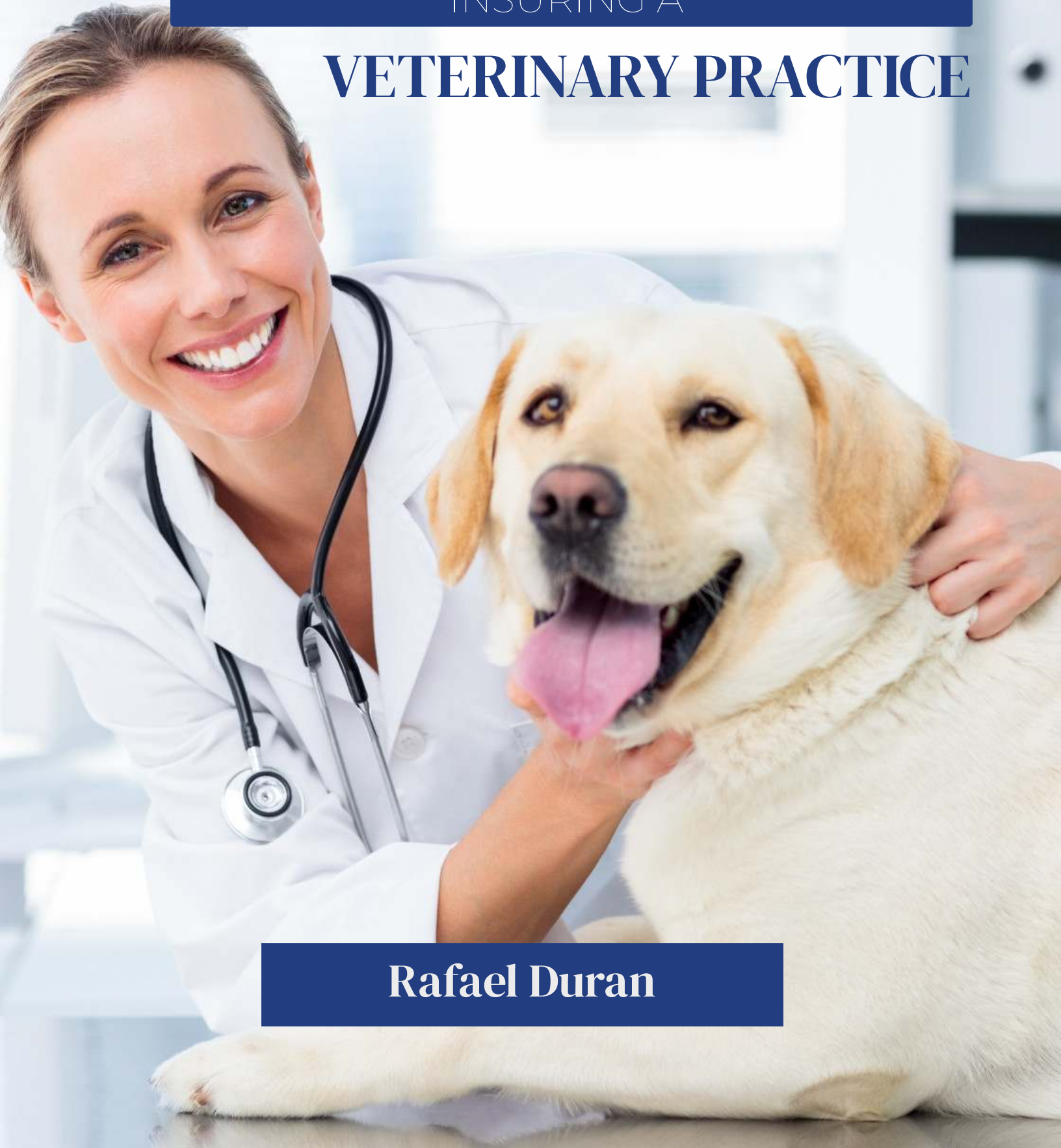


6 THINGS YOU NEED TO KNOW ABOUT  
INSURING A

# VETERINARY PRACTICE



Rafael Duran

## 6 Things to Know About Insuring a Veterinary Practice

As a Veterinarian, you are a compassionate person. You care about animals and their human friends. You pour your heart and soul into your business. You didn't choose to be a Veterinarian for the money. You chose your career out of care and compassion. Because of your unique skillset, you are busy. Sometimes so busy that you can't slow down long enough to focus on your business operations. We get it. Buying an insurance product over the internet or telephone seems like it may be the best option because it's the path of least resistance in a busy world. However, many times key coverage components and savings opportunities are overlooked because you are speaking to a call center as opposed to a local agent. Your time is valuable. That is why we took the time to give you 6 things that you should be aware of when evaluating the insurance for your practice. You can digest this information at your convenience.

### **1. Is your workers' compensation policy rewarding you for good performance?**

Not all workers compensation policies are created equal. While the rates are mandated by the state of Florida, carriers have the option to offer a dividend check at the end of each policy term based on performance.

