For the past 20 years, Eastern Dentists Insurance Company (EDIC) the "By Dentists, for Dentists" company has provided a stable long-term professional liability product for our practicing colleagues. While that was the mandate of our original mission, EDIC has evolved into much more than originally planned.

Today, EDIC not only offers superior malpractice insurance coverage, but through its subsidiaries, Eastern Dental Insurance Agency (EDIA), Eastern Dental Financial Insurance Agency (EDFIA), EDIC has offered a full range of insurance products necessary for today’s practitioner. EDIC has also grown from originally writing business only in Massachusetts to now covering our colleagues in a total of ten states. Why this expansion in both geography and services? Because EDIC listened to its insured owners and responded to what they needed and wanted.

Because EDIC’s Board is composed of practicing dentists, the feedback from our colleagues is broad and continuous. In addition, our Young Dentist Advisory Committee (YDAC) provides us with a particular view of what is needed by dental students, residents, and new practitioners. We also receive a multitude of information from our close affiliation with the eleven dental schools in our coverage area. This enables us to see evolving trends, emerging technologies, and associated risks. By listening to this broad group of our colleagues, EDIC has not only provided superior products, but also value-added services that are unequaled by any other company. (Continued on page 4)

As offices continue to “go digital” there are aspects of the practice that go beyond advances in patient treatment. Many of these technologies affect the management of the practice and in fact open up some interesting doors in treatment documentation. Photos, radiographs, 3D scans and more can help improve case acceptance and many other devices can make treatment more efficient and predictable. Watch, listen and ask questions in this broad based webinar.

Dr. Patrick McCarty provides sedation/anesthesia services in dental offices throughout Massachusetts and Rhode Island. In addition, he is on the Anesthesia Staff at the Franciscan Hospital for Children and serves as a Clinical Assistant Professor at the Boston University Goldman School of Dental Medicine, Department of Pediatric Dentistry.

This course is for dental professionals involved in sedation. The topics will include common medications for PO or IV use, airway management, preparation of emergency drugs, medical emergency assistance and MA state regulations.

To learn more about these webinars and to register, go to: http://edicevents.webex.com

EDIC is an ADA-CERP recognized provider, and dentists may earn two CEU credits per session and be eligible for risk management insurance discounts.
The patient in this matter was a 57 year old male who presented to our insured general dentist for the first time on May 14, 2007. The insured performed an initial exam and took a full set of radiographs. The patient’s chief complaint was of a loose upper bridge from tooth #6 through #10. The patient’s dentition was severely broken down; he was missing teeth #1, 2, 3, 4, 8, 14, 16, 17, 18, 19, 20, 29, 30, 31, and 32; teeth #5, 11 and 12, 13, had existing crowns; and tooth #15 had a large amalgam restoration that the insured recommended restoring with a crown. The insured set out to replace the bridge, provide a lower denture and address some other decay.

The patient returned on June 4, 2007 complaining of pain in tooth #11. Over several visits, the insured performed root canal therapy and later placed a post, core, and crown on the tooth. The patient returned again on January 31, 2008 requesting that the insured formulate a treatment plan to replace the missing lower teeth. The insured recommended a conventional lower partial denture. Impressions were taken on February 29, and the partial was inserted on May 24, 2008. While the insured was working on the partial, the patient began complaining about the loose bridge from #6 through #10, as well as complaints of pain in tooth #13. The insured scaled and cleaned teeth #12 and 13.

On June 12, 2008, the patient presented with a chief complaint of a fracture to tooth #15. The insured stabilized the tooth, and adjusted the bridge on teeth #6 through 10, and recommended that the patient return for further work. The insured told the patient he would need root canal therapy on several teeth in order to remake the bridge.

The patient returned on August 18, 2008. The insured removed the bridge from #6 through 10 and placed a temporary 5 unit bridge. On August 28, the insured performed root canal therapy on tooth #6, and on October 2, the insured performed root canal therapy on teeth #7 and 9. Post and cores were placed in teeth #6, 7, 9, and 10 on October 20. Impressions for a new upper bridge were taken on December 8, and the bridge was placed on February 2, 2009. The bridge fell out and was recemented on February 17. On February 20, the post and core on tooth #9 was redone and the bridge was recemented again.

