WEALTHCARE FINANCIALS

Group Disability Coverage at Work: What Physicians and Dentists Should Know Before Assuming They're Protected

"I Already Have Coverage Through My Employer" — A Closer Look

It's one of the most common responses when the topic of disability insurance comes up: I'm covered through work, so I'm good. For physicians and dentists, that confidence is understandable — employer-sponsored benefits feel like a solved problem. But group disability coverage and individual disability coverage are built differently, and the gap between them can matter significantly if you ever actually need to file a claim.

This isn't about dismissing what your employer provides. It's about understanding what you have — and what you may not.

How Group Coverage Typically Works

Employer-provided group long-term disability policies are a valuable starting point. They're usually straightforward to enroll in and require no medical underwriting at the time of hire. But a few structural features are worth examining carefully.

- Portability. Group coverage is tied to your employer. If you leave the practice, join a different health system, move into an administrative role, or launch your own clinic, that coverage may not come with you. Individual policies, by contrast, belong to you.
- Benefit caps. Many group plans cap monthly benefits at a flat dollar amount rather than scaling with your actual income. For higher-earning specialists, this can mean your benefit replaces a much smaller fraction of your take-home pay than you might expect.
- Taxability of benefits. When your employer pays the premiums for group DI, any benefit you receive is generally taxable as ordinary income. If you pay your own premiums — as with an individual policy — benefits may be received income-tax-free. The net difference can be material when you're trying to sustain a household during a disability.
- Definition of disability. This is often where the details matter most. Some group policies shift from an own-occupation standard to an any-occupation standard after an initial benefit period — meaning you may need to demonstrate you can't perform any job, not just your specialty. Individual policies with a true own-occupation definition are structured differently, and for a physician or dentist whose income depends on a specific set of skills, that distinction can be significant.
- Carrier control over terms. Most group policies are not noncancelable. The insurer can adjust premiums or terms at renewal. Individual policies structured as noncancelable and guaranteed renewable lock in your premium and coverage terms, typically to age 65 or 67, regardless of changes in

The Underlying Risk Is Real

According to the Social Security Administration, a working person faces roughly a 1-in-4 chance of experiencing a disability before retirement. That's not a remote scenario — it's a planning consideration that deserves the same attention you'd give your malpractice coverage or your retirement contributions.

Yet data from the 14th Annual Guardian Workplace Benefits Study (2025) shows that only 43% of working Americans owned disability insurance that year. Among physicians and dentists, group coverage through an employer often creates the perception of being covered — without the full picture of what that coverage does and doesn't include.

Group and Individual Coverage Can Work Together

The goal here isn't to replace your group plan. In many cases, the most practical approach is to understand what your group policy provides and then evaluate whether an individual policy can address the gaps — portability, benefit limits, tax treatment, and definition of disability among them.

An individual disability policy can be structured to complement existing group coverage rather than duplicate it. For physicians and dentists in particular, locking in individual coverage while you're healthy and actively practicing is worth considering; individual policies require medical underwriting, and the ability to qualify — and at what terms — can change over time.

A Reasonable Next Step

If you haven't reviewed the actual terms of your group policy recently, that's a practical place to start. Locate the summary plan description and look specifically at the benefit cap, the definition of disability, and whether the policy follows you if your employment situation changes.

From there, a conversation with an advisor who works in this space can help you identify whether your current coverage aligns with your income, your specialty, and your longer-term plans — or whether there's a gap worth addressing.

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