

BRIAN SANDOVAL
Governor

STATE OF NEVADA

BRUCE H. BRESLOW
Director



SCOTT J. KIPPER
Commissioner

DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

1818 East College Pkwy., Suite 103
Carson City, Nevada 89706
(775) 687-0700 • Fax (775) 687-0787
Website: doi.nv.gov
E-mail: insinfo@doi.nv.gov

May 7, 2013

**2012 ANNUAL REPORT ON LOSS-PREVENTION AND CONTROL
PROGRAMS OF MEDICAL PROFESSIONAL LIABILITY INSURERS
PURSUANT TO NRS 690B.370**

Gennady Stolyarov II, ACAS, MAAA, CPCU, ARe, ARC, API, AIS, AIE, AIAF, Insurance Actuarial
Analyst II, Property and Casualty Section
Mary Strong, Management Analyst II, Property and Casualty Section

Table of Contents

Item	Page
Background	2
Introduction	2
Summary of Quantitative Results	3
<i>Exhibit 1: Comparisons of Risk-Management Credit Utilization by Year</i>	4
<i>Exhibit 2: Credits by County</i>	5
<i>Exhibit 3: Practitioners by County</i>	6
<i>Exhibit 4: Company Summary</i>	6
Summary of Qualitative Results	7
Conclusion	9
Appendix I: Survey Cover Page	10
Appendix II: Template for Quantitative Data (Question 8)	11
Appendix III: Compilation of Qualitative Insurer Responses	12

BACKGROUND

Section 690B.370 of the Nevada Revised Statutes mandates the Commissioner of Insurance to produce an annual report on loss-prevention and control programs for medical professional liability insurance. This is the ninth such annual report. Each authorized insurer that issued a policy of professional liability insurance to a medical doctor (MD) or to a doctor of osteopathic medicine (DO) is required to complete a survey addressing loss-prevention and control programs and submit it to the Commissioner. The survey was sent to all insurers that reported Nevada medical professional liability physician premium on Supplement A to Schedule T of the annual financial statement. The Appendix of this report contains the questions that were sent.

NRS 690B.330 requires authorized medical professional liability insurers to offer qualified risk-management systems. Medical practitioners that implement such programs are eligible for a premium discount. The purpose of this report is to measure the impact of the legislation on program availability and participation.

INTRODUCTION

Seventeen surveys were distributed. This figure includes one survey to each company that reported Nevada direct written physician medical professional liability premium to the National Association of Insurance Commissioners (NAIC) for calendar year 2011 and that is either an authorized insurer or a Nevada-domiciled risk-retention group (RRG). One non-Nevada-domiciled RRG was also surveyed and cooperated voluntarily. Pursuant to the federal Liability Risk Retention Act of 1986, Nevada does not have the regulatory authority to require such non-Nevada-domiciled RRGs to fill out this survey. Previously, the survey had been sent to all medical professional liability insurers, including those that did not insure physicians. The response rate from non-physician-insuring entities was very low. Since the main focus of the law mandating risk-management programs is physicians, the 2012 survey was sent only to the physician insurers.

The Division received a total of 17 responses from the following authorized physician insurance underwriters and domestic risk-retention groups, along with one non-Nevada-domiciled risk-retention group. Responses were received from all insurers and RRGs that were required by Nevada law to respond to the survey.

- ACE American Insurance Company (**Note:** ACE American Insurance Company indicated that it did not issue any individual professional liability policies to the practitioners licensed pursuant to chapter 630 or 633 of NRS.)
- California Healthcare Insurance Company, a Risk Retention Group (Not Nevada-domiciled)
- Capson Physicians Insurance Company
- Darwin National Assurance Company
- First Professionals Insurance Company (**Note:** First Professionals Insurance Company was acquired by The Doctors Company, an InterInsurance Exchange, in late 2011. First

Professionals Insurance Company wrote no business in Nevada in 2012 and has no plans to write business in the future.)

- Hudson Insurance Company
- Independent Nevada Doctors Insurance Exchange (IND) (**Note:** *Independent Nevada Doctors Insurance Exchange converted from a reciprocal exchange to a stock insurance company in late 2012 and was acquired by the ProAssurance Group. The new name of the company is Independent Nevada Doctors Insurance Company.*)
- Lancet Indemnity Risk Retention Group, Inc.
- Medicus Insurance Company
- National Union Fire Insurance Company of Pittsburgh, PA
- Nevada Doctors Medical Risk Retention Group, Inc.
- Nevada Mutual Insurance Company
- Premier Physicians Insurance Company, A Risk Retention Group
- ProAssurance Casualty Company
- SCRUBS Mutual Assurance Company, Risk Retention Group
- The Doctors Company, an InterInsurance Exchange
- The Medical Protective Company

The questions and responses from the physician insurers are provided in the “Insurer Responses” section of this report. When soliciting responses, the Division agreed to keep the identity of each respondent confidential, as expressed in the survey cover page included in Appendix I of this report. To achieve this, the responding companies are identified by number rather than by name. The respondent numbers are independent from the numbers assigned in last year’s survey. The names of the responding companies and other identifying information were redacted. Apart from the redactions, the companies’ responses are listed verbatim in this report and have not been edited by the Division.

SUMMARY OF QUANTITATIVE RESULTS

The exhibits in this section are based on insurers’ responses to Question 8 of the survey (see Appendix II for the question and the accompanying data template), as well as data from prior years’ reports.

Exhibit 1 below shows that the number of practitioners receiving risk-management credits has increased every year from 2007 through 2011. In 2012, this trend was reversed slightly, as the number of practitioners receiving risk-management credits declined from 1741.5 in 2011 to 1526 in 2012.¹ However, this number is still considerably higher than the 2009 figure of 1178 practitioners receiving risk-management credits – a positive difference of nearly 30 percent.

The absolute number of practitioners encompassed by the survey has grown since 2011. In 2011, the survey collected information about 3759.5 practitioners. The 2012 survey collected information about 4171 practitioners. Thus, the decrease in the number

¹ The one-half practitioner included in the 2011 data set was a practitioner who only worked half of the time in Nevada and half of the time in another state.

of practitioners receiving risk-management credits occurred in spite of the growth in the total number of practitioners. It is difficult to account for this observation. However, a partial explanation may be the practice by some insurers of only offering risk-management credits to renewal business and not new business. Company 12, an insurer that recently entered the Nevada market, informed the Division that it applies risk-management credits to its insureds beginning on the first renewal policy term. The company's small current book of business consists entirely of insureds in their first term of coverage. All of these insureds participate in risk-management programs and will likely receive a credit when their policies renew, but the 2012 information applies to the first term of these policies and so does not reflect such possible future credits.

