

# Notes

MEDICAL  MUTUAL  
*Liability Insurance Society of Maryland*

## FROM THE CHAIR OF THE BOARD

October 2002

### HEADLINES

#### **2003 Tort Reform**

##### **Dividend Credit**

MEDICAL MUTUAL is pleased to announce eligible insureds will receive a 21% Tort Reform Dividend Credit.

##### **Non-Payment Cancellation Notice Process Revised**

Non-payment cancellation notices will be mailed by first class mail.

##### **Physicians Register Approval for Seminars**

The 2002 Risk Management seminars have been well received by Insureds. Make sure you get the seminar you want in 2003 by registering early!

##### **Coverage Changes Notice to be Mailed**

A notice listing policy coverage changes will be mailed to policyholders in November.

##### **HIPAA Compliance Guidelines Addressed**

We are working with the PIAA to develop HIPAA-compliant guidelines for communications between Insureds and MEDICAL MUTUAL.

##### **RM Resources Section Added to Web Site**

Archives of the *Doctors RX* newsletter, reference articles and more added to the MEDICAL MUTUAL web site.

##### **'A-' (Excellent) Rating Reaffirmed by A.M. Best**

In recognition of our financial strength, the nation's leading rating agency has again reaffirmed our "A-" (Excellent) Rating.

#### **Dear MEDICAL MUTUAL Member:**

As even a quick glance at television news or a newspaper reveals, the rapidly growing medical professional liability insurance crisis has moved from being a state problem to a pressing national agenda. Recently, the U.S. House of Representatives passed a solid tort reform bill with strong support from President Bush and his administration. Currently, it appears stalled in the Senate. One thing is certain, however. With Physicians retiring prematurely or leaving high-risk fields, with trauma hospitals closing due to a lack of Surgeons, with patients clamoring for improved access to health care and continued quality of care, this issue is not going away. Pressure for meaningful reform will continue.

This issue of Notes from the Chair of the Board contains important and timely information for you. Please take a few minutes to carefully read this newsletter.

There will be a 21% Tort Reform Dividend Credit for all Policyholders renewing 1/1/03 who have been continuously insured with MEDICAL MUTUAL since 1/1/02. We are especially pleased that MEDICAL MUTUAL is able to return this dividend at a time when the nation's medical professional liability environment is under extreme pressure from skyrocketing jury awards. However, because of consistently prudent decisions, dedication and teamwork by the company, our Insureds and state legislative leaders, we have been able to maintain a manageable environment in Maryland to resolve medical liability issues.

As we reported in the July issue of this newsletter, the majority of our Members will see a modest rate increase for 2003. The exact amount will vary among Insureds.

Finally, there are stories on revisions in the way we mail certain notices to you, our rating from A.M. Best, an update on HIPAA and more. Please be sure you are fully informed on these issues. As always, your insurance producer or our Customer Service Representatives are available to answer any specific questions you may have.

Once again, thank you for your trust. MEDICAL MUTUAL will work tirelessly in the coming year to earn your continued loyalty. Together we have created a stable place in Maryland to practice medicine. Together we can remain secure.

Sincerely,



D. Ted Lewers, M.D.  
Chair of the Board

## **Tort Reform Dividend Credit Announced**

The MEDICAL MUTUAL Liability Insurance Society of Maryland is pleased to announce a 21% Tort Reform Dividend Credit for 2003. The dividend will be returned as a credit on eligible policies renewing 1/1/03. To receive the credit, a policyholder must have been continuously insured by MEDICAL MUTUAL for the entire 2002 calendar year. This tort reform dividend credit is the positive result of our aggressive advocacy efforts on behalf of Maryland Physicians. As a mutual company, these additional savings are returned to our Insureds in dividend credits. This is the 14th consecutive year we will be returning a Tort Reform Dividend Credit.

