

# Are you Covered?

Insuring the Risks of Your Medical Practice

**E×PLORE**  
HEALTHCARE SUMMIT

# Outline

Insurance 101

Insurance Marketplace

Healthcare Professional  
Liability

Cyber Liability

Risks of the Medical Practice



# Insurance Industry 101

- How Does Insurance Work
- The Market Cycle
- Factors Influencing Rates
- Trends to Watch



## How Does Insurance Work?

- Insurance works by transferring financial risk from an individual or organization to an insurance company.
- In exchange for a premium payment, the insurance company agrees to cover certain financial losses if a specific event occurs, like a car accident or house fire
- Risk Transfer: Insurance companies pool the premiums they collect from many insured individuals and invest that money to generate income. This allows them to cover claims from a few insured individuals who experience losses, without a single individual being financially burdened by a significant loss – “Law of Large Numbers”



# The Insurance Market Cycle: Hard Versus Soft Markets

## Soft Market

- “Buyer’s Market”
  - Stable or Lowering Premiums
  - Broader Terms of Coverage
  - Increased Capacity
  - Higher Limits Available
  - Easier Access to Excess
  - Competition Among Carriers

## Hard Market

- “Seller’s Market”
  - Increased Premiums
  - Strict Underwriting Criteria
  - Less Market Capacity
  - Restricted Terms and Condition
  - Less Competition Among Carriers
  - More nonrenwals



# Additional Factors Influencing Rates

## General Factors

- Catastrophic (CAT) Losses
- Mixed Investment Returns
- Economy
- Inflation
- Cost of Reinsurance

## Specific Factors

- The Coverages You're Seeking
- Size of Business
- Industry
- Location
- Claims History
- Your Risk Management Practices



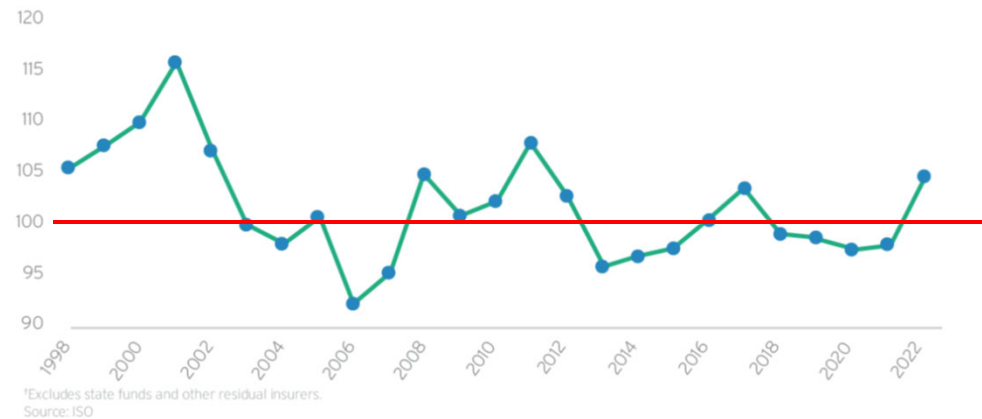
## Inconsistent underwriting profits

**Underwriting profits:** difference between the premiums a carrier collects, and the money paid out in claims and expenses.

When an insurance company collects more in premiums than it pays out in claims and expenses, it will earn an underwriting profit. Conversely, an insurance company that pays more in claims and expenses than it collects in premiums will sustain an underwriting loss.

**Combined ratio:** This ratio reflects the percentage of each premium dollar an insurance company puts toward spending on claims and expenses. A combined ratio above 100 indicates an underwriting loss. – measures the profitability of insurance carriers

Combined Ratio for Property and Casualty Insurance, 1998-2022



## **(Losses + Expenses / Premium) X 100 = Combined Ratio**

### Example 1. Formula 1

Let's say, APY Insurance Company, earned \$900 in premiums and paid out \$700, the incurred loss. With another \$50 in operating expenses, the company would have a combined ratio of  $((700 + 50) / 900) \times 100 = 83.3\%$ .

Interpretation:

- The combined ratio is below 100, meaning APY insurance company received more in premiums than it paid in claims and expenses. APY is in a healthy financial state.

### Example 2. Formula 2

Here's an example using the second approach: BLK Insurance Company has an underwriting loss ratio of 63.3% and an expense ratio of 31.5%. Therefore, the combined ratio for this insurer is 94.8%.

Interpretation:

- Although the BLK Insurance Company has a combined ratio that is higher than that of APY Insurance Company, the ratio is nevertheless below 100 so it is making a profit. Taken one step further, we can now calculate that the underwriting profit for BLK Insurance Company is 5.2% (100%-94.8%).





# Trump and the Insurance Market



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# Trump's impact on Insurance

## Insurance Industry Contemplates Knock-On Effect of Tariffs to Claims, Consumers

By Chad Hemmway / April 8, 2025



MONEY

Auto-Owners Insurance

Add Topic +

## Trump's tariffs are raising car part prices, but will your auto insurance increase?



Betty Lin-Fisher  
USA TODAY

Updated March 19, 2025, 3:46 p.m. ET



NEWS

## Oklahoma may lose federal Medicaid funding, but scaling back the program won't be easy

Shalina Chatlani Stateline

April 22, 2025, 5:40 a.m. CT



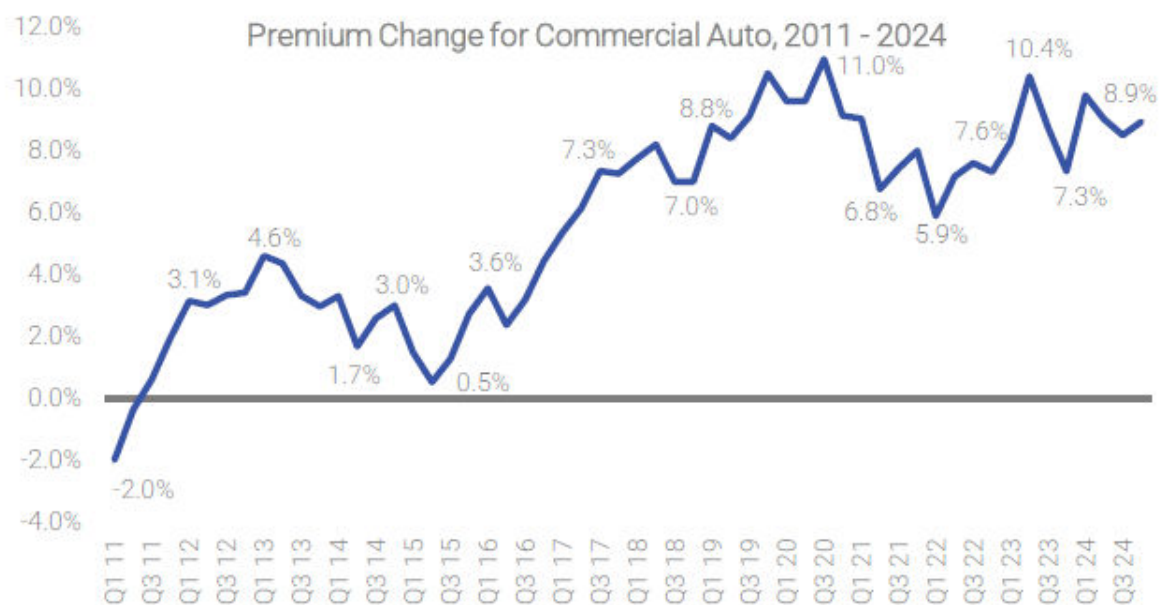
**Auto Insurance:** Auto Industry 25% duty on autos – expected to increase the cost of cars (40% of US auto parts are imported from Mexico)

**Homeowners/Commercial Buildings:** Tariffs on Building Materials imported will increase the cost of construction (US receives oil, gas, timber and raw materials from Canada)



## Commercial Auto

Commercial auto increased by 8.9% in Q4 2024, the highest out of all lines. This was the 54th consecutive quarter of commercial auto premium increases.



