

## MARKETING

# HEALTH CARE

*From acupuncturists to visiting nurse groups,*

By Elisabeth Boone, CPCU

**A**ny way you slice it, health care is risky business. Even highly skilled specialists make mistakes; and, at the other end of the spectrum, entry-level workers in a variety of health care settings may face allegations ranging from incompetence to neglect.

Assessing and managing the myriad risks associated with the delivery of health care requires a high degree of knowledge, experience, and discipline. AmWINS Healthcare, part of AmWINS Group—a large, diversified wholesale insurance distributor—brings those qualities, and more, to the health care market.

Launched in 2003 by AmWINS Group, the AmWINS Healthcare Specialty Practice is based in Newtown, Pennsylvania, and operates nationwide through its parent company's network of 35 offices. Its management team represents decades of experience in health care product design, program management, sales, and marketing.

Serving as president is Michael R. Walton, whose background encompasses over 25 years of experience on both the retail and wholesale sides of health care insurance. Donald J. Tejeski joined AmWINS Healthcare in 2003 and is senior vice president of business development. Tejeski gained

experience in medical malpractice and professional liability at the Medical Inter Insurance Exchange (MIIX). John Young, a 36-year veteran of the insurance industry whose specialty is health care and medical professional liability, is vice president with responsibility for business development, marketing, producer relationships, and risk placements.

A key factor that motivated Walton to spearhead the creation of AmWINS Healthcare as a distinct business unit

within AmWINS Group was his longstanding commitment to working with health care-related trade associations.

"Throughout my career, I've built relationships with trade associations for hospitals, nursing homes, and other health care entities," Walton says. "I wanted to work as a wholesaler with these groups and the retailers that seek to meet their insurance needs."

### Filling a gap

From the perspective of someone whose background encompasses both retail and wholesale health care insurance experience, Walton says, he saw a "specialty gap" on the wholesale side and was motivated by the challenge of filling that gap.

"There was little health care specialty expertise" in the wholesale



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President  
AmWINS Healthcare

# FROM A TO Z

## *AmWINS Healthcare has it covered*

sector, he remarks. "Most wholesalers were generalists, and few had the expertise to structure advanced risk solutions for health care providers. Many retailers with health care business viewed wholesalers as the market of last resort, to be approached only when a physician or health care provider organization couldn't obtain coverage in the standard market.

"We set up AmWINS Healthcare with the goal of bringing that specialty expertise to the retail community," Walton says. "By 'expertise' I mean understanding risks, developing risk analysis models with some strategic partners that we established, and bringing some real added value instead of being just a transactional broker. By assuming this role in the market, we can help our retail partners deliver the very best products and services to their

health care clients," Walton says.

AmWINS Healthcare is a profit center within AmWINS Group's brokerage division, Walton explains. The unit places business with both admitted and nonadmitted domestic carriers as well as international markets, including Bermuda facilities and Lloyd's syndicates.

"We distribute directly from relationships with retailers, and we also work through AmWINS Group's offices throughout the country,"

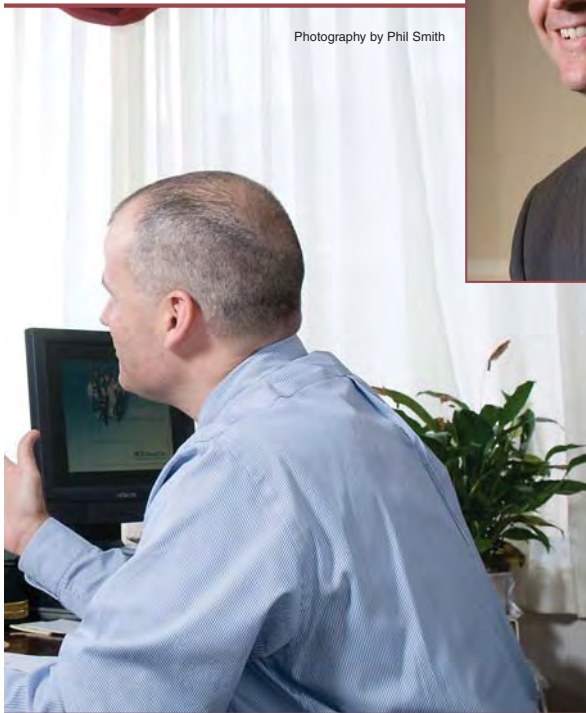
Walton says. "We give every broker an opportunity to work with us, and we have relationships with hundreds of retailers, but our most successful relationships are with retail organizations that have specialty practices in health care. They're the ones who really appreciate our expertise. They use us because of our experience and exceptional underwriting relationships. They trust us to put together excellent proposals for their health care clients and prospects, and that enables them to focus on developing new business opportunities."

### **Products and programs**

AmWINS Healthcare offers products and programs for virtually every segment of the health care industry. Unique professional and general liability arrangements are available to long-term care facilities that participate in AmWINS Healthcare's RiskCure Program, which develops risk solutions that incorporate quality care initiatives. Target classes for the program are skilled nursing, assisted living, independent living, and continuous care retirement communities.

A key market segment for AmWINS Healthcare comprises allied health care and miscellaneous facilities; professional and/or general liability protection are available to almost 70 target classes, including home health care, medical staffing,

Photography by Phil Smith



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*—Donald J. Tejeski  
Senior Vice President  
Business Development*

nurse registries and hospices, MRI facilities, surgery centers, and outpatient clinics. Errors and omissions coverage can be written on a primary and excess basis for managed care organizations including HMOs, PPOs, TPAs, PHOs, credentialing, peer review, and utilization review organizations.

