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June 14, 2012

2011 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 eighth 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

Twenty-five 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). Several non-Nevada-domiciled RRGs were also surveyed, but only one responded. 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 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 *(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
- General Star National Insurance Company (*Withdrew from Nevada in 2011.*)
- Hudson Insurance Company
- Independent Nevada Doctors Insurance Exchange (IND)

- 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.

CHANGES TO SURVEY DESIGN IN 2011

As NRS 690B.370 is flexible regarding the data elements that the loss-prevention and control surveys may request, major revisions were made to this year's survey. During the past two surveys, claim data was requested from each of the surveyed companies. Requests for claim data were discontinued, starting with the 2011 survey, due to low credibility and volatility in prior years' data, as well as the inability to draw a clear causal relationship between the effect of risk-management programs on claim frequency and severity. If claims for practitioners with risk-management participation are higher, as has been observed in some of the past data, it would still be premature to conclude that risk management is not working. Rather, it may be that practitioners from inherently riskier professions (e.g., obstetrics or anesthesiology) are more likely to be attracted to risk-management programs – as is also consistent with past data.

Furthermore, past surveys requested that data on risk-management participation be segmented by physician specialty. The reporting of such data, which is not required pursuant to NRS 690B.370, has been extremely time-consuming for insurers and Division staff, comprising the bulk of the work of data compilation while adding little value to the analysis in past reports. During the 2010 survey, a total of 3646 practitioners were grouped into 73 categories by specialty. Some categories were populated by one or only a few practitioners, allowing no statistically meaningful conclusions to be drawn. More generally, the Nevada practitioner market is so small that segmenting it into further categories would result in very little statistical significance for any particular segment. Therefore, requests to segment risk-management participation by physician specialty were discontinued in the 2011 survey.

All of the quantitative data required for the survey were consolidated into a single exhibit that the respondent was asked to fill out using Microsoft Excel. The survey continued to request information regarding the numbers of practitioners with and without risk-management credits, the dollar amounts of premium pertaining to policies with and without risk-management credits, and the total dollar amounts of risk-management credits – all segmented by county. The survey template greatly enhanced the accuracy of insurers' data reporting, particularly as the design of the template prevented insurers from using non-county-specific labels such as "Rest of Nevada" or including exposures from outside the state.

Several new qualitative questions (Questions 6, 7, and 10) were added to the survey in order to assess the insurers' practices with respect to offering risk-management programs and assessing their impact. The Summary of Qualitative Results in this report describes the information gained from these questions. For questions that were asked in previous surveys, insurers were only asked to specifically address any changes since 2010 – so as to focus the Division's analysis on recent developments with regard to risk-management programs in Nevada.

For the first time, the qualitative portions of this survey were administered using the Zoomerang survey software. This allowed for a more efficient distribution of surveys, as well as automatic organization and easy viewing of survey responses – which saved Division staff time and enabled targeted follow-up actions to be taken whenever a response required correction or elaboration. Appendix I shows the cover page of the survey that was distributed via e-mail to each company. This cover page includes a link to the Zoomerang survey.

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.

More physicians are participating in risk-management programs. Exhibit 1 below shows that the number of practitioners receiving risk-management credits has increased every year since 2007. Although the percentage of practitioners receiving risk-management credits has declined modestly between 2010 and 2011, this can be accounted for by two notable changes: (i) the growth in the total number of practitioners in Nevada, and (ii) the inclusion in the survey data of companies whose data were previously disregarded. The design of the 2011 survey enabled inclusion of results from a larger proportion of the Nevada insurer market (in the form of RRGs) than was previously the case. Risk-retention groups tend to offer fewer risk-management credits than standard insurers.

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 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. The absolute dollar amount and percentage of premium subject to risk-management credits has declined slightly from 2010 levels, but the average savings to practitioners who receive risk-management credits has modestly increased. A high and stable 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
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 2010 in the prevalence of risk-management credits. A single policy in Pershing County comprises 100% of the policies and receives risk-management credits. Other than Pershing County, the county with the greatest percentage of practitioners receiving risk-management credits is Clark County (51.01%), followed by Washoe County (40.34%), and Carson City (32.20%). It is unknown why risk-management program participation in Carson City declined from 64.12% (109 of 170 practitioners) in 2010 to 32.20% (66 of 205 practitioners) in 2011. The total dollar amount of risk-management credit in Carson City declined from $144,333 in 2010 to $30,226 in 2011.[1] Again, it is not clear what is responsible for this decline – especially as the total dollar amount of risk-management credit in Clark County has increased slightly (from $2,138,057.40 to $2,144,176.00) during the same timeframe.

[1] The 2010 dollar amounts of risk-management credits by county, as well as county-specific percentages of physician participation in programs that provided such credits in 2010, are available in the Division's "2010 Annual Report on Loss-Prevention and Control Programs of Medical Professional Liability Insurers Pursuant to NRS 690B.370" – i.e., the annual report from the previous year.

