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**2013 ANNUAL REPORT ON LOSS-PREVENTION AND CONTROL
PROGRAMS OF MEDICAL PROFESSIONAL LIABILITY INSURERS
PURSUANT TO NRS 690B.370**

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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 tenth 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

Eighteen 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 2013 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 2013 survey was sent only to the physician insurers.

The Division received a total of 18 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
- Fair American Insurance and Reinsurance Company

- Great Divide Insurance Company (**Note:** *Great Divide 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.*)
- Hudson Insurance Company
- Lancet Indemnity Risk Retention Group, Inc.
- Medicus Insurance Company
- Mutual Insurance Company of Arizona (**Note:** *Mutual Insurance Company of Arizona indicated that it did not issue any individual professional liability policies to the practitioners licensed pursuant to chapter 630 or 633 of NRS.*)
- National Union Fire Insurance Company of Pittsburgh, PA (**Note:** *National Union Fire Insurance Company of Pittsburgh, PA, indicated that it did not issue any individual professional liability policies to the practitioners licensed pursuant to chapter 630 or 633 of NRS.*)
- Nevada Docs 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.

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 began to reverse, as the number of practitioners receiving risk-management credits declined from 1741.5 in 2011 to 1526 in 2012.¹ In 2013, this declining trend continued, as 1316 practitioners were reported as receiving risk-management credits. However, this number is still higher than the 2009 figure of 1178 practitioners receiving risk-management credits – a positive difference of approximately 11.7 percent.

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.

The absolute number of practitioners encompassed by the survey has generally grown since 2011. In 2011, the survey collected information about 3759.5 practitioners. The 2012 survey collected information about 4171 practitioners. The 2013 survey collected information about 4047 practitioners – a smaller number than reported in 2012, but still a significant net growth compared to 2011. Thus, the decrease in the number 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. Several insurers entered the Nevada market for medical professional liability insurance in recent years, and many of their insureds’ first policy terms have not yet elapsed. Moreover, some of these insurers had not yet begun actively writing policies in 2013, but the risk-management status of practitioners insured by these companies may be reported to the Division of Insurance in subsequent years.

Exhibit 1 also shows that, in absolute dollar terms, the total risk-management credits offered in Nevada reached a record high value of over \$3 million in 2013, more than twice the total credit amount for 2009. Approximately \$1.9 million of this amount consists of risk-management credits offered by one Nevada-domiciled risk-retention group that insures many practitioners. As the total dollar amount of risk-management credits has increased in 2013, so have the average savings to practitioners who receive risk-management credits. The average savings to practitioners who participate in risk-management programs have risen from 5.29% in 2009 to 7.36% in 2010 to 7.56% in 2011 to 8.61% in 2012 to 12.50% in 2013. 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 2013 rose to 6.04% from 2010-2012 levels that ranged between 4.2% and 4.4%.

Despite some decline in risk-management participation in 2013, 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 and high amounts of credits offered in Nevada indicate 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
2013	\$21,004,829.49	45.02%	\$3,001,298.85	1316	32.52%	12.50%	6.04%
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 2012 in the prevalence of risk-management credits.

The jurisdiction with the greatest percentage of practitioners receiving risk-management credits is Carson City (54.49%), followed by Clark County (35.00%), and Washoe County (27.10%). 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, 40.42% in 2012, and 35.00% in 2013. For Carson City, these percentages were 64.12% in 2010, 32.20% in 2011, 44.28% in 2012, and 54.49% in 2013. For Washoe County, these percentages were 42.73% in 2010, 40.34% in 2011, 29.76% in 2012, and 27.10% in 2013. Generally, the number of practitioners receiving risk-management credits increased during 2013 in Carson City, while either decreasing or remaining at 0% in most of the remaining counties. Carson City also had the majority of *premium* subject to risk-management credits in 2013 (60.63% of premium, an increase from 58.31% of premium in 2012), while Clark County had 49.41% of 2013 premium subject to risk-management credits, down slightly from 50.39% of premium in 2012. Average savings to practitioners participating in risk-management programs were the highest in Clark County at 13.69% savings, compared to a statewide average savings to participating practitioners of 12.50%.

