



## CNA HealthPro

### Valued Practice Interruption: Have You Selected the Right Limit?

Practice Interruption coverage is one of the most commonly used features in the Professional Protector Plan<sup>®</sup> policy, yet it is widely misunderstood by insureds. Practice Interruption comes into play when your office suffers physical damage by a covered cause of loss that causes you to cancel patients.

Covered losses include both natural and man-made events. You might not be able to practice because your office sustained damage from fire, flood or a windstorm. Or perhaps your office was vandalized overnight, requiring you to close for two days to clean up the mess. Even though patients are not being seen due to physical damage, expenses such as payroll and overhead continue. Practice Interruption coverage is designed to help you meet those expenses even when you cannot practice.

Practice Interruption pays you a daily sum if your office is forced to close because of one of the covered causes of loss identified in your property policy. The PPP's Valued Practice Interruption coverage has been structured to get you the money you need quickly and easily following a short-term office disruption.

Although your practice interruption limit is your *actual loss* up to one year, determining the actual loss can be a slow and tedious process that involves an accountant as well as your tax records. When the PPP was designed, the dentists crafting the policy wanted to differentiate between a major loss requiring substantial documentation and a short-term loss of no more than one to two months. They looked for a simple and efficient way to pay dentists for a practice interruption claim so they could return to work as soon as possible. The result was the Valued Practice Interruption coverage, featuring a guaranteed daily limit for a relatively short period of time.

The Valued Practice Interruption coverage allows you to determine *your own daily limit* based on the revenue you would lose if you could not practice. Check your policy or call your agent to find out your current daily limit. If there is a big difference between your Valued Practice Income daily limit and your current estimate of daily gross revenue, it is advisable to contact your agent and raise the coverage limit.

The Valued Daily Limit is designed to let you collect your claim benefit in the easiest way possible. No documentation is required to collect the Valued Daily Limit. The claim adjuster will simply confirm the number of days you could not practice due to a covered cause of loss. However, if you have not set your daily limit high enough, you will be required to produce documentation to verify your loss. Typically, an adjuster will require financial statements for prior years to determine the amount of income that would have been earned had no loss occurred.

For your insurance to function effectively in the event of a Practice Interruption claim, be sure to determine your daily revenue and set the Valued Practice Income accordingly. Keep in mind that the limit you set is for your practice as a whole, not just for you as an individual dentist. Remember that your practice and your cash flow can be disrupted at any time. Do not discover too late that you are underinsured in this vital coverage area.

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