The crowns on teeth #5 and 29 came out during March of 2009 because of decay. The insured cleaned out the decay and recemented the crowns. Over the course of the next six months, the bridge was recemented on 5 different occasions. The insured noted decay present at teeth #9 and 10, and that tooth #5 was now hopeless and would need to be extracted.

The patient left the insured’s office after a visit of June 23, 2009. On March 3, 2010 an attorney representing the patient filed and served a single count lawsuit alleging negligence. The patient claimed that as a result of the insured’s negligent dental care, including the placement of an upper anterior bridge, he needed to have his remaining maxillary teeth extracted and be fitted with implants and new crowns and bridgework. He had a written treatment plan from a subsequent dentist which included the placement of 13 implants at the sites of teeth #3, 5, 6, 8, 9, 11, 12, 14, 19, 20, 21, 29, and 30. It further recommended surgical removal of residual root tips at teeth #5 and 9, and sinus lifts on both the upper right and left regions. The oral surgeon’s estimate for this work was $32,430, and the restorative dentist had an estimate for $17,000 in prosthodontics work.
We see several issues in this case that we also see in many of our other cases. First off, many dentists seem to go from forest fire to forest fire, without ever stepping back to view the entire forest. An endodontic procedure here, a loose crown here, an extraction, and trying to fix a bridge there, and suddenly, the patient has been under care for two and a half years, and no treatment planning, periodontal charting, or home care instructions have been given. Dentists faced with these types of patients need to stop and think about the underlying cause of the patient’s problems, and develop a comprehensive, step-by-step treatment plan to better serve the patient’s overall dental health. Secondly, it would appear that the dentist allowed the patient to dictate the course of treatment. EDIC sees this issue time and time again, and it almost never ends well. As our expert commented, given the nature of the patient’s dentition when he first presented, the best course of action may have been to extract all the remaining teeth, and then let the patient decide whether full dentures or implant supported bridges would be the best treatment plan. Finally, it would appear that because the patient wanted the bridge repaired or replaced, that was the option the dentist chose.

Prior to trial, the patient made a demand to settle in the amount of $150,000. EDIC discussed the risks of proceeding to trial with the insured, given that our expert would have to testify to several instances of below standard treatment and record keeping. The insured consented to settle. EDIC made an initial offer of $25,000, arguing that our insured was not responsible for any of the costs for the lower restorations, and was only liable at worse for the loss of teeth # 6, 8, 9, and 11, and the cost of only the four implants needed to replace those teeth, as well as the cost for the bridge from #6 through #11, plus some minimal pain and suffering. The patient dropped his demand to $105,000, and EDIC countered with an offer of $48,000. The patient would not lower his demand, so EDIC told the patient we would prepare for trial.

At a pre-trial conference the day before trial was to start, the judge ordered both parties to discuss settlement once again. With pressure from the judge being applied, and the fear of what a New York City jury would award, the case was settled for $82,500.

According to the ADA, when keeping patient records, it’s best to keep out personal opinions or criticisms. Stick to the facts. Remember this is a legal document that could be read in a court of law. Do document a patient’s refusal to accept recommended treatment plans and cancelled appointments.
This includes designing our products to specifically meet today’s needs and providing superior service in the areas of risk management, claims handling, and customer service. Beyond this, EDIC also offers free webinars with associated CEU credits as well as frequent e-mail blasts to warn our insureds of emerging risks. No other company does its due-diligence with regard to the practice of dentistry better than EDIC. All this has been possible through the loyalty of thousands of our colleagues that recognize the value of owning their own company and controlling their own destiny. We look forward to building on this 20 year tradition and continuing our service to the profession.