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	\$652,969.00	\$423,986.28	\$1,076,955.28	60.63%	39.37%	\$49,955.58	7.11%	4.43%
Churchill	\$0.00	\$1,153,661.81	\$1,153,661.81	0.00%	100.00%	\$0.00	N/A	0.00%
Clark	\$17,490,270.44	\$17,911,047.14	\$35,401,317.58	49.41%	50.59%	\$2,773,672.94	13.69%	7.27%
Douglas	\$6,658.00	\$473,498.09	\$480,156.09	1.39%	98.61%	\$532.64	7.41%	0.11%
Elko	\$23,453.00	\$532,931.04	\$556,384.04	4.22%	95.78%	\$1,259.00	5.09%	0.23%
Eureka	\$0.00	\$2,473.00	\$2,473.00	0.00%	100.00%	\$0.00	N/A	0.00%
Humboldt	\$0.00	\$68,806.37	\$68,806.37	0.00%	100.00%	\$0.00	N/A	0.00%
Lander	\$0.00	\$4,759.00	\$4,759.00	0.00%	100.00%	\$0.00	N/A	0.00%
Lincoln	\$0.00	\$1,444.00	\$1,444.00	0.00%	100.00%	\$0.00	N/A	0.00%
Lyon	\$2,411.00	\$11,634.00	\$14,045.00	17.17%	82.83%	\$62.00	2.51%	0.44%
Mineral	\$0.00	\$2,473.00	\$2,473.00	0.00%	100.00%	\$0.00	N/A	0.00%
Nye	\$9,189.00	\$78,185.00	\$87,374.00	10.52%	89.48%	\$562.00	5.76%	0.64%
Pershing	\$0.00	\$1,236.00	\$1,236.00	0.00%	100.00%	\$0.00	N/A	0.00%
Washoe	\$2,819,879.05	\$4,985,542.63	\$7,805,421.68	36.13%	63.87%	\$175,254.69	5.85%	2.20%
White Pine	\$0.00	\$2,473.00	\$2,473.00	0.00%	100.00%	\$0.00	N/A	0.00%
Total	\$21,004,829.49	\$25,654,150.36	\$46,658,979.85	45.02%	54.98%	\$3,001,298.85	12.50%	6.04%

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	91	76	167	54.49%	45.51%
Churchill	0	22	22	0.00%	100.00%
Clark	967	1796	2763	35.00%	65.00%
Douglas	1	70	71	1.41%	98.59%
Elko	2	47	49	4.08%	95.92%
Eureka	0	1	1	0.00%	100.00%
Humboldt	0	9	9	0.00%	100.00%
Lander	0	2	2	0.00%	100.00%
Lincoln	0	1	1	0.00%	100.00%
Lyon	1	4	5	20.00%	80.00%
Mineral	0	1	1	0.00%	100.00%
Nye	2	22	24	8.33%	91.67%
Pershing	0	1	1	0.00%	100.00%
Washoe	252	678	930	27.10%	72.90%
White Pine	0	1	1	0.00%	100.00%
Total	1316	2731	4047	32.52%	67.48%

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	34.56%	65.44%
4	16.67%	83.33%
6	33.97%	66.03%
7	34.12%	65.88%
9	10.05%	89.95%
10	5.26%	94.74%
13	27.21%	72.79%
14	36.46%	63.54%
16	0.00%	100.00%
17	59.11%	40.89%
18	0.00%	100.00%
TOTAL	32.52%	67.48%
<p>NOTE: Companies 1 and 5 are risk-retention groups that do not offer risk-management credits. Companies 8, 11, 12, and 15 wrote no physicians' professional liability policies in Nevada in 2013.</p>		

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 majority 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 2013, 5 companies offered new self-study courses in risk management, and 4 companies offered new seminars, and one company that is new to the Nevada market offered new clinical audits and site assessments (although this company did not yet insure any practitioners in Nevada in 2013). Other risk-management offerings include support by telephone and e-mail to practitioners who inquire about risk-management issues, free newsletters that educate practitioners about risk management, as well as risk-management information, online courses, and webinars available via the insurer's website. Many companies continue to take an interest in and actively offer 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 continues to rise, and new entrants into the Nevada market are similarly inclined to offer a broad array of risk-management opportunities, as compared to insurers that have written medical professional liability coverage in Nevada for a long time.

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, online courses, newsletters, telephone and e-mail support) 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. Some companies indicated that certain risk-management programs may be required for new policyholders. The responses to Question 5 also indicated that, for most insurers, there has been little change in the kinds of risk-management credits offered. Most risk-management credits constitute a percentage premium reduction between 5 and 10 percent. 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. One risk-retention group offered a significantly larger amount of risk-management credits, constituting almost two-thirds of the total dollar amount of risk-management credits reported for 2013 in Nevada.