## Trump's Executive Orders on Healthcare

- Affordable Care Act – rescinded extended enrollment periods
- Drug Pricing – preparing for Medicare drug pricing negotiations later in 2025
- Artificial Intelligence - \$500B investment in “Stargate Initiative”
- World Health Organization – U.S. to leave WHO
- Gender Affirming Care – removes the concept of gender identify from federal government
- Immigration – rescinded Biden-era policy to not arrest people at near “sensitive locations” including hospitals
- Freeze on Grants and Loans (being challenged)
- COVID-19, Abortion Spending, and HHS Spending Cuts and Reorganization



# Insurance Market Outlook Forecast Trends

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## Market Outlook



Property



Workers' Compensation



US & Ok Healthcare Liability Industry



Cyber

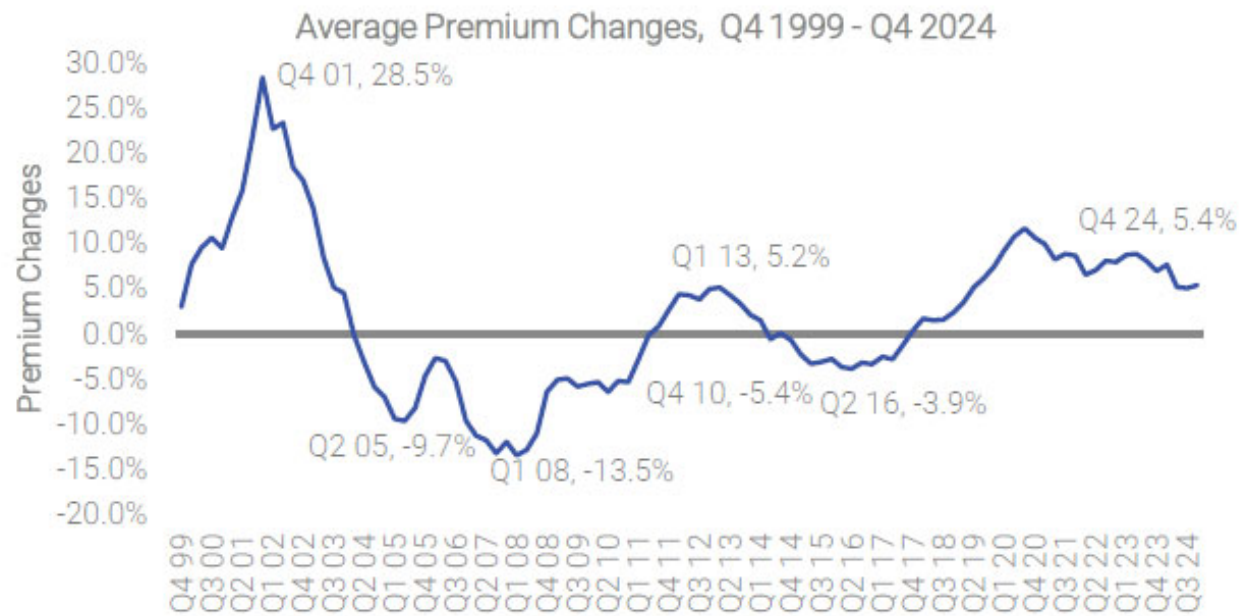


## Insurance Market Executive Summary (2024)

The following are key takeaways from The Council of Insurance Agents & Brokers' Commercial Property/Casualty Market Report for Q4 2024 (October 1 – December 31):

- 5.4%: average **increase** in premium cross all account sizes
- 29: number of consecutive quarters of increased premiums across all account sizes
- 6.4%: average **increase** in premiums for medium accounts, (most hospitals), highest among all account sizes
- 3.6%: average **increase** in premiums for small accounts, (most independent physician offices)
- 8.9%: average **increase** in commercial auto premiums
- 8.7%, average **increase** in umbrella premiums
- 0.2%: average **decrease** in Workers' compensation, D&O, and cyber premiums continued to fall this quarter, and employment practices
- 1.8%: average **decrease** in Cyber premiums, a record low for the line. Increased underwriting capacity and competition among carriers for U.S. cyber business, as well as increased cyber resiliency, may all have contributed to this downward pressure on premiums.





Source: The Council of Insurance Agents & Brokers





## Major Trend to Watch



### Social Inflation Concern

Third-Party Litigation Funding  
Tort Reform  
Plaintiff-Friendly Legal Decisions



### Economic Pressures

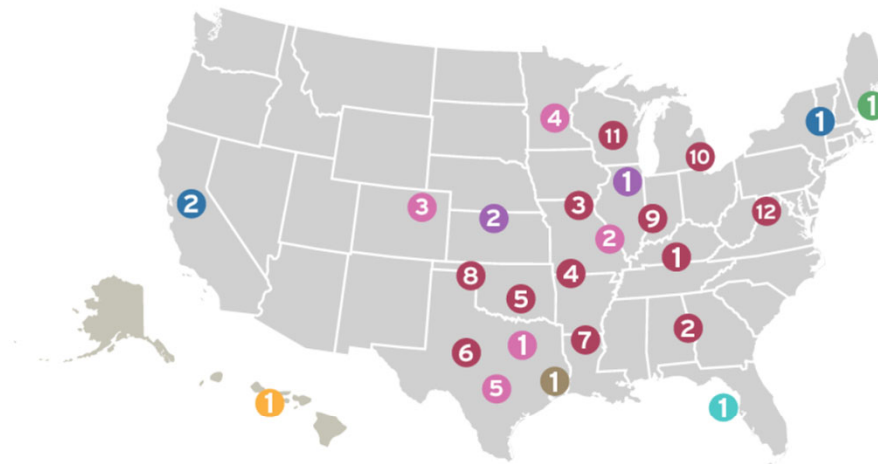
Inflation  
Supply Chain Disruptions  
AI Developments  
Geopolitical Upheaval



### Extreme Weather Events



## U.S. 2023 Billion-dollar Weather and Climate Disasters



### Severe Weather

- 1 Southern and Eastern  
March 2-3, 2023
- 2 Southern and Eastern  
March 24-26, 2023
- 3 Central and Eastern  
April 4-6, 2023
- 4 Central and Southern  
April 15, 2023
- 5 Central  
April 19-20, 2023
- 6 Southern  
April 25-27, 2023
- 7 Southern  
June 11-14, 2023
- 8 Central and Southern  
June 15-18, 2023
- 9 Central  
June 28 - July 2, 2023
- 10 North Central and Southeastern  
July 19-21, 2023
- 11 North Central and Eastern  
July 28-29, 2023
- 12 Northeastern and Eastern  
Aug. 5-8, 2023

### Tornadoes

- 1 Central Tornado Outbreak and Eastern Severe Weather  
March 31 - April 1, 2023
- 2 Central and Eastern Tornadoes and Hail Storms  
May 10-12, 2023

### Wildfires

- 1 Hawaii Firestorm  
Aug. 8, 2023

### Droughts

- 1 Southern/Midwestern  
Spring-Fall 2023

### Flooding

- 1 Northeastern Flooding and North Central Severe Weather  
July 9-15, 2023
- 2 California  
Jan.-March 2023

### Hailstorms

- 1 Texas  
May 18-19, 2023
- 2 Central Severe Weather (including hail)  
May 6-8, 2023
- 3 Rockies Hailstorms, Central and Eastern Severe Weather  
June 21-26, 2023
- 4 Minnesota Hailstorms  
Aug. 11, 2023
- 5 Southern Hailstorms  
Sept. 23-24, 2023

### Hurricanes

- 1 Hurricane Idalia  
Aug. 29-31, 2023

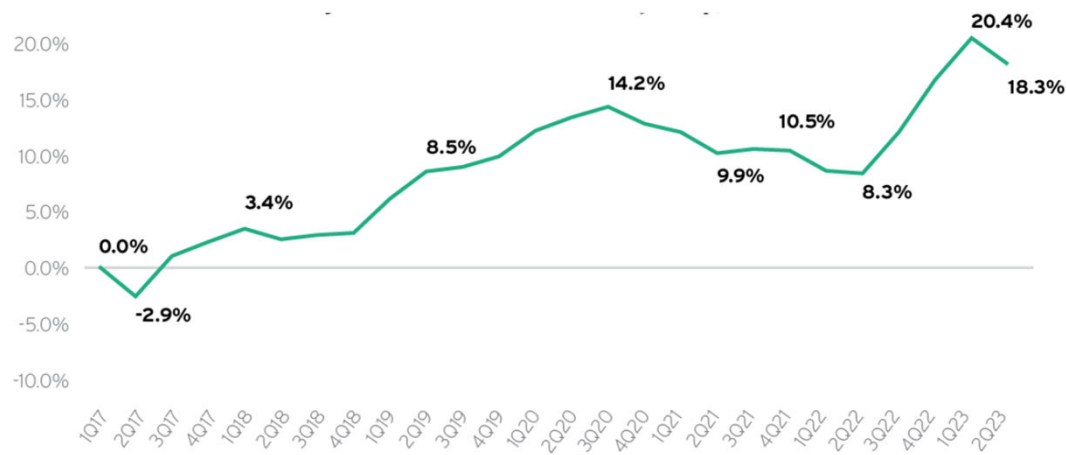
### Winter Storms

- 1 Northeastern Winter Storm/Cold Wave  
Feb. 2-5, 2023

Source: NOAA

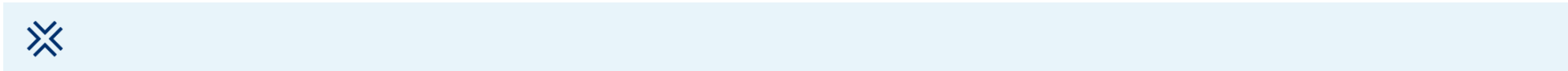


# Commercial Property Insurance 2017-Q2 2023



Source: The Council of Insurance Agents & Brokers

Premium Change for Commercial Property, 2017-Q2 2023



## Workers' Compensation Insurance

- Prolonged Market Stability
- Strong Reserves and Profitability Underwriting
- E-mod Management
- Employee Mental Health and Safety Challenges
- Medical and Wage Inflation
- AI Solutions to Risk Management