AmWINS Healthcare has access to markets that provide hospital professional liability and general liability coverage for general, specialty, surgical, psychiatric, community, and rehabilitation hospitals. Coverage also can be written for hard-to-place physicians and physician groups.

In line with its commitment to working with associations, AmWINS Healthcare structures and manages risk financing and risk management programs for members of several state health care industry and trade associations.

### Aging of America

As specialists in arranging coverage for health care risks, the AmWINS Healthcare team tracks new and emerging trends in the delivery of health care.

Chief among these trends is the graying of America, which is becoming more pronounced as the oldest members of the 68 million-strong Baby Boom generation begin to retire. How and where this new breed of seniors wants to live are factors that bear directly on the design of insurance protection for residential facilities that serve this population.

"An area we've specialized in is elder care—specifically, skilled nursing facilities, assisted living, continuing care retirement communities, and independent living," Walton explains. "Our commitment to this market stems from a relationship we've had for many years with a company called PointRight, formerly known as LTCQ.

"Since 2000 we have worked closely with the principals of what was then known as LTCQ, and together we have introduced its advanced statistical methods of assessing quality and risk in nursing homes to numerous insurers," Walton says. "We believe that the quality of data analysis generated by PointRight has contributed significantly to the underwriting success of several domestic and Lloyd's markets in insuring elder care facilities."

What's more, he points out, "We work closely with underwriters that use PointRight or other risk assessment tools to provide information to our retailers that enables them to meet with their clients or prospects and talk

about issues like quality of care, risk management, and quality improvement initiatives that we can help them introduce. We think this has been a huge factor in differentiating us from our competitors," Walton declares. "We provide our retailers information and risk solutions that help them stand out from their competitors."

Underwriting elder care facilities is an extremely challenging endeavor, Walton acknowledges, but he emphasizes that AmWINS Healthcare welcomes the opportunity to be a leader in this complex market. "We know this is one of the most difficult segments of health care, but we also believe it's the area that will experience the most growth," he says.

In addition to elder care facilities, Walton foresees growth in ancillary markets like home health care and adult day care centers for seniors who choose to "age in place" by remaining in their own homes.

"The need to provide skilled care to seniors will grow rapidly as the Baby Boomers continue to age," Walton asserts. Here, too, he sees expansion of the trend toward home-based care. "Several states have initiatives to bring skilled nursing care into the home, which offers the potential to reduce costs and also will involve changes to Medicaid and Medicare reimbursement protocols."

All in all, Walton declares, "The elder care market is dynamic and challenging, and that's why we find it so intriguing. We're going beyond the transactional mode; we're dealing with issues of quality of care, risk management, loss prevention and control. These are areas where we can really have an impact on professional liability for health care risks."

### Allied health and hospitals

Long-term elder care represents the largest percentage of AmWINS Healthcare's business, Don Tejeski says. The unit also is a major player in the market for allied health care.

"Allied health encompasses everything from home health care to medical staffing, from walk-in clinics to physical therapy offices, from group homes to women's and homeless shelters," Tejeski explains.

"A third area where we do a lot of business is specialty hospitals," Tejeski continues. "Examples are psychiatric hospitals and specialized surgical hospitals for special surgery. Professional liability for general hospitals is handled primarily by retailers. We often assist our retailers in placing the high excess/umbrella layers."

Whether a health care risk is written in the admitted market or on a nonadmitted basis depends more on the class than the specific risk, Tejeski says. "Right now, besides physicians, the majority of health care professional liability business is in the surplus lines market. Insureds want the flexibility in form and pricing. With the exception of physicians, even the segments that are primarily retail markets are written through E&S carriers," he says. "Occasionally we have an admitted market in a particular state, but I'd say 95% of this business is in surplus lines."

Adds Walton: "We do most of our hospital business through regional retailers that don't handle a lot of this business and that want to take advantage of our relationships with the specialty underwriters. Once a retailer trusts us and knows what we can do, they come to us because we can efficiently handle marketing and placement for them."

As it works to gain the trust of retailers, Tejeski comments, AmWINS Healthcare also has built a high level of trust with its underwriter partners. "Because we understand health care risks, we can have greater influence with our underwriters," he says.

"All we do is health care," Tejeski emphasizes. "Among our larger wholesale competitors, many have brokers who place health care accounts but also place non-health care-related accounts such as D&O, environmental, or construction. They do not have a focused practice or a dedicated health care team. Many wholesalers write health care risks, but they also do a lot of other things."

"Through AmWINS Group," Tejeski continues, "we can provide property, workers comp, and other coverages; but Mike, John, and I focus on health care. That's a big differentiator for retailers. They want to deal with a specialist who does health care every day, who knows the markets and the forms," he asserts. "In today's market, it's almost impossible to be a generalist and know everything that's going on in the health care business."

Specialty focus, Walton believes, is a key factor in the success of AmWINS Group as a whole. "For the last several years, AmWINS Group has been encouraging its wholesale brokers to specialize," he says. "This is how we at AmWINS Healthcare add value to our retail partners, their clients, and our carriers." ■

#### For more information:

**AmWINS Healthcare**  
Web site: [www.AmWINS.com](http://www.AmWINS.com)