



NEWS RELEASE

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MedDirect Professional Liability Insurance Is First To Provide Comprehensive Coverage for Medical Directors

Columbia, MD – Lorraine Tarnove, executive director of the American Medical Directors Association, today introduced MedDirect, a new, comprehensive professional liability insurance plan that specifically addresses the coverage needs of nursing home medical directors.

“For the last 6 years, a top public policy issue for our members has been professional liability exposures and insurance availability,” stated Tarnove. Tarnove added that members are faced with increasing costs or withdrawal of coverage for nursing home services. Nursing homes sometimes “go bare,” leaving the Medical Director at risk, without adequate notification.

In addition, AMDA members have encountered coverage uncertainties and confusion because they have not been able to purchase one policy that provides comprehensive and economical insurance protection for the various exposures they encounter as a Medical Director:

- Performing the administrative duties as a medical director
- Delivering care to nursing home residents
- Delivering office practice patient care

AMDA has responded by searching for an insurance product that can meet the varied needs of its members. This search culminated with the development of MedDirect. MedDirect was developed by Roundstone through its affiliates LTC Risk Management and the Westwood Group. Roundstone develops specialty market insurance programs with its LTC Risk affiliate offering an expertise in underwriting professional liability coverage for medical practitioners. AMDA collaborated by providing insight into the activities and responsibilities of its medical director members and the combined effort delivered an improved one of a kind product. Today, AMDA members may access MedDirect, the first insurance program to provide single-source, comprehensive professional liability protection specifically tailored to the multiple exposure concerns of medical directors. Coverage is provided by an A.M. Best Rated A- company.

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In the past, medical directors have been faced with the need to purchase multiple policies in order to provide proper protection. This has added significant cost and created coverage uncertainties and confusion. A recent AMDA membership survey illustrates the severity of the problem. During 2005:

- 29% of respondents encountered problems in obtaining or renewing medical liability insurance
- 39% of respondents had modified their practices due to liability pressures or concerns
- 56% of those who had modified their practices had limited their work as a medical director, and 28% had stopped working as a medical director altogether.

Mike Schroeder, President of Roundstone, commented that “the MedDirect insurance program is a good candidate for the specialty or alternative risk market. The standard insurance marketplace often overlooks the specific daily activities of a medical director when pricing and underwriting a policy. AMDA and its membership, with their inside view of a medical director’s daily responsibilities, are able to work with our underwriters to properly identify and price the exposure of its membership. Roundstone looks for opportunities in the insurance world where one size does not fit all and we believe we have found it with medical directors when contrasted with the overall physician medical malpractice market. This insurance market anomaly enables the MedDirect program to be a tremendous benefit for AMDA and its members.” Tarnove added, “Given the importance of this topic to our profession, I would encourage members to learn more about the MedDirect program by contacting a product specialist at 1-866-429-2154”

The American Medical Directors Association is the national professional association committed to continuous improvement of the quality of patient care by providing education, advocacy, information, and professional development for medical directors and other physicians who practice across the long-term care continuum. www.amda.com

Roundstone is an insurance organization that is focused on the development, underwriting and servicing of specialty and alternative risk products, including specialty insurance programs, captives and rent-a-captives. www.RoundstoneInsurance.com

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