



FAQs

# Understanding Claims-Made and Occurrence Policies

**EDIC provides professional liability (malpractice) coverage for dentists. Here are some insurance terms and information that can help when trying to decide what kind of insurance to purchase. EDIC provides its coverage in two different formats, Claims-Made and Occurrence.**

**Policy Term:** Each insurance policy term lasts for one year (365 days).

**Retroactive Date:** This is the inception date of the first continuously renewed claims-made policy (also known as a prior acts date).

**Prior Act:** Any act that gives rise to a claim that occurred previous to the inception date of the current claims-made policy. Sometimes, a dentist's first policy term is written to cover prior insurance coverage through another company. A Prior Acts Date refers to the first date of the prior coverage that is now covered under the current policy of insurance.

**What is an Occurrence Policy?**

An Occurrence Policy provides coverage for a claim that occurs during the policy term, no matter when the claim is reported. Even if the dentist no longer has the policy in force, as long as the claim occurred when it was in force, the claim will be covered.

**What is a Claims-Made policy?**

A Claims-Made Policy provides coverage for covered claims that are first made against an insured dentist and reported to the company during the current policy period. The claim must have occurred on or after the retroactive date and on or prior to the termination date of the current policy.

**What is a "tail" and why do I need one?**

Under a Claims-Made policy, claims are only covered when the policy is in force. Once a dentist retires or is no longer covered by EDIC, the insurance policy would no longer be in force, and potential claims would not be

**Claims-Made vs. Occurrence Policies**



covered. An extended reporting endorsement (better known as "tail" coverage) can be purchased to provide a single set of limits for any claim that arises after the insurance coverage has ended. Because the dentist will still need coverage for any potential future claims, "tail" coverage is needed.

**How much does a "tail" cost?**

The cost of a tail depends on individual circumstances and is usually collected in a one-time payment. Fortunately, dentists with a claims-made policy who leave their current insurer in the following states - CA, CT, GA, KY, ME, MA, NJ, NY, NC, OH, PA, SC, TN, VA, WV - to join EDIC's program will have their prior acts covered by EDIC. If the dentist is leaving an insurer in a state not listed, he or she should purchase a "tail" to cover any claims that may be made after the previous coverage expires.

**I'm going to be moonlighting. What kind of policy do I need?**

EDIC offers a moonlighting policy for those dentists who engage in clinical activities which exceed the parameters of their full-time professional liability policy with another carrier.

Moonlighting policies are written on an occurrence basis only and allow for 10 (ten) hours a week chair side.

**What is the difference between a part-time and a full-time policy?**

A part-time policy is needed for dentists who work an average of 20 hours or less per week, and no more than 1040 hours per year. A full-time policy is needed for dentists who are working more than 20 hours a week.

**I anticipate moving to a different state next year. I have a Claims-Made Policy. Will my EDIC insurance cover me when I move? What do I need to do?**

EDIC insures dentists in CT, MA, ME, NC, NH, NJ, NY, PA, RI, VA and VT. If you move to one of those states, EDIC will continue to cover you and will re-write your policy in the new state. If you move to a state where EDIC does not insure dentists, you will need to make sure that you remain covered by insurance. This can be done in one of two ways. You can ask your new insurer to cover prior acts (the time you were insured with EDIC). If they will not provide this coverage, the other way to do this is to purchase "tail" coverage.

**Malpractice Insurance "By Dentists, For Dentists"®**  
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**Please note:** This information is for explanatory purposes only and does not in any way supplant policy language. Coverage for a claim is determined by the analysis of and the claim details of the actual Eastern Dentists Insurance Company (EDIC) policy contract language.