

Whether you're a new Naturopathic Physician or have been practicing for decades, making sure you have the right malpractice insurance policy is important. After all, even the most conscientious doctor can be sued for malpractice. You need to ensure both your patients and your practice are protected.

Choosing the right policy is easier when you understand the basics of malpractice insurance. The following information can help as you make this important decision. Page 4 lists definitions to give you a better understanding of many of the terms.

Please remember that NCMIC is always here to help you. If you have any questions about malpractice insurance in general or NCMIC's Malpractice Insurance Plan, please call 1-800-769-2000, ext. 8290.

What Malpractice Insurance Covers

You don't want to wait until you're faced with a malpractice allegation to learn that your coverage falls short. Instead, take a few minutes now to learn the basics of each plan you're considering and what is covered.

Limit of Liability

The limit of liability you choose is used to compensate for damage, loss or injury suffered by the plaintiff (patient). Payments to plaintiffs due to court judgments or settlements are often referred to as indemnity payments because the malpractice insurer indemnifies you against these judgments or settlements.

When looking for malpractice insurance, you'll notice coverage limits are stated with two figures: the first is for a single claim in the policy period and the second for the aggregate limit (the total limit of liability for all claims in a policy period).

Take, for example, a stated \$1 million/\$3 million limit of liability. This means there is a single claim limit of \$1 million and \$3 million available in coverage for all claims per policy period (a policy period is usually one year).

Legal Defense

Malpractice insurance also pays for your legal defense whether the malpractice allegations against you have merit or not. Because this can easily cost tens, or even hundreds of thousands of dollars, it is a very important part of your coverage.

A malpractice insurance plan can handle legal defense payments in one of two ways:

- 1 The first option is to pay your legal/defense costs from your policy limit of liability. So, both the indemnity payments and your defense cost payments must come from that limit. This is not the best scenario, since payment of defense costs erodes your limit, leaving you fewer dollars available to pay judgments or settlements for damages.
- 2 The alternative is to choose a policy that pays your legal costs in addition to your policy limit of liability. This method is often referred to as "defense outside limits." Your limit of liability would remain intact for any judgment or settlement.

NCMIC'S NATUROPATHIC MALPRACTICE INSURANCE PLAN

NCMIC believes in making sure Naturopathic Physicians have comprehensive protection. That's why all malpractice legal fees are paid by NCMIC's policy without reducing available limits of liability.

Determining How Much Coverage You Need

To determine the amount of coverage you need, consider several factors:

- 1 You'll want to think about the amount of money an injured patient may require.
- 2 Check with any insurance provider networks in which you participate. Many network contracts require participants to maintain a certain limit of liability. This is also true of some state statutes, so be sure to call and inquire about your state. If you have an employer or employment contract, determine if they have minimum requirements, as well.

- 3 Keep in mind that having low limits may prevent a successful outcome. Lawsuits often entail negotiation and compromise, and if your policy limit is inadequate, it may negatively affect the ability to reach an acceptable result.
- 4 Consider the possible impact on your personal assets. Depending on your policy, you may be responsible for paying attorney fees and/or judgments in excess of your policy limit out of your own pocket. Choosing a high enough limit will help reduce this risk.
- 5 To help make sure your chosen limit meets your needs, it's a good idea to meet with your attorney or business advisor. He or she can help you determine the amount you need. Once you choose your limit, remember to reevaluate it each year to make sure it's still the right amount of protection for you.

Another important consideration is entity coverage. While companies don't commit malpractice, if you have a professional legal entity such as a corporation, its assets can usually be accessed in a malpractice suit because employers are held liable for the acts of their employees. It is important to protect your business entity because it holds your business assets like equipment and accounts receivable. Coverage for your professional entity is not necessarily automatic in the malpractice policy that covers you as a practitioner—be sure your professional legal entity(ies) are added and named in your policy documents. Otherwise, claims made against your entity might not be afforded coverage.

NCMIC'S NATUROPATHIC MALPRACTICE INSURANCE PLAN

NCMIC offers several policy limit options to ensure you select the amount that fits your individual circumstances.

NCMIC also offers entity coverage with both separate and shared limits of liability.

Understanding Consent to Settle

When you're looking for the right malpractice insurance plan, it's imperative to understand Consent to Settle, which can take many forms.