**For Immediate Release:**

December 10, 2024

## Insurance Commissioner Approves Loss-Cost Reduction for 2025 Workers' Compensation

**OKLAHOMA CITY** - Commissioner Glen Mulready today announced that the Oklahoma Insurance Department (OID) has approved a 9.2 percent decrease in workers' compensation insurance loss costs for 2025. This reduction means lower premiums for many Oklahoma businesses.

Loss costs are the average cost of lost wages and medical payments of workers injured per \$100 of payroll or as a percentage of payroll. Since 2011, there has been a 71 percent decrease in loss costs.

"I'm pleased to see our costs decreasing while supporting local businesses," said Commissioner Mulready. "Access to affordable workers' compensation insurance will make it easier for employers to view Oklahoma as an ideal location to operate their business."

The National Council on Compensation Insurance (NCCI), a licensed rating and advisory organization, collects annual data on workers' compensation claims for the insurance industry. NCCI is authorized to make recommended loss-cost filings on behalf of workers' compensation insurance companies in Oklahoma.

The new loss costs will go into effect for new and renewing policies effective January 1, 2025.

If you have questions about other insurance issues, please contact the Oklahoma Insurance Department at 800-522-0071 or visit our website at [www.oid.ok.gov](http://www.oid.ok.gov).

Media questions or comments should be directed to  
Chief of Communications, Liz Heigle  
[Liz.Heigle@oid.ok.gov](mailto:Liz.Heigle@oid.ok.gov) | (405) 819-2221



## PREMIUM CHANGES IN OTHER LINES

	4Q24	High	Low
Broker E&O	2.0%	15.4%	-4.5%
Business Interruption	3.2%	28.8%	-10.2%
Construction	3.0%	38.7%	-10.7%
Cyber	-1.8%	34.3%	-1.8%
D&O Liability	-1.5%	32.4%	-8.7%
Employment Practices	-0.2%	21.9%	-8.1%
Flood	2.0%	8.6%	-2.7%
Marine	2.2%	4.5%	-10.6%
Medical Malpractice	1.9%	32.5%	-4.1%
Surety Bonds	0.1%	11.2%	-2.3%
Terrorism	0.2%	10.4%	-3.6%

Source:  
The Council of Insurance Agents & Brokers

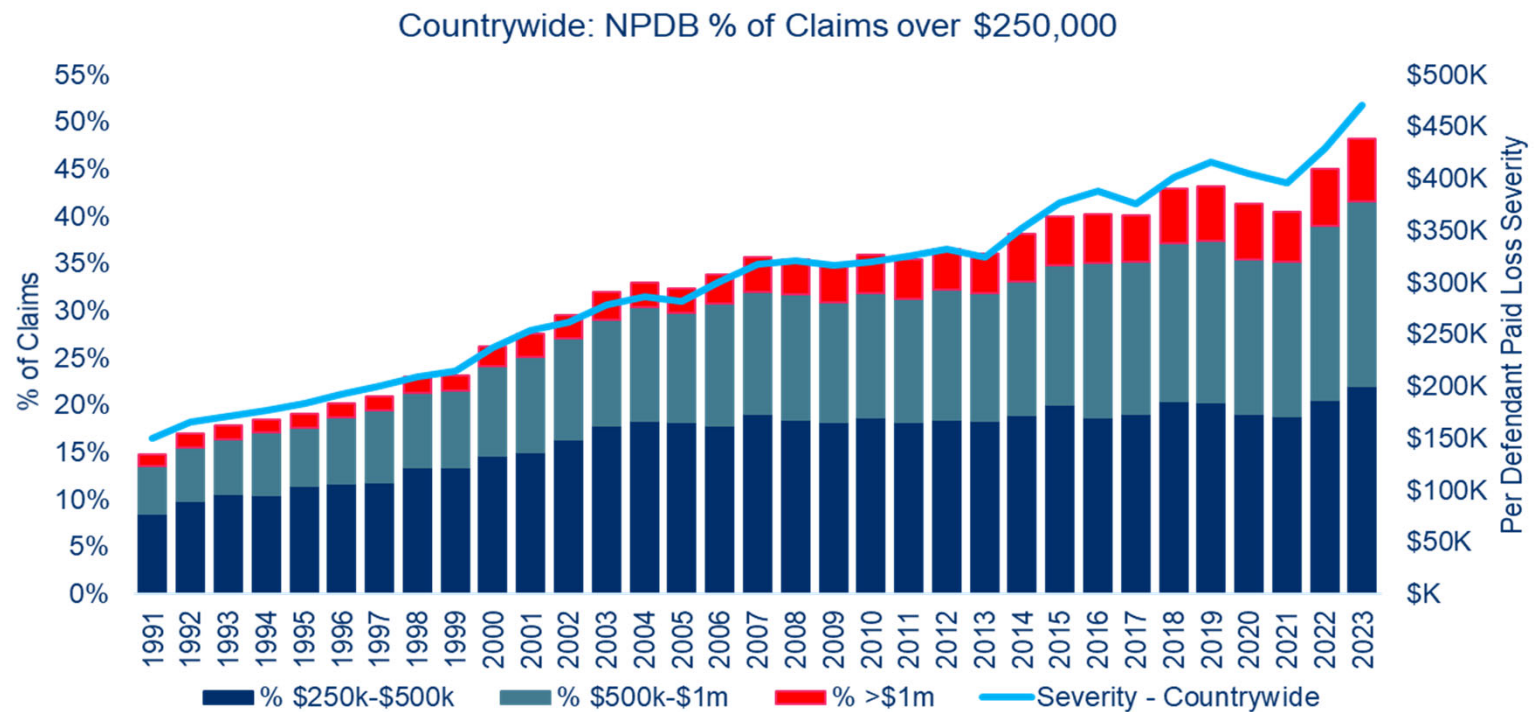


# Professional Liability Countrywide Market Update

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All data YE 2023 and in \$M unless noted

