

# Notes

**MEDICAL MUTUAL**  
*Liability Insurance Society of Maryland*

## FROM THE CHAIR OF THE BOARD

### HEADLINES

#### **Renewal Premium to Remain Unchanged**

2011 MEDICAL MUTUAL premium rates will remain unchanged from 2010.

#### **Damages Cap Upheld**

Maryland's highest court has upheld the constitutionality of the non-economic damages cap.

#### **MEDICAL MUTUAL to Introduce Online Podcast Library**

Soon you will be able to listen to informative audio presentations on laptops, smartphones and portable media players.

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

A.M. Best has issued an "A-" (Excellent) rating for MEDICAL MUTUAL in recognition of the strength and stability of the company.

#### **Insureds to Receive Policyholder Info Kit**

A convenient reference guide will be mailed to all Policyholders with their 2011 renewals.

#### **Risk Management Education Programs Well Received in 2010**

2011 programs to be announced in February, including an innovative DVD-based program for medical office staff.

**October 2010**

**Dear MEDICAL MUTUAL Member:**

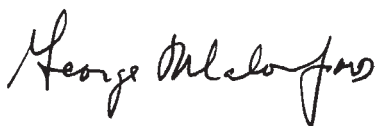
For 35 years, MEDICAL MUTUAL has vigorously defended the practice of good medicine in Maryland. For 35 years, the Doctors of this area have turned to MEDICAL MUTUAL to protect their practices and professional reputations.

Who would have imagined this from our modest start? We were created by the General Assembly in 1975 in response to a malpractice insurance availability crisis in Maryland. The plan was ambitious. MEDICAL MUTUAL was formed as a Doctor-owned company and the intention was for it to succeed in a line of insurance that was so risky that even the largest and most prominent companies in the industry wanted no part of it. But, we had something those carriers didn't. The special bond we share with the Physicians of this state gave us a unique strength. You are both our customer and our owner. You work side by side with us on our Board, on our committees and in our risk management education programs. We understand your world because of your involvement, and this has helped us to remain committed and focused on meeting your changing needs in ways the commercial carriers can't even imagine.

So, it is particularly gratifying that on the occasion of our 35th anniversary I am able to report positive news about your coverage. The amount charged for your renewal policy will remain unchanged next year if you have had no changes in your coverage or exposure. This good news is a result of two things. First, supported by the continued moderation in the frequency of claims, MEDICAL MUTUAL is announcing no increase of our rates for next year. Second, our Board of Directors has declared an 11% dividend for 2011 renewal policies. Together these actions result in no change over what you paid last year at renewal. Please read the details in the policy pricing article included in this newsletter.

In closing, we want to thank you sincerely for your support. Throughout these 35 years, even during the most difficult financial and political times, MEDICAL MUTUAL has never lost sight of our mission. We are here to defend Maryland Doctors and their practices. The confidence you place in MEDICAL MUTUAL inspires us each and every day to strive to provide an even greater level of service and protection.

Best wishes,



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

## 2011 Renewal Premium to Remain Unchanged

Supported by the continued moderation in the frequency of claims, MEDICAL MUTUAL is announcing no increase in our rates for next year. This, in addition to the overall financial position of the company, allowed the Board of Directors to declare an 11% dividend credit for 2011 renewal policies. The 11% dividend credit matches the 2010 dividend for renewal policies. The combination of no rate increase and 11% renewal dividend credit results in no increase in your premium charge for 2011 if you have no other changes in your coverage or exposure (such as a claims-made step increase, change to your claims-free discount status or other policy coverage changes). If you have questions concerning your policy or the dividend, please contact your Insurance Producer or call the MEDICAL MUTUAL Customer Service Department at 410-785-0050 or 800-492-0193.

## Maryland Court of Appeals Upholds Non-Economic Damages Cap

In a case where a plaintiff victory could have had the potential to negatively impact MEDICAL MUTUAL and the Doctors we insure, Maryland's highest court has upheld the constitutionality of the state's limit on pain and suffering (non-economic damages) awards. The case decided by the Court of Appeals, while not a malpractice case, challenged the constitutionality of caps on awards and sought to overturn existing case law that upholds the constitutionality of caps. The case had the potential of either immediately affecting medical professional liability claims, or opening the door to future legal challenges directly involving medical professional liability cases on similar grounds.

The case involved a 5-year-old boy who drowned at a country club swimming pool in 2006. Alleging negligence, the boy's parents sued the company that maintained the pool in a state circuit court. The jury agreed and awarded total damages of \$4,006,442, including \$2,000,706 in pain and suffering for each parent. Under Maryland's cap law, the total of non-economic damages was reduced to \$1,002,500. The plaintiffs challenged the cap law in the state's Court of Special Appeals. The Court of Special Appeals upheld the law and the plaintiffs appealed to the Court of Appeals. In an opinion released September 24, the Court of Appeals upheld the statutory cap on non-economic damages. Because of the potential impact of this case on Maryland Doctors, MEDICAL MUTUAL joined MedChi in filing an amicus brief in support of the constitutionality of the Maryland cap. Jeff Poole, President and CEO of MEDICAL MUTUAL, welcomed the Court of Appeals decision. "We are pleased the Court of Appeals reaffirmed its support of a cap on non-economic damages," said Mr. Poole. "The cap is an effective tool for moderating doctors' liability insurance costs while ensuring that health care is both available and affordable for Maryland citizens."

