

## Malpractice Insurance Policies – OAA’s Comparison Chart

Malpractice policies are complicated. No one policy is “the best”. The information below is a summary of the policies available to Oregon LAc’s. We can’t guarantee complete accuracy since we can’t always obtain a copy of every policy, and since details can change. You’ll need to read the actual policy before you enroll, or verify the details in writing. We have tried to obtain discounts for OAA members but the Insurance Commission has ruled that this is not legal. If you have any new or additional info, let the OAA know at 503-236-4383, or oaa@pobox.com Thanks to Cindy Anderson and Natalie Arndt who updated this chart, and Peter Martin and Dianne DelReyes for their help on it in the past.

Agency or Broker	AAC***	ESR	H CJ	NHCMG	Wood
<b>Annual Price, Discounts</b>	*\$850 3+yr LAc. w/Pref program; *arbitration form option	\$1000-\$1400: AAOM, CAOM, AOMAlliance Discount	\$1000-1400	\$850/yr (AAC is handling NHCMG)	*\$864- claims made, full-time; \$463-24 hr/wk
<b>Deductible</b>	None	\$1000/claim	\$1000/claim	Call AAC	None
<b>Legal Within</b>	Yes	Yes	Yes	“	No
<b>“Consent to Settle” Required</b>	*No	Yes	No	“	No
<b>Exclusions</b>	*Yes	*Yes	*Anesthesia only	*Yes	*Yes
<b>Claims Covered</b>	*Claims Made Policy only	Claims Made Policy only	Claims Made Policy only	Call AAC	Claims Made or Occurrence Policy
<b>Financing Options</b>	Quarterly /Annual (6% finance charge, no down payment)	30% down, remainder over 9months	25% down, then 8 monthly pmts	“	25% down, then paid over 9 months

\*See page 2 for additional information. \*\* Consult your policy, since the wording for “Consent to Settle” can vary greatly. \*\*\* AAC is covered by “Allied Professionals Insurance Company, A Risk Retention Group”, see below for definition of RRGs. There are many items we could not put on the chart due to space. See page 2 for many more details.

### Definitions:

**Risk Retention Group:** A federal law allows individuals to form a specific group and pool their resources to insure the members of their group. If the expenses of the whole group exceed their available funds, then the members must contribute extra to cover those expenses. Also, by the federal law, the members of the group “own” the risk retention company.

**Price:** Cost of coverage per year for a 1 million/3 million policy (standard amount for MCO’s) for an established LAc. Many policies offer lower levels of liability, but the 1 million/3 million is the standard level for enrolling in provider panels.

**Legal Within:** Legal costs of a claim are included as part of the policy dollar limit (the maximum amount for each claim). Ex: if your coverage is \$1 million per claim and the legal costs come to \$300,000, then the patient can receive a maximum of \$700,000.

**Consent to Settle:** The insurance company is required to obtain consent from the LAc in order to settle a lawsuit (claim) against the LAc. Without “consent to settle”, a company can settle the claim without the LAc’s involvement or approval. Even if you do have “consent to settle”, it’s still important to check the wording on the policy, because some policies write in exceptions.

**Exclusions** Procedures and conditions which your insurance does not cover. *This varies greatly.* See page 2 for the info that we could obtain. Look at the policy for current exclusions and the exact information. Most policies exclude obstetrics since these claims typically are extremely expensive. Most policies do not include coverage for physical or sexual abuse.

**Claims Made Policy:** A claims made policy covers claims that are filed and reported during the coverage period of your current company. The current company will cover incidents that happened before you started w/them if: 1) the claim is filed and reported during the current company’s coverage, and 2) the incident occurred after the retroactive date on your current policy (basically this is “prior acts” coverage). Your current company decides your retroactive date. It is usually the date that you began coverage with your previous company. For example: You have company X since 2000 and you had a company Y policy from 1997-2000. Company X gives you a retroactive date of 1997. In 2003 you file and report a claim of something that happened in 1999. Company X covers it.

**Occurrence Policy:** This covers claims for incidents that occurred while the policy was in force no matter when you report them.

**Tail Coverage** (aka Extended Reporting Endorsement) Usually quite expensive, and usually only used when a practitioner is retiring from practice. This covers claims that are filed on a claims made policy after the policy has terminated. Also used if you change from a claims made policy to an occurrence policy or if you cancel your claims made policy or let it lapse.