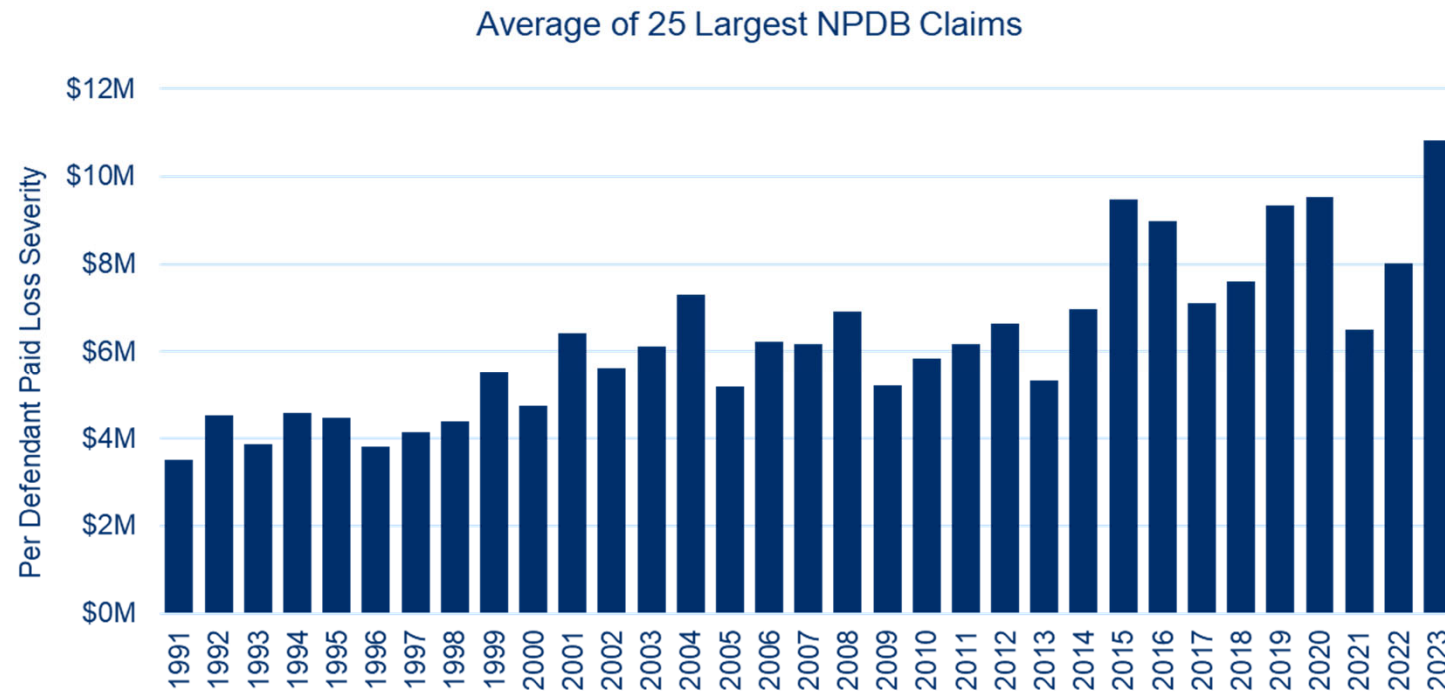
## Countrywide loss trends



Source: National Practitioner Data Bank Public Use Data File, December, 2023.

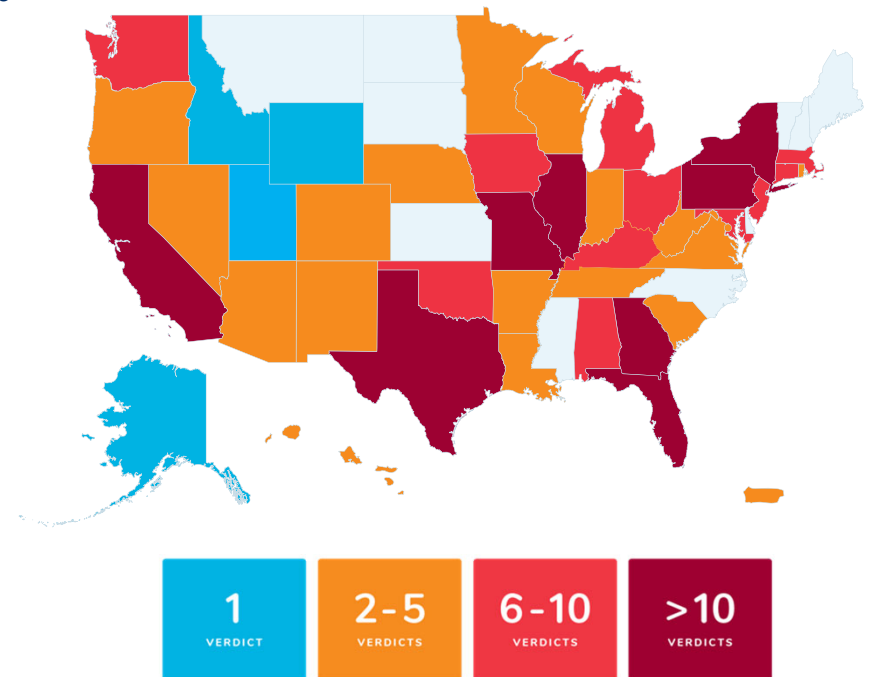
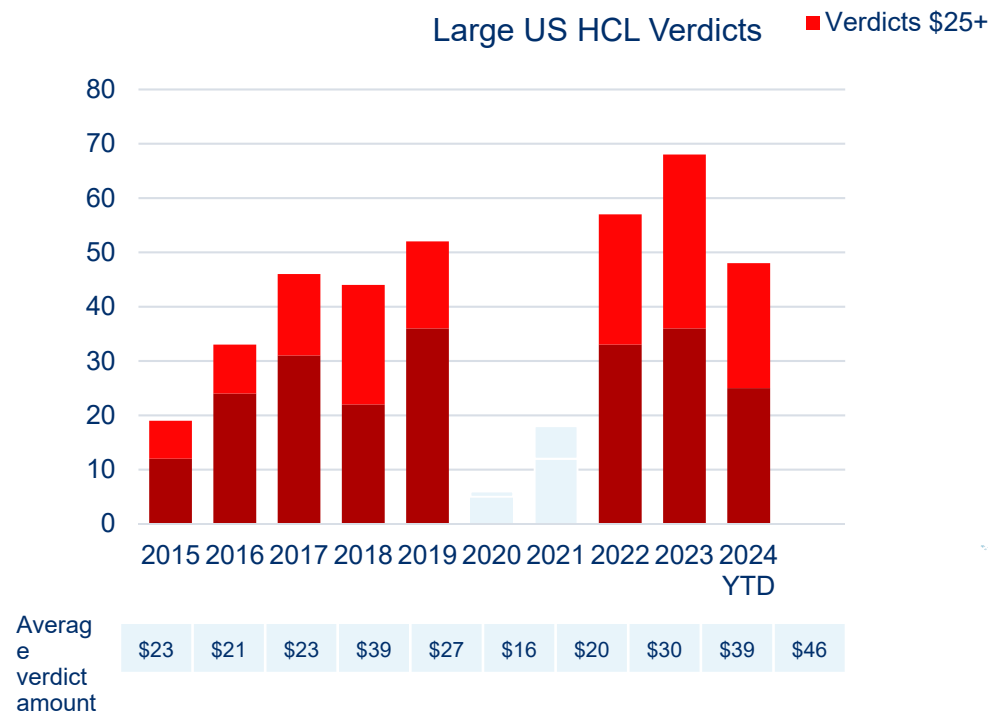


# Countrywide loss trends



Source: National Practitioner Data Bank Public Use Data File, December, 2023.

## Nuclear verdicts (\$10+) have returned to (and surpassed) pre-pandemic levels ... nationwide



Source: TransRe and various internet articles with publication dates between 01/01/2015 and 11/08/2024. 2020 and 2021 materially impacted by CV19.