In response to Question 6, as in the 2011 and 2012 surveys, *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 2013, "history proves an insured can have a loss or loss expense even though he/she gave proper care via office and care risk management protocols." 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 15% to 85%. 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 and 2012, 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 2013. Some companies have seen improving results in the frequency and severity of claims for their overall books of business, attributable at least in part to the effectiveness of risk-management programs. 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 2013. Companies' perceptions varied, but there was a general consensus on the positive impact of risk-management programs, as was the case for prior years' survey responses. Some companies mentioned a reduction of both claim frequency and severity, while others have stated that risk-management programs help maintain stability of claim frequency and severity and prevent increases in these measures. Other companies specifically mentioned the aim of their risk-management programs to reduce the amount of litigation faced by their insureds by teaching methods to prevent common motivations for lawsuits from arising. 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. 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 2013 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 2012, the net increase in participation during the present decade has nonetheless remained considerable, and the total dollar amount of risk-management credits offered is at a record high. 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 continue to state that their programs have resulted in observable positive impacts on claim data and/or physician behavior.

APPENDIX I: SURVEY COVER PAGE

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DEPARTMENT OF BUSINESS AND INDUSTRY
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March 17, 2014

**2013 ANNUAL REPORT ON LOSS-PREVENTION AND CONTROL
PROGRAMS OF MEDICAL PROFESSIONAL LIABILITY INSURERS**

This is the tenth 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, 2014. 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 SurveyMonkey, 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/5WCQ8SX>

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 in SurveyMonkey read as follows:

Summarize risk-management participation and credit activity for policies in force as of December 31, 2013, 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 2013, even if a 2012 response was provided.

STATE OF NEVADA						
DEPARTMENT OF BUSINESS & INDUSTRY						
DIVISION OF INSURANCE						
2013 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, 2013						
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 <u>With</u> Risk-Management Participation (\$)	Total Risk-Management Credit for All Practitioners in the County/City (\$)	Total Premium Charged for all Practitioners in the County/City <u>Without</u> 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 2012?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 2012 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 2012 survey and nothing substantial has changed since the company’s completion of the 2012 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 2012 survey.”

<u>Company ID</u>	<u>Company Response</u>
1	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2012 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2012 survey.
2	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2012 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2012 survey.
3	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Seminars</i>	The Company provided a regional seminar in Reno on October 5, 2013. The seminar was open to all Nevada physicians and hospital staff.

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

	whether Company policyholders or not. The topic was “Social Media: Ethics and Liability Concerns for Physician Practices”. The seminar was led by Kathleen McCauley, Esq. Eight additional seminars were provided to our hospital policyholders. Topics included: Capacity, Informed Consent, Refusal of Care, and Minor Consent Laws in Nevada; Mental Health Issues in Nevada; HIPAA compliance; Discrimination; Dealing with Difficult Patients; and Medical Record Documentation.
<i>Clinical audits and/or site assessments</i>	The Company provides site assessments and clinical audits at the request of the policyholder.
<i>Others – include descriptions of types of programs</i>	The Company provides telephone and email support to clients regarding potential liability and patient safety situations.
4	
<i>Self-study programs and/or self-assessments</i>	The Company provides Self-Study Programs and/or self- assessments: In lieu of attending an in-person seminar, or a live webinar, insureds can complete online, on-demand CME risk management courses. Additionally, insureds are sent a self-audit tool to assess their utilization of risk management strategies to decrease liability risk and related topics.
<i>Seminars</i>	The Company offers Seminars. In 2013, we offered 5 national in-person risk management seminars and 1 webinar that qualified for AMA PRA Category 1 Credit that were available to insureds free of charge. The content of these seminars included high-risk activities, communication skills, documentation techniques, informed consent, litigation management topics, and additional topics that are applicable to the medical specialty of psychiatry. Insureds are notified about seminars and webinars via direct mail, email, our quarterly risk management newsletter, notices in renewal packages, advertisements on the website, and other mailings. Additionally 3 online CME risk management courses (totaling 7 CME hours) are available on-demand.
<i>Clinical audits and/or site assessments</i>	N/A
<i>Others – include descriptions of types of programs</i>	Our toll-free Risk Management Consultation Service (RMCS) helpline is also available free of charge. This service provides one-on-one risk management advice to insureds as potential liability situations arise in their practice. Our quarterly newsletter (Rx for Risk) is available free of charge to insureds. This publication contains risk management articles, information, resources, and tips designed specifically for psychiatrists and other behavioral healthcare providers. Our website with numerous risk management resources is available free of charge to insureds. In addition to the free online CME courses, available materials include a library of risk management articles, archives of the newsletter, HIPAA Help Manual, and other risk management resources.
5	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2012 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2012 survey.
6	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2012 survey.