Exhibit 1 also shows that, in absolute dollar terms, the total risk-management credits offered in Nevada have increased considerably in 2010 and 2011 from prior years' levels, with the 2011 level being slightly below the 2010 level. The 2012 level was again slightly below the 2011 level, but still materially higher than the 2009 level, by approximately 60 percent.

The absolute dollar amount and percentage of premium subject to risk-management credits has declined materially from 2011 levels, but the average savings to practitioners who receive risk-management credits has significantly increased. The average savings to practitioners who participate in risk-management programs has risen from 5.29% in 2009 to 7.36% in 2010 to 7.56% in 2011 to 8.61% in 2012. This suggests that, while the number of practitioners subject to risk-management credits has decreased, the individual practitioners who do qualify for risk-management credits tend to benefit from such credits to a greater extent than previously. When overall savings to the entire market (both participants and non-participants in risk-management programs) are considered, the percentage of such savings in 2012 was similar to 2010 and 2011 levels.

Despite some decline in risk-management participation in 2012, overall participation remains significantly higher than it was in the previous decade. Moreover, participating practitioners continue to benefit significantly from risk-management credits. A high level of risk-management participation in Nevada indicates significant success in fulfilling the intent of NRS 690B.330.

EXHIBIT 1: Comparisons of Risk-Management Credit Utilization by Year							
Year	Premium Subject to Risk-Management Credits	% of Premium Subject to Risk-Management Credits	Total Risk-Management Credits	Number of Practitioners Receiving Risk-Management Credits	% of Practitioners Receiving Risk-Management Credits	Average % Savings to Practitioners Who Participate	Average % Savings Overall
2012	\$25,075,945.98	47.86%	\$2,363,267.16	1526	36.59%	8.61%	4.32%
2011	\$30,017,564.65	53.69%	\$2,455,504.15	1741.5	46.32%	7.56%	4.21%
2010	\$32,478,822.35	57.25%	\$2,580,832.44	1733	47.53%	7.36%	4.35%
2009	\$26,406,001.00	46.78%	\$1,476,033.00	1178	34.60%	5.29%	2.55%
2008	\$26,924,987.00	40.52%	\$1,522,878.00	1067	27.48%	5.35%	2.24%
2007	\$27,656,651.34	40.38%	\$1,483,852.81	990	28.72%	5.09%	2.12%

Exhibit 2 below summarizes, by county, the premiums pertaining to policies with and without risk-management credits. Exhibit 3 summarizes practitioners by county, with and without risk-management credits. Significant distributional changes by county have occurred since 2011 in the prevalence of risk-management credits.

The jurisdiction with the greatest percentage of practitioners receiving risk-management credits is Carson City (44.28%), followed by Clark County (40.42%), and Washoe County (29.76%). These percentages tend to be extremely volatile from year to year. For instance, the Clark County percentages of participating practitioners were 49.46% in 2010, 51.01% in 2011, and 40.42% in 2012. For Carson City, these percentages were 64.12% in 2010, 32.20% in 2011, and 44.28% in 2012. For Washoe County, these percentages were 42.73% in 2010, 40.34% in 2011, and 29.76% in 2012.

In spite of the fact that no jurisdiction had a majority of practitioners receiving risk-management credits in 2012, for two jurisdictions a majority of the *premium* was subject to risk-management credits: Carson City (58.31% of premium) and Clark County (50.39% of premium). For Carson City, this constitutes a significant increase from 26.79% of premium in 2011. For Clark County, this constitutes a slight decrease from 57.24% of premium in 2011. Average savings to practitioners participating in risk-management programs were the highest in Clark County at 9.22% savings, compared to a statewide average savings to participating practitioners of 8.61%.

EXHIBIT 2: Credits by County								
County	Premium by Presence or Absence of Risk-Management Credit			Percentage of Premium by Presence or Absence of Risk-Management Credit		Dollar Amount of Risk-Management Credit	Average % Savings to Practitioners That Participate	Average % Savings Overall
	Credit Present	Credit Absent	Grand Total	Credit Present	Credit Absent			
Carson City	\$664,323.71	\$474,898.40	\$1,139,222.11	58.31%	41.69%	\$50,232.37	7.03%	4.22%
Churchill	\$2,407.00	\$939,565.32	\$941,972.32	0.26%	99.74%	\$87.39	3.50%	0.01%
Clark	\$20,591,432.68	\$20,272,836.52	\$40,864,269.20	50.39%	49.61%	\$2,091,450.80	9.22%	4.87%
Douglas	\$13,837.30	\$283,082.87	\$296,920.17	4.66%	95.34%	\$987.63	6.66%	0.33%
Elko	\$0.00	\$587,724.00	\$587,724.00	0.00%	100.00%	\$0.00	N/A	0.00%
Esmeralda	\$0.00	\$15,134.00	\$15,134.00	0.00%	100.00%	\$0.00	N/A	0.00%
Eureka	\$0.00	\$175,818.00	\$175,818.00	0.00%	100.00%	\$0.00	N/A	0.00%
Humboldt	\$0.00	\$60,809.00	\$60,809.00	0.00%	100.00%	\$0.00	N/A	0.00%
Lander	\$0.00	\$5,457.00	\$5,457.00	0.00%	100.00%	\$0.00	N/A	0.00%
Lincoln	\$0.00	\$1,087.50	\$1,087.50	0.00%	100.00%	\$0.00	N/A	0.00%
Lyon	\$2,411.00	\$10,111.00	\$12,522.00	19.25%	80.75%	\$62.00	2.51%	0.49%
Mineral	\$0.00	\$2,473.00	\$2,473.00	0.00%	100.00%	\$0.00	N/A	0.00%
Nye	\$12,042.00	\$55,618.00	\$67,660.00	17.80%	82.20%	\$994.00	7.63%	1.45%
Pershing	\$0.00	\$1,236.00	\$1,236.00	0.00%	100.00%	\$0.00	N/A	0.00%
Washoe	\$3,789,492.29	\$4,429,064.11	\$8,218,556.40	46.11%	53.89%	\$219,452.97	5.47%	2.60%
White Pine	\$0.00	\$2,473.00	\$2,473.00	0.00%	100.00%	\$0.00	N/A	0.00%
Total	\$25,075,945.98	\$27,317,387.72	\$52,393,333.70	47.86%	52.14%	\$2,363,267.16	8.61%	4.32%

