

## MEDICAL MUTUAL — The Gold Standard Insurer for Maryland Doctors



### ABSOLUTE STRONGEST CLAIMS DEFENSE

No other insurance company has access to our elite legal defense team, including Maryland's most talented malpractice defense attorneys and our experienced claims management specialists.



### MARYLAND-FOCUSED RISK MANAGEMENT

Each year our local, medico/legal experts create new risk management education programs specifically designed to address the unique patient care and liability challenges facing Maryland Doctors.



### RESPONSIVE AND LOCAL CUSTOMER SERVICE

MEDICAL MUTUAL offers friendly, knowledgeable and efficient customer service from our Maryland home office for the convenience of your practice. Get helpful, personal service when you need it.

# Notes

**MEDICAL MUTUAL**  
Liability Insurance Society of Maryland

## FROM THE CHAIR OF THE BOARD

October 2018  
ISSUE

- Policyholders to Enjoy Lower Renewal Price
- Mutual Advantage Plan Allocation Announced for 2019
- VIP Coverage Added at No Additional Charge
- MedGuard to Feature Enhanced Cyber Protections

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# Notes

**MEDICAL MUTUAL**  
Liability Insurance Society of Maryland

## FROM THE CHAIR OF THE BOARD

October 2018

Dear MEDICAL MUTUAL Member:

MEDICAL MUTUAL is doing more for you in 2019!

I am proud to report that MEDICAL MUTUAL has taken a number of initiatives to **reduce the price you pay for your professional liability coverage**. Specifically, we have increased the renewal dividend for 1/1/2019 renewal to 20% from the 15% provided for your previous renewal. Both levels of our current "claims-free" discounts also have been appreciably increased. These actions **will lower the price for every renewal policy**, and each of you will pay less in 2019 unless you have experienced a change in practice characteristics (i.e., change in your practice, claims-made step increase, claims exposure, etc.). In addition, we are expanding the coverages provided under your policy. We have greatly improved the cyber protection in your MedGuard coverage, and we have added a brand new coverage, *Verdict Inflation Protection*, to address the impact to you of the ever-increasing cap on non-economic damages.

These positive steps, together with yet another allocation to your *Mutual Advantage Plan* financial reward program, means that MEDICAL MUTUAL Insureds are receiving **greater protections, more benefits and a lower cost!**

*Verdict Inflation Protection* (VIP) is not just a new coverage to your policy, it is unique to Maryland. VIP coverage, in effect, expands your policy limit if you experience a verdict against you from a claim with low economic damages and high non-economic damages that are at or approach the cap limit. This allows you to defend your good care in these cases without concern over your personal liability exposure above a \$1,000,000 policy limit.

MedGuard, provided as a complement to your professional liability policy, has been strengthened with **more coverages to address the cyber risks Doctors face**. From cyber breach response expenses and cyber extortion to data recovery, MedGuard will help protect your practice. We also have added new administrative proceedings coverages, including ones related to actions by banks and credit card companies, media liability and reputational harm to your practice.

In closing, thank you for your continued loyalty. We know we earn your trust each day by keeping your needs paramount. MEDICAL MUTUAL will continually strive to provide new ways to support and protect your medical practice.

Sincerely,

George S. Malouf, Jr., M.D.  
Chair of the Board

## HEADLINES

### Insureds to Enjoy Lower Renewal Price

An increased renewal dividend and increased "claims-free" discounts should result in lower renewal price for 2019.

### Mutual Advantage Plan 2019 Allocation Announced

Eligible Participants will receive a 10% allocation to their MAP accounts upon 2019 renewal.

### New Coverage Provided at No Additional Charge

*Verdict Inflation Protection* will increase your comfort level on cases with limited economic damages.

### MedGuard, Included with Your Professional Liability Coverage, Significantly Improved for 2019

New, robust cyber coverages and enhanced practice protections added.