## Malpractice Policies - Additional Information

*We cannot guarantee the accuracy of this information. Verify details in writing before you sign up with a company.*

### **AAC (American Acupuncture Council)**

- Two programs: 1-Elite uses Arbitration forms\*\*\* (lower premium), 2-Preferred has no arbitration forms.
- 1<sup>st</sup> Year, Preferred Rate: \$475; 2<sup>nd</sup> Yr, Pref. Rate: \$700, 2<sup>nd</sup> Yr, Elite: \$576, 3<sup>rd</sup> Yr, Elite: \$695  
\*\*\*All your patients must sign the arbitration form, which waives their right to take a malpractice suit to court but instead they agree to use arbitration to settle a malpractice complaint.
- Discount for grads of AAC member schools (includes OCOM) for 2-3 years after graduation.
- A non-refundable yearly membership fee of \$150 is included in the premium.
- Coverage for part-time practices for specific situations, like faculty w/a part time practice of 20 or less hrs/wk.
- Exclusions: Many, see policy & talk to AAC. Some exclusions are: acupuncture anesthesia, tx of fractures, OB/GYN, etc. Restrictions w/cancer, epilepsy, & AIDS.
- Converts to an Occurrence policy after 5 years.
- No A&M Best Rating since Allied Professionals..., AAC's risk coverage company, is a young company. Also, Allied Professionals is a "Risk Management Group" – see definitions on page one.
- All litigation and claims management handled by in-house attorneys.

### **ESR (Eastern Special Risk)**

- Exclusions: (See policy and talk to ESR.) anesthesia, obstetrics, sterility, birth control, HTLV/AIDS, surgery, direct moxa.
- If you decide to not settle a case against their recommendation and lose, you will only get \$10,000 coverage
- A&M Best Rating: A++
- Rates vary depending on whether your policy has Prior Acts coverage.

### **HCJ (Hallway-Conway-Jackson)**

- Reduced rate for part-time practice;
- Exclusions: anesthesia is excluded, otherwise everything in the LAc's scope of practice is included.
- "Sublimit" for moxa: limits coverage of claims related to moxa up to \$25,000, w/ \$2500 deductible.
- Prior Acts option; A&M Best Rating: A; Optional \$500 deductible available

### **NHCMG (New Health Care Management Group)** (Call AAC for information)

- Exclusions: general anesthesia, transmission of a communicable disease.

### **Wood (Wood Insurance Group)**

- Exclusions: (See policy and talk to Wood.) Obstetrics, animals, anesthesia, direct moxa, cold laser, fluid injections, maibotsushin, cosmetic tx w/botox.  
Wood defines obstetrics as: "...the management of women during pregnancy, childbirth, and the puerperium."
- Part time coverage available for a practice of less than 24 hrs/week.
- Division of AIG; A&M Best Rating: A++
- Entity coverage available on a shared limit basis for no additional premium. Prior Acts coverage additional.
- Unlimited Tail coverage for Claims made policies; Free Tail upon: death/perm. disability or 55 yrs age insured with AIG 5 yrs and full retirement or insured with AIG ten years (Claims Made policyholders)
- Malpractice insurance includes Premises (slip/fall) liability insurance.

### **Malpractice Insurance Companies and Phone Numbers:**

**AAC** - American Acupuncture Council: 800-838-0383 (Fax: 714-571-1863) Santa Anna, California.

**ESR** - Eastern Special Risk – 800-341-1110 (Fax:978-456-3245) Harvard, Massachusetts

**HCJ** - Hall-Conway-Jackson – 800-877-8024 (Fax: 425-368-1290) Bothell, Washington

**NHCMG** - Call AAC for info on NHCMG

**Wood** - Wood Insurance Group – 800-695-0219 (Fax: 602-230-8207) [www.woodinsurancegroup.com](http://www.woodinsurancegroup.com) Arizona

### **Additional Malpractice Insurance Items**

Informed Consent Form Preferred by all companies, but, to the best of our knowledge, not required. (It is standard in healthcare.)

Licensed vs. Surplus Lines: It appears that Wood is the only "licensed line" in Oregon. It appears that ESR and HCJ are surplus lines AAC is a risk retention group (see definitions page 1). (Check with each company- they can change their status.) A "licensed" or "admitted" line (company) has had its policies, applications and rates approved by the state and cannot make changes w/o state approval. If a "licensed" company goes bankrupt, their claims are taken over by the State Guarantee Fund and will be paid to a certain amount by the state. "Surplus line" (company) policies have not been reviewed and are not guaranteed by the state, although all of the companies on this chart appear to be very stable. Call the individual agency, broker or company for their current status.

A.M.Best Rating: Based on management/financial strength of the company, quality of policies, etc. "A" is a company in good shape.

Additional coverage: Many agents/brokers offer additional policies to cover property, personal injury (slip/fall), investigation by a licensing board, etc. Ask the agent or broker for more information.