EXHIBIT 3: Practitioners by County					
County	Number of Practitioners by Presence or Absence of Risk-Management Credit			Percentage of Practitioners by Presence or Absence of Risk-Management Credit	
	Credit Present	Credit Absent	Grand Total	Credit Present	Credit Absent
Carson City	89	112	201	44.28%	55.72%
Churchill	2	36	38	5.26%	94.74%
Clark	1181	1741	2922	40.42%	59.58%
Douglas	4	59	63	6.35%	93.65%
Elko	0	50	50	0.00%	100.00%
Esmeralda	0	5	5	0.00%	100.00%
Eureka	0	30	30	0.00%	100.00%
Humboldt	0	7	7	0.00%	100.00%
Lander	0	2	2	0.00%	100.00%
Lincoln	0	1	1	0.00%	100.00%
Lyon	1	3	4	25.00%	75.00%
Mineral	0	1	1	0.00%	100.00%
Nye	2	13	15	13.33%	86.67%
Pershing	0	1	1	0.00%	100.00%
Washoe	247	583	830	29.76%	70.24%
White Pine	0	1	1	0.00%	100.00%
Total	1526	2645	4171	36.59%	63.41%

EXHIBIT 4: Company Summary		
Company (Randomly Assigned Number)	% of Practitioners With Risk-Management Credit	% of Practitioners Without Risk-Management Credit
2	0.00%	100.00%
3	40.52%	59.48%
4	36.50%	63.50%
5	0.00%	100.00%
6	0.00%	100.00%
7	80.42%	19.58%
8	29.91%	70.09%
9	100.00%	0.00%
10	28.15%	71.85%
11	44.31%	55.69%
12	0.00%	100.00%
13	38.46%	61.54%
16	28.82%	71.18%
17	8.11%	91.89%
TOTAL	36.59%	63.41%

NOTE: Companies 1 and 15 wrote no business in 2011. Company 14 is a risk-retention group that offers no risk-management credits and so was excluded from the quantitative data sets. Company 12 offers risk-management credits, but only to renewal business. All insureds for Company 12 were new-business insureds in 2012.

Exhibit 4 above shows the percentage by company of practitioners with and without risk-management credits. As in previous years of the survey, a wide range exists – from no participation in some companies (which may be RRGs or may simply insure a minuscule volume of business in Nevada) to complete participation in others.

SUMMARY OF QUALITATIVE RESULTS

Prior to the legislation requiring physician professional liability insurers to offer risk-management programs, only about half of the authorized insurers offered risk-management programs, and only one offered risk-management credits. Each of the admitted carriers now offers risk-management programs for credit as required by NRS 690B.330. The risk-management programs range from Internet-based training to seminars. Many of the programs qualify for continuing medical education credit. The discussion in this section is derived from the insurer responses to the qualitative questions in the survey (Questions 2-7 and 9-10). The full compilation of qualitative insurer responses can be found in Appendix III.

From the responses to Question 2, it could be discerned that in 2012, 4 companies offered new self-study courses in risk management, and 4 companies offered new seminars. While one company has discontinued offering clinical audits and site assessments, several other companies have initiated or expanded their programs in these areas. Many companies are taking an interest in and actively offering free online education in risk management to their insureds. When evaluated alongside survey responses from prior years, these developments are incremental additions to a largely stable and abundant offering of risk-management opportunities to insured physicians. The use of technology in delivering these opportunities is on the rise.

The responses to Question 3 indicate that risk-management programs continue to be readily available for Nevada policyholders. Most companies, including most risk-retention groups, offer some manner of risk-management program (e.g., education and loss control) without charge, even if (for some of the RRGs) no risk-management credits are offered. While free risk-management programs have been predominant in previous years as well, even more companies than before are beginning to recognize the benefits that free risk-management education offers in terms of improved claims experience.

Based on the responses to Question 4, there has been little change in whether risk-management programs are voluntary or mandatory for each company. As in previous years, some companies have indicated that risk management is mandatory for higher-risk practitioners only. The responses to Question 5 also indicated that there has been little change in the kinds of risk-management credits offered. Most risk-management credits constitute a 5-percent premium reduction or a similar percentage reduction. Some practitioners in specialties with greater claim potential may be offered higher percentages of risk-management credits as an even greater incentive to engage in practices that reduce the frequency and severity of losses.

In response to Question 6, as in the 2011 survey, *no* insurer stated that the amount of a risk-management credit can vary based on the insured's loss experience. From this information, it is legitimate to conclude that risk-management credits in Nevada are based on the *educational and prevention activities* engaged in by the insured (e.g., participation in seminars, online courses, self-assessments, or site audits), rather than on the number and dollar amount of claims filed by that insured. There is no "experience rating" applicable to risk-management credits. As one company noted in 2011, "A loss may not be the result of a risk-management issue but rather some other circumstance that may not be the result of any risk-management issue." For instance, a practitioner – particularly in a high-risk field such as obstetrics, neurosurgery, or anesthesiology – may be sued by a dissatisfied patient despite having taken stringent precautions. The insurer has a duty to defend the practitioner in such situations.

Responses to Question 7, a question regarding the percentage of participation in risk-management programs that are voluntary, varied considerably by insurers. Some insurers stated that no Nevada policyholders participated in their risk-management programs, while others experience participation rates ranging from 20% to 80% – with the 35%-50% range being common. It is important to note that the percentage of program participation may not be equal to the percentage of practitioners who receive risk-management credits, since some practitioners may participate in the program but fail to meet the criteria required for a credit to be granted. Exhibit 4 earlier in this report provides information about the percentages of practitioners, categorized by insurer, who specifically receive risk-management credits.

Question 9 asked how insurers monitor the effectiveness of their risk-management programs. In 2011, various companies indicated that they perform monitoring by requiring evaluations to be completed by insured practitioners, by performing risk-management audits (including on-site visits) of insureds, by testing practitioners' retention of content learned in educational programs, by reviewing medical records of insured practitioners, and (in a few cases) by tracking loss-ratio and claim data. These fundamental approaches to monitoring have not changed in 2012. One company increased its staffing by two employees in order to monitor policyholder usage of risk-management opportunities. Some companies remarked regarding the inherent difficulty of monitoring the effectiveness of risk-management programs, due to the fact that an insured's actual experience can be affected by a variety of factors unrelated to risk management. Still, those same insurers entertain the possibility that favorable loss ratios and declining lawsuits are related to sound risk-management practices.