EXHIBIT 2: Credits by 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
County	Credit Present	Credit Absent	Grand Total	Credit Present	Credit Absent			
Carson City	$456,376.00	$1,247,197.70	$1,703,573.70	26.79%	73.21%	$30,226.00	6.21%	1.74%
Churchill	$0.00	$624,931.62	$624,931.62	0.00%	100.00%	$0.00	N/A	0.00%
Clark	$24,910,944.58	$18,610,608.41	$43,521,552.99	57.24%	42.76%	$2,144,176.00	7.93%	4.70%
Douglas	$38,082.00	$281,647.80	$319,729.80	11.91%	88.09%	$2,310.00	5.72%	0.72%
Elko	$131,961.00	$491,783.49	$623,744.49	21.16%	78.84%	$7,728.00	5.53%	1.22%
Humboldt	$6,720.00	$50,359.37	$57,079.37	11.77%	88.23%	$354.00	5.00%	0.62%
Lander	$0.00	$24,472.74	$24,472.74	0.00%	100.00%	$0.00	N/A	0.00%
Lyon	$0.00	$11,148.00	$11,148.00	0.00%	100.00%	$0.00	N/A	0.00%
Nye	$0.00	$62,841.00	$62,841.00	0.00%	100.00%	$0.00	N/A	0.00%
Pershing	$9,619.00	$0.00	$9,619.00	100.00%	0.00%	$506.00	5.00%	5.00%
Storey	$0.00	$0.00	$0.00	N/A	N/A	$0.00	N/A	N/A
Washoe	$4,463,862.07	$4,485,564.04	$8,949,426.11	49.88%	50.12%	$270,204.15	5.71%	2.93%
Total	$30,017,564.65	$25,890,554.17	$55,908,118.82	53.69%	46.31%	$2,455,504.15	7.56%	4.21%

EXHIBIT 3: Practitioners by County					
	Number of Practitioners by Presence or Absence of Risk-Management Credit			Percentage of Practitioners by Presence or Absence of Risk-Management Credit	
County	Credit Present	Credit Absent	Grand Total	Credit Present	Credit Absent
Carson City	66	139	205	32.20%	67.80%
Churchill	0	26	26	0.00%	100.00%
Clark	1340	1287	2627	51.01%	48.99%
Douglas	6	44	50	12.00%	88.00%
Elko	9	33	42	21.43%	78.57%
Humboldt	1	3	4	25.00%	75.00%
Lander	0	2	2	0.00%	100.00%
Lyon	0	3	3	0.00%	100.00%
Nye	0	10	10	0.00%	100.00%
Pershing	1	0	1	100.00%	0.00%
Washoe	318.5	471	789.5	40.34%	59.66%
Total	1741.5	2018	3759.5	46.32%	53.68%

Exhibit 4 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. For the 2010 survey, not one company indicated that all of its insured practitioners receive risk-management credits. By contrast, for the 2011 survey, three companies indicated that their entire books of business in Nevada received risk-management credits. Two of these companies insure large numbers of practitioners.

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	0.00%	100.00%
4	50.56%	49.44%
5	49.92%	50.08%
6	45.15%	54.85%
7	36.17%	63.83%
8	0.00%	100.00%
9	0.00%	100.00%
10	100.00%	0.00%
11	0.00%	100.00%
12	100.00%	0.00%
13	0.54%	99.46%
14	36.64%	63.36%
15	100.00%	0.00%
16	42.47%	57.53%
17	50.00%	50.00%
18	0.00%	100.00%
TOTAL	**46.32%**	**53.68%**
NOTE: Company 1 wrote no business in 2011.		

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 authorized 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 2011, 4 companies offered new self-study courses in risk management, 3 companies offered new interactive self-assessments or third-party assessments, 5 companies offered new seminars, 4 companies established (or reported for the first time in this survey) new clinical-audit or site-audit procedures, and one company has indicated that it is adding new online continuing-education courses. One company has indicated that its online courses are now available at no charge to the physicians. 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 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.

Based on the responses to Question 4, there has been little change in whether risk-management programs are voluntary or mandatory for each company. 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. One company indicated that it is offering a new 5% risk-management credit for completing a seminar of at least four hours.

In response to the new Question 6, *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, "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 new question regarding percentage 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.

Question 9 asked how insurers monitor the effectiveness of their risk-management programs. 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. 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 was a new question regarding the insurers' assessment of the impact of the risk-management programs for the time period covered by the survey. Companies' perceptions varied. Some companies mentioned a reduction of both claim frequency and severity, while others have only identified frequency reductions while attributing severity increases to other factors, such as the naming of larger numbers of defendants in lawsuits. Several companies mentioned increases in compliance with good risk-management practices. 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 2011 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. More physicians are participating in programs that grant risk-management credits, and the total savings to practitioners who participate are stable and increasing slightly. 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.