<i>Seminars</i>	Nothing has changed from our response to the 2012 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2012 survey.
7	
<i>Self-study programs and/or self-assessments</i>	No Changes
<i>Seminars</i>	No Changes
<i>Clinical audits and/or site assessments</i>	Not Offered
<i>Others – include descriptions of types of programs</i>	Not Offered
8	
<i>Self-study programs and/or self-assessments</i>	We provide web based interactive audio/video formats with pre and post-test for a wide variety of Risk Management topics including many that are specialty-specific. A self-audit template can be downloaded from the website as a basis for enhancement of Risk Management protocols within the practice setting. New policy holders are required to complete Risk Management CME programs (assigned by specialty) available on the web prior to the next renewal period.
<i>Seminars</i>	Seminars are provided upon request from insureds or health based organizations. Inservices are also available upon request at the insureds practice location.
<i>Clinical audits and/or site assessments</i>	Clinical audits are done on various practice settings such as outpatient facilities and offices where procedures are done under sedation. General practice surveys can be done by request of the insured or as recommended by Underwriting. In addition, a small group (5-9 physician members) program allows practices in this size range to earn up to a 10% credit for demonstrating their compliance with identified risk management activities. Audits are done every 1-3 years depending on the level of compliance. Finally a 5% discount is available for Obstetrical care providers who complete an approved CME on Risk Management in Obstetrics and who demonstrate compliance with antepartum record keeping recommendations based on bi-annual audits.
<i>Others – include descriptions of types of programs</i>	A free quarterly publication updates insureds with current Risk Management strategies.
9	
<i>Self-study programs and/or self-assessments</i>	The Company offers an extensive online curriculum of patient safety/risk management educations. Each education course is accredited for continuing medical education (CME) and course credits are issued upon successful completion (80% passing score required). Members receive a 5% discount on premium after successful completion of a course(s) totaling a minimum of two hours in CME credit. This is subject to the filing language noted below under item 5. Members are informed of these educational offerings in a variety of ways including email blasts, notes in periodical publications and a direct letter on this subject sent to all Nevada members.
<i>Seminars</i>	The Company offers a wide variety of education for our members. We conduct ad-hoc training and seminars for individual medical practice groups and their support staff. We also offer live seminars for groups composed of members with different policies. Additionally, we offer national webinars that our member physicians and their support staff can

	attend.
<i>Clinical audits and/or site assessments</i>	The Company offers and performs a wide variety of on-site clinical audits and site assessments. We utilize the results of the outcomes to address areas in the member's practice site which may have weaknesses in risk management and patient safety. The focus on specific areas that are identified enables the member to correct any deficiencies and eliminate process defects.
<i>Others – include descriptions of types of programs</i>	Much of our contact with members is telephonic providing answers to urgent and immediate issues. From these calls, we are able to resolve minor issues or arrange for on-site assessments and training for more in-depth issues. We frequently develop tailored education for members or can utilize existing training for more common applications.
10	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2012 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2012 survey.
11	
<i>Self-study programs and/or self-assessments</i>	N/A - Program not written in 2013.
<i>Seminars</i>	N/A - Program not written in 2013.
<i>Clinical audits and/or site assessments</i>	N/A - Program not written in 2013.
<i>Others – include descriptions of types of programs</i>	N/A - Program not written in 2013.
12	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2012 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2012 survey.
13	
<i>Self-study programs and/or self-assessments</i>	Although no significant changes were made in 2013, six self-study programs were updated and two new self-study programs were developed. Self-study programs are accredited to provide CME/CDE.
<i>Seminars</i>	Nothing has changed from our response to the 2012 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2012 survey.
14	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2012 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2012 survey.

