

# Protecting the Financial Stability of Your Practice

## If One Individual Stopped Working Tomorrow...

What would happen if your:

- Lead implant dentist
- Principal surgeon
- Practice manager
- Referral-generating consultant

...could no longer work due to death or critical illness?

For many practices, revenue and reputation are concentrated in a small number of people.

## What Key Person Insurance Does

The practice takes out a policy on a key individual. If they die or suffer a specified critical illness:

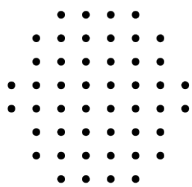
- The practice receives a lump sum
- Funds are used to:
  - o Replace lost revenue
  - o Recruit and train a replacement
  - o Reassure lenders or investors
  - o Stabilise cash flow
  - o Protect against loan exposure

The payout goes to the business, not the family.

## Tax Considerations

Correct structuring at outset is essential.

- Premium treatment depends on purpose of cover
- Structuring determines deductibility
- Claim proceeds may be taxable depending on setup



## Protection In the Round

For incorporated clinicians:

**Executive Income Protection** → protects your income if you can't work

**Relevant Life** → protects your family if you die

**Key Person** → protects the practice if someone critical is lost

Together, they form a comprehensive clinical risk framework.



## Why It's Critical in Clinical Settings

- Specialist skills are not easily replaced
- Patient relationships are personal
- Referral networks are individual
- Revenue concentration risk is high
- Bank lending often depends on key clinicians

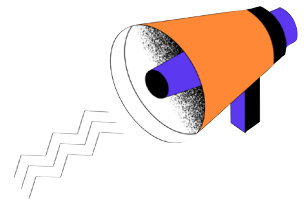
## Who Is a "Key Person"?

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## The Conversation with Broadbench

We'll help you determine:

- Financial exposure if a key individual is lost
- Appropriate sum assured (profit-based or cost-based method)
- Policy structure for tax efficiency
- Integration with shareholder protection or succession planning



## Who Should Speak To Us?

- Surgeons operating via limited company
- Practice-owning dentists
- Clinical directors
- High-earning consultants with dividend income
- Practices wanting enhanced executive benefits



**broadbench**

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