

BTER Pre-Assessment/Assessment Questions (All Modules)

Module 9 - Advanced Concepts		
No.	Question	Answer
1	Disability insurance recommendations primarily include a single policy for the physician and not the practice.	False- Individual disability policies provide benefits that cover the salary that the physician was incurring, not the portion of the overhead. Practice Overhead disability insurance should be obtained for this purpose.
2	Most disability insurance policies will cover the overhead that a physician is not able to generate if he or she becomes disabled.	False- This type of disability coverage requires Key-Man insurance, which is an additional type of disability insurance.
3	Key-man life insurance covers the cost of a physician's buyout and the physician's portion of the practice's overhead upon the physician's death.	True – The overhead or the revenue generation should be included in this calculation in addition to the value to buy-out the physician from the practice.
4	Policy limits on key-man life insurance policies should be based on revenue and overhead, not the buy-out.	False- Key man insurance policy limit should be based on revenues + buyout or overhead + buyout, which ever is higher.
5	Buy-in agreements should be negotiated at the time that your initial contract is negotiated under the ownership opportunity section.	True – Failure to negotiate the terms, not the amount, of the buy-in initially usually results in disagreements between parties.
6	If your practice applies for a loan, terms in the loan contract such as Spousal Liability and Bundled Default are not red flags.	False- These are red flags that should be negotiated out of the lease or loan contract.
7	Joint and Severable Liability in reference to a bank loan to your practice means that each partner individually guarantees repayment of the loan in full independent of the other partners.	True- This term is often one of the most difficult terms to negotiate out of a contract with a lending institution.
8	When becoming a partner in a practice, the partnership agreement specifies your rights as a partner, determines how you and your partners address decisions that affect the practice as a whole.	True- Have this contract reviewed by your attorney and your accountant. This contract means that you are becoming a part owner of the business, its profit AND its debt.