<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2012 survey.
15	
<i>Self-study programs and/or self-assessments</i>	The company did not write any medical professional liability insurance for physicians and surgeons in Nevada in 2013.
<i>Seminars</i>	The company did not write any medical professional liability insurance for physicians and surgeons in Nevada in 2013.
<i>Clinical audits and/or site assessments</i>	The company did not write any medical professional liability insurance for physicians and surgeons in Nevada in 2013.
<i>Others – include descriptions of types of programs</i>	The company did not write any medical professional liability insurance for physicians and surgeons in Nevada in 2013.
16	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2012 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2012 survey.
17	
<i>Self-study programs and/or self-assessments</i>	On behalf of the Company, [Underwriter Company] continues to provide office assessment tools to all of the Company policyholders. Also included are patient satisfaction surveys that are available to each insured.
<i>Seminars</i>	The Company, through [Underwriter Company], continues to offer seminars to our insureds at least annually and more frequently in some years. The Company is considering creating a Medical Malpractice 101 for our insureds and their staffs.
<i>Clinical audits and/or site assessments</i>	All audits and site assessments are solely conducted by [Underwriter Company]. [Underwriter Company] can also review policyholder billing policies, record keeping, electronic medical record keeping, HR and backroom safety.
<i>Others – include descriptions of types of programs</i>	Via the company website there are online continuing education (CME) classes for credit.
18	
<i>Self-study programs and/or self-assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Seminars</i>	Nothing has changed from our response to the 2012 survey.
<i>Clinical audits and/or site assessments</i>	Nothing has changed from our response to the 2012 survey.
<i>Others – include descriptions of types of programs</i>	Nothing has changed from our response to the 2012 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 2012 survey: Please provide a comprehensive reply to question 3.

If your company did complete the 2012 survey and nothing substantial has changed since the company's completion of the 2012 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 2012 survey."

<u>Company ID</u>	<u>Company Response</u>
1	Nothing has changed from our response to the 2012 survey.
2	Nothing has changed from our response to the 2012 survey.
3	Nothing has changed from our response to the 2012 survey.
4	The Company provides risk management seminars, webinars, online CME courses, and all other resources available free of charge to all insureds.
5	Nothing has changed from our response to the 2012 survey.
6	Nothing has changed from our response to the 2012 survey.
7	All programs are available to all policyholders free of charge.
8	<p><u>Self-study programs</u></p> <ul style="list-style-type: none"> • Web based interactive audio/video formats with pre and post-test for a wide variety of Risk Management topics including many that are specialty specific. • A self-audit template can be downloaded from the website as a basis for enhancement of Risk Management protocols within the practice setting. • New policy holders are required to complete Risk Management CME programs (assigned by specialty) available on the web prior to the next renewal period. <p><u>Seminars</u></p> <ul style="list-style-type: none"> • Provided upon request from insureds or health based organizations. • Inservices are available by request at the insureds practice location. <u>Clinical Audits/Site Assessments</u> <p>• Clinical audits are done on various practice settings such as outpatient facilities and offices where procedures are done under sedation. General practice surveys can be done by request of the insured or as recommended by Underwriting</p> <p><u>Other</u></p> <ul style="list-style-type: none"> • A free quarterly publication updates insureds with current Risk Management strategies.
9	Yes, all patient safety and risk management programs are available to all policyholders. Additionally, all policyholders have unlimited access to risk management and patient safety publications and resources which are available to the public on our website.
10	Nothing has changed from our response to the 2012 survey.
11	N/A - Program not written in 2013.
12	Nothing has changed from our response to the 2012 survey.
13	Nothing has changed from our response to the 2012 survey.
14	Nothing has changed from our response to the 2012 survey.
15	The company did not write any medical professional liability insurance for physicians and surgeons in Nevada in 2013.
16	Nothing has changed from our response to the 2012 survey.
17	Yes, all risk management services, tools, assessments, etc. are made available to all of the company's insureds free of charge.
18	Nothing has changed from our response to the 2012 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 2012 survey: Please provide a comprehensive reply to question 4.

If your company did complete the 2012 survey and nothing substantial has changed since the company's completion of the 2012 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 2012 survey."

<u>Company ID</u>	<u>Company Response</u>
1	Nothing has changed from our response to the 2012 survey.
2	Nothing has changed from our response to the 2012 survey.
3	Nothing has changed from our response to the 2012 survey.
4	Risk management participation is highly recommended, but is not mandatory.
5	Nothing has changed from our response to the 2012 survey.
6	Nothing has changed from our response to the 2012 survey.
7	Participation in risk management programs is encouraged, but it is not mandatory except for doctors who are in our Secure Protection Program. In 2013 we had 17 insureds in this program nationwide, two of which were based in Nevada.
8	New policy holders are required to complete Risk Management CME programs (assigned by specialty) available on the web prior to the next renewal period. A mandatory Risk Management visit may be triggered by underwriting, resulting in a risk management audit and the requirement that all risk management recommendations be completed as a requirement for renewal. This may include physician education or attention to risk management policies and procedures within the office.
9	Participation in any of our patient safety and risk management programs is voluntary and not required for any policyholder.
10	Nothing has changed from our response to the 2012 survey.
11	N/A - Program not written in 2013.
12	Nothing has changed from our response to the 2012 survey.
13	Nothing has changed from our response to the 2012 survey.
14	Nothing has changed from our response to the 2012 survey.
15	The company did not write any medical professional liability insurance for physicians and surgeons in Nevada in 2013.
16	Nothing has changed from our response to the 2012 survey.
17	No, participation is never mandatory. Part of the company's education to current and potential insureds is that participation in such programs will or should lower their risk factors in preventing claims. The company is owned by its insureds; historically, participation in the risk management programs has been excellent.
18	Nothing has changed from our response to the 2012 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 2012 survey: Please provide a comprehensive reply to question 5.

