



EXCEPTIONAL RISK ADVISORS

KEY PERSON DISABILITY CHIEF OF CARDIOLOGY

Client

A 42-year-old world renowned cardiologist whose practice was acquired by a major New York City hospital.

Situation

As a requirement within the \$10 million acquisition of the surgeon's practice, the hospital's Board of Directors made it mandatory to acquire key person life and disability insurance on the cardiologist to protect the value of their investment.

Assessment

It was made apparent to the Board of Directors should the client not be able to perform their duties, the hospital would lose a major revenue stream worth nearly \$4,500,000 in annual billables. With the task in hand, the advisor was able to easily secure \$5 million of key person life insurance domestically, however the U.S. disability markets could not accommodate the request due to both product limitations (insufficient limits) and the insured's occupation (unavailable to surgeons).

Solution

Exceptional Risk Advisors designed a custom Key Person Disability solution to match the life portion of \$5 million to protect the board's medical intelligence and chief cardiologist. The policy, which was owned by the hospital, was designed to pay a lump sum distribution after a 12-month elimination period.

Result

The Key Person Disability policy was completed using the recent medical information and financial statements required to underwrite the life insurance portion. With a comprehensive Key Person plan in place, the Board of Directors could rest easy knowing the future revenue growth was protected in the event the Cardiologist died or became permanently disabled.

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