The Division's revisions to the design of the survey for 2011 are expected to persist for future years, allowing uniform quantitative and qualitative experience to be collected. The new survey design offers a balance of statistical data and discussion of company-specific circumstances and outlooks – in recognition that risk management is as much an art as it is a science, and various company philosophies toward risk management may fulfill the intent of NRS 690B.330. The new survey design is expected to be particularly effective in capturing incremental changes that occur in risk-management programs and participation every year.

APPENDIX I: SURVEY COVER PAGE

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STATE OF NEVADA

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March 13, 2012

2011 ANNUAL REPORT ON LOSS-PREVENTION AND CONTROL PROGRAMS OF MEDICAL PROFESSIONAL LIABILITY INSURERS

This is the eighth 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, 2012. 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.zoomerang.com/Survey/WEB22ESWL2DU2J

Please contact Mr. Gennady Stolyarov II at gstolyarov@doi.state.nv.us or (775) 687-0766 or Mr. Derick Dennis at ddennis@doi.state.nv.us or (775) 687-0769 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 Mr. Dennis, 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, 2011, 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.state.nv.us and Mr. Derick Dennis at ddennis@doi.state.nv.us upon completion. Before submitting this survey, please confirm that you have sent such an e-mail in the field below.

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE

2011 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, 2011					
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[2]: What has **changed** with respect to the risk-management activities offered by your company **since completing this survey for the year 2010?**

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 2010 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 2010 survey and nothing substantial has changed since the company's completion of the 2010 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 2010 survey."

Company ID	Company Response
1	
Self-study programs and/or self-assessments	Nothing has changed from our response to the 2010 survey.
Seminars	Nothing has changed from our response to the 2010 survey.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.
Others – include descriptions of types of programs	Nothing has changed from our response to the 2010 survey.
2	
Self-study programs and/or self-assessments	Nothing has changed from our response to the 2010 survey.
Seminars	Nothing has changed from our response to the 2010 survey.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.
Others – include descriptions of types of programs	Nothing has changed from our response to the 2010 survey.
3	
Self-study programs and/or self-assessments	Nothing has changed from our response to the 2010 survey.
Seminars	Nothing has changed from our response to the 2010 survey.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.

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

Others – include descriptions of types of programs	Nothing has changed from our response to the 2010 survey.
4	
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. In 2010, we changed CME vendors. There are a total of ninety-one programs addressing the following subject matter: **Course Offerings 2011** [Partial listing follows.] Ethics Courses: Informed Consent, Part 2: An Ethical and Legal Concept for 1.25 credits. Patient Safety and Risk Management in the Physician Office, Part 2: Culture of Safety for.75 credit. Total Credits for Acute Care/Surgical Settings and Physician Office Setting 72.00 Acute Care/Surgical Setting 53.50 ACGME Work Hour Rules Could Negatively Impact Patient Care 0.50 Communication, Part 1: Overview 0.75 Communication, Part 2: Handoffs 1.00 Communication, Part 3: Test Results 1.00 Communication, Part 4: Medication Errors, Abbreviations, and Verbal Orders 1.00 Communication, Part 5: Teamwork and Culture of Safety 0.75 Communication, Part 6: Patient and Family Communication 0.75 Communication, Part 7: High Reliability 0.75 CT Scans May Affect Implantable Electronic Devices 0.50 Culture of Safety Part 1: Overview 0.75 Culture of Safety Part 2: Error Reporting and Disclosure 0.75 Culture of Safety Part 3: Measuring a Safety Culture 0.75 Culture of Safety Part 4: Creating a Culture of Safety 1.00 Culture of Safety Part 5: Improvement is an Ongoing Process 0.75 Delays in the OR 0.50 Disclosure of Unanticipated Outcomes, Part 1: Regulations, Attitudes, and Cultural Issues 0.75 Disclosure of Unanticipated Outcomes, Part 2: Elements of Disclosure 1.25 Disclosure of Unanticipated Outcomes, Part 3: Potential Liability 0.50 Disruptive Practitioner Behavior Part 1: Overview 1.25 Disruptive Practitioner Behavior Part 2: Possible Root Causes of Disruptive Behavior 0.75 Disruptive Practitioner Behavior Part 3: Barriers to Addressing Disruptive Behavior 1.00 Disruptive Practitioner Behavior Part 4: Confronting the Disruptive Practitioner 1.25 Disruptive Practitioner Behavior Part 5: Communicating Behavior Standards 0.75 Drug Diversion in Healthcare, Part 1: An Overview 0.50 Drug Diversion in Healthcare, Part 2: Risk Points and Prevention Strategies 0.75 Electronic Health Records Part 1: Overview 1.00 Electronic Health Records Part 2: Uses for Personal Health Records 1.00 Electronic Health Records Part 3: Federal Regulations 1.00 Electronic Health Records Part 4: Implementation Strategies for Hospitals 1.25 Electronic Health Records Part 5: Adoption in Physician Office Practices 1.25 Electronic Health Records Part 6: Navigating the Path to Improved Quality 1.00 Electronic Health Records Part 7: Managing Risks Associated with EHRs 1.00 Five-Pronged Approach to Obstetric Care Leads to Fewer Claims 0.50 Hospital-Acquired Conditions 1.00 Identified Risk Factors for Falls Prompt "New Thinking" about Prevention 0.50 Informed Consent Part 1: Regulatory and Accreditation Requirements 0.75 Informed Consent Part 2: An Ethical and Legal Concept 1.25 Informed Consent Part 3: Communicating Risk and Managing Expectation 1.00 In-Hospital Neonate Falls: Incidence and Causes Explored 0.50 IV Infiltration 0.50 Managing Patient Grievances and Complaints 1.25 Medical Abbreviations, Part 1: Accreditation Standards 0.75 Medical Abbreviations, Part 2: Staff Compliance 0.75 Medication Assessment: One Determinant of Falls Risk 0.50 Medication Safety Part 1: Overview 1.00 Medication Safety Part 2: Joint Commission Standards 0.75 Medication Safety
Seminars	[The company] provided a regional seminar in Reno on October 4, 2011, that was open to all Nevada physicians and hospital staff, whether Hudson policyholders or not. The title was "The How and Why of Disclosing Adverse Outcomes", and was presented by Jim Pichert, Ph.D. Additional seminars were provided to the medical staff of our hospital policyholders. Topics included: Insurance and Bonds: What Hospital Risk Managers Need to Know About Risk Financing Disclosures of Adverse Events/Handling Difficult Patients Defensive Charting in the Electronic Age Sentinel Events and Other Mandated Reporting Infection Control: Review of Topic, Resources, and Facility Checklist Litigation: Subpoenas, Deposition and Discovery.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.
Others – include descriptions of types of programs	Nothing has changed from our response to the 2010 survey.
5	
Self-study programs and/or self-assessments	Nothing has changed from our response to the 2010 survey.