To begin with, look for "true" or "pure" Consent to Settle, which means you (the policyholder) have the option to pursue settlement of your case or take it to court. Your case cannot be settled by your malpractice insurer without your permission. When it comes to protecting your reputation, this is a very important feature. After all, it's your livelihood on the line. If you want your day in court, "true" or "pure" Consent to Settle means you will get it.

But, be careful when comparing malpractice insurance plans. Some policies list Consent to Settle as a feature, but may have caveats. For example ...

- ▶ **A plan may have a hammer or modified hammer clause.** This means if your insurance company recommends settling a case and you withhold your consent, you will have to pay out of your own pocket any judgment in excess of the proposed settlement amount, even if your policy limit supports the judgment.

While this option may save your insurance company money by shortening the litigation process, it may cost you thousands of dollars.

- ▶ **Some plans include an arbitration clause.** If the insurance company thinks you are being unreasonable by withholding consent to settle, the issue of reasonableness may be resolved via binding arbitration. A third party will review the claim and decide if you are being reasonable in withholding consent. If the arbitrator determines you are being unreasonable, the insurance company can settle the case without your consent.
- ▶ Similarly, you'll find some malpractice insurance companies require Naturopathic Physicians have patients sign a binding "**arbitration agreement**" before being treated. This eliminates your right and the patient's right to a jury trial, and instead, an arbitrator resolves the case.

This can cause the doctor/patient relationship to be strained from the start. You need to decide if you would be willing to turn away patients who refuse to sign the agreement.

NCMIC'S NATUROPATHIC MALPRACTICE INSURANCE PLAN

You can rest assured NCMIC's Consent to Settle is a true Consent to Settle feature. We will not settle your case without your explicit permission. What's more, NCMIC's policy does not include a hammer or modified hammer clause or an arbitration clause. (Consent to settle is not allowed by Maryland.)

In regard to arbitration agreements, NCMIC does not believe they are in the best interest of our policyholders and their patients. Our policy does not require doctors to enter into arbitration agreements with their patients.

NCMIC'S NATUROPATHIC MALPRACTICE INSURANCE PLAN

When you choose NCMIC, you're working directly with the insurance company. We handle each aspect of the Naturopathic Malpractice Insurance Plan in one location. So, you call the same place whether you have questions about underwriting, a payment, policy benefits or a claim.

Financial Stability

You want to make sure the malpractice insurance company you choose will be there for you over the long term.

One way to assess this is by checking their A.M. Best rating at www.ambest.com. A.M. Best, an industry analyst, evaluates the financial strength and operating performance of insurance companies. Best's ratings range from A++ to S.

NCMIC INSURANCE COMPANY

NCMIC is rated "A" (Excellent) by A.M. Best.

NCMIC INSURANCE COMPANY

NCMIC is an active supporter of naturopathic medicine and proud to be a sponsor of the AANP and many state associations.

Our number one goal is always to serve our policyholders. That's why we diligently follow trends in naturopathic risk management and share our findings in our newsletter to help NDs avoid a claim.

We also continually review our policy to make sure it meets the needs of our NDs.

Where to Buy Malpractice Insurance

It is important to consider where you buy your malpractice insurance plan. You can get coverage through an insurance agent or the underwriting insurance company itself.

Insurance agents sell the product for the insurance company they represent. Brokers work with several different insurance companies at the same time and represent their client.

On the other hand, if you purchase your malpractice insurance plan directly from the insurance company, there are no middlemen. You're dealing with the company that stands behind the product offering.

Commitment to Naturopathic

Because malpractice insurance is tailored to your choice of profession, it only makes sense that your insurance company is committed to it, as well. Are the companies you're considering involved in the support and advancement of naturopathic medicine? If so, they likely understand your profession's challenges and goals, which can help them build a better policy.

Malpractice Insurance Premiums

Although it may be tempting, it's never a good idea to choose your insurance policy and company by rates alone. Instead, there are many things to consider when it comes to your malpractice insurance policy.

Personalized, Convenient Service

Whether or not you ever face a claim, you want your insurance company to answer all your questions in a professional and efficient way. It's typically more convenient for you, the policyholder, to call one place when you have questions. Don't be afraid to ask any company you're considering if they outsource their services. This may mean the personalized service you deserve may be lacking.

Claims Advice Hotline

Your insurance company should always be there for you—even if you never face a claim. Make sure you have the option to call for expert claims advice whenever you have a concern in your day-to-day practice.

