



LTT

PROTECTION SOLUTIONS

CLS
HEALTHCARE LIABILITY SPECIALIST

GREENHILL
INSURANCE SERVICES



INTRODUCING LTT PROTECTION SOLUTIONS

An Industry in Flux

As federal laws, Supreme Court rulings and increasing competition cause turmoil and uncertainty in the health care profession; more practitioners are finding refuge in locum tenens assignments managed by specialized staffing firms. Drawn by benefits including shorter engagements, diverse locations and reasonable pay, these professionals are increasingly discovering a major downside: malpractice liability that outlives their employment. For too long, this “tail” liability has been a deal-breaker for potential practitioners and for locum firm owners ready to sell the companies they’ve toiled to build.



An Unacceptable Risk

The limited term, claims-made insurance products available to locum tenens firms have typically covered only lawsuits brought during the practitioner’s employment. The residual “tail” liability for future lawsuits based on past actions may not show up on a firm’s balance sheet, but it is a genuine threat, lurking on the minds of physicians, their clients and potential investors in locum tenens firms. Tail claims have ended many a medical career and derailed more than a few company sales.

Limited Protection

When it comes to tail coverage, insurance carriers active in the locum tenens space have traditionally offered very limited options, with terms ranging from 1-5 years. The most common option covers 36 months in exchange for 250% of the expiring “undiscounted” premium. Carriers love this type of arrangement because it doesn’t truly transfer the tail risk from the locum company to them. In the absence of an unlimited tail policy option, liability has just fallen back to the locum firm at the end of the tail policy’s term, potentially crushing the finances of that firm or doctor.

A Premium Burden

Tail policy premiums constitute a significant hit for most companies. Traditionally paid in full within 30 days of activation, premiums for these policies typically run into the six figures, constituting a serious cash flow challenge for most locum tenens firms and the medical professionals they contract.

A Daunting Challenge

To truly transfer risk away from the doctor and the locum firms, the industry has long been in need of an unlimited tail policy option with more favorable payment terms. That’s where LTT Protection Solutions comes in.

A New Solution

CLS and Greenhill Insurance Services are proud to offer LTT Protection Solutions, a groundbreaking insurance product for locum tenens firms anxious to transfer their risk and clarify their future. This innovative approach allows forward-looking locum firms to:

- Immediately secure unlimited tail coverage
- Easily demonstrate completely funded liability to their physicians and clients
- Evenly match expenses to revenues by recognizing and deducting the cost of tail coverage now
- Clearly show tail liability transfer to potential investors, likely increasing the company’s value
- Methodically pay off premiums in quarterly installments over periods up to five years



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A Best in Class Solution

LTT Protection Solutions stands apart from competing insurance products in several key areas:

The prepaid tail product is a separate, standalone policy

The coverage has all of the current coverage enhancements offered by CLS for its clients

The unlimited tail premium is broken into five annual installments

If the locum firm grows during the five-year installment period, the premium will be adjusted to cover the increased exposures

Each annual installment can be paid in quarterly payments

Once the final installment is paid the unlimited tail coverage is permanently in place

If the locum tenens firm stops paying installments, the coverage will be prorated to less than unlimited

Experienced Leadership

Mark W. Ledger

President, CLS

Exclusively providing medical malpractice to healthcare community 25 plus years. Developed exclusive insurance programs for the Locum Tenens industry.

Philip Cabaud

CEO, Greenhill Insurance Services

Currently the founder and CEO of Greenhill insurance Services, launched in March 2014. Greenhill specializes in developing professional liability products for the healthcare industry. Prior to starting Greenhill, Philip was the owner and President of Mid-Continent General Agency. At Mid-Continent Philip was responsible for developing programs for the locum tenens industry, nurse staffing, home health, state hospital associations, and social service accounts. Philip has a bachelors of science degree in accounting from the University of Delaware's Lerner School of Business and is a member of the American Institute of Certified Public Accountants.



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INSURE YOUR FUTURE

Contact us today to discuss your options and secure your firm's future.



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