

## Employed or Independent Contractor Dentists

*Updated  
June 2006*

*Serving  
Dentistry for  
More Than  
30 Years*

Additional  
Information is  
Available at the  
Vault

DentistFile.com

W. BRYAN LAU  
INSURANCE

PO Box 3436  
Laurel, MD 20709

Phone: 301-470-6126

Fax: 301-470-3634

Email: [bryanlau@lau2.com](mailto:bryanlau@lau2.com)

### I Have Just Hired a Dentist

#### Professional Liability Insurance

The Dentists Advantage policy insures the Dentists Named on the Policy, and the Partnership or Corporation named on the policy (if applicable).

**Employed Dentist.** An employed Dentist will normally be paid a salary and the practice will withhold payroll taxes and FICA. This person would be issued a W-2 at the end of the year.

An Employed Dentist can be insured on the practice policy or obtain a separate policy. If the Dentist works for other Dentists they should have their own policy. If the Employed Dentist is added to the practice policy, claims paid could affect the insurability or cost for the practice policy.

**Independent Contractor Dentist** An independent contractor Dentist will normally be paid a gross amount and payments will be reported on IRS Form 1099. The Independent Contractor Dentist is responsible for their own tax withholdings (estimated tax payments) and Self Employment Taxes.

Independent Contractors should be insured on their own policy. If the Independent Contractor Dentist is added to the practice policy, claims paid could affect the insurability or cost for the practice policy. If the Independent Contractor Dentist works at other practices, this affect the practice insurance coverage.

**Practice Ownership** If the Dentist is a partner or member of a Professional Corporation (PA, PC, Chtd. LLC etc.) the Dentist must be insured on the practice policy.

#### Workers Compensation Insurance

**Employed Dentist** Workers compensation insurance provides coverage for employees of the dental practice. If coverage is in effect, the new **Employed Dentist** would be included for coverage. If the staff changes and you have additional employees, you may want to increase the estimate of the annual payroll. At the end of the policy period, the insurance company will perform an audit. If the actual payroll is greater than the estimated payroll, the insurance company will bill the additional premium due.

**Independent Contractor Dentists** If the Dentist is an independent contractor, they would **not** be covered by Workers Compensation Insurance. The Independent Contractor Dentist should purchase individual coverage if desired. You should confirm with the independent contractor Dentist that they are not covered by workers compensation. It would also be a good idea to have this provision in your contract with the Independent Contractor Dentists.