



# Safecare Physicians Liability Medical Liability Insurance

<http://www.SafecareInsurance.com>  
( 800 ) 827-3035 x19

An alternative to our standard Medical Liability Product



# The Opportunity!

1. Number of years practicing medicine, claim free?
  2. Multiply that number by your medical-liability insurance premium?
  3. Put **HALF** of that in the bank!
- That's the opportunity we'll be exploring.



# History of Safecare

- Safecare was created for **Physicians** with good loss results as a way to save on their medical liability insurance, while protecting their risk and helping them build wealth in an asset protected, tax deferred vehicle.
- Safecare is an assemblage of existing laws that are not utilized by insurer's because they only benefit the Physicians and **not** the Insurance companies. The profit layer is in affect retained by the physician/members for good loss results, compounding with interest.
- ▶ **Safecare puts control back into the hands of their physician/members.**



# How it Works

Safe care allows the medical professional to retain up to 50% of their premium in exchange for assuming 25% of the risk in an asset protected vehicle with no liability for others in their group and with reinsurance from A Rated Reinsurance.

## How it works now!

Medical Practice purchases insurance from their agent.

Agent places insurance with the carrier.

YEAR		PREMIUMS	RETAINED PREMIUMS
1	1	\$150,000	\$0
2	2	\$150,000	\$0
3	3	\$150,000	\$0
4	4	\$150,000	\$0
5	5	\$150,000	\$0
6	6	\$150,000	\$0
7	7	\$150,000	\$0

In the event of a claim, physician contacts agent.

## How it works with **Safecare!**

Medical Practice purchases insurance from their agent.

Agent places insurance with the carrier.

YEAR		PREMIUMS	RETAINED PREMIUMS
1	1	\$150,000	<b>\$75,000</b>
2	2	\$150,000	<b>\$150,000</b>
3	3	\$150,000	<b>\$225,000</b>
4	4	\$150,000	<b>\$300,000</b>
5	5	\$150,000	<b>\$375,000</b>
6	6	\$150,000	<b>\$450,000</b>
7	7	\$150,000	<b>\$525,000</b>

In the event of a claim, physician contacts agent.

Premiums are retained for good loss results.



# How does Safecare Differ

Safecare works the same as our conventional product, the difference is that the physician retains the profit layer, not the insurance company.

- Retain up to 50% of your premium for good loss results.
- Funds are retained in the Doctors account with PNC in the US., or Bank of Butterfield in Bermuda. (S&P & Moodys AAA)
- Ability to self-direct funds.
- No cross liability between members. **(The loss results of one physician does not affect other members of the practice or group.)**
- Two years of "Tail" included in the rate. (Additional and unlimited tail available.)
- Re-Insured with A/(Excellent) Reinsurance.
- Ability to participate in any settlement.
- Ability to finance your premium over 10 months.
- Build wealth in a tax friendly environment.



# Big Questions

- **What if Safecare goes out of business?**

Safecare is well capitalized and backed by A Rated reinsurance. If Safe care goes out of business all of the physicians retention is owned by the physicians and under our admitted product you would fall under that states catastrophe funds, just as you do now.

- **What is the risk to my money?**

The risk to the medical professionals capital is contingent solely on the individual doctor's losses. All accounts are owned by the physicians. Monthly statements will come from PNC Bank or the Bank of Butterfield in Bermuda.

- **Is legal included in the policy limits?**

In almost all states, legal is handled within the limits of the policy. The medical professional can also have the opportunity to participate in choosing their own qualified legal counsel. (In Florida physicians are responsible for 25% of the legal outside of the policy limits, limited to their "deductible".)

- **Is Safecare for me?**

If your loss ratio is less than 50% of your premium for your group for the past 5 years and you have a desire to re-capture part of your premium dollars safely in an asset protected vehicle earning interest, than yes.





# Biggest Questions

**What if I do not want any risk or do not qualify?**

Just request a quote on our standard medical liability product.