Seminars	[The company] added a risk management seminar for Ob physician in Reno last fall 2011.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.
Others – include descriptions of types of programs	No changes.
6	
Self-study programs and/or self-assessments	Nothing has changed from our response to the 2010 survey.
Seminars	Nothing has changed from our response to the 2010 survey.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.
Others – include descriptions of types of programs	Nothing has changed from our response to the 2010 survey.
7	
Self-study programs and/or self-assessments	Nothing has changed from our response to the 2010 survey.
Seminars	Nothing has changed from our response to the 2010 survey.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.
Others – include descriptions of types of programs	Nothing has changed from our response to the 2010 survey.
8	
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. Insureds are notified about seminars via direct mail, the quarterly risk management newsletter (Rx for Risk), notices in renewal packages, advertisements on the website and other mailings.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.
Others – include descriptions of types of programs	Nothing has changed from our response to the 2010 survey.
9	
Self-study programs and/or self-assessments	Nothing has changed from our response to the 2010 survey.
Seminars	Nothing has changed from our response to the 2010 survey.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.
Others – include descriptions of types of programs	There are no other risk management programs offered.
10	
Self-study programs and/or self-assessments	In 2011 we added an interactive feature to our website [URL redacted as company-identifying information] presenting Morbidity and Mortality studies on actual clinical issues that had or could have resulted in loss. Each physician's review of the case and his participation is monitored and recorded.

Seminars	Nothing has changed from our response to the 2010 survey.
Clinical audits and/or site assessments	Clinical audits of charts for consent compliance have been completed for all insured practices. After analysis of the data, three groups were visited by the VP of Risk Management and plans were implemented to increase the chart compliance of those groups.
Others – include descriptions of types of programs	Risk Alerts were instituted to notify all insureds in real time of emerging problems in risk management. They are notified via email.
11	
Self-study programs and/or self-assessments	Commencing on 3/14/2011 [the company] started withdrawal of the Professional Medical Liability line of business. Nevada Department of Insurance advised [the company] that we were in compliance of the statutory requirements for the withdrawal pursuant to their letter dated 12/12/2011.
Seminars	Commencing on 3/14/2011 [the company] started withdrawal of the Professional Medical Liability line of business. Nevada Department of Insurance advised [the company] that we were in compliance of the statutory requirements for the withdrawal pursuant to their letter dated 12/12/2011.
Clinical audits and/or site assessments	Commencing on 3/14/2011 [the company] started withdrawal of the Professional Medical Liability line of business. Nevada Department of Insurance advised [the company] that we were in compliance of the statutory requirements for the withdrawal pursuant to their letter dated 12/12/2011.
Others – include descriptions of types of programs	Commencing on 3/14/2011 [the company] started withdrawal of the Professional Medical Liability line of business. Nevada Department of Insurance advised [the company] that we were in compliance of the statutory requirements for the withdrawal pursuant to their letter dated 12/12/2011.
12	
Self-study programs and/or self-assessments	Nothing has changed from our response to the 2010 survey.
Seminars	Nothing has changed from our response to the 2010 survey.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.
Others – include descriptions of types of programs	Nothing has changed from our response to the 2010 survey.
13	
Self-study programs and/or self-assessments	Nothing has changed from our response to the 2010 survey.
Seminars	Nothing has changed from our response to the 2010 survey.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.
Others – include descriptions of types of programs	Nothing has changed from our response to the 2010 survey.
14	
Self-study programs and/or self-assessments	These educational components are available both on-line and in paper text format. Healthcare professionals can review and select courses or assessments by visiting the [company's] website. They can also purchase programs by contacting the [company's] Risk Management Department. Although no significant changes were made to the program in 2011, five self-study programs were updated and four new self-study programs were developed. Self-study programs are accredited to provide CME/CDE and insureds who successfully complete these programs may qualify for premium credits. Self assessments can be accessed through