Question 10 asked regarding the insurers' assessment of the impact of the risk-management programs for the time period covered by the survey. New responses were requested for this question in 2012. Companies' perceptions varied, but there was a general consensus on the positive impact of risk-management programs. Some companies mentioned a reduction of both claim frequency and severity. Other companies specifically mentioned reductions in the amount of litigation faced by their insureds. Still other companies discussed the high rates of practitioner satisfaction with risk-management offerings, as evaluated through surveys conducted by the insurers, as well as

less formal feedback received by practitioners who participated in both organized and self-study courses and seminars. Several companies mentioned increases in compliance with good risk-management practices and audit mechanisms that enable companies to monitor such compliance and its effect on loss ratios. These companies express the view that their risk-management practices are at least partially responsible for stable or declining loss ratios during the recent past. Other companies reiterated the difficulties in isolating the impacts of risk management as compared to other phenomena. Companies with limited risk-management participation or recent entry into the Nevada market stated that it is too early to evaluate the effects of their risk-management programs. Amid the considerable variety in responses, it remains the case that most insurers perceive the existence of actual benefits from risk management or intend for such benefits to be realized in the future.

CONCLUSION

The results of the 2012 survey continue to show that the intent of NRS 690B.330 is being aspired toward and fulfilled by many insurers in the Nevada medical professional liability market. Effective risk management is a complex, multifaceted, and ongoing endeavor. While the number of participating physicians in programs that grant risk-management credits fluctuates from year to year and has decreased since 2011, the net increase in participation during the present decade has nonetheless remained considerable. Furthermore, the total savings to practitioners who participate in risk-management programs have increased. Insurers vary in their techniques for monitoring the effectiveness of their risk-management programs, and some insurers emphasize the inherent difficulty of such monitoring and of isolating the impact of risk management in particular. However, many insurers stated that their programs have resulted in observable positive impacts on claim data and/or physician behavior.

APPENDIX I: SURVEY COVER PAGE

BRIAN SANDOVAL
Governor

STATE OF NEVADA

BRUCE H. BRESLOW
Director

SCOTT J. KIPPER
Commissioner



DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

1818 East College Pkwy., Suite 103
Carson City, Nevada 89706
(775) 687-0700 • Fax (775) 687-0787
Website: doi.nv.gov
E-mail: insinfo@doi.nv.gov

March 12, 2013

**2012 ANNUAL REPORT ON LOSS-PREVENTION AND CONTROL
PROGRAMS OF MEDICAL PROFESSIONAL LIABILITY INSURERS**

This is the ninth annual report on loss-prevention and control programs required pursuant to NRS 690B.370 and NAC 690B.570. **Each authorized insurer and each domestic risk-retention group that issues a policy of professional liability insurance to a practitioner licensed pursuant to [chapter 630](#) or [633](#) of NRS must submit to the Commissioner an annual report on its loss-prevention and control programs.** The legislation requiring such companies to offer risk-management programs was effective July 1, 2003. This report will attempt to measure the impact of the legislation on program availability and participation.

This report is due to the Commissioner no later than May 1, 2013. The Commissioner's staff will compile and analyze the reports. The Commissioner will then submit a summary report to the Director of the Legislative Counsel Bureau for transmittal to members of the Legislature. The summary report may be posted on the Division's web site after it is provided to the Director of the Legislative Counsel Bureau. The Commissioner will make every effort to keep the identity of the particular respondent to a question confidential, but reserves the right to include detailed company responses in the summary without identifying the responding company. Because the number of responding companies will be small, it may be inferred which company authored a particular response even if the name of the company is not disclosed.

Please submit the report using Zoomerang, the new survey software utilized by the Division of Insurance. You can find the survey at the following Web page: <https://www.surveymonkey.com/s/2J9LV5W>

Please contact Mr. Gennady Stolyarov II at gstolyarov@doi.nv.gov or (775) 687-0766 or Ms. Mary Strong at mstrong@doi.nv.gov or (775) 687-0763 if you have any questions regarding the report. Please also note that the company's response to Question 8 should be submitted via e-mail to Mr. Stolyarov and Ms. Strong, utilizing the Excel template that has been e-mailed to you.

APPENDIX II: TEMPLATE FOR QUANTITATIVE DATA (QUESTION 8)

Each company was asked to fill out the following template in Microsoft Excel. The text of Question 8 read as follows:

Summarize risk-management participation and credit activity for policies in force as of December 31, 2012, in the attached spreadsheet format. Exclude any premiums rated on a per-procedure basis or any rating basis other than per-doctor. If any premiums were excluded, disclose the amount and reason for excluding in a footnote. Add additional rows to the table, if necessary.

You should have received an Excel template for responding to this question via e-mail. Please fill out this template and e-mail it to Mr. Gennady Stolyarov II at gstolyarov@doi.nv.gov and Ms. Mary Strong at mstrong@doi.nv.gov upon completion. Before submitting this survey, please confirm that you have sent such an email in the field below.

NOTE: A **new** response to this question is required for 2012, even if a 2011 response was provided.

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE

2012 ANNUAL REPORT ON LOSS-PREVENTION AND CONTROL PROGRAMS OF MEDICAL PROFESSIONAL LIABILITY INSURERS

Company Name: Enter Company Name Here

Question # 8

Policies In Force as of December 31, 2012					
County/City	Number of Practitioners With Risk-Management Participation	Number of Practitioners Without Risk-Management Participation	Total Premium Charged for all Practitioners in the County/City With Risk-Management Participation (\$)	Total Risk-Management Credit for All Practitioners in the County/City (\$)	Total Premium Charged for all Practitioners in the County/City Without Risk-Management Participation (\$)
Carson City					
Churchill					
Clark					
Douglas					
Elko					
Esmeralda					
Eureka					
Humboldt					
Lander					
Lincoln					
Lyon					
Mineral					
Nye					
Pershing					
Storey					
Washoe					
White Pine					
Total					

APPENDIX III: COMPILATION OF QUALITATIVE INSURER RESPONSES

Question 2: What has **changed** with respect to the risk-management activities offered by your company since completing this survey for the year 2011?²

Please classify these activities, to the best of your ability, under any of the following categories that apply:

- I. Self-study programs and/or self-assessments
- II. Seminars
- III. Clinical audits and/or site assessments
- IV. Other (any other kind of risk management)

Please note that the above categories are intended simply for information-gathering purposes, and there is no normative expectation that each company have some manner of risk-management initiatives that fit into *each* of the four categories. You may leave your response to any one of the above categories blank if your company does not offer risk-management services of that sort.