Expertise

When it comes to protecting everything you’ve worked for, you want your insurance company to have the expertise needed to defend you to the fullest. You should feel confident that they have in-depth knowledge about naturopathic medicine, as well as a wealth of experience in healthcare malpractice.

Premium Discounts

Once you find a malpractice insurance policy that meets your needs, inquire about premium discounts. Companies often offer them at various stages of your naturopathic career for prudent risk management in your practice, for maintaining a claims-free status, and more.

NCMIC'S NATUROPATHIC MALPRACTICE INSURANCE PLAN

NCMIC is proud to offer Naturopathic Physicians like you the level of outstanding service they deserve. Whenever you have a question about your coverage, you'll call one place. We also have a confidential Claims Advice Hotline for policyholders in case of a troubling situation or concern. And, you can count on benefiting from our over 70 years of experience in healthcare malpractice.

NCMIC offers premium discounts for new practitioners and for maintaining a claims-free record. See the chart below. *Discounts are also available to NDs working part time and for naturopathic association membership. Inquire for details.*

New Practitioner Discounts

1 st year license	50%
2 nd year license	30%
3 rd year license	25%

Claims-free Discounts

5+ years	15%
4 years	10%
3 years	5%

Part-time Discounts

Call 800-769-2000, ext. 8290 for details.

Association Discounts

Call for details.

Definitions

Malpractice Insurance

Professional liability insurance covering a licensed practitioner and the practitioner’s professional entity that will: (1) defend claims and suits filed alleging malpractice, and/or (2) pay damages set by a court, subject to policy limits.

Consent to Settle Feature

“Pure” consent to settle means the insurer will not settle any malpractice claim without your consent. Some policies dilute “pure” consent by proceeding to settlement if an arbitrator determines you unreasonably withheld or delayed consent.

Full Hammer Clause

A clause in the policy stating that if the insured refuses to consent to settlement, the most the insurer will pay is the amount for which the claim could have been settled plus defense costs incurred to the point of settlement acceptance; the insured is responsible for the balance.

Modified Hammer Clause

A policy provision stating the insurer and insured agree to share a percentage of any judgment above the recommended settlement plus defense costs to that point. Typically, insurers offer a 50% or 70% option in which case the insurer would pay 50% or 70% of a judgment over the recommended settlement amount; the insured is responsible for the balance.

Arbitration Agreement

This agreement is required by some malpractice insurance companies. It is an agreement between a Naturopathic Physician and his or her patients, waiving the patient’s right to sue.

Peer Review Defense

This feature of the policy provides defense for allegations of errors in a Naturopathic Physician’s evaluation of the professional services of other naturopathic healthcare professionals.

Utilization Review

This feature of the policy provides defense of the rendering of an opinion on the adequacy, necessity or reasonableness of care furnished by another Naturopathic Physician based on the review of the patient’s records without a physical examination.

Easy Malpractice Insurance Plan Comparison

It's easy to compare your current plan or any plan you're considering to NCMIC's Malpractice Insurance Plan. If you have any questions, please call 1-800-769-2000, ext. 8290. We'll be glad to help you.

Compare NCMIC's Naturopathic Malpractice Insurance Plan to your current plan

	NCMIC's Plan	Your Current Plan
Company		
• Over 70 years of experience in healthcare malpractice	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Rated "A" (Excellent) by A.M. Best	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Supports naturopathic medicine	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Plan features and benefits		
• True Consent to Settle feature	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• No required arbitration for you or your patients	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• No hammer or modified hammer clause	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• All malpractice legal fees paid outside policy limits	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Peer review defense	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Utilization review defense	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Defense for covered proceedings	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Minor surgery procedures covered	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Locum Tenens coverage	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Shared and Separate Corporation/Entity coverage	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Dual license coverage available	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Tail coverage at no additional cost after 10 years of continuous coverage	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Premium Discounts		
• For new practitioners	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• For a claims-free record	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• For NDs working part time	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• For naturopathic association membership	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Claims		
• Claims Advice Hotline for questions	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Nationwide network of defense attorneys who specialize in healthcare malpractice	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Extras		
• Risk management newsletter	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Personalized service with everything handled in one place (underwriting, claims and service)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Questions?

If you have any questions about malpractice insurance or want to learn more about NCMIC's Malpractice Insurance Plan for Naturopathic Physicians, we're happy to help.

Call 1-800-769-2000, ext. 8290
Or, visit www.ncmicnaturopath.com