The Advantages of Claims-Made Professional Liability Coverage

By: Gilbert R. Davis, PDAIS President & CEO

Purchasing professional liability insurance can be a complex and confusing process. Dentists need to determine if a claims-made and reported policy or an occurrence policy will work best for them. With a claims-made and reported policy, policyholders are insured against claims that are made and reported when the policy is in effect. With an occurrence policy, coverage is provided for an incident that occurs during the policy period without regard to when the claim is made. Claims-made and reported professional liability policies offer several key advantages to the policyholder:

- Limits can be predicated on today’s exposures, ensuring that the policyholder will not be underinsured. Claims-made and reported policies do not require the policyholder to project 20 years or more into the future when setting limits. Policyholders have today’s limits for claims.

Welcome to our second issue of PDAIS Insights. We appreciate the positive feedback we received from PDA members about our inaugural issue and encourage you to contact us with comments or suggestions for future issues.

In this issue, you’ll find helpful risk management and practice management information to improve the efficiency of your business. Also featured is an article highlighting one of our very satisfied clients, Dr. Abigale Neville. We wish to thank Dr. Neville for providing insight into her experience opening a new practice and the insurance needs that she encountered. Because we offer full-concierge service, we were able to take the hassle out of the insurance process so Dr. Neville could focus on building her practice.

We believe that the success of PDAIS is not only due to the superior service and products we offer, but more importantly the relationships we build with each of our clients. Thank you for taking the time to read our newsletter and for your continued partnership. We would love to hear from you about your experience with PDAIS - please don’t hesitate to contact me directly at gdavis@pdais.com.
Use of Botox in Dentistry is a Fine Line

As questions increase about the use of Botox in dentistry, The Dentists Insurance Company (TDIC) advises policyholders that the use of preparations such as Botox and Dysport must be within the scope of their dental license as defined by the dental licensing authority in their state.

“If doctors are practicing legally within the scope of their dental license, there is coverage under TDIC’s professional liability policy,” said TDIC underwriting director Dora Earls. However, Earls noted that if the state dental licensing authority determines that use of Botox or similar drugs is not within the scope of dental practice, there is no TDIC coverage.

For example, dentistry in California is defined by the California Business and Professions Code section 1625. The dental board lists the pertinent language of the code as, “diagnosis or treatment, by surgery or other method, of diseases and lesions and the correction of malpositions of the human teeth, alveolar process, gums, jaws or associated structures; and such diagnosis or treatment may include all necessary related procedures as well as the use of drugs, anesthetic agents and physical evaluation…” The board states that a dentist may use any legally prescribed drugs to treat patients as long as the treatment is within this specified scope of practice.

Additionally, in California, dentists may not use Botox cosmetically without an Elective Facial Cosmetic Surgery permit. There are two categories for these permits. Category I relates to cosmetic facial surgery, such as contouring of the osteocartilaginous facial structure, and Category II relates to cosmetic soft tissue contouring or rejuvenation. The details of this system can be found in the California Business and Professions Code section 1638.1.

The California Dental Board also states, “Some permit holders may not be authorized to perform all cosmetic surgery procedures within the scope of the Elective Facial Cosmetic Surgery permit.” Additionally, the dental board notes that all procedures authorized under the Elective Facial Cosmetic Surgery permit must be performed in an acute care hospital or a certified surgical center as defined in California Business and Professions Code section 1638.1(f).

Botox and Dysport are commercial preparations of botulinum toxin derived from the bacterium Clostridium botulinum, a nerve “blocker” that binds to the nerves and prevents the release of acetylcholine, a neurotransmitter. The result is muscle paralysis, according to the National Center for Biotechnology Information. Botulinum toxin is approved by the FDA, and its most common use is in applications to minimize fine facial wrinkles.

Concerning professional liability coverage and training or certification for dentists to use Botox or similar drugs, TDIC’s endorsement states, “Before performing the alleged injection(s), you must have obtained any license, permit, certification or training required by the state dental licensing authority where you practice.”
By: Natalie Kinsinger, PDAIS Marketing Manager

At PDAIS, we value each and every customer and enjoy hearing feedback regarding our products, services and customer service. Recently, we were pleased to offer our services to a PDA member dentist opening a new practice. Dr. Abigale Neville of Holland, PA contacted PDAIS after applying for a loan with Bank of America Practice Solutions, a PDA endorsed vendor. While applying for the loan, she learned of several types of insurance she needed. Knowing PDAIS provided insurance to dentists, she gave us a call. What she quickly found out was that not only could we help her with practice insurance, but any other type of insurance she needed as well. Instead of having to make dozens of calls to companies and comparing rates, she only had to make one.