Charles P. Hapcook, DDS  
President & CEO, EDIC  
chapcook@edic.com

Risk Management  
Frequently Asked Questions (FAQs)

1. What establishes a dentist-patient relationship?
A dentist-patient relationship is formed when you render care, treatment, examination, advice or other professional services to a patient. This relationship must be consensual, but is construed broadly and includes services of consultants and those rendering “second opinions”. However, a dentist-patient relationship generally does not arise in connection with an independent examination performed at the request of insurance company or administrative tribunal.

2. How does one terminate a dentist-patient relationship?
Once established, a dentist-patient relationship can only be terminated as follows:
- By mutual consent of the dentist and the patient;
- Revocation by the patient;
- Upon completion of the services for which the dentist was retained;
- If the patient is not in the middle of a treatment, withdrawal by the dentist after reasonable notice to the patient. A dentist can be liable for patient abandonment if he or she unilaterally terminates the relationship without reasonable notice at a time when there is the necessity of continuing medical attention.

EDIC would recommend sending a letter to the patient by both registered and regular first class mail. In the letter, the dentist should state that there has been a breakdown in the doctor patient relationship, and without a good doctor patient relationship, he/she can no longer treat him/her. The dentist must also state in the letter that they will remain available for an emergency situation for a period of 30 days, and the dentist should refer the patient to the state dental society if the patient needs help in finding a new dentist.

3. Is a dentist required to treat every patient who comes through the door?
No, provided that there is no ongoing relationship or agreement that services will be rendered, and as long as the reason for refusing to treat the patient is not of a discriminatory nature.

4. When should a dentist refer a patient?
A patient should be referred whenever the dentist cannot competently and properly attend to the patient’s dental needs, or if the treatment required is beyond your knowledge, skill, or scope of your practice.

5. If a dentist is asked to consult on a patient, is dentist-patient relationship established?
Yes, if the dentist accepts the consultation, a dentist-patient relationship is established. However, the relationship may be properly limited to the scope of the consultation, provided there is a clear understanding between the primary dentist, and patient as to the scope of the consult.

EDIC’s Value-Added Services

Toll-Free Risk Management Hotline:  
Call us any time at 1-800-898-3342 for risk management advice or answers to risk management questions.

Free Webinars & CE Credits: (See page 1) Free risk management webinars for dentists on important dental topics. EDIC is also an ADA CERP-recognized provider, and dentists can earn up to 2 CEU’s per session by participating in our webinar as well as earn a risk management discount on their malpractice insurance premiums.

Newsletters, White Papers, Email Bursts and Advisories: Materials to continue to support and educate our dental colleagues on new technologies, BORID updates, case studies, and risk management topics.
The Hartford Recognizes EDIC/EDIA for Excellence

EDIC/EDIA customer service has long been recognized by our insured’s for providing exceptional customer service. Since 2003, EDIA has been working with The Hartford Insurance Company writing office packages, workers compensation and many other lines of insurance. Recently, our customer service team was recognized by The Hartford for customer service excellence.

In August, Donna Zenkus-Daneault, EDIC’s account manager supervisor, received a letter acknowledgement from The Hartford indicating that EDIA was being recognized for “going above and beyond in delivering The Hartford’s value proposition and demonstrating their interest in advocating for the small business owner and dentist.” Each member of EDIC’s customer service team received a plaque in honor of this respected award to showcase their hard work and commitment to our insured’s. Also, worthy of mention, is a letter that Donna received from an underwriter that has worked for The Hartford for over 25 years and spent the last 5 years working with EDIA. The underwriter stated, “I have really enjoyed working with your agency (EDIA). EDIA is one of the most well run agencies I have ever worked with in all my years of underwriting. You have a great team there.”

This recognition demonstrates what separates EDIC/EDIA from our competition. At EDIC, we pride ourselves on our focused, individual customer service. Our customer service specialists are all fully licensed and have a combined 40-50 years experience in all lines of commercial and personal insurance products. We have always promised a superior product to go along with unmatched customer service. Join us as we congratulate our customer service team for an honor well-deserved.

Customer Service Frequently Asked Questions

1. Do I need to add all the locations of the dental offices I work at on my Professional Liability policy?
We need the location of the office where you work the majority of your time. There is no need to list other locations as your policy covers you where you work in our covered areas.

