

What Does “Specialty Own Occupation” Really Mean?

Policy definitions are confusing, not only to dentists but also to many of the insurance professionals who sell them. Below we will try to provide an understandable explanation of the different types of total disability definitions and how they work. It is critical to understand that **it’s not what the MARKETING MATERIAL says** that governs how your policy defines total disability. It’s what the policy definition says.

Total Disability definitions do 3 things:

- Define what your occupation is (this is where the “Specialty” language comes into play).
- Define what criteria you have to meet to be considered totally disabled from your occupation.
- Define what happens if YOU CHOOSE to return to work in another occupation.

First, let’s define **what your occupation is**.

The best policies define your occupation as your “regular or own occupation to age 65”. **This means the insurance company cannot force you to work in some other occupation that they think you are qualified to work in, if you are totally disabled from your own occupation.** Policies that insure your ability to work in your occupation to age 65 are typically referred to as:

- “Regular Occupation (Reg. Occ) to age 65”,
- “Your Occupation (Your Occ) to age 65”, or
- “Own Occupation (Own Occ) to age 65”.

You should consider these names interchangeable. It’s not the term used that differentiates one total disability definition from another. It’s how the insurance company writes the definition of total disability. So read your definition of total disability carefully. Don’t assume you understand what it means just because your broker says you have “Own Occ to age 65”.

What is “Specialty Own Occ”?

“Specialty Own Occ” further defines and narrows what your occupation is. It means that for purposes of **defining what your occupation is**, the disability contract specifically states your occupation is your dental specialty, assuming you are a full time practicing dental specialist. If you are a general dentist, then “Specialty Own Occ” means your occupation is defined as general dentistry, instead of a sub-specialty.

Most insurance policies do NOT include this “specialty” language. They make statements similar to the following **“your occupation is the occupation or occupations you are engaged in at the time of disability.”**

Is there a difference between these definitions? That’s the million dollar question and it’s a very complicated one.

Below, are two scenarios to illustrate this problem.

Example 1

- You practice full time in a recognized subspecialty of dentistry
- You are be totally disabled from your dental specialty BUT

- You ARE able to work in another area of dentistry (general dentistry or a different subspecialty) **and choose not to**.

If you have a policy that specifically states your occupation is your dental specialty, technically, you should be able to file a claim for total disability, in the example above.

HOWEVER, how realistic is this scenario? Dentists are surgeons. You use your hands and eyes. A bad back, arthritis, tremors in your hands, damage to your eyes, heart problems or some other medical issue that disables you from one specialty in dentistry will disable you from all dental specialties, including general dentistry, which would make the above example an interesting sales gimmick versus a valid benefit of “Specialty Own Occ.” There isn’t a **legitimate claims scenario** where a dentist with a recognized sub-specialty is totally disabled from that specialty but able to practice as a full-time general dentist.

Furthermore, a company with “Own Occ to 65” can also consider your dental specialty your occupation, for purposes of determining if you are totally disabled. Many of them claim to do exactly that. However, if it’s not in writing, it’s not guaranteed.

Example 2

You are practicing general dentistry and are totally disabled **from seeing patients**. However, the insurance company determines you are able to get a job doing claims consulting work with a dental insurance company or teaching at a dental school.

The “Specialty Own Occ” definition **MIGHT** declare you totally disabled but so might the “Own Occ” definitions without the specialty language. Why isn’t it guaranteed that you’ll be declared totally disabled?

In order to be considered totally disabled under any definition, the insurance company would have to define your “Occupation” as **being able to perform dental surgeries and see patients**. If you have that in writing, you have something important. If you don’t have it in writing, the insurance company can take the position that you couldn’t get a job teaching at a dental school or consulting for a dental insurance company without having a DDS or DMD. Therefore, those occupations are within the scope of your occupation.

So, is a policy with “Specialty Own Occ” better than a policy without “Specialty Own Occ”? If you have a subspecialty in dentistry and that is the **ONLY DIFFERENCE** in the two contracts, yes. It does provide a more narrow definition of what your occupation is, which is good for you. Unfortunately, the companies that offer “Specialty Own Occ” to dentists have other weaknesses compared to some of the carriers that offer “Own Occ to age 65” and they **cost substantially more** (up to 50% more).

What criteria must you meet to prove you are totally disabled from your occupation?