## MEDICAL MUTUAL to Introduce Online Podcast Library for Policyholders

MEDICAL MUTUAL is pleased to announce the planned introduction of a podcast library on the company web site for our Insureds. A variety of informative risk management, claims, corporate and other topics of interest will be presented in a convenient audio-only format. These digital audio files can be played on most PCs, laptops, smartphones or other portable media players. A number of podcasts will be available beginning December 1. Additional podcasts will be introduced regularly. Please visit the MEDICAL MUTUAL web site at [www.weinsuredocs.com](http://www.weinsuredocs.com) for more information.

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

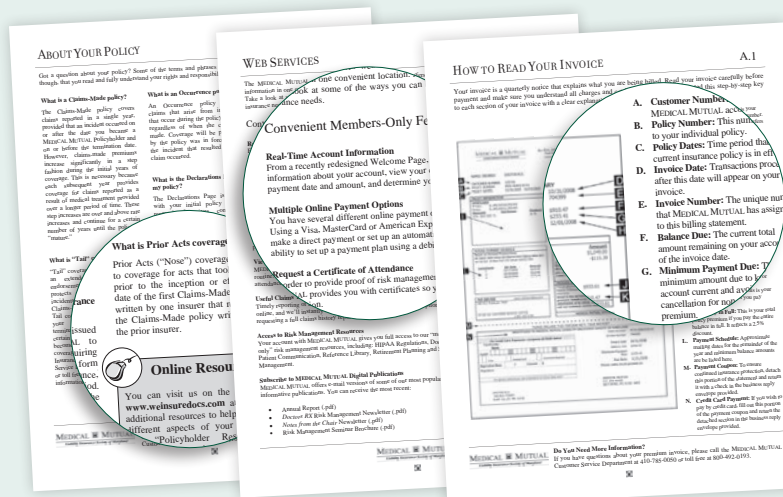
For the 15th consecutive year, the A.M. Best Company has reaffirmed its "A-" (Excellent) rating for MEDICAL MUTUAL. This solid financial rating and corresponding outlook (stable) reflects our sound financial management in concert with our strong Policyholder relations and our aggressive and effective claims defense. 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.



## New Policyholder Kit Can Help You Learn About Your Insurance Policy!



With dense descriptions, perplexing procedures and complex calculations, insurance can be a very arcane subject to someone outside of the industry. To assist our Policyholders in understanding what can sometimes appear to be a cryptic business, MEDICAL MUTUAL is pleased to introduce our new and informative Policyholder Information Kit. This guide will contain clear and concise explanations of the specialized language used in your policy and on your premium invoice. You can learn more about your insurance coverages and payment options, our claims and risk management services, our web site offerings and much more. The Policyholder Information Kit will be mailed to you with your 2011 policy renewal. If you have questions concerning the contents of the kit, please contact the MEDICAL MUTUAL Customer Service Department at 410-785-0050 or 800-492-0193.



*What do I do in the event of a claim?*

*What options are offered for paying my premium?*

*What risk management services are available to me?*

Answers to these and many other questions are included in the new MEDICAL MUTUAL Policyholder Information Kit.

The Policyholder Information Kit comes in a convenient pocket folder containing easy-to-read sections on:

- How to Read Your Invoice
- Payment Options
- In the Event of a Claim
- About Your Policy
- Risk Management Services
- Web Services
- Contact Information
- Insurance Glossary
- Calendar of Events
- More!



*The Policyholder Information Kit contains important information about your medical professional liability policy. Keep the folder handy for easy reference!*

## Risk Management Education Program Completed for 2010

The 2010 risk management education program, *Risk Management Protection for the Unpredictable*, has successfully concluded. By the time the final October session participants are counted, it is expected the attendance will exceed last year's total. This will also make 2010 our most heavily attended risk management education program ever. The new 2011 Physician and Office Staff risk management education programs will be announced in February. Brochures will be mailed to all Policyholders and information posted on our web site, [www.weinsuredocs.com](http://www.weinsuredocs.com). You can register for these programs online or by mail. For Doctors, three new seminar topics will be offered, along with the popular Specialty Specifics featuring programs created for eight specialties. Also, the "Case in Point" home-study publication that focuses on closed claims concerning communication issues will be available again next year for Doctors who have not already taken it. For medical office staff members, a new seminar topic will be presented as well as an innovative DVD-based risk management program called "Practice Management 101."



# Notes

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## October 2010 ISSUE

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- Court Upholds Non-Economic Damages Cap
- Online Podcast Library to be Introduced
- A.M. Best Reaffirms "A-" (Excellent) Rating
- Insureds to Receive Policyholder Information Kit
- Risk Management Programs Well Received

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