



CNA HealthPro

FAQs – Limits of Employee Dentist Coverage

Q. I am employed as an associate dentist in a multi-office practice. The practice owner recently asked me and all other employee dentists to sign a new contract which differs from the previous contract under which we have all worked. The differences are that the owner has asked each of us to increase our professional liability insurance limits from \$1 million (per occurrence)/\$3 million (policy aggregate) to \$3 million/\$5 million, as well as to add his practice entity (“ABC Dental”) as an additional named insured under our policies. I feel uneasy about his request and am hesitant to comply, although I’m not certain I understand exactly why. Is there any real risk to me, or am I being unreasonably concerned about this?

A. Your instincts are correct. You have valid reasons to be concerned. By adding another entity to your policy as a named insured, whether that entity is a dentist or a business unto itself, you assume responsibility for the acts and omissions of that entity. In your case, the addition of the practice entity would make your policy responsible for responding to professional liability allegations against ABC Dental. Without you having an ownership stake in the practice, no rationale exists to expose your policy to such risks.

It is not uncommon for a practice entity to be named in a professional liability claim in addition to the clinician that performed the dentistry. The allegation is usually that the practice failed to adequately select, train, and/or supervise the employee under its charge, usually an employee dentist. Plaintiffs often name both parties as a way of accessing a second policy limit that a dentist may have for his or her practice entity, in addition to one’s own policy limit as a clinician. While we strongly recommend that every dental practice owner also insure the practice entity, that recommendation is not suitable for employee dentists.

If we further explore the potential risks of adding ABC Dental, you could be responsible for an injury arising from treatment provided by another employee dentist within ABC Dental. Suppose a patient treated by your co-worker, Dr. Wright, alleged professional negligence against him and also named ABC Dental for failing to have adequately trained and supervised its employee. Your policy would respond on behalf of its named insured, ABC Dental, for treatment you had not rendered! Additionally, any claims paid on behalf of ABC Dental could affect your policy premiums as well as your insurability going forward. This clearly is not a good deal for you. You have been asked to risk a great deal while getting nothing in return.

The other aspect of your employer’s request involved increasing your limits from \$1 million (per occurrence)/\$3 million (policy aggregate) to \$3M/\$5M. Increasing your policy limits presents no tangible risk beyond your ability to pay the increased premium associated with the change. But do you really need limits that high? A dentist with significant professional or personal assets might choose to increase his or her limits to protect those assets in the event of a legal judgment in excess of current policy limits. However, our experience has been that such excess judgments are rare for dentists. As an employee dentist with significant educational debt and no substantial assets, you would probably have adequate professional liability protection at the \$1M/\$3M level. Confer with your accountant or financial advisor to obtain advice in assessing your assets.

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