Most carriers state you must be unable to perform the “material duties” or “the material and substantial duties” of your occupation. The insurance company reviews your job duties, **at the time of claim**, and identifies which of those duties they consider “material”. If you can’t do any of those duties, then you are totally disabled.

What are the material duties of a general dentist or dental specialist? Certainly patient care functions and the ability to perform the dental procedures of your specialty are material. Are there other “material duties” that a dentist might perform? It depends on what you are doing at the time of claim. Are you teaching 2 days a week or managing several dental offices and

multiple dentists, which takes 25% or more of your time? If so, these duties could be considered material also, even by the companies offering “Specialty Own Occ”.

So, if you were totally disabled from performing patient care duties but could still perform your teaching and management duties (which you were doing before you became disabled) would you be considered totally disabled? Our opinion is you would NOT. You would probably be considered partially or residually disabled and paid based on the percentage your income was reduced. However, depending on how much your income was reduced, you could still collect 100% of the benefit for total disability. This will be explained shortly.

What happens if YOU CHOOSE to go back to work?

There are 3 types of “Own Occupation to age 65” definitions. All 3 differ in how they pay claims if YOU CHOOSE to return to work in another occupation while you are totally disabled from your own occupation. The “Specialty” definition can be attached to any of these 3 definitions.

“True Own Occupation to age 65 (True Own Occ)”: This definition of total disability says *if you are totally disabled from your own occupation and **you choose to work in another occupation, 100% of the benefit is payable for the entire benefit period.*** Benefits are NOT reduced by income earned in another occupation.

This is the definition that insurance agents will tell you is the “best” definition of total disability. Why, because if you are totally disabled from dentistry you collect full benefits, regardless of what you do or how much money you make. So, the true value of this definition is it allows you to make more money totally disabled than working full-time as a dentist.

This definition is NOT available through any Association Group Disability product we are aware of (including the ADA), even if their marketing material says it is.

Is there a downside to True Own Occ? Yes...companies offering “True Own Occ” to dentists **limit benefits for mental and nervous disorders (which include stress or stress related conditions and typically substance abuse) to 24 months.** Since stress related illnesses are one of the leading causes of disability, this is a very important restriction. In addition, the “True Own Occ” policies are also **much more expensive** (up to 50% higher in premium) than the other types of “Own Occ to age 65” definitions.

Most Individual products available today offer **“Own Occupation and not working to age 65,”** assuming you have an age 65 benefit period. *This is the **best** definition we have seen in an Association Group policy.*

- This means if you are totally disabled from your occupation and **YOU choose not to work in another occupation** (the insurance company cannot force you back to work in a new occupation), 100% of the benefit is payable to age 65.
- With most of the Individual Disability Income products, **if YOU choose to work in another occupation** and earn less than 25% of what you did as a dentist, 100% of the benefit is still payable.
- With most of the Individual Disability Income products, **if YOU choose to work in another occupation** and earn more than 25% of what you did as a dentist, your income loss is calculated and that same percentage of your total disability benefit is paid to you. *Most Association Group policies work in a similar fashion.*

Example: If you were totally disabled from practicing dentistry, worked in another occupation and had a 60% income loss, then 60% of the benefit for total disability would be payable. You must have at least a 20% income loss to qualify for this benefit.

“Transitional Own Occupation, to age 65” is a relatively new definition. The difference between this definition and “Own Occupation and not working” is, *if **YOU choose to work in another occupation** the Disability Benefit is NOT reduced unless your benefit for total disability plus the income from your new occupation is MORE than 100% of your income before disability.*

Example: If your income prior to disability was \$20,000 per month, your Disability Income benefit was \$10,000 per month, and you were totally disabled from practicing dentistry and **you chose** to work in another occupation, you could earn up to \$10,000 per month in the **new occupation** without the Disability Income benefit being reduced.

Conclusion

Today, policies offering dentists “True Own Occ to age 65” **limit benefits for mental and nervous disorders (which include stress or stress related conditions and typically substance abuse) to 24 months and have much higher premiums** than policies with “Transitional Own Occ” or “Own Occ and not working.”

Since stress and stress related conditions are one of the leading causes of disability, ask yourself this...

