

WRESTLING MATCH FOR MEDISPAS

Philadelphia Insurance Co. turns to day spas for growth of its D&O book. Entering the day spa D&O market is a short step away from the carrier's existing resort spa cover. Philadelphia enters into a market fueled by baby boomers spending their retirement looking to be pampered and feel young. This move will put Philadelphia into contention with day spa and medispa programs backed by **Lloyd's of London**, **Houston Casualty** and **General Star Management** (Gen Star). All of these carriers are relatively new to day spa and medispa markets, both which are relatively new markets themselves.

Philadelphia Underwriting Manager **Robert Battaglia** looks upon the new day spa product as offering an opportunity to expand beyond the hospitals and medispas that the carrier already writes. Within its day spa product, Philadelphia offers coverage for facials, waxing, manicures, pedicures, microdermabrasions, tanning, hydrotherapy and massages. The general liability and professional liability product can also be teamed with umbrella coverage and auto liability starting at \$500,000 limits and going up to \$10 million. The policy covers the facility and its staff. It can be written on occurrence or claims-made forms in all states except Louisiana. Limits typically are \$1 million/\$3 million but can go higher for primary general liability. Defense costs fall outside of the policy limits. There is no required consent to settle. Philadelphia sells this product through agents with a variable commission rate. The carrier's D&O market also accommodates entities such as drug treatment facilities, daycare centers, mental health groups and senior centers.

Reduced Rates

A revision last month to **Professional Program Insurance Brokerage's** (PPIB) Lloyd's-backed medispa policy will allow for a flat, per-person rating basis for all spa services. Previously technicians and services were rated separately. This new rating structure provides greater flexibility, permitting the carrier to quote per technician, per service, or offer a reduced rate for technicians performing more than one service. Lower minimum premiums for doctors are available, too. Higher credit options are now available and PPIB can include services at no additional premium for qualifying accounts. PPIB can underwrite larger medispas under this new rating structure, instead of being limited to one- to two-person operations.

PPIB's program targets procedures such as medical-strength 50 to 70 percent glycolic peels that require facilities to maintain ongoing medical supervision. Other risks included within PPIB's policy are lasers, Botox, dermal fillers, mesotherapy, sclerotherapy, medical and aesthetic facials, peels, microdermabrasions, aesthetic spa

services, and permanent makeup. Physicians, nurses and aestheticians can be included within the coverage. All policies package general liability and professional liability together. Premiums begin at \$1,200 and vary by the operations being performed, as do the deductibles. Laser-only risks start with premiums typically at \$1,769 while medspa premiums start at \$3,000. Policy limits begin with \$100,000/\$100,000 and go up to \$1 million/\$3 million. Defense costs are located inside the limits of the policy, which has an incident-sensitive claims trigger. The professional liability policy is written on a PPIB proprietary form designed specifically for medspas. This product is available in all states and the District of Columbia and is sold mostly through agents.

NAS's Houston Casualty-backed medspa program was rolled out at the beginning of the year by VP **Dave Leventhal**, who heads up this business for the MGA. The program's typical and highest limits are \$1 million/\$3 million. The average deductible is \$2,500. This policy can cover all FDA-approved medspa procedures and includes professional liability coverage for physicians, both as a spa director and as a direct patient contact. General liability coverage is also available. The program is available nationwide except in Alaska, Hawaii and West Virginia.

Gen Star targets day facilities with a medical director — either an MD or DO — and with protocols for specific procedures. The program, endorsed by the International Medical Spa Association, offers risk management discounts. Its minimum premium is \$7,500. Primary limits are \$1 million/\$3 million, with follow-form excess available to \$5 million/\$5 million. Per-claim deductibles start at \$2,500. Gen Star writes nationwide except in New Mexico and deals exclusively with wholesale brokers.

MEDISPAS BECOMING HIP

GENERAL STAR INDEMNITY CO. (A+)/GENERAL STAR NATIONAL INSURANCE CO. (A+):

Robert Lietz, manager of miscellaneous health care programs, General Star Management Co.,
123 N. Wacker Drive, Suite 700, Chicago, IL 60606, (312) 267-8539, fax (submissions) (866) 464-3678.

HOUSTON CASUALTY CO. (A+): Dave Leventhal, VP, NAS Insurance Services,

16501 Ventura Blvd., Suite 200, Encino, CA 91436, (818) 808-4464, (818) 382-2030, fax (818) 382-2040,
dleventhal@nasinsurance.com.

PHILADELPHIA INSURANCE CO. (A+): Robert Battaglia, Underwriting Manager,

1 Bala Plaza, Suite 100, Bala Cynwyd, PA 19004, (610) 617-7782, rbattaglia@phlyins.com.

LLOYD'S OF LONDON (A): Annie Holman, Marketing Director, Professional Program Insurance,

371 Bel Marin Keys Blvd., Suite 220, Novato, CA 94949-5662, (415) 475-4300, fax (415) 475-4303,
(707) 773-3336, annie@medispa-ins.com.