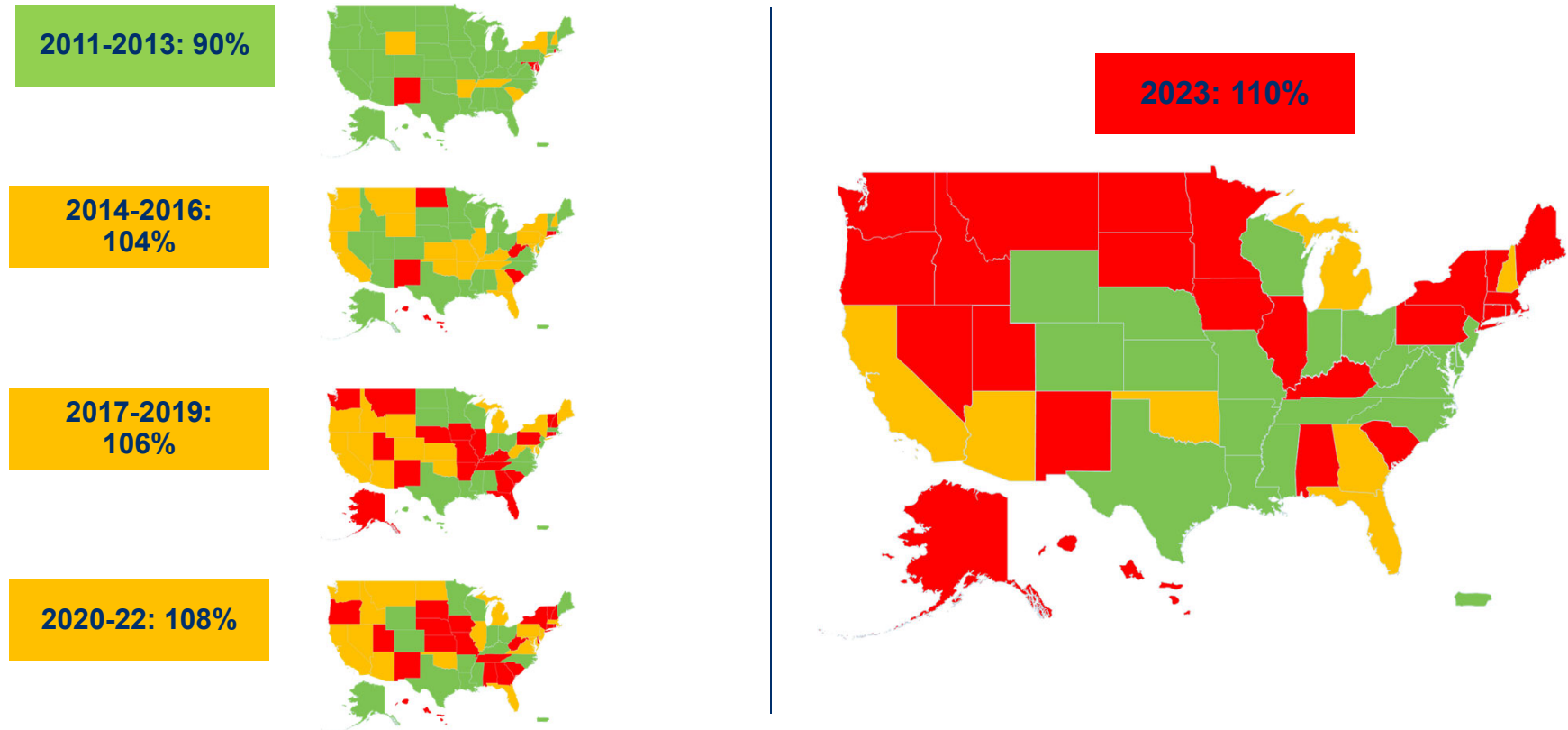
## Top 50 largest verdicts, 2016-2024

2024	IL	Unknown, Behavior Health	<a href="#">\$535</a>	2022	GA	Emergency Medicine, Radiology, Hospital	<a href="#">\$75</a>
2023	NM	Caregivers, Treatment Foster Care	<a href="#">\$485</a>	2018	NM	Obstetrics, Hospital	<a href="#">\$73</a>
2024	VA	Hospital	<a href="#">\$300</a>	2022	FL	Critical Care Medicine, Hospital	<a href="#">\$69</a>
2023	FL	Pediatrics, Hospital	<a href="#">\$261</a>	2024	NM	Nursing, Hospital	<a href="#">\$68</a>
2019	MD	Obstetrics, Hospital	<a href="#">\$230</a>	2018	CA	Cardiovascular Surgery, Hospital	<a href="#">\$68</a>
2023	PA	Obstetrics, Hospital	<a href="#">\$183</a>	2017	RI	Internal Medicine, Oncology, Hospital	<a href="#">\$62</a>
2018	MI	Pediatric Orthopedic Surgery, Hospital	<a href="#">\$137</a>	2018	GA	Plastic Surgery, n/a	<a href="#">\$60</a>
2018	MI	Nuclear Medicine Technicians, Hospital	<a href="#">\$131</a>	2024	TX	Emergency Medicine, Hospital	<a href="#">\$60</a>
2024	MI	Obstetrics, Hospital	<a href="#">\$120</a>	2019	NY	Neurosurgery, Hospital	<a href="#">\$56</a>
2023	NY	Neurology, Hospital	<a href="#">\$120</a>	2023	IL	Obstetrics, Residents, Hospital	<a href="#">\$56</a>
2022	GA	Caregivers, Personal Care Home	<a href="#">\$118</a>	2016	IL	Obstetrics, Hospital	<a href="#">\$52</a>
2022	MN	Orthopedic Surgery, Hospital	<a href="#">\$111</a>	2018	IL	Obstetrics, Hospital	<a href="#">\$50</a>
2019	NY	Unknown, Hospital	<a href="#">\$111</a>	2024	GA	Dentist	<a href="#">\$50</a>
2018	FL	Gynecology, Hospital	<a href="#">\$109</a>	2016	IL	Unknown, Hospital	<a href="#">\$50</a>
2018	CA	Naturopathic Practitioner	<a href="#">\$105</a>	2016	NY	Obstetrics, Hospital	<a href="#">\$50</a>
2019	IL	Obstetrics, Nursing, Hospital	<a href="#">\$101</a>	2021	CA	Paramedic, Ambulance	<a href="#">\$50</a>
2024	FL	Obstetrics	<a href="#">\$100</a>	2022	IL	Radiology, Hospital	<a href="#">\$49</a>
2022	IA	Obstetrics, Hospital	<a href="#">\$97</a>	2019	NV	Unknown, Hospital	<a href="#">\$49</a>
2022	TX	Dentist, None	<a href="#">\$96</a>	2018	NY	Obstetrics, Hospital	<a href="#">\$48</a>
2018	NY	Obstetrics, Hospital	<a href="#">\$84</a>	2023	FL	Obstetrics, Hospital	<a href="#">\$48</a>
2023	OK	Nurse, Correctional Health	<a href="#">\$82</a>	2017	IL	Pediatrics	<a href="#">\$48</a>
2022	NY	Obstetrics, Hospital	<a href="#">\$80</a>	2018	IL	Unknown, Hospital	<a href="#">\$48</a>
2018	NY	Obstetrics, Hospital	<a href="#">\$79</a>	2017	IL	Pediatrics	<a href="#">\$48</a>
2022	GA	Unknown, Addiction Treatment Center	<a href="#">\$78</a>	2018	PA	Neonatology, Hospital	<a href="#">\$47</a>
2024	IL	Obstetrics, Hospital	<a href="#">\$76</a>	2024	GA	Infectious Disease, Hospital	<a href="#">\$47</a>



Sources: TransRe and various internet articles with publication dates between 01/01/2016 and 11/08/2024.

## [another way to view deteriorating results (somewhat distorted by CV19)]



Sources: S&P Global Market Intelligence. State Page Data and Ins. Exp. Exhibit – Allocation to Lines of Direct Business Written Data. Calendar Year results. HCL Combined Ratio before reinsurance. Countrywide CR% net of reinsurance. Competitor dividends included.

<= 95%

96-109%

110+%

28

# Healthcare Liability (HCL) Industry

	Premium						Combined Ratios					
	2019	2020	2021	2022	2023	Market Share 2023	2019	2020	2021	2022	2023	5-Yr CR% Average
MedPro Group	1,481	1,448	1,731	1,689	1,698	13%	98%	97%	94%	94%	92%	95%
TDC Group	920	963	1,071	1,129	1,174	9%	105%	100%	102%	92%	93%	98%
CNA	559	609	639	636	698	5%	115%	135%	114%	109%	107%	116%
ProAssurance	861	796	739	717	692	5%	152%	131%	119%	108%	116%	125%
MagMutual	369	406	457	480	581	5%	113%	109%	110%	114%	110%	111%
Coverys	488	523	575	527	508	4%	126%	129%	118%	114%	113%	120%
Curi	335	330	371	395	395	3%	101%	119%	112%	104%	113%	110%
Liberty Mutual	218	263	308	329	383	3%	102%	133%	115%	89%	71%	102%
MLMIC	352	300	294	297	309	2%	87%	103%	105%	104%	99%	99%
Chubb	139	151	201	209	224	2%	69%	142%	129%	120%	102%	112%
ISMIE	156	166	174	201	216	2%	131%	137%	134%	127%	120%	130%
W.R. Berkley	125	143	181	199	200	2%	103%	91%	87%	103%	88%	94%
EmPro	170	170	170	176	176	1%	42%	75%	79%	98%	96%	78%
COPIC	90	103	116	135	169	1%	106%	107%	119%	127%	118%	115%
Physicians Insurance	124	137	131	144	160	1%	112%	116%	114%	105%	116%	113%
<b>Market Total</b>	<b>10,336</b>	<b>10,611</b>	<b>11,714</b>	<b>12,396</b>	<b>12,743</b>		<b>112%</b>	<b>113%</b>	<b>108%</b>	<b>102%</b>	<b>110%</b>	<b>107%</b>



Source: S&P Global Market Intelligence, Company Financial Statements, MedPro Group & MLMIC scorecard combined ratio. Premium reported Pro Forma as if owned since 01/01/2005.

