



An Introduction to Dentists' Provident

**DENTISTS'
PROVIDENT**



Set up over 100 years ago, Dentists' Provident is the leading provider of income protection insurance to dentists in the UK and Ireland. We'll help you create a comprehensive income protection solution customised to meet your current needs and flexible enough to adapt to your future.

As a Friendly Society, we're a mutual organisation with no external shareholders, so we're committed to acting in the best interests of our members.

Because we're a mutual, not only do we offer superior income protection benefits, we also allocate a share of any surpluses from our insurance business and our investments to each member every year. These bonuses accumulate to a cash lump sum available to you at retirement, currently free of UK income tax and capital gains tax.

Who can become a member?

All dentists working in the UK, Ireland, Channel Islands or the Isle of Man, aged between 18 and 50, can apply to become a member of Dentists' Provident.

What's income protection?

Put simply, income protection insurance provides you with a proportion of your income, currently free of UK income tax, if you can't work because of an illness or injury.

It lets you get on with life without having to worry about the consequences of ill-health for you, your family and your finances.

Why do I need income protection?

Nobody expects to fall ill or have an accident, and you may be prepared to gamble it won't happen to you. However, one million people a week take sick leave in the UK. While the majority will return to work quickly, in an average week 3,000 people are off sick for more than six months and, of those, 80% will still be off work five years later*.

A total of 190 million working days were lost in the UK in 2010 due to sick leave, with long-term absences of over four weeks accounting for 32% of those. Psychological health problems such as stress, anxiety and depression, back pain and other musculoskeletal problems and cancer treatment account for the largest proportion of time lost in long-term absence, while minor illnesses remain the most significant single cause of short-term sick leave**.

We all know dentistry is a physically and mentally demanding occupation, so it's no surprise that many dentists suffer some form of illness or injury during their careers. Have you thought about how you'd cope financially in the event of ill-health?

Dentists' Provident protects over 13,000 dentists, and each year around 1,500 of these claim benefits. Some of our members will never be able to return to work and will receive benefits until they reach retirement age. Currently, we're paying long-term benefits to over 150 members, some of whom are just in their early 30s.

What are the standard contract features?

These are some of the standard features of our income protection contract:

Own occupation definition of incapacity: Our standard definition of incapacity is based on your inability to perform your own occupation due to an illness or injury. Some other insurance providers require that you're unable to perform any occupation before you're eligible to receive benefit payments.

Claim security: Your entitlement to benefit payments continues for as long as you're incapacitated and suffering a loss of earnings or until you retire. We'll never refuse a claim or cancel your membership simply based on the number of claims you make, and your claims won't affect the premiums you pay. However, your premiums will increase with age, unless you've chosen the Level Premiums option within certain packaged contracts.

Tax-free benefits: All benefits you receive from Dentists' Provident are currently free from income tax and capital gains tax in the UK. This includes not just your benefit payments but also the cash lump sum available to you at retirement.

Career break option: If you choose to take a career break, you can suspend your cover for up to two years and resume it at the original level without a medical reassessment.

Currency choice: You can decide whether you'd prefer to pay your premiums and receive your benefits in Pounds Sterling or Euros.

What decisions do I have to make?

To create a customised income protection solution, you'll need to make decisions about the following:

Level of weekly cover: You'll need to decide what level of weekly cover you need. Our income protection contract will pay you up to 60% of your gross income and the maximum initial level of cover you can apply for is £1,200 per week.

Deferred period: You'll also need to decide how soon after the start of any illness or injury you'd like your benefit payments to start. This is known as the 'deferred period'.

You can choose to have your benefits payable from the first day of incapacity or after a deferred period of any number of weeks between one and 52, or even two years. The longer the deferred period, the cheaper your premiums are likely to be.

If you're entitled to receive sick pay for a specific length of time from your employer, have other income protection insurance policies, or wish to rely on savings during short-term incapacity, you can choose deferred periods that provide a seamless fit.

For example, if you're entitled to receive sick pay from your employer for up to four weeks, then you might choose an income protection contract which has benefit payments deferred for four weeks. However, if you're self-employed and won't receive any sick pay, then you might choose to have your benefits payable from the first day of any illness or injury. You can also choose multiple deferred periods within your contract.

Benefit payment options: You'll need to decide what happens to your benefit payments in the event of a long-term claim:

Indexation of Benefit Payments:

Choose this option if you'd like to have your benefit payments increase in line with inflation each year, helping preserve the real value in the long term. This is the most expensive of the three benefit payment options.

Level Benefits: Choose this option if you'd like your benefit payments to remain at a constant level throughout a long-term claim.

Reducing Benefits: Choose this option if you'd like your benefit payments to reduce over time during a long-term claim. With this option, you'll receive the full weekly rate for the first 26 weeks of any claim, 50% for the next 26 weeks and 30% for the remainder of the claim. However, this option is only available where you've chosen to have benefits payable from the first day of incapacity.