## MORE FOR YOU IN 2019!

Lower Renewal Price

New VIP Coverage

More Cyber Coverage

Additional MAP Allocation

## Higher Renewal Dividend and Additional MAP Allocation Announced

MEDICAL MUTUAL is pleased to report the Board of Directors has declared a **20% renewal dividend** for 2019 renewal policies. This decision is due to a continuing stability in claims frequency and the company's positive financial position. The dividend credit will appear on your invoice for 2019 to be mailed on November 1, 2018. To receive the credit, a Policyholder must have had a policy in force by MEDICAL MUTUAL and be renewing in 2019.

Participants in the *Mutual Advantage Plan* financial reward program will receive an **allocation for 2019 of 10%** of each eligible Participant's base premium (including part-time, suspension and government credits) per the underwriting characteristics upon 2019 renewal. Participants must complete their 2019 renewal in order to receive this allocation. The 10% 2019 allocation is in addition to the 10% allocation provided for the 2018 renewal and the initial 70% allocation provided when MAP was first introduced.

If you have questions, please contact your Insurance Producer or Customer Service at 410-785-0050 or 800-492-0193.

**Increased renewal dividend and an additional 10% Mutual Advantage Plan allocation support Insureds in 2019.**



## Both Claims-Free Discounts Significantly Increased for Insureds

MEDICAL MUTUAL is enhancing our claims-free credits by significantly increasing both Tier I and Tier II of our claims-free discount.

Effective 1/1/19 for qualified Insureds, the current Tier I claims-free discount of 15% **will increase to 20%**. The current Tier II claims-free discount of 7.5% **will increase to 12%**.

Policyholders must have at least five years in private practice to be eligible.

The increased claims-free discount for qualified Policyholders, along with no rate change for 2019 and our significant renewal dividend credit, means that Policyholders will see a lower renewal price for next year.

For additional information about the MEDICAL MUTUAL claims-free discount or your policy, please contact your Insurance Producer or our Customer Service at 410-785-0050 or 800-492-0193.

**Most Maryland Doctors will see the benefit of changes to Tier I and Tier II of the MEDICAL MUTUAL "claims-free discount."**



## Verdict Inflation Protection Coverage Provided at No Extra Charge

With most Doctors choosing to purchase a \$1,000,000 limit of insurance, Maryland's increasing non-economic damage cap has the unintended effect of eroding over time the amount of coverage available within the \$1,000,000 limit to satisfy any economic damages that may be awarded following a trial. This can lead to the possibility of uninsured exposure factoring into a Doctor's comfort level as to whether to defend his or her care, even on cases with limited economic damages.

MEDICAL MUTUAL's new *Verdict Inflation Protection* (VIP), provided at no additional charge to you, puts you in the position you have been historically – defending the quality of your medical care in lower economic value cases without concerns about your personal liability exposure above your \$1,000,000 policy limit. VIP expands your policy to provide the non-economic damage amount of a judgment that you become legally obligated to pay in a suit in which the underlying economic damages do not exceed \$250,000.

Under VIP, MEDICAL MUTUAL will pay the additional amount of the judgment up to \$300,000 over your \$1 million policy limit. A payment under VIP will not reduce your Annual Aggregate Limit. VIP is not Excess coverage. It is a coverage feature of your primary Medical Professional Liability Coverage. Limits and conditions apply.

**Verdict Inflation Protection prevents the erosion of the value of your \$1,000,000 limit of insurance in cases with limited economic damages as the cap on non-economic damages increases.**



## New Cyber Protections Strengthen Our MedGuard Coverage

MedGuard, a coverage provided at no additional charge that works as an adjunct to an Insured's professional liability coverage, has been **enhanced to address new, emerging risks**.

Original MedGuard provided coverage in two key areas:

Defraying costs associated with expensive administrative proceedings that Insureds or their professional organizations can be subject to, and

Coverage of a variety of regulatory and legal obligations related to the breach of electronic or paper records through our *e-dataRESPONSE* product

For 2019, MedGuard is being enhanced to also include:

- Privacy and security liability
- Cyber breach response expenses
- Data recovery and network business interruption
- Cyber extortion
- Much more!

For additional information on MedGuard or optional *e-dataRESPONSE+*, contact your Insurance Producer or Customer Service at 410-785-0050 or 800-492-0193.

**MEDICAL MUTUAL enhances MedGuard coverage to respond to growing number of cyber threats to medical practices.**

