

A successful practice

Case study

Name: David*

Occupation: Dental surgeon

Age: 41

Claimed for: fractured radius

Duration of claim: approximately 3 months

Total Benefits paid: \$79,801



A successful practice

David ran a small but successful suburban dental practice, comprising himself, a dental assistant and part time receptionist. He had been lucky enough to buy the practice 12 months ago from the previous owners when they retired. He had retained nearly all the patients and was starting to attract new ones, based on referrals and a growing reputation.

David had been married to his wife, Melissa, for 4 years and they had a beautiful, healthy 9 month-old daughter.

David was always fit and healthy and although he had recently stopped playing football, he still cycled regularly with a group of friends.

It was during one of his regular Sunday morning rides that he fell off his bike, coming off when he braked suddenly in slippery conditions.

David fell awkwardly and fractured his left radius and ulna. Although not a life threatening injury, this still left David unable to work – and therefore unable to generate an income for his practice – for nearly three months.

It was like a bolt out of the blue. Although his practice generated a good income he also had many personal and business expenses to pay: the mortgage on the family home, the wages for his staff, the rent on his surgery and equipment leasing costs just to name a few. He had little margin for error.

What if?

In addition to obvious physical impact an injury like this can cause, the financial impact on David's family, employees and business could also have been huge. Research¹ has shown that nearly 1 in 5 Australians couldn't survive without their income for more than a month. And of course David wasn't the only one relying on his ability to see patients and earn an income. His family and his employees also depended on David.

While three months may not seem like a long time, three months without any income can be devastating. These are the scenarios David may have faced:

- His wife Melissa temporarily returning to the work force to earn an income
- Seeking financial support from friends and/or relatives
- Being unable to afford a locum dentist for his business and seeing all his patients go to another local dentist
- Being forced to let his valued employees go because he could no longer afford to keep them on
- Being evicted from his premises or having equipment repossessed because he was unable to make the monthly payments.

Luckily David had income protection in place

After speaking to his financial adviser at the time of buying the practice, David put in place Zurich Income Replacement insurance, a tax deductible insurance which covered 75% of David's lost income in the event that he couldn't work due to illness or injury. David had added the business expense option to his policy, which allowed him to meet the cost of fixed business expenses such as salaries, rent and equipment leasing costs.

David's adviser had recommended Zurich Income Replacement for a number of reasons, including its generous definition of disablement, which allowed David to transition back into his practice, working up to 10 hours per week without affecting his benefit. Additionally, he had taken the Day 4 Accident option, which meant that he was able to be paid benefits during the normal waiting period, providing almost immediate financial relief.

By the time David recovered and was able to return to work, the benefits paid to David had not only helped him and his family in a time of need, they had helped his employees and his patients. Ultimately they helped save his business, and in doing so helped protect the long term financial future of his family.

For other examples of claims paid to medical professionals

See our table 'what do medical professionals claim for?'

About this case study

* This case study is based on an actual claim paid by Zurich, however some details are for illustrative purposes only.

Source: Zurich Claims Analysis 2008 – 2009.



Important information:

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Notes

1. Dun & Bradstreet Consumer Credit Expectations Survey 2009.