“PDAIS was able to offer all of the types of insurance I needed, even including construction insurance. I also needed disability, business overhead & contents insurance, and I chose to move my malpractice insurance with them - it just made sense.”

Dr. Neville enjoyed working with the PDAIS staff who took a genuine interest in her practice and how the building process was going. “PDAIS’s customer service is excellent. I would get emails and call backs immediately and updates on the process along the way. And I only had to fill out paperwork once and that information was then applied to all the different policies, saving me time.”

When asked what she would like her colleagues to know about PDAIS, Dr. Neville said, “PDAIS offers everything you need and educates you about the different types of insurance and what they cover, which is especially important for new business owners. And if you aren't crazy about your current insurance provider, give PDAIS a call. There's a good chance they can provide you with better rates.”

We are proud to share Dr. Neville’s experience, as we always aim to provide customers with top-notch customer service and insurance products at competitive rates. To get a free, no-obligation quote, visit www.pdais.com/freequotes or contact us at (877) 732-4748. We are here to assist you, answer your questions and find ways to save you money.

I only had to make one call. PDAIS was able to offer every type of insurance I needed.

~ABIGALE NEVILLE, DMD
As we welcome spring, we know this past winter’s weather was particularly difficult for many offices. Employees and patients struggled through treacherous roads and delayed or canceled appointments. Parking spaces and sidewalks needed to be cleared—sometimes daily. One thing you can count on—when the ice and snow comes down, the likelihood of slips, trips and falls goes up!

Did you know that slips and falls are a major driver of claims for dental offices? Some simple precautions can go a long way toward providing a safe and healthy work environment for your employees and your patients.

• Take the time to find and walk only on sidewalks or designated walk areas that are free of ice and snow.
  • Do not walk on curbs or median strips.
  • Pay attention to and heed warning signs for slippery areas and areas to avoid.
  • Avoid short cuts. More short cuts means greater chance for injury.
• Take particular caution at building entrances/ exits, where melted snow, ice and anti-skid material can accumulate.
• After dark, walk in well-lit areas so you can identify slippery areas and avoid them.
• Wear proper footwear, such as flat, rubber-soled shoes.
• Keep salt, cat litter or some form of anti-skid material on hand to spread out in front of you to provide adequate traction.
• Ask your staff to immediately inform you of any ice and snow walkway hazards and handle them immediately.

Also be sure to review safe snow removal procedures with your employees. These precautions can minimize the potential for workplace injury and may reduce absenteeism and injuries from snow removal at home.

• Using a snowblower? Check the area to be cleared in advance to ensure it is free of debris that could be picked-up and hurled by the snow blower, and make sure no one is in the dangerous discharge area. Never use a snow blower on a gravel driveway. Read the manufacturer’s manual prior to use. Start and run gas-powered snowblowers outside only and never leave a machine running unattended. Wear hearing protection and avoid loose scarves or other items that could get caught in the machine.
• If a snowblower gets clogged, NEVER put your hand in the intake or discharge chute. Instead, turn the engine off and wait at least 5 seconds for the blades to stop rotating. Use a long stick or broom handle to clear the clog—NEVER your hand. Keep all shields in place—DO NOT REMOVE the safety devices on the machine.
• Using a shovel? Shoveling is an extremely strenuous activity, especially when snow is wet and heavy. Snow shoveling causes an average of nearly 100 deaths and 11,500 ER visits each year in the United States. Check with a doctor before you shovel, listen to your body, and stop if you feel
The Advantages of Claims-Made PL Coverage

addition, purchasing a claims-made policy can help eliminate the concern policyholders may have as to whether their previous occurrence carrier remains in business. If an insurance company would go into receivership (the insurance equivalent of bankruptcy), you can move your coverage to a financially stronger insurance company. If the carrier for an occurrence policy goes into receivership, switching to a new financially stronger carrier will not remedy the problem with the former carrier.

• Claims-made and reported policies contain a retroactive date, which indicates when the policy is in force. In many cases, the retroactive date serves as the effective date of the policy period to cover prior acts at NO additional premium. Most claims-made and reported policies contain a provision for free lifetime tail coverage after full retirement, death or disability.

• With a claims-made policy, the insured can move coverage from one carrier to another carrier. If you have an active claims-made policy, you can apply to another insurance company that offers prior acts coverage for claims-made policies. Under this scenario, the new company takes the retroactive date from the old policy and endorses it onto the new policy. The new policy with the retroactive date from the previous policy now covers the same period of time as the old policy. Also, this means that as long as the new carrier is providing prior acts coverage, there is no need to purchase “extended reported period” (commonly known as the tail).