<= 95%

96-109%

110+%

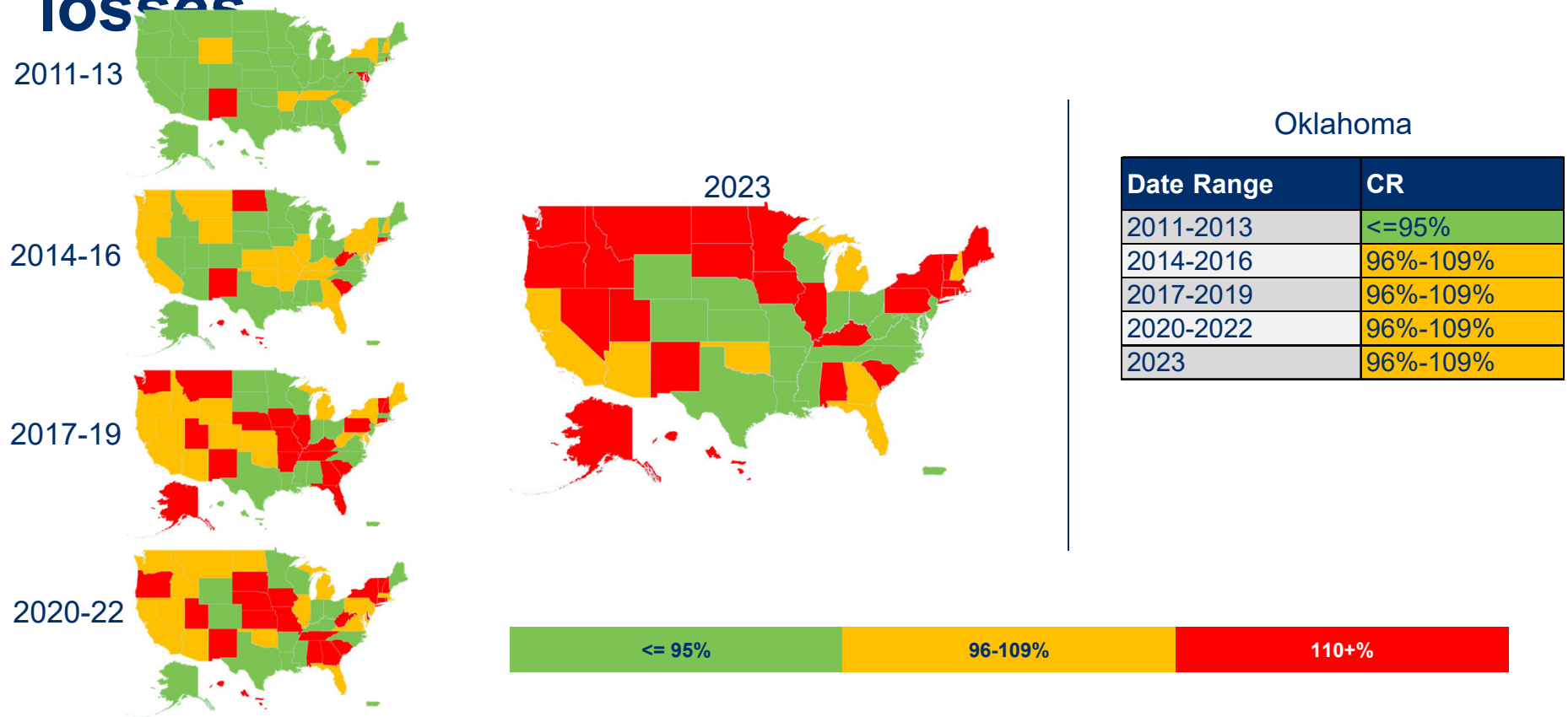
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# Oklahoma Market Update

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All data YE 2023 and in \$M unless noted

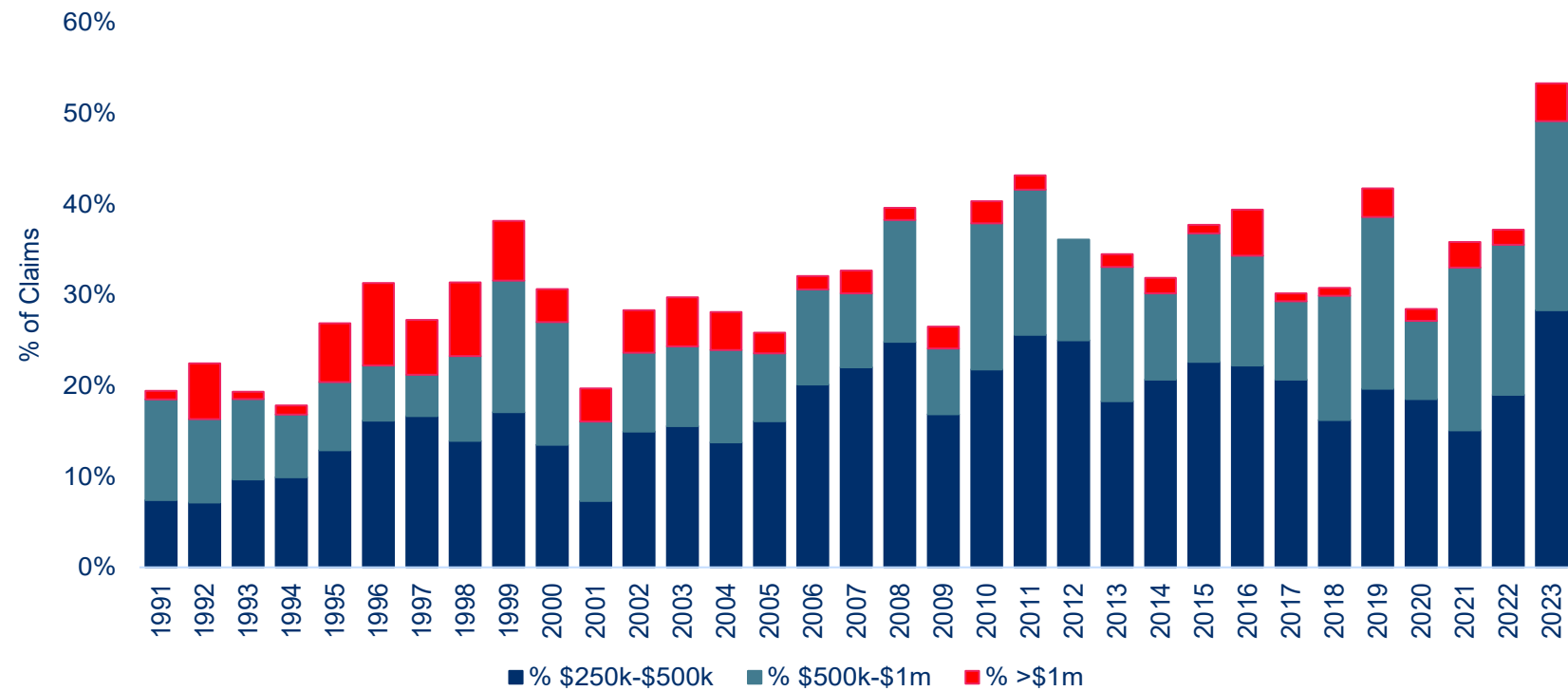
# Increasing HCL industry underwriting losses



Source: S&P Global Market Intelligence. State Industry HCL combined ratio based on state incurred losses and defense costs, expenses, and policyholder dividends.

