
The Risk Retention Reporter

Allied Professionals Experiencing Growth in Policyholders/Insureds

In 2012, **Allied Professionals Ins. Co., A RRG, Inc.** is expecting its number of policyholders and insureds to nearly quadruple, as well as to see a large increase in premium. The Arizona-domiciled RRG offers professional liability insurance to alternative healthcare risk purchasing groups who cover acupuncturists, chiropractic doctors, physical therapists, massage therapists, naturopaths, personal trainers, herbalists, and dieticians.

Allied Professionals is expecting a 40% increase in premium for 2012, going from \$13.5M in 2011 to \$19.0M this year—a \$5.4M increase. The RRG is expecting even greater growth in number of policyholders and insureds—a 278.8% increase to 142,000 policyholders/insureds, up from 37,500 in 2011. (The RRG counts both policyholders and insureds as the same, which is why the number for both is equal.) Allied Professionals has been, for several years, the RRG with the most number of insureds. The increase in the number they are expecting this year gives the group more than ten times the number of insureds and policyholders of any other group.

According to Mike Schroeder, chairman of the board of **Allied Professionals Insurance Company (APIC)**, the reason behind this substantial growth is due to the inconsistency of large carriers in serving Allied Professionals' niche members. "A number of large carriers have abandoned our traditional markets recently because they didn't understand them and had incurred significant losses. They treated these risks in a

manner similar to trip insurance, where no underwriting was done and all claims are covered irrespective of what the insured was doing. This caused a number of carriers to exit the massage and chiropractic markets. We were fortunate that many of these professionals sought coverage with us."

The **A.M. Best "A-"**-rated RRG has been steadily growing since it was licensed in 2003, seeing a continual rise in premium and insureds. Allied Professionals has been the leading RRG with regards to policyholders/insureds for at least five years, sometimes seeing year-to-year growth of up to 50%. However, their expected growth of 278.8% for 2012 is unprecedented.

According to Schroeder, a large number of chiropractors, acupuncturists, and massage therapists have sought coverage through APIC during the last year. "These are our three specialty areas since the founding of APIC. During that time other carriers have periodically come into our markets and then exited. This has tossed fairly large groups of our core markets out looking for coverage. During each of these phases, we have experienced sharp growth, followed by flat periods," said Schroeder.

"What we provide is stable pricing and availability through hard and soft markets, which means that most insureds, once here, stay for the long term."

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