

Last month a dentist contacted me and said that due to a chronic injury he had to cease work. He was devastated that he could no longer practice the profession he loved and he had to face life without an earnings income. Not only that, he had to face the reality of just how effective his risk prevention actions were.

He went on to tell me that he had always complained about the cost of his insurance portfolio and how he tried to manage the cost down while still protecting himself. His annual premium cost was always seen as an imposition and loss of income, however he decided to pay the cost to protect his current assets and protect his family's future.

He said it was a scary process as he contacted various insurers to report his circumstances and await their responses that would determine his and his family's future lifestyle. The stress he underwent did little to help his rehabilitation.

It turned out he had made some wise decisions and despite the annual concern about insurance costs, he had paid the money as trade off against risk minimisation. He had the normal insurance portfolio of PI and Income protection, Property Insurance plus he had Business Expenses insurance. He also benefited by having a good insurance broker who guided him to good insurance companies that had a proven history of fair dealing when it came to claims.

His medical reports determined his permanent disability insurance payout which provided him with some peace of mind but it was his Business Expenses Insurance that really paid off. There was an extended period of time before he could find a suitable locum

to work while his long-term future was determined. Employing a locum covered his overheads but not his previous profit earnings. Then there was another extended period when having made the decision to sell his high end practice he tried to find a buyer at a fair price. He could have easily been facing a severe

capital loss just at the time when his future income earning capacity had been taken away.

When the claims process was settled it was a great relief to find out that not only did he have a secure future disability income, he also had a large compensation payout from his Business Expenses Insurance and the proceeds of a satisfactory sale of his practice.



It could have been so very different. Through Dental Innovations' long association with the Dental Insurance Specialist company Dental Essentials, we have witnessed many different outcomes to the above circumstances.

Dentists have traditionally used many insurance companies and brokers with the aim of cutting costs and when serious circumstances arise we hear many distress stories and the allocation of blame to the insurance broker used. The reality is that there is a shared blame because of the profit driven focus of the broker and the cost containment focus of the dentist. Dentists cannot be complacent when it comes to Risk Management. It takes years to accumulate wealth and secure a comfortable retirement and as you get older you lose the option of extended time to recover from a severe loss. This is especially applicable today when many dentists retire expecting to maintain their previous lifestyle and find their retirement income has failed to meet expectations so they find themselves having to look for locum work.

Your circumstances could change in an instant but definitely will change with time and our advice is for

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dentists to have a detailed review of every one of their insurances at least every 5 years by an experienced broker with proven integrity and high service level.

Your business is not the same now as it was five years ago which means your risk exposure has changed and needs to be reassessed by a fully independent experienced broker who can offer good advice and a full market range of insurance options.

The message is that it is a false economy to underinsure to lower costs as the downside risk is out of all proportion to the scale of assumed savings when events happen.

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