SPECIAL INSTRUCTIONS:

If your company is new to the medical professional liability insurance market in Nevada and did not complete the 2011 survey: Please provide a comprehensive description of the risk-management activities offered by the company, utilizing the categories enumerated above.

If your company did complete the 2011 survey and nothing substantial has changed since the company’s completion of the 2011 survey, with respect to the risk-management activities offered by your company: You may respond with the following statement, for *each* category of activity: “Nothing has changed from our response to the 2011 survey.”

<u>Company ID</u>	<u>Company Response</u>
1	
<i>Self-study programs and/or self-assessments</i>	Company has no in-force policies as December 31, 2012. No plans to write new business.
<i>Seminars</i>	Company has no in-force policies as December 31, 2012. No plans to write new business.
<i>Clinical audits and/or site assessments</i>	Company has no in-force policies as December 31, 2012. No plans to write new business.
<i>Others – include descriptions of types of programs</i>	Company has no in-force policies as December 31, 2012. No plans to write new business.
2	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2011 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2011 survey.
3	
<i>Self-study programs and/or self-assessments</i>	Two different CD self-study programs

² Note: Question 1 only requested the name of the insurer, the insurer contact, and contact information (telephone and e-mail address).

<i>Seminars</i>	Three physician general programs, three medical office staff programs, one specialty program for Ob-Gyns
<i>Clinical audits and/or site assessments</i>	Available
<i>Others – include descriptions of types of programs</i>	On-site training and consultations
4	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2011 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2011 survey.
5	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2011 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2011 survey.
6	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2011 survey
<i>Seminars</i>	Nothing has changed from our response to the 2011 survey
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2011 survey
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2011 survey
7	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2011 survey other than we added a new seminar in 2012 on depositions.
<i>Clinical audits and/or site assessments</i>	All audits and site assessments are solely conducted by [Underwriter]. In 2011 we also used a sister company named [Sister Company] but we are no longer using that company for audits and site assessments.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2011 survey.
8	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2011 survey.
<i>Clinical audits and/or site assessments</i>	Not Offered in 2012.
<i>Others – include descriptions of types of programs</i>	Not Offered in 2012.
9	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our responses to the 2011 survey
<i>Seminars</i>	Nothing has changed from our responses to the 2011 survey
<i>Clinical audits and/or site</i>	Nothing has changed from our responses to the 2011 survey

<i>assessments</i>	
Others – include descriptions of types of programs	Nothing has changed from our responses to the 2011 survey
10	
Self-study programs and/or self-assessments	Nothing has changed from our responses to the 2011 survey
Seminars	Nothing has changed from our responses to the 2011 survey
Clinical audits and/or site assessments	Nothing has changed from our responses to the 2011 survey
Others – include descriptions of types of programs	Nothing has changed from our responses to the 2011 survey
11	
Self-study programs and/or self-assessments	We provide internet-based Continuing Medical Education (CME) programs. Upon successful completion, the policyholder is eligible for CME credits. There are a total of one hundred and two (102) programs, addressing topics related to clinic risk, patient communications, informed consent, ethics and legal matters. A full list can be provided upon request.
Seminars	[Company] provided a regional seminar in Reno on October, 20, 2012, that was open to all Nevada physicians and hospital staff, whether [Company] policyholders or not. The topic was “Why Patients Sue Their Doctors & Dealing Well with Difficult Patients and Family”. The seminar was led by Dr. Jim Pichert, Ph.D., of Vanderbilt University’s Office for Patient and Professional Advocacy. Five additional seminars were provided to our hospital policyholders. Topics included: Safe Transitions and Transfers: Discharge Planning and Transfer Documentation; IT Security, EMTALA: 5 Steps to Improve Compliance, Preventing Discrimination and Harassment in the Workplace: Sex, Religion and Beyond; Claims Handling Review: Reporting, Reporting and Handling; Consent, Informed Consent, Refusal of Care and Minor Consent Laws in Nevada.
Clinical audits and/or site assessments	We provide site assessments and clinical audits at the request of the policyholder.
Others – include descriptions of types of programs	N/A
12	
Self-study programs and/or self-assessments	Nothing has changed from our response to the 2011 survey.
Seminars	Nothing has changed from our response to the 2011 survey.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2011 survey.
Others – include descriptions of types of programs	Nothing has changed from our response to the 2011 survey.
13	
Self-study programs and/or self-assessments	A 4.5 CME hour online risk management course is available on demand. Additionally, insureds are sent a self-audit tool to assess their utilization of risk management strategies to decrease liability risk related to malpractice topics.
Seminars	National in-person risk management seminars that qualify for AMA PRA Category I Credit™ are available to insureds free-of-charge. The content of these seminars always includes high-risk activities, communication skills, documentation techniques, informed consent, litigation management topics and additional topics that are applicable to the medical specialty of psychiatry. In 2012, we also offered a 2 CME

	hour webinar on prescribing controlled substances. Insureds are notified about seminars and webinar via direct mail, the quarterly risk management newsletter (Rx for Risk), notices in renewal packages, advertisements on the website and other mailings.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2011 survey.
14	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2011 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2011 survey.
15	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2011 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2011 survey.
16	
<i>Self-study programs and/or self-assessments</i>	Although no significant changes were made in 2012, four self-study programs were updated and four new self-study programs were developed. Self-study programs are accredited to provide CME/CDE.
<i>Seminars</i>	Numerous hotel-based seminars are offered throughout the country each year for physicians and dentists. Specialty-specific programs can also be arranged for professional groups. Typically, these programs provide continuing education hours and qualify the participants for premium credits. These seminars may also include home study materials for additional continuing education hours and premium credit.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Others – include descriptions of types of programs</i>	Risk Tips, [Company's] publication that provides risk updates and resources to healthcare facilities, is now published quarterly.
17	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2011 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2011 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2011 survey.

Question 3: Are programs available to all policyholders? Describe which programs, if any, require policyholders to make any kind of payment, and which, if any, are available without charge.