If your company did complete the 2012 survey and nothing substantial has changed since the company’s completion of the 2012 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 2012 survey.”

<u>Company ID</u>	<u>Company Response</u>
1	Nothing has changed from our response to the 2012 survey.
2	Nothing has changed from our response to the 2012 survey.
3	Nothing has changed from our response to the 2012 survey.
4	There is a 5% risk management premium credit for insureds who have completed a risk management seminar of at least 4 hours or who have completed 4 hours of online CME. This credit remains in effect for 3 years from the effective date of the credit.
5	Nothing has changed from our response to the 2012 survey.
6	Nothing has changed from our response to the 2012 survey.
7	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%.
8	A small group (5-9) program allows practices in this size range to earn up to a 10% credit for demonstrating their compliance with identified risk management activities. Audits are done every 1 to 3 years depending on level of compliance. A 5% discount is available for Obstetrical care providers who complete an approved CME on Risk Management in Obstetrics and who demonstrate compliance with antepartum record keeping recommendations based on bi-annual audits.
9	A 5% premium discount is offered to Nevada policyholders for the successful completion of TDC CME-accredited course(s) totaling a minimum of two hours in CME credit. The discount rule has been filed with the Nevada Division of Insurance. A risk management discount of 5% shall be applied on the effective date of the policy if all Named Insureds on the policy have completed risk management programs approved by the Company no earlier than 12 months but no later than 60 days prior to the renewal effective date. The risk management discounts shall NOT apply to: <ul style="list-style-type: none"> • Ancillary healthcare providers (e.g., Physician Assistant, Certified Nurse Practitioner, etc.) that share limits with any Named Insured • Healthcare professionals rated on a “per procedure” basis • “Slotted” healthcare professionals A letter is sent to all Nevada policyholders reminding them of the opportunity to complete the courses to receive a 5% premium discount on their next renewal, subject to the parameters listed above.
10	Nothing has changed from our response to the 2012 survey.
11	N/A - Program not written in 2013.
12	Nothing has changed from our response to the 2012 survey.
13	Nothing has changed from our response to the 2012 survey.
14	Nothing has changed from our response to the 2012 survey.
15	The company did not write any medical professional liability insurance for physicians and surgeons in Nevada in 2013.
16	Nothing has changed from our response to the 2012 survey.

17	Credits are determined by both participation and outcome of the risk assessment. Credits are also based on how many of the recommended risk management tools are utilized both in the past and going forward. Utilizing all of the tools from billing reviews, record keeping, the use of arbitration forms, etc. can result in credits as much as 10%.
18	Nothing has changed from our response to the 2012 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 2012 survey: Please provide a comprehensive reply to question 6.

If your company did complete the 2012 survey and nothing substantial has changed since the company’s completion of the 2012 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 2012 survey.”

<u>Company ID</u>	<u>Company Response</u>
1	Nothing has changed from our response to the 2012 survey.
2	Nothing has changed from our response to the 2012 survey.
3	Nothing has changed from our response to the 2012 survey.
4	There are no modifications or adjustments to a risk management credit based on the insured’s loss experience.
5	Nothing has changed from our response to the 2012 survey.
6	Nothing has changed from our response to the 2012 survey.
7	No.
8	No, the discounts are based on successful completion of an audit, not on the insured's loss experience.
9	Risk management credit is not based on the insured's loss experience.
10	Nothing has changed from our response to the 2012 survey.
11	N/A - Program not written in 2013.
12	Nothing has changed from our response to the 2012 survey.
13	Nothing has changed from our response to the 2012 survey.
14	Nothing has changed from our response to the 2012 survey.
15	The company did not write any medical professional liability insurance for physicians and surgeons in Nevada in 2013
16	Nothing has changed from our response to the 2012 survey.
17	Not necessarily since history proves an insured can have a loss or loss expense even though he/she gave proper care via office and care risk management protocols. If an assessment resulted in risk management recommending changes in certain protocols and/or procedures which were then ignored by the insured, a partial or full loss debit would be applied to their rating going forward until rectified.
18	Nothing has changed from our response to the 2012 survey.