	the same means. They provide opportunities for doctors and their staff to review and update their risk management programs. Self assessments do not offer Continuing Education hours and their use does not qualify practitioners for premium credits. [The company] has forged a number of collaborate relationships with respected groups and organizations that share the Company's risk reduction philosophy. Examples of these programs include: a) CME-accredited learning components that focus on the risk challenges of practitioners who offer obstetric services; b) a CME-accredited series for doctors who specialize in emergency medicine; and c) CME-accredited educational modules for physicians and CRNA's practicing in the field of anesthesiology.
Seminars	Nothing has changed from our response to the 2010 survey.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.
Others – include descriptions of types of programs	Nothing has changed from our response to the 2010 survey.
15	
Self-study programs and/or self-assessments	[The company] has engaged [a third-party provider] to provide risk management services and conduct all risk management training for [the company]. [The third-party provider] also provides all underwriting services for [the company]. [The third-party provider] has hired additional staff to help support [the company's] risk management program. [The third-party provider] has also revised and updated the content and assessment tools for office evaluations. On behalf of [the company,] [the third-party provider] continues to provide office assessment tools to all of the [the company's] policyholders. Also included are patient satisfaction surveys for each office.
Seminars	[The third-party provider] continues to offer several seminars including one on "Malpractice 101" which is a guide to a malpractice law suit. We also have offered "How to Survive A Medical Malpractice Deposition" which suggest techniques for handling depositions.
Clinical audits and/or site assessments	[The third-party provider's] risk managers and one of their partners, [partner of the third-party provider], offer both audits and assessments for all of the [company's] policyholders. They also can review a policyholder's billing, record keeping, HR and back room safety.
Others – include descriptions of types of programs	On line continuing education credits have been available to the [company's] policyholders. [The company] is presently changing to add new courses and to make them available via the [company's] website.
16	
Self-study programs and/or self-assessments	These online courses are now available at no charge to the physician.
Seminars	New topic offerings.
Clinical audits and/or site assessments	Nothing has changed from our response to the 2010 survey.
Others – include descriptions of types of programs	Nothing has changed from our response to the 2010 survey.
17	
Self-study programs and/or self-assessments	[The company] will use various types of risk management and loss control training and informational materials that will be made available to its policyholders. Participation in Voice of the Patient (in-office patient satisfaction survey), white papers relevant to physician and surgeon risks and exposures, online brochures and pamphlets, risk assessment checklists, access to Continuing Medical Education will all play an important role in helping policyholder reduce losses and

	improve patient satisfaction.
Seminars	None.
Clinical audits and/or site assessments	[The company] will initiate an initial on-site survey/consultation for loss control purposes if the policyholder with annual premium in excess of $ 25,000 per year receives more than two claims in a policy year that after claims review indicate failure by the policyholder to follow appropriate loss control or risk management protocols. The Field Representative will review relevant premium and loss data that will aid in the on-site consultation in advance of the visit. Survey results will be presented to policyholders in writing. The basic report will include such information as operations, loss information, loss control activities, underwriting concerns, exposures and controls. If controls are not in place that address underwriting concerns, specific recommendations will be made and follow up procedures and timelines established. The results of and responses to surveys/consultations will be documented in [the company's] files and reviewed in conjunction with the policyholder renewal process along with other relevant premium and loss data.
Others – include descriptions of types of programs	None.
18	
Self-study programs and/or self-assessments	**N/A**
Seminars	**N/A**
Clinical audits and/or site assessments	ASTAT-either phone or on site visit done by physicians for high risk doctors
Others – include descriptions of types of programs	**N/A**

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 2010 survey: Please provide a comprehensive reply to question 3.

If your company did complete the 2010 survey and nothing substantial has changed since the company's completion of the 2010 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 2010 survey."

Company ID	**Company Response**
1	Nothing has changed from our response to the 2010 survey.
2	Nothing has changed from our response to the 2010 survey.
3	Nothing has changed from our response to the 2010 survey.
4	Nothing has changed from our response to the 2010 survey.
5	No changes since the 2010 report.
6	Nothing has changed from our response to the 2010 survey.
7	Nothing has changed from our response to the 2010 survey.
8	Nothing has changed from our response to the 2010 survey.
9	Nothing has changed from our response to the 2010 survey.
10	Nothing has changed from our response to the 2010 survey.