## **What about Tail?**

- All of our policies include 2 years of “Tail” coverage. Additional tail is available for purchase. Physician’s may also use funds in their captive to purchase additional tail where and when required.
- Most Physician’s tail themselves off and do not require additional tail. Even though their policy type may change from an active surgeon to assisting to consultant, etc., as long as their policy is active, they are, in effect tailing themselves off without purchasing any additional tail.
- For occurrence policies, Safecare is able to model the tail via an endorsement so that it is consistent with many Occurrence policies.
- **What is required for me to sign up?**

**Contact your local Safecare Agent.**



# New Jersey Model

## Safecare Physicians Liability

### Group Practice 3 Man Group

Policy Limits-\$1,000,000/\$3,000,000

\$250,000 Maximum "Deductible" per Incident

Premium Performance Illustration

Only 1 capital contribution required for the group per incident.

A one time stock purchase price is required to participate  
In the program equal to 10% of the first years premium.  
This can be financed with your premium and will  
be purchased back if you leave the program.

Year	1	2	3	4	5	6
	Total Premium	Doctors Retention	Simple Interest	Expenses	Losses	Net Balance
1	\$300,000	\$150,000	\$6,000	(\$20,250)		\$135,750
2	\$300,000	\$150,000	\$11,430	(\$20,250)		\$276,930
3	\$300,000	\$150,000	\$17,077	(\$20,250)		\$423,757
4	\$300,000	\$150,000	\$22,950	(\$20,250)		\$576,457
5	\$300,000	\$150,000	\$29,058	(\$20,250)		\$735,266
6	\$300,000	\$150,000	\$35,411	(\$20,250)		\$900,426
7	\$300,000	\$150,000	\$42,017	(\$20,250)		\$1,072,193
8	\$300,000	\$150,000	\$48,888	(\$20,250)		\$1,250,831
9	\$300,000	\$150,000	\$56,033	(\$20,250)		\$1,436,614
10	\$300,000	\$150,000	\$63,465	(\$20,250)		\$1,629,829
TOTAL	<u>\$3,000,000</u>	<u>\$1,500,000</u>	<u>\$332,329</u>	<u>(\$202,500)</u>	<u>\$0</u>	<u>\$1,629,829</u>

Average  
time  
prior to  
payout  
5yrs

1. **Premium** -Total Premium Paid

2. **Doctors Retained Premium** -Accumulates funds within the physicians account to cover "deductible" exposures.

3. **Investment Income** assumes 4% simple interest return per year.

4. **Expeses**= Financing of premium over 10 months with only 10% down. Financed amount \$270,000.

5. **Losses Paid**

6. **Net Balance** - Is a running total funds accumulated in the physicians account to cover "deductible" exposures and build wealth.

\*\*\*Loss are capped at \$250,000 per occurance, A Rated reinsurance handles the balance.

\*\*In most states an incident takes 5 premium cycles to settle at which time the doctors account will have \$735,000 and be responsible for no more than \$250,000 in the event of a loss.

**\*\*This group was paying \$365,000. With Safecare their Premium was \$300,000.**

**\*\*\*Because their captive starts with over \$75,000 and builds to over \$250,000 over four years a capital contribution is not required.**

**\*\*\*\*If a claim came in on day one, there would be approximately \$735,266 in your account before you had to pay out dollar one.**





# Florida Model Group

## Safecare Florida Premium Model

**Group Practice - 5 Person Group**  
**\$250,000 / \$750,000 Limits**  
**\$62,500 Maximum "Deductible" per Incident**  
**Premium Performance Illustration**

A one time stock purchase price is required to participate  
 In the program equal to 10% of the first years premium.  
 This can be financed with your premium and will  
 be purchased back if you leave the program

