The Future of Your Professional Liability Program

Jeffrey Kraig, DDS WDA Insurance and Services Corp. Board Chair.

For over 30 years, the Wisconsin Dental Association has endorsed the Professional Protector Plan® underwritten by CNA as the recommended professional liability program for the Wisconsin dental community. The time has come to examine established business models to ensure we continue to meet the changing needs of the dental profession. We are excited about this new opportunity and believe you will be very satisfied with our new partner-- Medical Protective.

This decision to change carriers was not made lightly. The WDA Insurance and Services Corp. Board, WDA Board of Trustees and WDAISC staff were involved in the due diligence process. The discussion was also taken up at the WDA House of Delegates in October. At the forefront of the decision-making process was the question, “Does this benefit the dental community?”

Effective January 1, 2016, we will move from a fully-insured model to a risk-sharing model with Medical Protective (MedPro) for the professional liability portion of your insurance.

We will continue to fully insure your property, contents and/or building, with a separate carrier. Your policy will be transitioned automatically upon renewal. Your “prior acts” will be picked up and all applicable risk management credits will carryover. We will work hard to keep paperwork to a minimum.

When risk sharing on a program, the agency pays claims up to a specific dollar amount and then pays for someone else (an insurance carrier) to pay claims above that amount. The agency is a partner with the insurance carrier, sharing expenses, risk management, underwriting margin and investment income.

How is this new partnership structured?

In the insurance industry, we have captives which are similar to insurance companies. A “core” is established which can then “rent out” cells. The WDAISC has established a cell under the Wisconsin Medical Society’s core. The WMS established its core in 2013 in response to the threat of decreasing revenues in their for-profit operations and consolidating medical practices. This is a more cost-effective arrangement and a practical first step when wanting to manage risk. At some point in the future, it is possible to transition a cell to its own core and add additional lines of business like workers’ compensation or property insurance.

What happens to the property coverage portion of my policy?

Currently, some Professional Insurance Program clients have a “package policy” which is one policy covering both professional liability and business property (including building). These clients will now have separate policies. Professional liability will be “self insured” and property will continue to be “fully insured.” Under the new arrangement, broader coverage at competitive prices may be available.
How does the dental community benefit?

Policyholders will notice that their coverage and underwriting guidelines are more closely related to how they actually practice dentistry in Wisconsin. All Wisconsin dental policyholders will have direct impact on the program’s loss ratio through risk management efforts.

The larger Wisconsin dental community will benefit from the additional support that profits provide to the various programs and services available through the WDA, such as political advocacy and public awareness.

Individual policyholders, our PIP agency, our professional state association and the carrier will be partners with a proactive approach to changes in our profession and the insurance industry.

Thank you for your continued loyalty and support of the WDAISC.