

MALPRACTICE and MEDICAL INSURANCE

The value of an asset is its market value or, if not determined in accordance with generally accepted policies or other generally accepted methods...

The amount of any liabilities of an insurer, based on accepted accounting concepts, based on the appropriate for insurers.

The value of any assets of the insurer which are matched which fall within any of maturity value if that appropriate by the

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John Smith
CEO

Time to Rethink Your Insurance Options

BY TIM HANSON

The beginning of the year is the traditional time to reflect on the past year and set goals and resolutions for the coming year. Rarely, though, do we stop and think about our insurance coverage. For many, the economy has been a high hurdle for obtaining full medical and malpractice coverage. Smaller firms have been hit especially hard as budgets are stretched to the breaking point.

“During the past 24 months, a number of small firms have dropped or greatly scaled back their malpractice coverage due to the economy,” says John Randolph, president of the Texas Lawyers Insurance Exchange (TLIE). “We typically see a decrease in coverage during economic downturns, but this leaves firms in a vulnerable position.”

Brooks Davis, administrator for the State Bar of Texas Insurance Trust (SBOTIT), has noticed an increased level of activity in medical insurance due to recent health care legislation. “We are seeing an increased level of interest as attorneys and law firms look to lower the cost of their coverage while still obtaining meaningful benefits,” he says.

Though you may have already abandoned your New Year’s resolutions, now is a good time for you to do a top-down review of your malpractice and health insurances and make any adjustments accordingly. The beginning of the year or after any significant staffing or partnership changes is an excellent time to review your coverage.

There are so many options for health insurance that it can get a little overwhelming trying to find the right provider for you. Whichever insurance company you go with, be sure to read the policy’s fine print. Make sure the policy offers all of the coverage you require and don’t be afraid to shop around for the best

rate. Most important, consider your medical needs (and those of your employees, if you are not a solo). For example, do you visit the doctor often? If so, paying a higher monthly premium in exchange for low deductibles may be a good option. Before purchasing health insurance, consider all of the benefits offered, including vision and dental insurance.

Texas lawyers are not required to have malpractice insurance, and while it may be tempting, Randolph says attorneys should carefully consider scaling back liability insurance because it can be risky. Certain clients and participation in certain programs, such as the State Bar Lawyer Referral Information Service, require attorneys to maintain liability insurance.

When comparing the policies offered by different companies, attorneys shouldn’t be swayed simply by price. Rudolph says attorneys should consider the following: DTPA coverage, punitive and exemplary damages coverage, innocent partner protection, deductibles per claim versus aggregate, hammer clause,

and defense of claims. Not all policies cover or offer DTPA coverage and punitive and exemplary damages coverage, so it is important to make sure you find a policy that is right for you. Be sure to weigh policies that have a per claim deductible and those that offer aggregate deductibles, which means you don’t have to pay more than one deductible each year. And, look for an insurance company that has licensed attorneys on staff and considers your input when choosing defense counsel.

If you already have health and/or liability insurance and are looking to renew your policy, start the process at least 60 days before your current policy expires. This gives you time to shop around and find the best options.



TIM HANSON

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STATE BAR OF TEXAS INSURANCE TRUST



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