Question 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 2012 survey: Please provide a comprehensive reply to question 7.

If your company did complete the 2012 survey and nothing substantial has changed since the company’s completion of the 2012 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 2012 survey.”

<u>Company ID</u>	<u>Company Response</u>
1	Nothing has changed from our response to the 2012 survey.
2	Nothing has changed from our response to the 2012 survey.
3	Nothing has changed from our response to the 2012 survey.
4	17%
5	Nothing has changed from our response to the 2012 survey.
6	Nothing has changed from our response to the 2012 survey.
7	16% of our overall pool of policyholders participated in our risk management program in 2013. In Nevada exclusively, 30% of our policyholders participated.
8	None.
9	Approximately 25%.
10	It varies significantly based on state and type of medical specialty. However, in Nevada we had one practitioner participate.
11	N/A - Program not written in 2013.
12	Nothing has changed from our response to the 2012 survey.
13	The Company’s risk management opportunities are voluntary. As of December 2013, the Company had more than 600 policyholders in Nevada. Approximately 29 percent of these policyholders have a risk management premium credit.
14	Nothing has changed from our response to the 2012 survey.
15	The company did not write any medical professional liability insurance for physicians and surgeons in Nevada in 2013.
16	Nothing has changed from our response to the 2012 survey.
17	It is about 85% participation. It is really not that an insured is requesting to participate. The Company & [Underwriting Company] believe in active risk management, so we actually contact our insureds to set appointments to go see them.
18	Nothing has changed from our response to the 2012 survey.

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 2012 survey: Please provide a comprehensive reply to question 9.

If your company did complete the 2012 survey and nothing substantial has changed since the company’s completion of the 2012 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 2012 survey.”

<u>Company ID</u>	<u>Company Response</u>
1	Nothing has changed from our response to the 2012 survey.
2	Nothing has changed from our response to the 2012 survey.
3	Nothing has changed from our response to the 2012 survey.
4	Insureds who attend the in-person and online risk management courses are required to complete an activity evaluation providing feedback about the effectiveness of the activity and how it will influence the use of risk management in their practices. The annual self-audit is conducted to assess the degree to which insureds are incorporating and utilizing risk management strategies and procedures presented in courses, in written resources, and provided through the one-on-one Risk Management Consultation Service (RMCS) helpline. Additionally, the number and type of calls to RMCS are reviewed.
5	Nothing has changed from our response to the 2012 survey.
6	Nothing has changed from our response to the 2012 survey.
7	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.
8	Approximately every 5 years, frequency, severity, loss ratios and other values for program participants are compared to those for non-participants in a specific program. Results over the past 15 years have validated the mandatory and discount programs.
9	The patient safety/risk management measures for the Company are intended to assist with behavior changes that will eventually decrease frequency or lessen the severity of the injury or ideally eliminate risks altogether. Although claims will continue to occur even after patient safety/risk management education has taken place, due to delays in the legal system, eventually these improvements will become evident. When an office practice makes those system changes that will help to protect patients, claims will decrease, and, most importantly, patients will be exposed to safer practice environments. When the physician or other healthcare providers learn to recognize events that may lead to litigation, corrective action can be taken to lessen the anger that is the main trigger of a lawsuit. Monitoring is done in various ways. For example, prior to the policy renewal period, an analysis of both claims and patient safety/risk management services is performed to determine whether the services should be re-evaluated with the emphasis placed on other risks. This analysis can also occur mid-term in the policy period if claim trends or the practice profile indicated an area where more time-sensitive intervention is necessary or if intervention is indicated as a result of a telephonic or live consultation with our staff. Actual numbers and types of claims are evaluated before and after the patient safety/risk management intervention. The impact on frequency, severity and claim types can then easily be evaluated. We can track the time lapse between the date of occurrence and date of report. If this time gap diminishes, then we will consider the efforts effective as the policyholder is now recognizing the events as they occur and can take corrective action more quickly to avoid litigation.

10	Nothing has changed from our response to the 2012 survey.
11	N/A - Program not written in 2013.
12	Nothing has changed from our response to the 2012 survey.
13	Nothing has changed from our response to the 2012 survey.
14	Nothing has changed from our response to the 2012 survey.
15	The company did not write any medical professional liability insurance for physicians and surgeons in Nevada in 2013.
16	Nothing has changed from our response to the 2012 survey.
17	Historically a problem in Risk Management is to accurately assess the effectiveness of a program. We have not seen metrics that make this type of calculation simple. That being said the Company claims continue to be very positive and the numbers of law suits filed continue to be on a downward trend. Our recent annual claim audit from our reinsurers was very positive and they remarked how the # of claims for a company the size of the Company is very low and they feel that our active risk management is definitely a reason for this.
18	Nothing has changed from our response to the 2012 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 2013, even if a 2012 response was provided.