- Are you better off with a policy with Transitional Own Occ that pays benefits for stress related disabilities to age 65, costs up to 50% less and does NOT reduce your disability benefit unless your income plus your disability benefit exceed 100% of how much you earned as a fulltime dentist (which is adjusted each year based on the change in the CPI) or a policy that STOPS payments after 24 months for stress related claims but, **potentially,** allows you to make more disabled than working as a dentist, if it's not a stress related claim?
- Is it even realistic to think if you were disabled from dentistry, you could find another occupation that would generate enough income that when combined with your Disability Income coverage exceeded 100% of your income as a dentist?

What people forget is **you have to prove you are totally disabled from dentistry for any of this to matter.** Things like heart problems, cancer, neurological problems, rheumatoid arthritis, back problems, or any other serious and debilitating condition will, typically, keep you from pursuing another occupation that pays a lot of money. If your income is \$20,000 a month and you are carrying \$10,000 a month of Disability Income coverage, you can earn \$10,000 a month in a new occupation without impacting your insurance benefit (with “Transitional Own Occ”).

Where do you find a job that generates \$10,000 a month of income, keeping in mind that you have a serious medical problem?

If you have the “Own Occ and not working” definition, using the same example above, you can earn \$5,000 a month without impacting your insurance benefit.

What's important is having Own Occ to age 65 so that the insurance company cannot force you back to work “in any occupation” after a specific period of time (typically 24 or 60 months of total disability). If you want to pay the extra premium for Transitional Own Occ or True Own Occ...do it. However, NOT DOING IT does NOT mean you've made a huge mistake or that your coverage is inadequate.

To make matters even more confusing, the **“specialty definition” can be included in any of the three types of Own Occupation definitions** (True Own Occ, Transitional Own Occ, or Own Occ and not working). Example: You can have a policy that has “True Own Occ” or “True Specialty Own Occ” or “Own Occ and not working” or “Specialty Own Occ and not working”, etc.

The bottom line is...”Specialty Own Occ” is another one of those policy provisions that sounds sexy but, **in the real world of dentistry**, may not be any different than “Own Occ to age 65.” So, it should NOT be the deciding factor in buying one policy over another.

If you’ve stuck with us this long, hang in there for a few more paragraphs.

A few other major product differences

- Whether or not the policy pays benefits to age 65 for “mental and nervous disorders,” **which include stress and stress related disorders** (we discussed this above).
- **The Catastrophic Disability Benefit (CDB)**, offered by some Individual Disability Carriers, allows you to insure **up to 100% of earnings**, in the event you are disabled by a catastrophic disability. Catastrophic disabilities are typically defined as disabilities that result in the inability to perform two or more activities of daily living, or the permanent loss of use of two limbs, or speech, or hearing in both ears or sight in both eyes, or the disability is caused by a cognitive impairment (e.g., Alzheimer’s). Many policies that were issued prior to 2006 do NOT contain this rider.
- **Benefit Update (BUR)/Future Increase Option (FIO)** riders are offered by most Individual Carriers. They guarantee that every 1, 2, or 3 years you have the option of increasing your benefit, regardless of your health, if you qualify financially. **This provision is very important for dentists who expect their incomes to increase significantly in the future.** Most companies charge an extra premium for these riders.
- **Automatic Increase Option (AIO)/Future Benefit Increase (FBI)** riders are offered by some Individual Carriers. They automatically (**no medical or financial underwriting**) increase your benefit by a stated amount (typically 4% or 5%) or by the change in the CPI, for 5 years. After 5 years, you can renew the rider if your current coverage does not exceed what you qualify for based on your income. Most carriers offering this benefit charge an extra premium for it.

Disability Specialists, Inc. is the plan administrator. You can request a personalized premium quote and receive the actual policy definitions by returning to the Home Page and clicking the **Request a Quote** button. If you would prefer to speak with a Disability Specialists Advisor, call (888) 279-8348 (7:00 am to 4:00 pm Mountain Time). Just identify yourself as an association member when you call and you will be given information on the programs in which you are interested.

Take the time to talk to a Disability Specialists Advisor and compare your current coverage to the Principal Life policy. It could save you premium dollars plus dramatically increase the amount of benefit you collect if catastrophically disabled.

This article is not intended to be legal advice or a complete comparison of the products offered through the different carriers. Our intent was to point out the differences in some of the more important definitions of disability. Our representations are based on the policy information we reviewed from a variety of Individual and Association Group products. These representations are not binding to the insurance company underwriting the products. The actual policy provisions will determine how claims are paid.