	1	2	3	4	5	6
Year	Total Premium	Doctors Account	Investment Inc.	Initial & Ann'l Exp.	Losses	Net Balance
1	\$210,000	\$105,000	\$4,200	(\$14,175)		\$95,025
2	\$210,000	\$105,000	\$8,400	(\$14,175)		\$194,250
3	\$210,000	\$105,000	\$12,600	(\$14,175)		\$297,675
4	\$210,000	\$105,000	\$16,800	(\$14,175)		\$405,300
5	\$210,000	\$105,000	\$21,000	(\$14,175)		\$517,125
6	\$210,000	\$105,000	\$25,200	(\$14,175)		\$633,150
7	\$210,000	\$105,000	\$29,400	(\$14,175)		\$753,375
8	\$210,000	\$105,000	\$33,600	(\$14,175)		\$877,800
9	\$210,000	\$105,000	\$37,800	(\$14,175)		\$1,006,425
10	\$210,000	\$105,000	\$42,000	(\$14,175)		\$1,139,250
<b>TOTAL</b>	<b><u>\$2,100,000</u></b>	<b><u>\$1,050,000</u></b>	<b><u>\$231,000</u></b>	<b><u>(\$141,750)</u></b>	<b><u>\$0</u></b>	<b><u>\$1,139,250</u></b>

Average  
time  
prior to  
payout  
5yrs

1. **Premium** -Total Premium Paid
2. **Doctors Account** -Accumulates funds in their account in the Doctors name to cover "deductible" exposures.
3. **Investment Income** -Assumes 4% simple interest return per year.
4. **Expeses** = Assumes a 10% down payment and premium financed interest.
5. **Losses Paid**
6. **Net Balance** is a running total funds accumulated in the Doctors account.

\*\*\*Loss capped at \$62,500 per occurance, A Rated reinsurance handles the balance.



# Florida Model Individual

## Solo Practice PC

**\$250,000 / \$750,000 Limits**

**\$62,500 Maximum "Deductible" per Incident**

**Premium \$55,000.00.**

## Premium Performance Illustration

A one time stock purchase price is required to participate  
In the program equal to 10% of the first years premium.

This can be financed with your premium and will  
be purchased back if you leave the program

Year	1	2	3	4	5	6
	Total Premium	Doctors Retention	Simple Interest	Expenses	Losses	Net Balance
1	\$55,000	\$27,500	\$1,100	(\$3,988)		\$24,612
2	\$55,000	\$27,500	\$2,084	(\$3,988)		\$50,209
3	\$55,000	\$27,500	\$3,108	(\$3,988)		\$76,830
4	\$55,000	\$27,500	\$4,173	(\$3,988)		\$104,516
5	\$55,000	\$27,500	\$5,281	(\$3,988)		\$133,309
6	\$55,000	\$27,500	\$6,432	(\$3,988)		\$163,254
7	\$55,000	\$27,500	\$7,630	(\$3,988)		\$194,396
8	\$55,000	\$27,500	\$8,876	(\$3,988)		\$226,784
9	\$55,000	\$27,500	\$10,171	(\$3,988)		\$260,468
10	\$55,000	\$27,500	\$11,519	(\$3,988)		\$295,500
<b>TOTAL</b>	<b><u>\$550,000</u></b>	<b><u>\$275,000</u></b>	<b><u>\$60,375</u></b>	<b><u>(\$39,876)</u></b>	<b><u>\$0</u></b>	<b><u>\$295,500</u></b>

Average  
time  
prior to  
payout  
5yrs

1. **Premium** -Total Premium Paid

2. **Captive Account Deposit** -Accumulates funds in the Doctors Account and in the Doctors name to cover "deductible" exposures.

3. **Interest Income** assumes a conservative 4% simple interest return per year.

4. **Estimated Expenses** = If premiums are financed. Asssumes 7.25% financing.

5. **Losses Paid**

6. **Net Balance** is a running total funds accumulated in the Doctor's account to cover "deductible" exposures.

\*\*\*Loss are capped at \$62,500 per occurrence, A- Rated reinsurance handles the balance