<u>Company ID</u>	<u>Company Response</u>																																																
1	Each of our members is required to participate in the company's risk-management programs. The impact of the risk-management programs for the time period covered is undeterminable given the small amount of risk insured in Nevada.																																																
2	There really has been no change in the impact of the risk management program. We continue to rely on underwriting to review the applicants. We do at times request copies on any CE credits that the applicant has received recently.																																																
3	<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>Year 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>235,000</td> <td>3,765,000</td> </tr> <tr> <td>2010</td> <td>9</td> <td>350,000</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>450,000</td> <td>299,999</td> </tr> <tr> <td>2013</td> <td>11</td> <td>393,000</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</p>	Year 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	235,000	3,765,000	2010	9	350,000	37,500	2011	3	0	0	2012	11	450,000	299,999	2013	11	393,000	0
Year Reported	Number of Claims	Indemnity Reserves (\$)	Indemnity Paid (\$)																																														
2003	1	0	110,000																																														
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2009	22	235,000	3,765,000																																														
2010	9	350,000	37,500																																														
2011	3	0	0																																														
2012	11	450,000	299,999																																														
2013	11	393,000	0																																														

	<p>period. Frequency has remained steady since then. 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 2013 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 the 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 the Company has noted claims. In 2012, the vendor also added eleven new diagnosis-related courses. We believe will this expanded curriculum will impact positively the physician claims. In addition, at our request, the vendor added two additional ethics courses in 2013. Two more ethics courses are being developed for use in 2014. 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 the Company's risk management programs are having a positive impact on frequency while keeping severity consistent with national trends.</p>
4	<p>During 2013, two Nevada insureds utilized the RMCS service. A risk management self-audit tool was sent to all insureds in December 2013.</p>
5	<p>Risk-management is mandatory for all, and therefore there are no individual impacts.</p>
6	<p>Thirty-four percent of our active NV MPL policyholders participated in our on-line risk management programs and received a 5% premium discount during this reporting period. 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 claims activity for trends for future programming.</p>
7	<p>30% of Nevada policyholders participated in our risk management program compared to 16% of policyholders nationwide. This indicates to us that the risk management information and strategies presented through our program are applicable and valuable to this segment of our policyholder community. In attestation and evaluation forms, 77% of NV policyholders who participated in the risk management program rated the CME material as applicable to their practice settings. 81% of the same group of policyholders indicated that they plan to implement or continue to utilize the suggested risk management strategies.</p>
8	<p>N/A as we did not have any insured physicians in 2013.</p>
9	<p>As mentioned previously, the impact of patient safety/risk management approaches cannot be determined immediately following the completion of the program due to legal system delays. However, the Patient Safety Department of the Company monitors both the effectiveness and impact of our programs throughout the policy period and when claims are initially reported. Tangible results of our impact can be realized by the evaluation of claim volume and type over time following our intervention and regular site visits.</p> <p>It should be noted that more immediate impact of improved patient safety and risk management techniques can be seen through fewer clinical incidents, near misses and other undesirable clinical outcomes that may or may not materialize into a claim.</p>
10	<p>Risk management programs are designed to provide practitioners with proactive risk management education to mitigate liability exposure.</p>
11	<p>N/A - Program not written in 2013.</p>
12	<p>In 2013, the 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.</p>
13	<p>The 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. The 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.</p>

	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. The 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 2013, doctors gave The Company's risk management programs an overall satisfaction rating of 98 percent. As of December 31, 2013, no Company policyholder in Nevada has been required to complete a risk management program as a condition of renewal.
14	We continue to see stability in loss frequency and severity. We have continued interest in Risk Management. We encourage risk management in all situations. We have mandated risk management in past years but I don't believe we required it in 2013.
15	The company did not write any medical professional liability insurance for physicians and surgeons in Nevada in 2013.
16	It is difficult to assess the impact of the risk management program due to the low volume of participation.
17	The Company risk management programs are not mandatory. As stated in question 9 it is difficult to assess the impact of programs. We believe the Company programs that are offered will help the insured Company physicians reduce risk and improve patient safety.
18	Risk management education and other programs are available at no charge, however, participation is not mandatory, and the Nevada practitioners listed in the template referenced in question #8 did not participate in any of the educational or risk management offerings.