Shareholding: You'll also need to decide what shareholding you'd like, as your entitlement to share in our surpluses is determined by the number of Shares you hold.

All members of Dentists' Provident must hold at least 1 Share, but the maximum number you can hold depends on the level of income protection cover you have, subject to an overall maximum of 2,000 Shares.

What are the additional options?

You'll also need to decide whether you'd like to include any of the following four additional options within your contract:

Escalation of Cover: Choose this option if you'd like your cover to increase each year in line with inflation, regardless of any claims. If your income doesn't increase in certain years and does in others, you can refuse Escalation of Cover in some years and accept it in others.

Increasable Sickness Benefit: Choose this option if you'd like the opportunity to increase your cover, subject to certain limits, without the need for further medical evidence on the 6th, 12th and / or 15th anniversary of taking out the cover.

The increases under this option are in addition to Escalation of Cover and you can use them to adapt your cover to major events in your life, like marriage or civil partnership, purchasing a new practice or home, becoming a parent, or when you enjoy a significant increase in your income.

Severe Disability Benefit: Choose this option if you'd like to receive a regular top-up payment of 20% of the value of your weekly benefit payments as at the start of the claim, if your incapacity satisfies certain predefined criteria.

We know that certain illnesses or injuries can change your life forever and, if the worst were to happen, your long-term financial requirements may be greater than those covered by your regular income protection benefit payments.

Enhanced Death Benefit: Choose this option if you'd like us to pay your estate a one-off lump sum, equal to 26 weeks of benefit payments, if you die within 12 months of the start of your claim because of the illness or injury you claimed for. This is paid in addition to the cash lump sum which accumulates as a result of your shareholding.

What packages are available?

In addition to our customised contracts, we've designed three simple packages – Essential, Classic and Premier – for each of the main salaried and self-employed occupational classes for dentists. Each package is designed to meet varying levels of affordability and comprehensiveness of cover.

To select the package which is right for you, first choose which occupational class most accurately describes your current occupation. This will determine the deferred period for your income protection contract. If you select 'General Dental Services', you then have a further choice of five deferred periods.

Next choose the features you'd like within your contract, by selecting one of the three package types – Essential, Classic or Premier.

If you choose a packaged contract, you'll be given a shareholding of 1 Share as standard, but you can choose additional Shares.

We also offer tailored packages for dentists undergoing Vocational, Foundation or General Professional Training, with a 90% discount on standard premiums for up to 12 months. You can find further details in our 'Discounted Income Protection Packages' brochure, which you can request from our Member Services Department or find within the Document Library section of our website.

Can I change my contract?

Yes, it's important that you regularly review your contract and consider whether your earnings or living costs have changed. If you choose to increase your cover, add options or reduce the length of deferred period within your contract, these changes will be subject to new medical evidence. However, if you choose to reduce your cover, increase the length of deferred period or change your shareholding, we won't need a medical reassessment.

Occupational Class					
	Community Dental Services	Dental Public Health	Dental Teachers Group	Hospital Dental Services	General Dental Services
Deferred Period	Half your cover has a deferred period of 26 weeks and the other half has a deferred period of 52 weeks				Benefits payable from the first day of incapacity
					Deferred period of 4 weeks
					Deferred period of 13 weeks
					Deferred period of 26 weeks
					Deferred period of 52 weeks

Package Types			
	Essential Package	Classic Package	Premier Package
Standard Features	Level Benefits	Indexation of Benefit Payments	Indexation of Benefit Payments
		Escalation of Cover	Escalation of Cover
			Increasable Sickness Benefit
			Severe Disability Benefit
			Enhanced Death Benefit
			Level Premiums

Can I cancel my membership?

Yes, but if you cancel your membership before retirement, your cash lump sum will be subject to a penalty. For example, if you've been a member for less than two years, you'll forfeit your full cash lump sum.

Our standard retirement age is 60, but you can choose to retire at any time after 50 without penalty.

Contact us

If you'd like further information, or a personalised quotation, please contact our Member Services Department:

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Dentists' Provident is the trading name of Dentists' Provident Society Limited which is incorporated in the United Kingdom under the Friendly Societies Act 1992 (Registration Number 407F) and is authorised and regulated by the Financial Services Authority (Firm Reference Number 110015).

* Source: Department for Work and Pensions news release, 27 March 2007

** Source: CBI / Pfizer Absence and Workplace Health Survey 2011

All references to taxation are in relation to UK residents. The tax treatment of the contract in other jurisdictions may be different.

HM Revenue & Customs rules regarding tax treatment of premiums and benefits in relation to Holloway Contracts and income protection insurance may change in the future.

Full details of our contract are contained in the Memorandum and Rules. Applications are required and non-standard terms may apply. Nothing in this guide constitutes an invitation, inducement or offer to subscribe for membership or additional benefits of Dentists' Provident.

This guide is intended for general information only. It is not designed to provide financial or other advice, nor is it intended to make any recommendations regarding the suitability of the Society's contract for any particular individual.