## **Non-Payment Cancellation Notice Mailing Procedures Revised for 2003**

As part of our ongoing efforts to mitigate operating expenses, MEDICAL MUTUAL is revising the way notices of cancellation for non-payment of premium are mailed to Policyholders. We have revised the process so that henceforth notices will be sent by regular first class mail. The use of first class mail with a post office certificate of mailing instead of certified mail will result in significant savings on unnecessary postage and handling. Please remember that since the important notices regarding your unpaid premiums that you receive from our Accounting Department will no longer be sent by certified mail, you will not see the green return-receipt post card attached to the mailing envelope. It is important that you look for MEDICAL MUTUAL notices in your first class mail, and that you pay your premium when due to avoid any problems with your medical professional liability coverage.

## **Physicians Register Approval for 2002 RM Programs**

Widespread positive feedback from attendees indicates that the MEDICAL MUTUAL seminars have been well received by Maryland Physicians. With the 2002 Risk Management: Smart Thinking program nearly complete, almost 3,400 doctors have attended 68 seminars. In addition, the new and very popular "HIPAA for the Medical Office" seminar has attracted more than 445 medical office staff. Because of the large crowds and limited seating capacity in some facilities, a number of seminars closed to registration early. Please register promptly next year to ensure you get your preferred seminar topic and location. The 2003 Risk Management educational program will begin in February.

## **Coverage Changes Notice to be Mailed**

As reported in the past issue of the MEDICAL MUTUAL Notes from the Chair of the Board newsletter, we are revising our medical professional liability policy. The changes involve policy language clarifications (including some that may be construed as technical restrictions) and coverage enhancements. The changes apply to all new and renewal policies with an effective date on or after June 1, 2002. MEDICAL MUTUAL will be mailing a notice to all Policyholders with the actual policy language of the new provisions. Insureds should receive this important notice in November shortly after receiving their 2003 renewal invoice. Policyholders new to MEDICAL MUTUAL from 6/1/02 will not receive this notice because their policy already contains these provisions. If you would like additional information about these policy changes and your coverages, please contact your insurance producer or our Customer Services Department at 410-785-0050 or 800-492-0193.

## **HIPAA Compliance Guidelines Addressed**

The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) will require significant practice changes by Physicians to comply with the regulation's complex requirements. In particular, HIPAA sets many standards to protect the privacy and security of patients' medical data. To determine what must be done for MEDICAL MUTUAL to continue to do business with our Insureds and communicate as we are accustomed, we are working with the Physician Insurers Association of America (PIAA). Research is underway and recommendations on how to conduct HIPAA-compliant communications between Insureds and MEDICAL MUTUAL will be prepared. We will review this issue with all Policyholders when the guidelines are finalized.

## **Risk Management Section of Web Site Adds Resource Area**

Do you need to understand the potential liability impact of the Internet or e-mail on your practice? Would you like some guidance on the malpractice risks associated with failure to diagnose? This information and more is now available online in the Risk Management Resources section of our web site. The new area includes the above material in the archives of our Risk Management newsletter, *Doctors RX*. For your convenience, you can also access articles on important practice approach topics in our Reference Library, refer to a new section on HIPAA regulations, and more. The Risk Management Resources section is available at our web site, [www.weinsuredocs.com](http://www.weinsuredocs.com).

## A.M. Best Reaffirms MEDICAL MUTUAL 'A-' (Excellent) Rating

The A.M. Best Company has reaffirmed its "A-" (Excellent) rating for MEDICAL MUTUAL. This strong financial rating reflects our "excellent capitalization, continued profitability and sound operating strategy." The rating also acknowledges our "high policyholder retention" and "aggressive claims defense." Considering the "excellent capitalization and strong balance sheet position, A.M. Best views the rating outlook as stable." MEDICAL MUTUAL is very pleased with our continued "A-" (Excellent) rating because A.M. Best is the world's oldest and most authoritative source of insurance company ratings and information, and its Best's Ratings are the industry's standard measure of insurer financial performance. As independent third-party evaluations that subject all insurers to the same rigorous criteria, the ratings can be a valuable benchmark for comparing insurers.

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- HIPAA Compliance Guidelines Addressed
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MEDICAL  MUTUAL  
*Liability Insurance Society of Maryland*  
Box 8016, 225 International Circle  
Hunt Valley, MD 21030