So, what's the catch? The good news is all the conditions are spelled out prior to the policy starting, so there is no bait and switch for what you can earn in returned premium. Here's how it works:

## 6 Things to Know About Insuring a Veterinary Practice

- Dividends are offered at rates ranging from 10% - 30%

### **Can be a flat rate or tiered rate**

- Claims are calculated throughout the term
- A final review is completed

Based on your performance, you can earn back a percentage of premium paid. Some even offer a guaranteed amount, regardless of your performance. Your worker's comp policy could be working for you – is it?



### 2. Your business is at risk for a cyber attack

As you focus on making sure heartworms are prevented, bones are healing, pets are vaccinated and spayed/neutered, criminals are sizing up your valuable data library. Stored and organized neatly in your customer database is loads of personal information - Name, address, payment information, pet names, etc. Did you know your data has the answer to one of the TOP 5 security questions for password reset - What was the name of your first/current/favorite pet? This is priceless information that would quickly be sold on the dark web. In addition, because you likely take point of sale purchases, you have other considerations. For example, imagine a couple coming into the practice with a “less than friendly” dog that begins to make a commotion in the waiting room. As your staff comes from around the counter to assist the couple, one of them breaks away and places a small filter on the back of your point of sale terminal while you are distracted. This process takes less than 30 seconds. The same can be done to any computer workstation that is readily accessible. The scary part? You never know that it is there. 2 months later, they come back for a “check up”. You already know the dog is “less than friendly” so you come from around the counter to greet them and make sure the same behavior doesn’t occur again. While you are spending time with the dog, one of them slips the filter off of your computer or pos terminal and puts it in their pocket.

How many transactions did they capture? How many of your patients families are at risk? How will your practice be able to respond in a situation like this?

### 3. What does Business Interruption Insurance cover?

Depending on how your current property insurance policy is written, Business Interruption Insurance may or may not be included. That doesn't mean that it is not important! In the event of a loss, business owners often think about having to replace their building or their business personal property. What about your revenue stream? What about paying your key employees to make sure that they stay with you through the tough time instead of leaving to work elsewhere? In addition to ordinary payrolls for a 60, 90 or 180 period, business income insurance may also cover:

- Profits - Profits that would have been earned by your practice. Amounts are based on the average of prior months earnings.
- Fixed Costs - Operating expenses and other costs still being incurred by the property after the loss date. Payroll, rent/mortgage, equipment payments, etc.
- Temporary Location - Some policies cover the extra expenses for moving to, and operating from, a temporary location.
- Extra Expenses - Reimbursement for reasonable expenses (other than the fixed costs) that allow the business to continue operation while the property is being repaired.
- Civil Authority Ingress/Egress – If there is a Government-mandated closure of business premises that directly causes loss of revenue. This is rare.

### 4. Pet Bailee's Insurance - What is it? and What does it cover?

Did you know that one of the most common exclusions on a standard insurance policy is coverage for other peoples' property in your care, custody and control? What about someone's pet? Do you know if your current coverage will make someone whole in the event something happens to their pet while they are staying at your facility? Granted, your Professional Liability Insurance will more than likely cover you for many things that could happen to an animal while you are treating it. However, there are things that may not be covered such as:

- Injury
- Lost (while in your care)
- Passes away
- Veterinary Bills
- Advertising Expenses
- Reward Costs
- Search/Recovery