11	Commencing on 3/14/2011 [the company] started withdrawal of the Professional Medical Liability line of business. Nevada Department of Insurance advised [the company] that we were in compliance of the statutory requirements for the withdrawal pursuant to their letter dated 12/12/2011.
12	Nothing has changed from our response to the 2010 survey.
13	Nothing has changed from our response to the 2010 survey.
14	Nothing has changed from our response to the 2010 survey.
15	Yes courses and risk management are available to all policyholders without any charge.
16	Offerings are available to all policyholders free of charge unless they want a printed copy of the self study which costs $20.00 per program.
17	Yes. Loss control programs are available to all policyholders. The Voice of the Patient program, an in-office patient satisfaction survey is offered to insureds for a fee. All other loss control programs are available without charge.
18	Yes for high risk doctors. A $300 - $3,000 risk management fee is charged.

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 2010 survey: Please provide a comprehensive reply to question 4.

If your company did complete the 2010 survey and nothing substantial has changed since the company's completion of the 2010 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 2010 survey."

Company ID	Company Response
1	Nothing has changed from our response to the 2010 survey.
2	Nothing has changed from our response to the 2010 survey.
3	Nothing has changed from our response to the 2010 survey.
4	Nothing has changed from our response to the 2010 survey.
5	No changes since the 2010 report.
6	Nothing has changed from our response to the 2010 survey.
7	Nothing has changed from our response to the 2010 survey.
8	Nothing has changed from our response to the 2010 survey.
9	Nothing has changed from our response to the 2010 survey.
10	Nothing has changed from our response to the 2010 survey.
11	Commencing on 3/14/2011 [the company] started withdrawal of the Professional Medical Liability line of business. Nevada Department of Insurance advised [the company] that we were in compliance of the statutory requirements for the withdrawal pursuant to their letter dated 12/12/2011.
12	Nothing has changed from our response to the 2010 survey.
13	Nothing has changed from our response to the 2010 survey.
14	Nothing has changed from our response to the 2010 survey.
15	Mandatory participation is not required but since [the company's] policyholders are the owners of the Risk Retention Group the support and participation is excellent.
16	Risk Management has not been mandatory in the past, however we require it for doctors who are in our Secure Protection Program. Currently [the company] has very few Nevada insureds that are required to take a Risk Management course. We believe that offering quality risk management programs will lead to better insurance programs for the physicians and surgeons in Nevada.
17	Policyholders who meet the thresholds described in Question 2 are required to participate in the on-site survey/consultation.
18	Mandatory for only high risk doctors

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 2010 survey: Please provide a comprehensive reply to question 5.

If your company did complete the 2010 survey and nothing substantial has changed since the company's completion of the 2010 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 2010 survey."

Company ID	Company Response
1	Nothing has changed from our response to the 2010 survey.
2	Nothing has changed from our response to the 2010 survey.
3	We do NOT offer premium credits for participation in risk management activities. This is a for-profit company and clients might get a premium rebate if the company has had a good year. [**Division note:** This company is a non-Nevada-domiciled risk-retention group and so is not required to offer risk-management credits pursuant to Nevada law.]
4	Nothing has changed from our response to the 2010 survey.
5	No changes since the 2010 report.
6	Nothing has changed from our response to the 2010 survey.
7	Nothing has changed from our response to the 2010 survey.
8	There is a 5% risk management premium credit for insureds who have completed a risk management seminar (either in-person or online) of at least four hours. This credit remains in effect for three years from the effective date of the credit.
9	Nothing has changed from our response to the 2010 survey.
10	Nothing has changed from our response to the 2010 survey.
11	Commencing on 3/14/2011 [the company] started withdrawal of the Professional Medical Liability line of business. Nevada Department of Insurance advised [the company] that we were in compliance of the statutory requirements for the withdrawal pursuant to their letter dated 12/12/2011.
12	Nothing has changed from our response to the 2010 survey.
13	Nothing has changed from our response to the 2010 survey.
14	Nothing has changed from our response to the 2010 survey.
15	The amount of credit is determined by the results of the risk management assessments. Credits are also based on how many of the assessment tools are utilized by a policyholder. If the results of the basic assessments are satisfactory a policyholder is routinely credited up to 5%. If more assessment tools are utilized by a policyholder, i.e. billing and HR audits then credits are available to a policyholder of up to 10% if results are satisfactory.
16	5% is maximum credit awarded for risk management Live Seminars- 5% for attendance Online offerings- 1-5% available
17	A 5% premium credit is offered for qualifying patient satisfaction programs, including Voice of the Patient. No credit offered for any other loss control program.
18	None

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.

