



# TAILORED INCOME PROTECTION FOR PHARMACY PROPRIETORS



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*At PRP we recognise the challenges Pharmacy Proprietors face when sourcing income protection cover.*

## The problem

Pharmacy proprietors are in the unique position that should they suffer a disability and be unable to work, their income and profit will continue provided the remaining employed pharmacists or an additional pharmacist can be sourced to continue running the business.

Employing the additional pharmacist or increased wages can cost up to \$100,000 per annum in additional expenses, which essentially comes off your bottom line or is the structured salary you may otherwise pay yourself. However, despite this loss of income you will most likely still generate ongoing profit (albeit reduced).

It is this ongoing profit or income stream which creates a challenge when obtaining appropriate income protection insurance as our research has found that insurers deal with this issue in one of the following ways:

1. Most policies will have an ongoing income offset clause built into the policy wording.
2. At the point of application the underwriter assessing the case will apply this offset clause as a special condition on the policy.
3. Depending on the level of ongoing income, income protection cover may be declined outright.

## So what does this mean to you?

In our experience we have found that pharmacy proprietors are either uninsured leaving them exposed to a loss of income of up to \$100,000 per annum in the event of their disability or they are paying an income protection premium for cover they may never receive or receive at a reduced amount.

## The solution

At PRP we have recognised this risk and have sourced a high quality income protection policy which can provide a guaranteed monthly income protection benefit of up to \$10,000 per month which will not be offset by ongoing income you continue to receive from your pharmacy in the event of claim. Furthermore should this disability be long term benefits can continue to be indexed up to the age of 70.

This benefit means that in the event of a disability you can effectively insure the full cost of employing a replacement pharmacist, so your personal income and profit is not affected.

## The next step

### **Ask yourself the following questions:**

1. Do I currently have my income protected in the event of death or disability?
2. Am I certain that my existing income protection policy would not offset my ongoing income in the event of a claim?
3. Do I have a documented personal and business strategy plan in place to ensure my family and/or business partners have financial confidence, certainty and security should the worst happen to me?

*If you answered no or were unsure of the answer to the above, we urge you to arrange an obligation free consultation to discuss how PRP can be of value to you, your family and business partners.*