• If a dentist owns an occurrence policy and renews on a claims-made and reported form, the first few years of premium can offer SUBSTANTIAL savings in premium. The claims-made and reported form does not have to pick up prior acts, as the occurrence form will continue to protect against incidents that may have occurred during the time the policy was in effect. This enables many insurance carriers to offer discounted premiums on claims-made and reported policies the first few years of the policy.

• From a pricing viewpoint, occurrence policies are more expensive than comparable claims-made policies because they provide coverage for incidents that occurred during the policy year regardless of when the claim is reported. And the occurrence policy provides a separate limit for each year protection is purchased. On average, a dental professional liability policy costs about 10 percent more a year than a claims-made policy.

• Claims-made and reported policies give the insurer the ability to monitor how much money will be needed to adjust claims in a particular year, giving them the flexibility to adjust premiums accordingly.

• In years when claims experience is especially favorable, insurers may return excess premiums (those not needed for purposes such as claims expenses, operations or capital growth) in the form of policyholder dividends. Insurers offering claims-made and reported policies can declare dividends earlier than those that offer occurrence policies.

Whether shopping for a new professional liability insurance policy or deciding whether or not to renew an existing one, it’s important to consider the advantages of a claims-made and reported policy before making a final decision.

For more information or a quote on a professional liability or claims-made policy, please contact a PDAIS representative at (877) 732-4748 or visit the website at www.pdais.com.
Maximize Your Returns When Refining Precious Scrap Metals

By: D-MMEX, a PDA-endorsed vendor

Companies offering cash for gold are abundant on television, online and in print. In this environment, it really pays to do your research before surrendering scrap gold, platinum, silver or palladium to refiners. It’s important to select a company that will handle your scrap metal returns in an efficient, ethical and professional manner.

To give you some idea of how difficult it can be to project the value of your scrap precious metal, consider this. Gold, platinum, palladium and silver are found in most dental alloys used in crown construction. They also include some non-precious alloys, including copper, which are used to bond and fuse the manufactured alloys. A typical gold crown made in the United States can contain anywhere between 40 percent and 84 percent gold. You can’t tell by looking. The only way to find out how much gold and other valuable metals a crown contains is to scientifically analyze it.

But crowns and bridges are not the only source of precious metals in dental settings. You’ll also find them in bench grindings that are produced when a technician trims a crafted crown to meet the requirements of the patient. Extractor bags and sweepings contain precious metals that can only be refined through incineration. Other sources are platinum foil used in copings and castings and flashes from casting machines — even rugs and carpets that have been in a dental lab for a long time. An expert precious metal refiner is able to extract precious metals from all these sources.

Reputable precious metal refiners will tell you what their process is. Don’t be afraid to ask. Be sure you get a detailed report of the contents shipped and ask what percentage of value will be paid on the various precious metals. Find out how precious metal prices are set. Always photograph your precious scrap metals before submitting them for refining.

An endorsed solution

The Pennsylvania Dental Association endorses D-MMEX EasyRefine for its members’ precious scrap metal reclamation efforts. The company has also been endorsed by 15 other state dental associations or their affiliates for good reasons. D-MMEX documents the value of each shipment and details how its valuation and payment process works.

- The first step in refining is safely transporting the scrap metal to the refiner. D-MMEX provides containers that seal and insures the shipment for the dentist.
- When the scrap is received at the refinery, it is melted in a crucible (or incinerated) reducing the metal, porcelain, and biological tissues to a molten substance.
- The molten substance is formed into a block and a sample drilling is taken and forwarded to an independent assay office. This scientific method determines the quantity of each precious metal in the sample.
- Once the analysis is complete, the bar is priced on the London-based market at the next

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available “fix,” which is the price per ounce for each precious metal as determined twice daily by the members of the London Gold Pool.

- Payment is then made to the dentists for the value of the four precious metals at the established price. DMMEX pays PDA members a five percent premium on the value of precious metals refined.
- Within 10 business days, the dentist receives a check and a detailed analysis report showing the total weight of the material submitted, the amount of non-precious waste and the true weight and value of the precious metals.

It can pay to refine precious metals quarterly or semi-annually. Keep an eye on the price of gold and submit your collected precious scraps for refining when values are stable or trending upward.

For more information on the D-MMEX Easy Refine Program, or a free shipping container, contact D-MMEX at (800) 741-3174 or visit www.easyrefine.com and click on “Request Your EasyRefine Kit.”

Maximize Your Returns When Refining

Help is only one call away. Whether you have questions regarding how the Affordable Care Act (ACA) applies to your practice, need assistance with implementation or would like alternative health quotes, the PDAIS team is your go-to resource.

