

Dentists manage to smile over insurance

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While the nation's physicians find themselves in a professional liability insurance nightmare, the nation's dentists are faring far better.

There is no dental malpractice insurance crisis.

Markets and pricing are not perfect but those familiar with the dental malpractice insurance field describe the situation as stable.

There are cavities of unusual activity — a rate reduction of 15 percent for New York dentists and the loss of its insurer by the Connecticut State Dental Society — but such extremes are rare.

New dental technologies such as lasers and the growing popularity of implants and cosmetic dentistry procedures have not produced any danger signs in claims, although there is some concern that dentists must remain vigilant in communicating with patients over what they can realistically expect from such treatments, according to dental liability specialists.

"There isn't the volatility that there has been in the medical line," comments Dr. John Vaselaney, national director of the dental risk management program at CNA HealthPro, one of the largest dental liability insurers in the country.

Claims have been rising but "for the most part, it's not the dire outlook as it is the medical area."

Underwriters are closely scrutinizing any applicants with a history of claims but Vaselaney and most observers do not believe availability is a problem.

To the extent there has been bad news, it has come when insurers— St. Paul, Safeco, AIG, Frontier and others – stopped writing professional liability insurance for dentists. That came as part of their withdrawing from all medical liability fields.

CNA has taken a different approach from some competitors, "distancing" itself from the physicians' market but retaining, even growing, its presence in dentists' offices.

Vaselaney says CNA's rates have been inching "up and down" — pricing is very much a regional and state-by-state decision influenced by regulations and the legal atmosphere as well as by claims and costs.

But even in states where juries and rules may put insurers and defendants at a disadvantage, matters have not gotten out of hand like they have in some states over medical liability.

CNA writes dentists in all states except Massachusetts, where a risk retention group owned and run by dentists, Eastern Dental Insurance Co., has a 70% share of the market.

New dental technologies such as lasers and the growing popularity of implants and cosmetic dentistry have not produced any obvious danger signs in claims, according to dental liability specialists, who are watching closely for hints of any trouble.

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years—better to keep up with costs and claims than have to play catch-up, according to Hapcook.

"We charge a fair rate for the exposure and give superior service," he maintains.

New York dentists have also enjoyed stability, according to officials at the New York State Dental Association.

Since 1992, NYSDA's member professional liability program has been underwritten by Medical Liability Mutual Insurance Co., based in Manhattan—even as members have watched other carriers exit the field.

Rates in New York have stayed the same since 1992, until this year when the insurance department agreed to a 15 percent average rate reduction.

"By keeping our rates at a stable level, commercial competitors have done the same in order to compete. While the rates have been stable, however, it has resulted in some instability in the carriers willing to write coverage," observed Michael J. Hermann, NYSDA executive director.

That scenario recently played out in Connecticut, proving that while the dental liability market may be good, no market is perfect. Connecticut State Dental Association leaders recently sent the following notice to members:

"The CSDA had negotiated a professional liability plan with The GE Medical Protective Company that was tailored to the needs of Connecticut dentists at reduced rates. The GE Medical Protective Company will no longer be offering this negotiated plan and has removed itself from its endorsement agreement with the CSDA effective July 15, 2003."

CSDA officials are currently scouting for a replacement plan for its members.

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CNA writes dentists in all states except Massachusetts, where a risk retention group owned and run by dentists, Eastern Dental Insurance Co., has a better than 70 percent share of the market.

EDIC was formed by the Massachusetts Dental Society in 1992, close to the last time the market came anywhere near a crisis. At the time, most Massachusetts dentists were insured in the state's liability joint underwriting association because the private market had collapsed.

EDIC was created under Vermont laws and writes members of dental societies only in all six New England states plus Pennsylvania.

Charles Hapcook, DDS, president and chief executive officer for EDIC, agrees with CNA's Vaselaney that the liability market for dentist remains stable.

Hapcook believes it will stay that way for a number of reasons. The cost of reinsurance should go down as new reinsurers compete for business. Also, he sees EDIC's investment returns improving as the economy rebounds.

He also notes that even though some players have left, some new players such as GE and, recently, Fireman's Fund, have joined the fray.

But the biggest reason he believes the market will remain stable is because "dentists are controlling their own destiny" by the way they respond to risk management challenges.

"We are dentists and understand the running of a dental office," he says of EDIC's management, a situation he says helps when communicating risk management advice to dentists.

EDIC has raised its rates an average of 10 percent the past several

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