SPECIAL INSTRUCTIONS:

If your company is new to the medical professional liability insurance market in Nevada and did not complete the 2011 survey: Please provide a comprehensive reply to question 3.

If your company did complete the 2011 survey and nothing substantial has changed since the company's completion of the 2011 survey, with respect to the risk-management activities offered by your company: You may respond with the following statement: "Nothing has changed from our response to the 2011 survey."

<u>Company ID</u>	<u>Company Response</u>
1	Company has no in-force policies as December 31, 2012. No plans to write new business.
2	Nothing has changed from our response to the 2011 survey.
3	Nothing has changed from our response to the 2011 survey.
4	Nothing has changed from our response to the 2011 survey.
5	Nothing has changed from our response to the 2011 survey.
6	Nothing has changed from our response to the 2011 survey.
7	Nothing has changed from our response to the 2011 survey.
8	All programs are available to all policyholders free of charge.
9	Nothing has changed from our response to the 2011 survey.
10	Nothing has changed from our responses to the 2011 survey.
11	Nothing has changed from our response to the 2011 survey.
12	Nothing has changed from our response to the 2011 survey.
13	Nothing has changed from our response to the 2011 survey.
14	Nothing has changed from our response to the 2011 survey.
15	Nothing has changed from our response to the 2011 survey.
16	Although no significant changes were made in 2012, [Journal], [Company's] risk management journal, is now available electronically. Insureds can earn CME/CDEs at no charge by reading the journal and successfully completing a corresponding online quiz. Protector is published three times a year, and each issue gives insureds an opportunity to earn 1 hour of free continuing education credit.
17	Nothing has changed from our response to the 2011 survey.

Question 4: Is participation ever mandatory? If so, under what circumstances is it mandatory?

SPECIAL INSTRUCTIONS:

If your company is new to the medical professional liability insurance market in Nevada and did not complete the 2011 survey: Please provide a comprehensive reply to question 4.

If your company did complete the 2011 survey and nothing substantial has changed since the company's completion of the 2011 survey, with respect to the risk-management activities offered by your company: You may respond with the following statement: "Nothing has changed from our response to the 2011 survey."

<u>Company ID</u>	<u>Company Response</u>
1	Company has no in-force policies as December 31, 2012. No plans to write new business.
2	Nothing has changed from our response to the 2011 survey.
3	Nothing has changed from our response to the 2011 survey.
4	Nothing has changed from our response to the 2011 survey.
5	Nothing has changed from our response to the 2011 survey.
6	Nothing has changed from our response to the 2011 survey.
7	Nothing has changed from our response to the 2011 survey.
8	Participation in risk management programs is encouraged, but it is not mandatory except for doctors who are in our Secure Protection Program. In 2012 we had 21 insureds in this

	program nationwide, only one of which was based in Nevada.
9	Nothing has changed from our response to the 2011 survey.
10	Nothing has changed from our responses to the 2011 survey.
11	Nothing has changed from our response to the 2011 survey.
12	Nothing has changed from our response to the 2011 survey.
13	Nothing has changed from our response to the 2011 survey.
14	Nothing has changed from our response to the 2011 survey.
15	Nothing has changed from our response to the 2011 survey.
16	Nothing has changed from our response to the 2011 survey.
17	Nothing has changed from our response to the 2011 survey.

Question 5: How much risk-management premium credit is offered? Please specify premium credit by risk-management activity. If possible, specify premium credit by risk-management activity in accordance with the categories of risk management programs listed in Question 2.

SPECIAL INSTRUCTIONS:

If your company is new to the medical professional liability insurance market in Nevada and did not complete the 2011 survey: Please provide a comprehensive reply to question 5.

If your company did complete the 2011 survey and nothing substantial has changed since the company's completion of the 2011 survey, with respect to the risk-management activities offered by your company: You may respond with the following statement: "Nothing has changed from our response to the 2011 survey."

<u>Company ID</u>	<u>Company Response</u>
1	Company has no in-force policies as December 31, 2012. No plans to write new business.
2	Nothing has changed from our response to the 2011 survey.
3	Nothing has changed from our response to the 2011 survey.
4	Nothing has changed from our response to the 2011 survey.
5	Nothing has changed from our response to the 2011 survey.
6	Nothing has changed from our response to the 2011 survey.
7	Nothing has changed from our response to the 2011 survey.
8	A 5% loss prevention premium discount is the maximum credit awarded for participation in risk management programs. Participants who attend our live seminars receive a 5% discount. Our online offerings provide 1% discount for every 1 CME credit earned, up to 5%.
9	Nothing has changed from our response to the 2011 survey.
10	Nothing has changed from our responses to the 2011 survey.
11	5% for completing an approved online Risk Management Course or attending a company-presented seminar.
12	Nothing has changed from our response to the 2011 survey.
13	Nothing has changed from our response to the 2011 survey.
14	Nothing has changed from our response to the 2011 survey.
15	Nothing has changed from our response to the 2011 survey.
16	Typically, insureds can qualify for a 5 percent premium credit for 3 successive policy years by completing a minimum of 6 continuing education hours. Insureds can qualify for a 5 percent premium credit for 2 successive policy years by completing a minimum of 4 continuing education hours. Insureds can qualify for a 5 percent premium credit for 1 year by completing a minimum of 2 continuing education hours. Podiatrists who complete a minimum of 6 continuing education hours qualify for a 10 percent premium credit for 3 successive policy years.
17	Nothing has changed from our response to the 2011 survey.

Question 6: Is the amount of risk-management credit based on the insured’s loss experience? If so, please explain any modifications or adjustments made to a risk-management credit on the basis of the insured’s frequency and/or severity of losses.

SPECIAL INSTRUCTIONS:

If your company is new to the medical professional liability insurance market in Nevada and did not complete the 2011 survey: Please provide a comprehensive reply to question 6.

If your company did complete the 2011 survey and nothing substantial has changed since the company’s completion of the 2011 survey, with respect to the risk-management activities offered by your company: You may respond with the following statement: “Nothing has changed from our response to the 2011 survey.”