We are well versed in all aspects of the ACA and are ready to assist and guide you through the process. And because you are a valued member of PDA, you have access to discounted insurance products.

CONTACT US TODAY! It’s the only call you will have to make to prepare yourself for the health insurance changes taking place. Toll free (877) 732-4748 or email memberbenefit@pdais.com.

We look forward to assisting you!

Shovel smaller loads of snow, and push rather than lift when possible. Pick the right shovel—a smaller blade lifts less snow, putting less strain on the body, plastic shovels are lighter, and ergonomic handles can make the job easier on your body. Clear snow early and often, taking frequent breaks.

While no article or safety resource can identify every unsafe condition or procedure, the precautions above can help you build a culture of safety in your workplace. If you have specific questions, please contact a PDAIS representative at (877) 732-4748.

Remember, spending a little time now thinking about safety helps avoid spending a lot of money later on workers’ compensation premiums.
Why Disability Insurance is Important

Have you ever thought about how you would pay your bills if you became sick or injured and were unable to work? Your chances of becoming disabled at some point during your dental career is higher than you may realize. According to the Social Security Administration, studies show that a 20-year-old worker has a 3-in-10 chance of becoming disabled before reaching retirement age. Disability insurance can act as your safety net, replacing a portion of your income to help protect you and your family from going into serious debt.

Are you prepared?

Probably not. If you’re like most Americans, you don’t have enough - or any - disability insurance. Long-term disability lasts 31.2 months, on average, and can be financially devastating. Money you had set aside for vacation, your child’s education or even your retirement must now be spent on essentials such as groceries and gas. Many personal bankruptcies and mortgage foreclosures are a consequence of disability.

Did you know that most instances of disability are not caused by accidents? Back injuries, cancer, heart disease and other illnesses cause the majority of long-term absences. Because most of the causes are not work-related they are not covered by workers’ compensation.

Get the peace of mind you deserve

Your PDAIS team is only one call away. We can help you prepare for a disability the same way you plan for other emergencies. Contact us at (877) 732-4748 or request a quote at www.pdais.com/freequotes.

Disability Statistics

- More than 30 million Americans between the ages of 21 and 64 are disabled, according to the most recent U.S. Census. That’s about 12 percent of the total population.
- 2.6 million people filed disability claims with Social Security in 2013.
- More than 25 million American lives are restricted by the effects of disability, according to the Centers for Disease Control and Prevention.
- 8.8 million disabled wage earners, more than 5 percent of U.S. workers, were receiving Social Security Disability (SSDI) benefits at the end of 2012.
- In December 2012, there were more than 2.5 million disabled workers in their 20s, 30s and 40s receiving SSDI benefits.

Sources:
- Council for Disability Awareness website http://www.disabilitycanhappen.org/
- Social Security Administration website http://www.ssa.gov/

ENDEOSED VENDOR PROGRAM

PDAIS and PDA are committed to increasing the value of your PDA membership through our Endorsed Vendor Program. PDA members have access to special offers with the following programs:

- Automated Marketing & Communications
- Credit Cards
- Credit Card Processing
- Energy Supplier
- Office & Equipment Financing
- Patient Financing
- Payroll & Business Solutions
- Precious Scrap Metal Recovery
- Waste Management
- Website Design & Internet Marketing

Learn more by visiting www.pdais.com/vendors.
You already “expect the unexpected” with your pets at home, but what about when it comes to their vet bills? Truth is, unexpected vet bills happen more often than you think. And they can cost more than you’d care to imagine. Petplan® pet insurance can help.

WHAT IS PETPLAN PET INSURANCE?

Petplan pet health insurance helps you pay your unexpected vet bills. So if your pets have an accident or become ill, your first thoughts can be about their care, not your budget.

HOW DO PETPLAN POLICIES WORK?

It’s simple. If your pets have an accident or get sick unexpectedly, simply visit your veterinarian as normal, complete, sign and submit your one-page claim form — which has been pre-filled with all your policy details for ease — and within days you will receive reimbursement.

WHAT WILL MY POLICY COVER?

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- Prescription medications
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Save up to 15 percent by enrolling at www.pdais.com/petinsurance.

*Terms and Conditions apply. Availability of this program is subject to each state's approval and coverage may vary by state. Pet insurance policies are issued by AGCS Marine Insurance Company and administered by Fetch Insurance Services, LLC (Fetch Insurance Agency, LLC in Michigan), d/b/a Petplan (Petplan Insurance Agency, LLC in California).

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Our team is here to assist you! Phone: (877) 732-4748 | www.pdais.com

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