

Professional Liability

Industry	Healthcare
Motivation	A continuing care retirement community had to demonstrate financial responsibility via professional liability insurance in order to meet licensing requirements. Traditional insurance was not economically attractive.
Coverage	Claims made and reported Professional Liability and General Liability
Term	1 year, annually renewable
Limit	\$1 million per claim; \$3 million in the aggregate, inclusive of allocated loss adjustment expense
Retention	\$500,000 per claim inclusive of allocated loss adjustment expense
Notional Experience Balance	<ul style="list-style-type: none"> > Function of the deposit premium less loss payments plus interest credited > Deposit premium of \$3 million
Potential Benefits	<ul style="list-style-type: none"> > Allows the company to satisfy its financial responsibility requirement > Is more cost-efficient than traditional insurance structure > Provides flexibility to add coverage and/or capacity, as well as to terminate the program each year > Allows the company to benefit from favorable loss experience

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