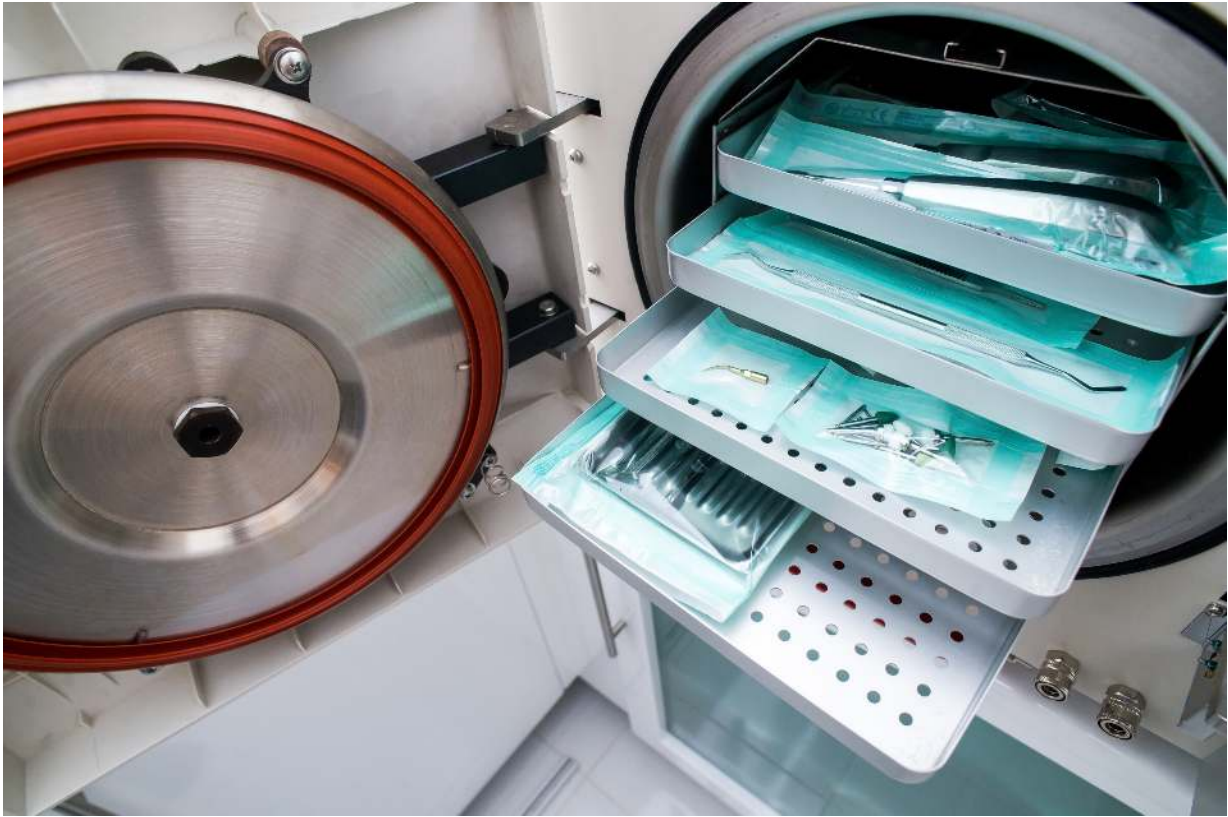
It will cover your business and you personally in the event you are held responsible or legally liable for injuries to the pet in your care.

### 5. Crime Insurance

As a caring, compassionate individual, you would never think about crime. You certainly wouldn't think that you may be a target due to things you have in your inventory. However, with the ever-increasing popularity of drugs like Ketamine, more and more Veterinary practices have become victims of crime both from external sources as well as employees. In addition to drugs, there are other things about your business that make you an attractive target to a criminal or dishonest employee such as:

- Money Exchanged
- Employees work alone or in small numbers
- Late Nights or Early Hours
- You may be in a high crime area

In addition to having insurance coverage for this exposure, a Veterinary practice should also be sure they have airtight policies and procedures in place for drug testing, drug stocking/handling, cash control and other things that will help to limit their exposure.



### 6. Equipment Handling and Storage

Equipment handling and storage is paramount to maintaining a safe work environment for both your patients and your employees. The complete sterilization of surgical instruments and any items that may meet the surgical field is crucial. Poor sterilization or inappropriate handling of instruments after sterilization can result in a contamination of sterile tissues during surgery.

Personal protective equipment (PPE) is a term given to items worn to help safeguard the wearer from physical and health hazards. An effective PPE program involves providing your team with the correct PPE, training on how to wear the PPE properly, training on how to remove the PPE properly and training on how to store and/or dispose of the PPE properly.



## 6 Things to Know About Insuring a Veterinary Practice

While this is a great list of items to be aware of, it is certainly not comprehensive. There are many exposures that you face on a daily basis that simply won't fit into a 6 item list. Florida Veterinary Insurance has a myriad of resources available to you above and beyond the placement of your insurance policies. From Human Resources policies and procedures to safety training, we are able to meet all of your needs. You may click the button below to learn more.

# About the Author

Rafael Duran joined Florida Risk Partners as the Veterinary Insurance Practice Leader in January, 2019. As an Advisor his main objective is to focus on reaching the underserved Hispanic-owned business community as well as main street and middle market businesses throughout the state of Florida. As Practice Leader, he will be responsible for recruiting, developing and retaining a team of professionals to assist in building out his practice. Rafael was born and raised in New York City, is bilingual, and holds an undergraduate degree from Temple University in Philadelphia, PA.

Prior to joining Florida Risk Partners, Rafael spent 19 years with Enterprise Holdings where he excelled in every position he held. In his early years, he managed multiple locations throughout northern New Jersey before moving to Tampa. In Tampa, he spent 11 years as an Account Manager working with multiple insurance carriers. His primary responsibilities included assisting and training adjusters in rental management, accounts receivable and relationship building in addition to providing customer service. Rafael was repeatedly recognized for his performance by receiving achievement awards for both his region and department. Rafael has been married to his college sweetheart Theresa (also in the insurance industry with Chubb) for almost 20 years. They enjoy watching their son play high school baseball and their daughter competitively cheer. When not actively engaged in his children's activities, Rafael enjoys spending time with his Chocolate Labrador Mickey. Rafael is an avid baseball fan and enjoys rooting for his hometown Yankees. Rafael and his family currently reside in the Citrus Park area of Tampa, FL.

