

Insurance Guide for the Dental Practice

Our philosophy about insurance is simple. Transfer the financial risk that you don't wish to shoulder to an insurance company for a price that's a small fraction of a potential loss. Use your insurance dollars wisely without assuming unnecessary risk.

The best insurance program is comprehensive, supports your financial goals and protects the wealth and assets that you create. An experienced insurance agent, one who understands dentistry and the risks you face, can help you build an insurance program that will help ensure that you meet your long term goals.

Professional Liability: Covers you with regard to allegations of treatment errors that lead to the injury of a patient. A good policy will also provide coverage for State Board Complaints. Available in both Claims Made and Occurrence forms. It is very important to understand the type that you purchase.

Disability Income: A policy that protects your greatest asset – your ability to earn money as a dentist. It will replace your lost personal income if you become temporarily or permanently disabled and unable to practice. Statistically, you are ten (10) times more likely to suffer a disability sometime during your career than to die prematurely.

Business Owners Policy: Covers loss to owned business property on premises and third party public liability. Coverage must be in place for every location you occupy.

Includes: Property Limit: Insures your office property (furniture, equipment, supplies, leasehold improvements or building) against perils of Fire, Theft, Windstorm, Water, Vandalism, etc. Also provides general liability (public liability) for the practice.

Options: Some are automatically included for a sub-limit of coverage. They can be increased or added to the policy if not automatically included. Following are some of the more common options (but by no means an all inclusive list).
Off Premises Property: Coverage for property temporarily away from office.
Business Income: Income lost due to down time resulting from a covered claim.
Plate Window Glass: Covers broken windows even when you don't own building.
Utilities Service Interruption: lost income due to loss of utility service
Power Surge: Covers loss to equipment due to an artificially generated surge.
Back Up of Sewers & Drains: Water backing up due to drainage problem.
Employee Dishonesty: Employee theft and Embezzlement
Fine Arts Coverage: Agreed limit coverage for fine art on premises.

Worker's Compensation Coverage: Covers work related injury and/or disease suffered by an employee of the practice (lost wages and medical expenses). In most states this is mandatory coverage. Texas is an exception to this. Still, if you do not carry workers compensation in Texas, you give up your common law defenses and therefore become immediately responsible for all expenses regarding the injury or illness. If you carry worker's comp, an injured employee cannot sue you.

Business Overhead Expense: A policy that will pay the ongoing expenses of your practice if you become temporarily or permanently disabled and unable to practice. This coverage is often overlooked and is extremely important if you own your own practice.

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Health Insurance: The Affordable Care Act has changed the face of insurance for our country. Policies are available for groups at any time during the year. Individual/Family policies are available for a January 1 start date and other dates under qualifying circumstance. There are many different options to consider before deciding on a policy to protect you, your family and/or employees.

Life Insurance: Life insurance is a very effective tool in estate planning and structuring buy/sell agreements for practice perpetuation. It, along with disability income insurance is often required as a prerequisite in qualifying for a practice loan. It's important to analyze your specific needs before choosing a policy.

Data Breach Coverage: Covers your responsibility to your patients for loss of their data. It is important that you understand that there are now federal laws in place that define your responsibility to your patients with regard to their private information. The law also defines your financial obligations in case of a data breach.

Employment Practices Liability: Covers claims of discrimination, sexual harassment and wrongful termination made by employees or job applicants. Can often be included in some amount on an office policy but can also be carried as a separate policy. This is an often overlooked coverage and a major area of concern for a dental practice.

Business Auto Coverage: If you own or lease a vehicle in the name of the practice, it must be insured on a commercial auto policy. A dental practice also has an auto liability exposure from employees who might use their own cars on practice business. Every dental practice needs to carry Non-Owned and Hired Auto Liability Coverage.

Employee Benefits Liability: Covers claims arising from alleged mismanagement of employee benefits programs. Even if your practice is incorporated, claims of this type can be made against you personally as the owner of the practice.

Pension Plan Bond: Whenever you have a qualified pension plan in place, the IRS requires that a bond in the amount of 10% of the assets of the plan be kept in force.

Umbrella Liability: A policy that simply adds a secondary or excess limit of liability that will address catastrophic liability claims that exhaust the limits of the underlying general, auto or employer's liability policies. Umbrella policies are usually sold in increments of \$1,000,000.

Inland Marine/Floater: A specialized policy for a specialized piece of equipment of high value or subject to unusual risk exposures. For example, ICAT or Cone Beam scanners can be insured on this type of policy. This is also a good policy form for expensive equipment that you might move between the office and home or hospital. This is very flexible coverage.

Flood Insurance: This is not included on an office policy. The only way to secure flood coverage is to buy a specific flood insurance policy. Flood insurance is backed by the federal government and available based on area flood maps. Your city engineer should be able to tell you if your practice is in a known flood plain.

At Wallace Specialty Insurance Group, LLC, we specialize in working with the dental community and contract with insurance companies that offer specialized insurance products for dentists. We design comprehensive programs that eliminate the gaps in coverage that can exist when insurance is purchased through multiple sources. Please visit our website, www.insurance4dds.com or call us toll free at 855-505-1121.