2. Is Oral Conscious Sedation covered by my Professional Liability policy?
It is covered as long as it is used in accordance with the ADA and FDA approved guidelines.

3. Do I need to buy a tail when I cancel my policy?
You only need to purchase a “Tail” when you have a Claims-Made policy. If you have been with EDIC for five years and retire over age 50, EDIC will give you the tail at no cost!

4. Does EDIC cover Botox?
No, we do not.

5. If I own my own dental practice, do I need to have Workers Comp for my employees?
Yes. It is required by the state to insure your employees that work for you with Workers Comp.

6. Which one of the online webinars will qualify me for the Risk Management discount?
Any one of the webinars will qualify you for the discount. EDIC webinars are FREE to all insureds. With a passing grade of 60 or better, you will receive 2 CE credits for each webinar you participate in. See page 1 for our Fall Webinar Series.

7. What is considered Part-Time?
Part-time status is working under 18 hours per week. Full-time status is 18 hours and over. Your premium will be half of the full time premium if you work...
Taxation and Life Insurance

What is it?

Life insurance has long been recognized as a useful and relatively simple way to provide for your heirs and loved ones when you die. If your survivors relied on your income during your lifetime, then they will be able to avoid financial difficulties after your death if your life is adequately insured. Lawmakers have long recognized the social usefulness of life insurance, which helps protect widowed spouses and children and keeps them off of public assistance. Accordingly, lawmakers have historically provided liberal tax benefits as an incentive to those who put their hard-earned dollars into life insurance policies.

“Life Insurance can be a key component to a proper estate plan and should not be overlooked, especially when planning for the estate tax.”

Jason A. Cooper, CPA, PFS

Favorable tax treatment also extends to accumulations within certain life insurance policy. Generally, when you pay premiums on a cash value life insurance policy, some of your money is applied toward the policy cash value, which is similar to a savings account within the policy. Over time, cash values accumulate as long as certain requirements are met. During your lifetime, you can access the cash value by a withdrawal, policy loan, or surrender (cancellation) of the policy.

Caution: If the policy is classified as a modified endowment contract (MEC), withdrawals, including loans and partial surrenders, will be subject to immediate taxation to the extent that the policy’s cash value exceeds the premiums paid. In addition, withdrawals from a MEC made prior to age 59½ may result in a 10 percent penalty, unless an exception applies.

Why do you need to know?

Whether you are purchasing life insurance to protect your family, as an investment, or both, the tax treatment of your policy will directly affect the return that you (or your heirs) get from the dollars you deposited with the insurer. In most cases, your insurance agent or accountant will be able to tell you everything you need to know about the taxation of your policy, but if you are involved in portfolio planning or product comparisons, you may want to become more familiar with the tax rules so that you can draw meaningful conclusions.

How is life insurance taxed?

In general, life insurance death benefit isn’t taxed, but that is hardly the end of the story. Familiarity with some of the basic rules will help you avoid traps for the unwary and plan accordingly.

First, it has to be life insurance

Life insurance provides you with many tax advantages, but only if it falls within the definition of life insurance for federal income tax purposes. If the terms of a life insurance contract do not meet the statutory definition of life insurance, then you are not entitled to the special income tax treatment.

Income tax considerations

In most cases, premiums are paid with after-tax dollars. Typically, death benefits are received tax free by your beneficiaries after your death, but the sale or surrender of your cash value policy, during your lifetime triggers a tax on realized gain.

Tax-free buildup of policy value

The cash buildup within permanent or cash value life insurance is not subject to income taxes if certain rules are met. There are a few rare—but important—exceptions.

Taxation of dividends

A certain type of permanent cash value insurance, whole life insurance, may pay dividends to policy owners out of the insurer’s surplus earnings for the year. Whether you take the dividends in cash or keep them on deposit with the insurer, they are considered a return of your premiums. As long as you don’t get back more than you paid in, you are merely recouping your costs, and the dividends are not included in income. Dividends in excess of premium payments, however, are generally taxable as ordinary income. Dividends paid by mutual life insurance companies do not qualify for capital gains tax treatment.