# Oklahoma loss trends

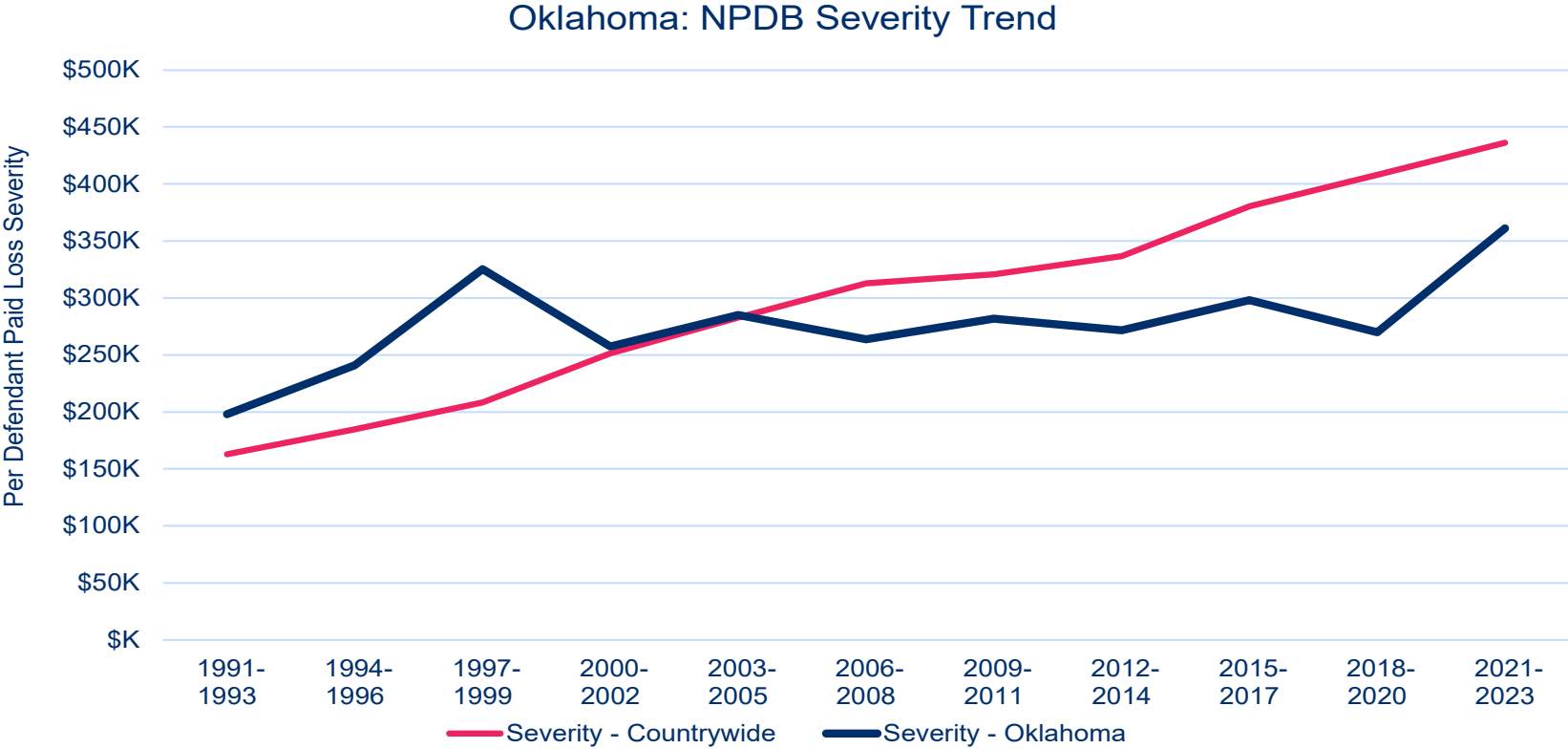
Oklahoma: NPDB % of Claims over \$250,000



Source: National Practitioner Data Bank Public Use Data File, December, 2023.



# Oklahoma loss trends



## Oklahoma - Healthcare Liability (HCL) Industry

	2016	2017	2018	2019	2020	2021	2022	2023	Market Share 2023	Change 2016 v 2023
MedPro Group	53	52	50	48	45	46	45	47	37%	-13%
CNA	9	11	12	11	14	13	15	15	12%	59%
COPIC	0	0	2	2	3	4	5	9	7%	++
HlthCare Ind Liab	1	1	2	2	2	3	3	5	4%	199%
TDC Group	2	2	2	4	3	4	4	4	4%	99%
ProAssurance	7	7	8	8	8	8	4	4	4%	-39%
Liberty Mutual	1	2	2	2	2	3	3	4	3%	151%
MagMutual	0	0	0	2	2	2	2	3	3%	++
AMS RRG	0	0	0	0	1	1	1	3	2%	199%
NCMIC	1	1	2	3	3	4	4	2	2%	125%
Tecumseh Hlth RRG	0	2	2	2	2	2	2	2	1%	++
Curi	0	0	0	0	1	2	2	2	1%	++
W.R. Berkley	1	1	1	1	1	1	2	2	1%	37%
Coverys	0	0	0	0	1	1	1	2	1%	199%
Fairfax Financial	3	2	2	1	1	1	2	1	1%	-48%
Other Companies	18	14	15	14	18	23	23	21	17%	18%
<b>Market Total</b>	<b>98</b>	<b>97</b>	<b>100</b>	<b>99</b>	<b>107</b>	<b>118</b>	<b>118</b>	<b>124</b>		<b>27%</b>



Source: S&P Global Market Intelligence, Company Financial Statements, MedPro Group Internal Reports. Premium reported Pro Forma as if owned since 01/01/2005.



### Social Inflation

**Social inflation** is fueling nuclear verdicts and outsized settlements while economic inflation is escalating medical expenses and defense costs.



### Unpredictable Courtrooms

Shifting **jury demographics and attitudes** are amplifying the complexity of defending healthcare providers and taking cases to trial.

- **Desensitization** to monetary values
- **Distrust** of institutions, experts & science
- **Receptivity to plaintiff attorney tactics** like reptile theory & anchoring



### Eroding Legal Environment

Legislative and judicial actions are **weakening tort reforms** and creating more **plaintiff-friendly laws** in many states.

- Increased **non-economic damage caps**
- Expanded **wrongful death** actions
- Loosened **"venue-shopping"** rules
- Increased exposure due to **joint & several liability**
- Higher **pre-judgment interest** rates



### Healthcare Delivery Shifts

**Healthcare systems and providers are stressed** and operating in unstable competitive, economic, and political landscapes.

- Unrelenting **financial pressure**
- **Staffing** shortages, turnover & burnout
- **Scope of practice** changes
- **Alternative sites-of-care**
- Emergence of **new technologies**



# Healthcare Cyber Market

## Stats:

- 41% respondent reporting in increase claims
- 57% Demand to increase limits

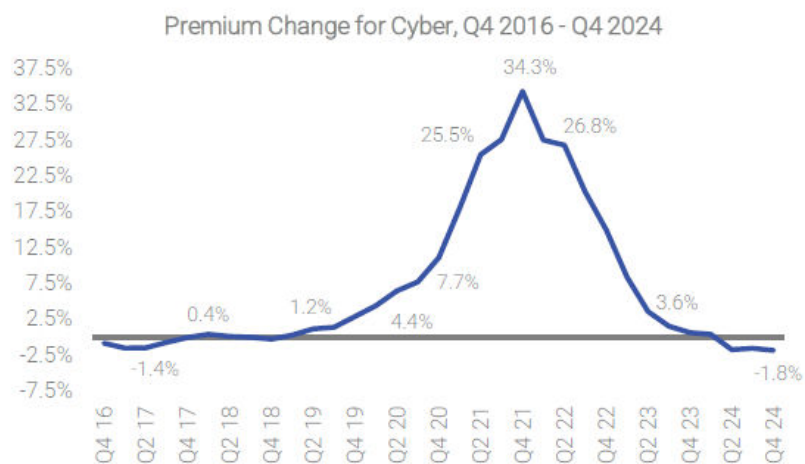
## News: Sept 2024

- Planned Parenthood
- 23andMe - \$30M genetics data breach
- Lehigh Valley Health Network - \$65M dark web data leak including images of nude cancer patients
- NHS in London – 1M NHS patients leaked online
- AT&T ordered to pay \$13M to settle FCC data breach from 2023



# Cyber Market

Q4 2024 marked the 3rd consecutive quarter of decreases for the cyber line of business. Premiums for the line fell by 1.8%, the second record low for the line set in 2024.



## Cyber Market

- \$1M to \$5M is now the “new normal” limits vs. \$10M
- Multifactor Authentication (MFA)
- 24/7 network monitoring of all logs and reports and security operations centers (SOC)
- Network backups
- Network segmentations
- Privileged access to networks



# Cyber Insurance Concerns

- Data Collection and Handling Concerns
  - Your Employees
  - Vendors
- AI Exposures
- War Exclusion Considerations
- Ransomware Threats
- Business Email Compromise (BEC) Risks
- D&O Ramifications



# Cyber Policy Wording Changes

- For ransomware controls and mitigation techniques, insurers typically classified a risk as either “best-in-class,” “above average,” “average,” or “below average.”
- For average or below-average categorization, insurers looked to insulate themselves by:
  - Adding a ransomware exclusion.
  - Reducing limits/capacity and increasing the retention of relevant coverage sections for ransomware events.
  - Applying a form of coinsurance percentage for relevant coverage sections for ransomware events.
  - Applying coinsurance for contingent (dependent) business interruption/extra expense.
  - Requiring increased waiting periods for cyber property coverage sections.
  - Adding “specific event” exclusions for events that can potentially impair multiple networks.
  - Adding infrastructure exclusions.
  - Reevaluating, where included, the underwriting and limits deployed for local cyber and cyber/E&O policies.





