but will still provide enough coverage to meet your needs, especially if you’re going to be in a long-term residency.

Buying a practice

You’ll likely need a bank loan to start a practice, and to obtain it you’ll need some type of collateral, for which many dentists use life insurance. This strategy, known as “collateral assignment of a life insurance policy,” enables your lender to collect some or all of your life insurance (depending on how you set it up) if you still owe money on your loan at the time of your death.

Also consider office overhead expense insurance. These policies help protect your practice if you become sick or disabled by covering important business expenses, like employee salaries, rent or mortgage, supplies, and even your student loan payments (regardless of whether you own a practice or not).

Working for a DSO or as an employee at a practice

Find out whether your employer provides disability and life insurance. If it does not offer both, you’ll need to find your own coverage. Even if your employer does offer disability insurance, does the plan provide you with sufficient coverage, including a true “own occupation” provision? If not, consider obtaining your own coverage.

It’s also a good idea to check if you can continue your employer’s life insurance if you change jobs down the road. Remember that you typically need to medically qualify for life insurance, and it could become more difficult to obtain new life insurance or qualify for preferred rates later in your life.

Right for your situation

Wherever your career takes you, insurance can help protect what you’ve worked so hard to build. Look for the coverage that’s right for your situation. Reach out to your Insurance Plan Specialist to talk about your career plans and discuss how to customize your insurance portfolio to meet your needs. They can help you determine what type and how much disability and life insurance coverage you’ll need. They can also help you consider whether you need office overhead expense insurance and supplemental medical insurance plans.

Insurance can help protect what you’ve worked so hard to build.

¹Office 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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