<u>Company ID</u>	<u>Company Response</u>
1	Company has no in-force policies as December 31, 2012. No plans to write new business.
2	Nothing has changed from our response to the 2011 survey.
3	Nothing has changed from our response to the 2011 survey.
4	Nothing has changed from our response to the 2011 survey.
5	Nothing has changed from our response to the 2011 survey.
6	Nothing has changed from our response to the 2011 survey.
7	Nothing has changed from our response to the 2011 survey.
8	No.
9	Nothing has changed from our response to the 2011 survey.
10	Nothing has changed from our responses to the 2011 survey.
11	Nothing has changed from our response to the 2011 survey.
12	Nothing has changed from our response to the 2011 survey.
13	There are no modifications or adjustments made to a risk-management credit based on the insured’s loss experience.
14	Nothing has changed from our response to the 2011 survey.
15	Nothing has changed from our response to the 2011 survey.
16	Nothing has changed from our response to the 2011 survey.
17	Nothing has changed from our response to the 2011 survey.

7. If participation in your company’s risk-management program is voluntary, what percentage of policyholders request to participate? Provide separate percentages for individual programs, if possible.

SPECIAL INSTRUCTIONS:

If your company is new to the medical professional liability insurance market in Nevada and did not complete the 2011 survey: Please provide a comprehensive reply to question 7.

If your company did complete the 2011 survey and nothing substantial has changed since the company’s completion of the 2011 survey, with respect to the risk-management activities offered by your company: You may respond with the following statement: “Nothing has changed from our response to the 2011 survey.”

<u>Company ID</u>	<u>Company Response</u>
1	Company has no in-force policies as December 31, 2012. No plans to write new business.
2	Nothing has changed from our response to the 2011 survey.
3	Nothing has changed from our response to the 2011 survey.
4	Nothing has changed from our response to the 2011 survey.

5	Nothing has changed from our response to the 2011 survey.
6	Nothing has changed from our response to the 2011 survey.
7	There is about 80% participation in the risk management assessments. [Company] has engaged [Underwriter] to underwrite on its behalf. [Underwriter's] underwriters look to the [Underwriter's] risk management staff to inform them of what is found in the assessments and get their feedback on the assessments including site visits to see how an office looks and operates. After receiving that information the [Underwriter's] underwriters then decide what amount of risk management credit to apply or perhaps what amount of risk management debit to apply.
8	20%
9	Nothing has changed from our response to the 2011 survey.
10	Nothing has changed from our responses to the 2011 survey.
11	44% participate in Risk Management.
12	53%
13	Thirty-eight percent of our Nevada policyholders are currently participating in our risk management program.
14	Nothing has changed from our response to the 2011 survey.
15	Nothing has changed from our response to the 2011 survey.
16	[Company's] risk management opportunities are voluntary. As of December 2012, Medical Protective had more than 500 policyholders in Nevada. Approximately 30 percent of these policyholders have a risk management premium credit.
17	Approximately 25%

Question 9: Describe how you monitor the effectiveness of your risk-management programs. Discuss any program-specific monitoring techniques.

SPECIAL INSTRUCTIONS:

If your company is new to the medical professional liability insurance market in Nevada and did not complete the 2011 survey: Please provide a comprehensive reply to question 9.

If your company did complete the 2011 survey and nothing substantial has changed since the company's completion of the 2011 survey, with respect to the risk-management activities offered by your company: You may respond with the following statement: "Nothing has changed from our response to the 2011 survey."

<u>Company ID</u>	<u>Company Response</u>
1	Company has no in-force policies as December 31, 2012. No plans to write new business.
2	Nothing has changed from our response to the 2011 survey.
3	Nothing has changed from our response to the 2011 survey.
4	Nothing has changed from our response to the 2011 survey.
5	Nothing has changed from our response to the 2011 survey.
6	Nothing has changed from our response to the 2011 survey.
7	Nothing has changed from our response to the 2011 survey.
8	It is inherently difficult to prove the efficacy of risk management programs (i.e., How does one prove a medical incident prevention?). We do, however, monitor the effectiveness of our risk management programs via post-activity evaluation, specifically physician self-reported intent to apply the learning principles and risk management best practices offered through the educational activities. This is true of our self-study courses and our live seminars.
9	Nothing has changed from our response to the 2011 survey.
10	Nothing has changed from our responses to the 2011 survey.
11	Nothing has changed from our response to the 2011 survey.
12	We have hired two new employees to work on the risk management program and monitor

	usage by policy holders enrolled in program.
13	Nothing has changed from our response to the 2011 survey.
14	Nothing has changed from our response to the 2011 survey.
15	Nothing has changed from our response to the 2011 survey.
16	Nothing has changed from our response to the 2011 survey.
17	Nothing has changed from our response to the 2011 survey.

Question 10: Please discuss the impact of the risk-management programs for the time period covered by the data in Question 8. If the impact of any individual program can be separately identified, please discuss such impact. If participation was mandatory for any providers, separately discuss the impact of the risk-management programs for those providers.

NOTE: A new response to this question is required for 2012, even if a 2011 response was provided.

<u>Company ID</u>	<u>Company Response</u>
1	Company has no in-force policies as December 31, 2012. No plans to write new business.
2	There was no impact change from 2011 to 2012.
3	The Company insureds have seen a reduction in claims frequency and severity, resulting in lower premiums, which is a benefit to both physicians and patients in Nevada. It is difficult to tell whether this is the result of tort reform, loss prevention efforts, improved underwriting, a combination, or something else. Physicians who have attended the seminars usually comment that they feel the information is helpful and they plan to improve their recordkeeping and patient communications as a result. We believe that educating physicians and their staff in ways to provide better for their patients is the hallmark of risk management and our company would offer these services irrespective of our legal responsibility to do so.
4	We now see stable loss frequency and severity after improvements in recent years. Interest in Risk Management continues. We have mandated risk management in limited situations, but encourage it in all situations.
5	Impact of RM services to providers is monitored through claims experience. Participation in RM programs is NOT mandatory.
6	The impact of the risk management programs included a 100% satisfaction rating by participants regarding the education and a significant portion of respondents replying that participation in the risk management program will lead to behavior change and improvement.
7	The [Company] risk management programs are not mandatory. Although measuring the impact of risk management programs is difficult we believe the [Company] programs that are offered help the insured [Company] physicians reduce risk and improve patient safety. The feedback we receive, especially on our seminars, is very positive and encouraging.
8	In 2012 the RM program was not mandatory for the vast majority of the policyholders. (As mentioned above, only one Nevada policyholder was in our Secure Protection Program.) In course evaluations for both self-study courses and live seminars that were voluntarily attended, the vast majority of participants have indicated that the information was useful and applicable to their practices, and reported that they intended to make specific risk management behavioral changes based on the education received. To this end, Nevada policyholders who participated in self-study courses reported (to name a few) that the information provided will increase their ability to apply the principles of informed consent/refusal, to improve communication with patients, to avoid preventable lawsuits, to improve patient outcomes, to enhance professional effectiveness, and to respond effectively when an error occurs. Nevada policyholders who participated in live seminars indicated that the content would help them utilize a standardized approach when handing off patients, implement a comprehensive follow up system, create and maintain medication lists, develop and adhere to an informed consent process, appropriately terminate physician-patient relationships (only when appropriate), and review medical record security practices.