Taxation of benefits

Benefits can be characterized as living benefits or death benefits. The tax treatment of benefits varies depending on who receives them and how and when they are distributed.

Taxation of policy exchanges

The tax code allows you to exchange one life insurance policy for another life insurance policy without triggering current tax liability. However, tax-free treatment will apply to an exchange only if it satisfies certain requirements.

IMPORTANT DISCLOSURES: Broadridge Investor Communication Solutions, Inc. does not provide investment, tax, or legal advice. The information presented here is not specific to any individual’s personal circumstances. To the extent that this material concerns tax matters, it is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Each taxpayer should seek independent advice from a tax professional based on his or her individual circumstances. These materials are provided for general information and educational purposes based upon publicly available information from sources believed to be reliable—we cannot assure the accuracy or completeness of these materials. The information in these materials may change at any time and without notice.

Copyright 2012 Forefield Inc. All Rights Reserved.

EDFIA
EASTERN DENTAL FINANCIAL INSURANCE AGENCY

ON THE CUSP AN EDIC PUBLICATION
1-800-898-EDIC • WWW.EDIC.COM
Just a Few Clicks Away -
The EDIC Professional Liability Online Application

EDIC is excited to launch our Online Professional Liability Application in October. This will be a great change for both dentists and agents. Dentists will be directed to the EDIC website homepage to fill out new business applications directly online to save time and to allow for better quality control.

Go to www.edic.com. In the left side bar, there is a new heading named “Apply Online”. Click this header and the application process will begin for all new business applications. The application is user-friendly and has gone through thorough beta testing to make sure the process works with ease.

Need a hardcopy application? Our hardcopy PDF application is still available through our agents and EDIC’s customer service and sales teams to email or fax to all new insureds and will still be processed in a timely manner.

We are very excited to make this new benefit available to our dentists. With just a few clicks of your mouse, you’ll be on your way to a speedy application process.

EDIC On The Move

EDIC is on the move once again this fall for school related events. Take the time to stop by the EDIC table/booth at your local event and introduce yourself to our reps and pick up our newest risk management literature. Our EDIC New Dentists Transition Guide will also be available for all students and new dentists. Stay tuned to hear about a few new events that EDIC is planning for the 2013 school year near your campus. For an up-to-date listing of events, go to www.edic.com/news-and-events.html. Also, keep connected to EDIC by joining our face-book page at www.facebook.com/edicinsurance.

Look for our Online Renewal Application & Online Payment in 2013!
The theme of this edition of “On the Cusp” is value-added services. Here at EDIC, we purport to the Henry Ford philosophy: “See how much you can give for a dollar, instead of how little you can give for a dollar.” In your company, our commitment to adding value begins at the top. Remember our dentist president and dentist board of directors have walked a mile in your shoes. Having worked with them for 20 years, I can assure you that they are passionate and relentless in delivering steadily increasing value to their colleagues. This core value is instilled in every employee and thoroughly embedded in our corporate culture. Our innovation in creating value-added services for your company is one way in which we can show you how much we value your business.

Another important way to show how much we value you is by our commitment to give each and every one of our customers the “red carpet treatment.” Customer service is a core competency within our organization and we are so proud that our Customer Service Department is getting external recognition. (See page 5.)

Lastly, I just want to take this opportunity to thank you for being our valued customer. We value your patronage and appreciate your confidence in us. We are profoundly grateful for the pleasure of serving you and meeting your insurance needs. Please always feel free to let us know if there is any way we can be of further service.

If you are not yet insured with us, give us a chance to roll out that red carpet for you. Join us.

Sheila A. Anzuoni, Esq.
Executive Vice President and COO, EDIC
sanzuoni@edic.com

We welcome your comments about On the Cusp. Please contact our editor, Sheila A. Anzuoni, at sanzuoni@edic.com, or call at 1-800-898-3342.