# Risks of the Medical Practice

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# Commercial Risk Checkline – Physicians Office

## PHYSICIANS OFFICE

Category: Health Care Providers

SIC CODE: 8011 Offices and Clinics of Doctors of Medicine

NAICS CODE: 621111 Offices of Physicians (except Mental Health Specialists)

Suggested ISO General Liability Code: 66561

Suggested Workers Compensation Code: 8832

**Description of operations:** Doctors and physicians are educated and licensed to deal with the overall medical health and physical concerns of their patients. Some are general practitioners, working with patients of all ages on routine health matters such as preventive medicine. These often act as primary care doctors who pre-screen patients according to their symptoms, prescribe medication for common ailments, and refer patients in need of more serious medical evaluation and intervention to specialists. Doctors may have advanced education and training in a particular medical specialty, such as cardiology, gastroenterology, or neurology. Most doctors work from their own private offices and either a hospital or clinic to which they refer patients for laboratory tests, surgery, and post-operative care.

**Property exposure** is moderate due to the use of expensive diagnostic and medical equipment. All electrical wiring must be up to code and equipment properly maintained. A small fire which produces smoke can cause considerable damage when sterile equipment and environments are compromised. If pharmaceuticals are kept on premises, theft is a concern. These items should be inaccessible for unauthorized use and stored in a protected area after hours. Most property items are better covered on inland marine forms such as a computer form or the physicians and surgeons floater. The business income and extra expense exposure can be minimized if the doctor has arranged for temporary facilities with another doctor.

**Equipment breakdown exposures** may be high if operations are dependent on expensive medical equipment being available at the premises, particularly if the doctor specializes in a particular field. All equipment should be maintained on an ongoing basis.

**Crime exposure** is from employee dishonesty of both money and inventory. Background checks should be conducted on all employees handling money. Doctors may keep pharmaceuticals on the premises. Rigid controls must be maintained including inventory control and limited access to storage areas. All ordering, billing and disbursement must be handled by separate individuals. Money and securities are a concern if payments are accepted on premises. Deposits should be made regularly and money should not be kept on premises overnight.

**Inland marine exposure** includes accounts receivable, computers, physicians and surgeons equipment, and valuable papers and records. Accounts receivable coverage is needed if the physician bills for its services. Computers are used for patients' records and other office purposes, but some medical equipment, such as video equipment and X-ray machines, is now also computerized. Physicians and surgeons floater includes items that the doctor may take off site to handle emergencies, and can be extended to include all office furnishings. Duplicates of all records and programs should be kept off site.

**Premises liability exposure** is moderate due to public access to the premises. The customer areas should be neat with no obstructions. Trips, slips, and falls are major concerns. Adequate lighting, marked exits and egress are mandatory. Steps should have handrails, be well-lighted, marked, and in good repair. Parking lots should be maintained free of ice and snow. Housekeeping should be excellent and spills must be cleaned up promptly. If surgery is performed, the area must be kept sterile at all times and carefully controlled. The patients' area must be designed for patients who are physically impaired following the surgery. Escort procedures must be clear for all personnel.

**Professional exposures** are extensive. All doctors and all employees should be well trained, experienced, and properly licensed. The more types of procedures that the doctor performs, the more chance of professional loss. Needles and other equipment must be sterilized and sanitized to prevent the spread of blood-borne infectious diseases such as hepatitis, HIV and AIDS. On-site surgery must be closely monitored, with an experienced trained individual administering and monitoring the use of the anaesthetic.

**Automobile exposure** is generally limited to hired and nonownership liability for employees running errands. If the doctor or other personnel travel to client locations, the radius of the area driven, the age, record, and training of the driver, and vehicle maintenance should be monitored.

**Workers compensation exposure** is due to the possible transmission of disease from a patient. Gloves and masks should be worn at all times when working around any bodily fluids. Training and safety equipment should be in place to prevent exposure to radiation when performing X-rays. If employees travel to patients' residences there should be monitoring procedures in place that includes emergency backup. Unruly or unpredictable patients can cause harm including strains, back injuries and contusions.

### Minimum recommended coverage:

Business Personal Property, Business Income and Extra Expense, Employee Dishonesty, Money and Securities, Accounts Receivable, Computers, Physicians and Surgeons Floater, Valuable Papers and Records, General Liability, Employee Benefits, Professional, Umbrella, Hired and Nonownership Auto, Workers Compensation

### Other coverages to consider:

- Building, Earthquake, Flood, Equipment Breakdown, Computer Fraud, Forgery, Cyberliability, Employment-related Practices, Automobile Liability and Physical Damage, Stop Gap Liability



# Commercial Risk Checkline – Physicians Office

## PHYSICIANS OFFICE

Category: Health Care Providers

SIC CODE: 8011 Offices and Clinics of Doctors of Medicine

NAICS CODE: 621111 Offices of Physicians (except Mental Health Specialists)

Suggested ISO General Liability Code: 66561

Suggested Workers Compensation Code: 8832

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Personal lines insurance refers to insurance products that protect individuals and families from potential financial losses. Here are some common types of personal lines insurance:

1. **Auto Insurance:** Covers vehicles and provides protection against physical damage and bodily injury resulting from traffic collisions.
2. **Homeowners Insurance:** Protects against damages to a home and the homeowner's belongings, and provides liability coverage against accidents in the home or on the property.
3. **Renters Insurance:** Offers protection for a renter's personal property and liability within a rented property.
4. **Condo Insurance:** Similar to homeowners insurance but tailored for condominium owners, covering personal property and liability.
5. **Life Insurance:** Provides a monetary benefit to a decedent's family or other designated beneficiary upon the insured's death.
6. **Health Insurance:** Covers medical expenses and sometimes includes coverage for dental and vision care.
7. **Disability Insurance:** Provides income in the event a policyholder is unable to work due to a disability.
8. **Long-Term Care Insurance:** Covers the cost of long-term care services, such as nursing home care or in-home care.
9. **Umbrella Insurance:** Provides additional liability coverage beyond the limits of other policies, such as auto or homeowners insurance.
10. **Travel Insurance:** Covers unexpected events while traveling, such as trip cancellations, medical emergencies, and lost luggage.
11. **Pet Insurance:** Covers veterinary expenses for pets.
12. **Flood Insurance:** Provides coverage for damage caused by flooding, which is typically not covered under standard homeowners insurance.
13. **Earthquake Insurance:** Offers protection against damages caused by earthquakes, which are also not typically covered under standard homeowners insurance.

## Personal Risk



# Summary of the Major Risks of a Doctor\*

Doctors face a variety of risks in their professional practice, including:

1. **Medical Malpractice:** The risk of being sued by patients for alleged negligence or errors in diagnosis, treatment, or care.
2. **Professional Liability:** Like malpractice, this involves claims related to the professional services provided, including failure to meet the standard of care. Think, medical director, boards of directors, etc.
3. **Regulatory and Compliance Risks:** The risk of non-compliance with healthcare regulations, which can result in fines, penalties, or loss of license.
4. **Cybersecurity Risks:** The risk of data breaches or cyberattacks that compromise patient information and violate privacy laws.
5. **Workplace Safety and Health:** Risks related to employee health and safety in the workplace, including exposure to infectious diseases, needlestick injuries, and other occupational hazards (including violence and harassment).
6. **Reputational Risks:** The potential damage to a doctor's reputation due to negative patient outcomes, lawsuits, or publicized incidents.
7. **Financial Risks:** Risks related to the financial management of a medical practice, including billing errors, fraud, and economic downturns affecting patient volume.
8. **Emotional and Mental Health Risks:** The stress and emotional toll of dealing with high-stakes medical situations, long hours, and the pressure to perform can lead to burnout and mental health issues.
9. **Technological Risks:** The risk of errors or failures in medical equipment or technology that can impact patient care.
10. **Contractual Risks:** Risks associated with contracts and agreements with hospitals, insurance companies, and other entities, which can affect practice operations and income.
11. **Regulatory Changes:** The risk of changes in healthcare laws and regulations that can impact how doctors practice and get reimbursed.
12. **Patient Relations:** The risk of conflicts or misunderstandings with patients that can lead to complaints or legal action.
13. **Personal Insurance:** The risks associated with "life outside of being a doctor"

\*Not inclusive





**Risk is Everywhere ..... but that is life!**



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