	These intended practice changes were the desired educational result of these programs as planned by the Risk Management Department.																																												
9	In 2012 as a direct result of risk management activities our rate of litigation has dropped from an incidence rate of 0.11 per insured in 2011 to 0.05 per insured in 2012.																																												
10	Twenty-four percent (24%) of our active NV MPL policyholders participated in our online risk management programs and received a 5% premium discount during this reporting period. No programs were mandatory. Program evaluations are favorable and participants like the accessibility of online programs. Many of the participants felt that the courses were organized and contain pertinent information and the “real-world” case studies illustrate the importance of incorporating risk mitigating strategies into their daily practice. We continue to review and monitor NV and industry claims activity for trends to identify future risk management programing.																																												
11	<p>The impact of our risk management programs is evaluated by analyzing the reported claims where indemnity has been paid or is still reserved. This review of claims against Nevada physician policy holders is summarized below:</p> <table border="1"> <thead> <tr> <th>Date Reported</th> <th>Number of Claims</th> <th>Indemnity Reserves</th> <th>Indemnity Paid</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>1</td> <td>0</td> <td>\$110,000</td> </tr> <tr> <td>2004</td> <td>7</td> <td>0</td> <td>\$972,348</td> </tr> <tr> <td>2005</td> <td>8</td> <td>0</td> <td>\$190,000</td> </tr> <tr> <td>2006</td> <td>6</td> <td>0</td> <td>\$1,010,000</td> </tr> <tr> <td>2007</td> <td>12</td> <td>\$175,000</td> <td>\$1,762,500</td> </tr> <tr> <td>2008</td> <td>12</td> <td>0</td> <td>\$1,090,000</td> </tr> <tr> <td>2009</td> <td>22</td> <td>\$1,585,000</td> <td>\$2,202,500</td> </tr> <tr> <td>2010</td> <td>9</td> <td>\$410,000</td> <td>\$37,500</td> </tr> <tr> <td>2011</td> <td>3</td> <td>0</td> <td>0</td> </tr> <tr> <td>2012</td> <td>11</td> <td>\$500,000</td> <td>0</td> </tr> </tbody> </table> <p>Because it can take three to five years for a claim to be reported, the data for more recent years are preliminary. While most of these physician-related claims allege failures or delays in diagnosis or treatment, there was no overall pattern or trend as to type of diagnosis. The frequency of claims was fairly consistent from 2004 to 2006, and then increased from 2007 to 2009. This tracks with the increase in the number of insured physicians during the same period. Severity has increased during this time, as reflected in the total indemnity reserves and payments. This is partly due to the increase in the number of policyholders, and reflects the national trend of higher indemnity awards. Data from 2010 through 2012 are too undeveloped at this point to draw conclusions. The CME programs were first utilized by Nevada insured physicians in August, 2004. It is important to note that [Company] has responded to those physician claims alleging failures or delays in diagnosis or treatment. We identified and contracted with a new CME vendor in 2011, that offered more diagnosis-related courses for physicians, specifically in the areas where [Company] has noted claims. In 2012, the vendor also added eleven new diagnosis-related courses. We believe this expanded curriculum will impact positively the physician claims. As noted above, the data for recent years are still very preliminary and we will continue to monitor these trends; however, it seems initially that [Company’s] risk management programs are having a positive impact on frequency while keeping severity consistent with national trends.</p>	Date Reported	Number of Claims	Indemnity Reserves	Indemnity Paid	2003	1	0	\$110,000	2004	7	0	\$972,348	2005	8	0	\$190,000	2006	6	0	\$1,010,000	2007	12	\$175,000	\$1,762,500	2008	12	0	\$1,090,000	2009	22	\$1,585,000	\$2,202,500	2010	9	\$410,000	\$37,500	2011	3	0	0	2012	11	\$500,000	0
Date Reported	Number of Claims	Indemnity Reserves	Indemnity Paid																																										
2003	1	0	\$110,000																																										
2004	7	0	\$972,348																																										
2005	8	0	\$190,000																																										
2006	6	0	\$1,010,000																																										
2007	12	\$175,000	\$1,762,500																																										
2008	12	0	\$1,090,000																																										
2009	22	\$1,585,000	\$2,202,500																																										
2010	9	\$410,000	\$37,500																																										
2011	3	0	0																																										
2012	11	\$500,000	0																																										
12	It is difficult to assess the impact of the risk management program due to the low volume of participation and the fact that almost all NV policyholders were new to the company in 2012.																																												
13	A risk management self-audit tool was sent to all insureds in the fall of 2012. Also, a bi-																																												

	annual audit of insureds is conducted in order to assess the degree to which they are incorporating and utilizing risk management strategies and procedures presented in seminars. The results of these audits indicate there have been no increases in the loss ratios of the providers who participated in our risk-management programs and applied the risk-management strategies presented.
14	There were no significant changes.
15	In 2012, [Company] did not issue any individual professional liability policies to the practitioners licensed pursuant to Chapter 630 or 633 of NRS, and subject to this report.
16	[Company's] risk management programs provide insureds with (a) a core level of understanding of risk management principles, (b) tools to build more effective relationships with patients and members of the healthcare team, and (c) strategies for proactively identifying and responding to risk issues in various practice settings. [Company] monitors the effectiveness of its risk management programs by comparing the experience of insureds who participate in risk management education with those who do not participate. Results show that participants have fewer reported claims and paid claims than those who do not participate. These differences are material (statistically valid) and the company has filed credits that reflect these savings. [Company] shares with its insureds data that show the difference that risk management makes in the number of claims filed and in the successful defense of claims. In 2012, doctors gave [Company's] risk management programs an overall satisfaction rating of 98 percent. As of December 31, 2012, no [Company] policyholder in Nevada has been required to complete a risk management program as a condition of renewal.
17	Since only a limited number of insureds have successfully completed the on-line exam, there is not enough data to determine the impact of this risk management program.