Company ID	Company Response
1	We did not issue any individual professional liability policies to the practitioners licensed pursuant to chapter 630 or 633 of NRS.
2	No, amount of risk management credit awarded is commensurate with the amount of risk management credit hours.
3	Not applicable
4	Our Risk Management credit is applied for completing an online course or attending our Risk Management seminar. It is not adjusted for the insureds loss experience.
5	The risk management credit of 5% for attending our seminars or doing the CD program is **not** affected by losses.
6	No, there is no amount of risk-management credit based on the insured's loss experience.
7	No, it is independently determined.
8	There are no modifications or adjustments made to a risk-management credit based on the insured's loss experience.
9	Not applicable - There are no risk management credits offered.
10	No.
11	Commencing on 3/14/2011 [the company] started withdrawal of the Professional Medical Liability line of business. Nevada Department of Insurance advised [the company] that we were in compliance of the statutory requirements for the withdrawal pursuant to their letter dated 12/12/2011.
12	Not applicable as the Company does not offer credits.
13	The risk-management credit is not based on the insured's loss experience.
14	The risk-management credit is not based on the insured's loss experience.
15	Not necessarily. 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. If a claim arises due from, or partly due from, a risk management issue found in one of our assessments that an insured did not correct then this will be considered going forward when crediting or debiting the policyholder's premium.
16	No
17	No. The frequency and/or severity of losses does not affect the premium credit for risk-management.
18	N/A

Question 7: If participation in your company's risk-management program is voluntary, what percentage of policyholders request to participate?

Company ID	Company Response
1	We did not issue any individual professional liability policies to the practitioners licensed pursuant to chapter 630 or 633 of NRS.
2	It varies significantly based on state and type of medical specialty, however, in Nevada, none of the practitioners participated.
3	Not applicable
4	50%
5	Approximately half (50%) of our insureds participate in our risk management programs each year, including year 2011.
6	45% of our policyholders request to participate in our company's voluntary risk-management program.
7	Yes, 36%.
8	No Nevada policyholders are currently participating in our risk management program.

9	Participation is voluntary. Currently no Nevada policyholders have requested participation in the risk management programs offered.
10	IT IS NOT VOLUNTARY.
11	Commencing on 3/14/2011 [the company] started withdrawal of the Professional Medical Liability line of business. Nevada Department of Insurance advised [the company] that we were in compliance of the statutory requirements for the withdrawal pursuant to their letter dated 12/12/2011.
12	The risk management program is not voluntary.
13	Less than 1%
14	As of December 2011, there were 600 policyholders in Nevada. Approximately 37 percent of the policyholders have a risk management premium credit.
15	[The third-party provider of risk-management services] gets over 80% participation in the on-site visits and around 50% on seminars and CME's.
16	20%
17	Approximately 50% of Nevada policyholders participate in the Voice of the Patient program.
18	Less than 5%

Question 9: Describe how you monitor the effectiveness of your risk-management programs.

SPECIAL INSTRUCTIONS:
If your company is new to the medical professional liability insurance market in Nevada and did not complete the 2010 survey: Please provide a comprehensive reply to question 9.

If your company did complete the 2010 survey and nothing substantial has changed since the company's completion of the 2010 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 2010 survey."

Company ID	Company Response
1	In 2011, [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.
2	Nothing has changed from our response to the 2010 survey.
3	Monitor by claims submitted.
4	Nothing has changed from our response to the 2010 survey.
5	Nothing has changed from our response to the 2010 survey.
6	Nothing has changed from our response to the 2010 survey.
7	Nothing has changed from our response to the 2010 survey.
8	a) Insureds who attend in-person and online risk management seminars 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. b) 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, in written resources and provided through the one-on-one Risk Management Consultation Services Helpline (RMCS). c) Additionally, the number and type of calls to the RMCS are reviewed.
9	Nothing has changed from our response to the 2010 survey.
10	The effectiveness of risk management programs is monitored via a. Review of how many physicians read emailed announcements. b. Post testing of content retention via the web-based instrument, Survey Monkey. c. Periodic medical record review of all insured physicians with results reported back to the physicians. d. Periodic site visits to review managerial and systems operation and compliance.
11	Commencing on 3/14/2011 [the company] started withdrawal of the Professional Medical Liability line of business. Nevada Department of Insurance advised [the company] that we

	were in compliance of the statutory requirements for the withdrawal pursuant to their letter dated 12/12/2011.
12	Nothing has changed from our response to the 2010 survey.
13	Nothing has changed from our response to the 2010 survey.
14	Nothing has changed from our response to the 2010 survey.
15	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's] claims are way down for the year 2011 and the numbers of law suits filed continue to be on a downward trend. Is this risk management? We would like to believe that part of this trend is risk management but there are other factors involved.
16	Risk Management is an inherently difficult program to monitor. Further our company is relatively new and our experience is immature. Our insureds continue to request new ways to reduce their risk of loss and we work to provide ways to help them. We believe our programs educate and inform our insureds to run better practices of medicine and improve our loss experience in the long run. Our Risk Management programs are very well attended in Nevada. Our loss ratios are also good. Overall, it is difficult to draw a direct correlation or causation, but we feel our Risk Management programs are successful in Nevada.
17	The implementation of the Voice of the Patient program is managed by [the company], and is constantly monitored to analyze the use of the program by our insureds. The data from participants will be tracked alongside claim data to monitor the effectiveness of the program in reducing claim frequency.
18	Through the ASTAT program.

