

Sponsor Spotlight

LP Insurance Services

REQUIRED VS. ELECTIVE COMMERCIAL INSURANCE FOR YOUR PRACTICE

In commercial insurance, there are 3 required insurances to protect your practice. Medical Malpractice is required from the hospitals and any other healthcare entity in order to practice in their facility. Workers Compensation is required by the state for all employees. Property and General Liability are typically required by a lender or contracts with third parties. So, since these are all that are required, are you adequately protected? This a great question and the answer lies within your practice. Most physician practices are risk diverse because the bottom line directly affects theirs. If an uncovered loss occurs, they directly pay for the loss and most of the time, the physician believes they have coverage for most losses to which they do not. Suggesting that you purchase all available insurance is not the answer but, assessing your risk internally, discussing the options with an insurance professional and your corporate attorney, can help you gain perspective on the risk and cost of the risk deferment. As you know, these questions will be asked by the physician, so, having the answers will help them make clear risk deferment choices.

Here are some examples of elective insurances that you should contemplate:

- Employment Practice Liability Insurance (EPLI): This coverage is essential for most practices as it covers wrongful termination, harassment, and discrimination to name a few. These claims cost on average \$50,000 to be settled.
- Fiduciary Liability: Coverage for anyone acting in the capacity of a fiduciary for the company 401k/Pension fund.
- Directors & Officers: Coverage for anyone acting in the capacity of a Director or Officer for the company. Coverage can protect your personal assets!
- Cyber Liability: Your malpractice policy provides a “throw in” aggregate, but is insufficient for true losses that you could incur.
- Government Allegation: STARK, HIPAA, RAC Audits, ZPIC Audits, Qui Tam to name a few. Your Malpractice carrier has a small “throw in” coverage for this as well.

Lastly, you should sit down with your insurance professional at least once a year to evaluate the changes in your practice and make sure the limits you chose last year are sufficient for the upcoming policy period. This will ensure you have made the right choices and adequately protect your practice.