



INSURANCE TRENDS

for Dentists and Dental Practices

by Kyle Wallace

Understanding how to tailor multiple insurance policies so that they meet individual goals and still coordinate with one another requires knowledge of the individual, their business, and their goals.

I've been fortunate to be given the opportunity to contribute articles to this magazine on occasion. Working exclusively with the dental community as we do here at Wallace Specialty Insurance Group, we often identify trends in dentistry that impact insurance and trends in insurance that impact dentists and their practices. Being able to relay this information to the community we serve in as many different ways as possible is important in an age where relevant information often gets lost in the plethora of electronic noise infecting our daily lives.

That's not to say that I haven't embraced technology for all of the wonderful advantages it offers. Over twenty years ago, when I first made the decision to work exclusively within the dental community, things worked differently. Business was conducted on paper and mostly by mail with the occasional fax on thermal roll paper. Back in these dark ages, a dentist would buy their life and disability insurance from one agent, health insurance from another, malpractice from someone else and if they opened a practice, the office insurance from another source altogether. There was no coordination and they never really created a relationship with anyone who could really help them. Essentially, the dentist had to piece their insurance coverage together without a lot of help.

Understanding this challenge, my partner, Terri, and I evolved our agency from a premier source of dental professional liability insurance into a full service agency offering every form of insurance a dentist might need. Working with respected insurance companies

in the different disciplines of insurance combined with the implementation of online application and service technologies allows dentists to consolidate their entire insurance portfolio with one agency.

Insurance policies have always been complicated and have only become more so. Understanding how to tailor a single insurance policy to meet the specific goals of an individual or business is important. Understanding how to tailor multiple insurance policies so that they meet individual goals and still coordinate with one another requires knowledge of the individual, their business and their goals. It's hard to do without a specialized focus.

Working exclusively in the dental community, we're able to identify changes in the relationship between insurance and dentistry early on. For example, it wasn't all that long ago that a professional liability insurance company would price malpractice insurance the same for pretty much every dentist. It didn't matter what type of practice you worked in or what procedures you performed. The trend in dentistry toward the DMO practice model, the focus on cosmetics, Medicaid, and a heavier surgical emphasis in general dentistry have changed the way insurance companies underwrite and price their products. It's no longer one price fits all. It's not even one company fits all. In fact, some companies have even carved out entire market segments and identified them as undesirable. The various companies active in the dental community don't necessarily all think the same when it comes to the dental marketplace. Instead, they develop their own underwriting and pricing philosophies in an attempt to differentiate themselves from their competition. Because of this, we find that it's now important for us to represent several different insurance companies and match our client with the insurance company that understands their specific practice.

The effect of the Affordable Care Act on health insurance is another area where there has been a more significant impact on the dental community than our society in general. Since most dentists tend to be either independent contractors or practice owners, it was common for them to secure individual/family health insurance for themselves and their families. The effect of the ACA on the individual/family health insurance market has been an increase in pricing and a reduction of options. In many areas of the country, an individual or family can't buy anything other than high deductible HMO plans anymore. Recognizing this trend early and how it would impact the dental community, we were able to notify our clients and help them to transition into the group health insurance market where a full range of health insurance plan options still exist. There was little or no impact to their bottom line.

Career trends in society at large appear to be toward working longer before retirement. We are definitely seeing this in dentistry. Historically, it's been common for dentists to buy disability insurance that paid a benefit to age 65 and live off investments and social security after that. The increase in student debt and higher costs of living often necessitate long term financial goals that include a plan to postpone retirement beyond age 65. In the event of a disability claim, the end of payments at age 65 can create additional hardship in an already difficult scenario. Many disability insurance companies offer policies that will pay benefits to age 70. Some even offer options that will extend benefits longer than that under certain circumstances. This can be an important consideration when creating or refining a disability insurance plan.

Our physical office is located in the Dallas area but our client base spans the SW and beyond. Our specialized focus, wonderful staff and use of technology make it easy for us to work with a dentist

almost anywhere in the country. We encourage everyone to visit our website. It's full of useful information regarding insurance and dentistry and we encourage you to use it as a reference. As for us, we'll continue to keep an eye out for trends that could change how the dental community can use insurance products more efficiently and we'll keep refining the technology we use to make the purchase and servicing of these policies easier for our clients.



Kyle Wallace has over 30 years of experience in the insurance industry. The last 20 have been spent working primarily with dentists, oral surgeons and their practices. Kyle and his team have built strong, and in some cases exclusive, relationships with quality insurance companies that specialize in products for the dental community. Kyle and his wife, Terri, own Wallace Specialty Insurance Group - the first full service, "one stop shop" insurance agency dedicated to

helping dentists and physicians protect themselves, their families and their practices.

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