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

Company ID	**Company Response**
1	We did not issue any individual professional liability policies to the practitioners licensed pursuant to chapter 630 or 633 of NRS.
2	Not applicable, no practitioners in Nevada participated.
3	Not applicable
4	The impact of our risk management programs is evaluated by analyzing the reported claims where indemnity has been paid or is still reserved. Because it can take three to five years for a claim to develop, the data for more recent years are preliminary. While most of the 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 decreased slightly from 2004 to 2007, and then increased in 2007 and 2008. This tracks with the increase in the number of insured physicians during the same period. Many of the 2007 and 2008 claims are still open and may close without any indemnity payment. Severity has increased during this time, with the exception of 2006. This reflects the national trend of higher indemnity awards. Data from 2009 through 2011 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 have identified and contracted with a new CME vendor (as of April 1, 2011) that offers more diagnostic related courses for physicians, specifically in the areas where [the company] has noted claims. 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 [the company's] risk management programs are having a positive impact on frequency (number of claims) while keeping severity (indemnity paid per claim) consistent with national trends.
5	Risk management was not made mandatory for any insureds in 2011. The impact is positive. Our loss experience, in both frequency and severity, is at a very reasonable level and we

	have been able to add to our company's surplus. Our claims adjustors and attorneys state that some of the records they look at are complete and defensible.
6	No mandatory services were provided. In 2011, those insureds who received risk management credit (163) have a 10% incurred claims rate (17 incurred claims. In 2011, those insureds who did not participate in risk management (198) have an 11% incurred claims rate (22 incurred claims).
7	We have seen reduced claim frequency and severity which may be contributed to by risk management programs in addition to the impact of Tort reform and other social/legal factors. We are unable to determine the specific impact of risk management due to the number of other factors which may contribute to the specific results currently seen. For example, we have not seen the reduction in frequency we expected due possibly to the naming of more defendants as a result of the several vs. joint liability addressed by Tort reform. We have seen dramatic change in risk management compliance in a handful of accounts where risk management was mandated resulting in our willingness to continue coverage and stabilize or reduce pricing.
8	A risk management self-audit tool was sent to all insureds in the fall of 2011. However, during the time period covered by Question 8, there were no Nevada policyholders participating in our risk management program.
9	Not applicable. There was no Nevada policyholder participation in risk management programs offered in 2011.
10	Risk management programs have resulted in a higher compliance rate for the use of web-based secondary surgical consents specific to urology. It also appears that the practices themselves have become much more proactive in their own risk management programming.
11	Commencing on 3/14/2011 [the company] started withdrawal of the Professional Medical Liability line of business. Nevada Department of Insurance advised [the company] that we were in compliance of the statutory requirements for the withdrawal pursuant to their letter dated 12/12/2011.
12	It is too early to assess the impact of any risk management efforts. The mandatory nature of our risk management participation will make any comparison within our program impossible.
13	Since only 1 existing insured successfully completed our on-line exam, there is not enough data to determine the impact of this risk management program.
14	[The company's] risk management philosophy recognizes the importance of risk management education as an essential part of patient safety and satisfaction. The Company utilizes a variety of educational approaches to help physicians, dentists, and healthcare organizations select topics and formats that will be most beneficial to them. In addition to professional Continuing Education credits, [the company] also offers premium credits to healthcare providers who participate in risk management education. In 2011, [the company] provided risk management education programs or services for more than 10,000 healthcare providers nationally. The goal of the Clinical Risk Management Department is to: a) provide a core level of understanding of risk management principles and tools to help healthcare professionals, regardless of their practice environment, build more effective relationships with patients and with other members of the healthcare team and b) conduct ongoing research and analysis to ensure a proactive response to risk issues. Healthcare professionals who participate in risk management education accrue benefits beyond the Continuing Education hours and premium credits. While these are valuable introductory incentives, insureds' program evaluations consistently acknowledge that the program content is effective in helping them identify and address a variety of risk-related challenges. In 2011, the overall satisfaction ratings doctors gave to [the company's] risk management programs was a score of 98 percent. In addition, clients who are proactive about reducing their liability risk become better risks from an insurance perspective. As of December 31, 2011, no [company] policyholder in Nevada has been required to complete a risk management program as a condition of renewal.
15	[The company's] risk management programs are not mandatory. As stated in question 9 it is difficult to assess the impact of programs. We believe [the company's] programs that are

	offered will help the insured physicians reduce risk and improve patient safety. Measuring that change is very difficult.
16	Risk Management has not been mandatory in the past, however we require it for doctors who are in our Secure Protection Program. Currently [the company] has very few Nevada insureds that are required to take a Risk Management course. We believe that offering quality risk management programs will lead to better insurance programs for the physicians and surgeons in Nevada.
17	The data obtained for Nevada policyholders is too new and limited to determine the impact of the Voice of the Patient program. No Nevada policyholders have met the threshold for the mandatory risk-management programs identified in Question 2.
18	N/A