

FPIC Receives Endorsement from Polk County

Central Florida's Polk County Medical Association (PCMA) recently endorsed FPIC as the exclusive provider of professional liability insurance. FPIC is honored to have the PCMA join our growing list of county medical organizations.

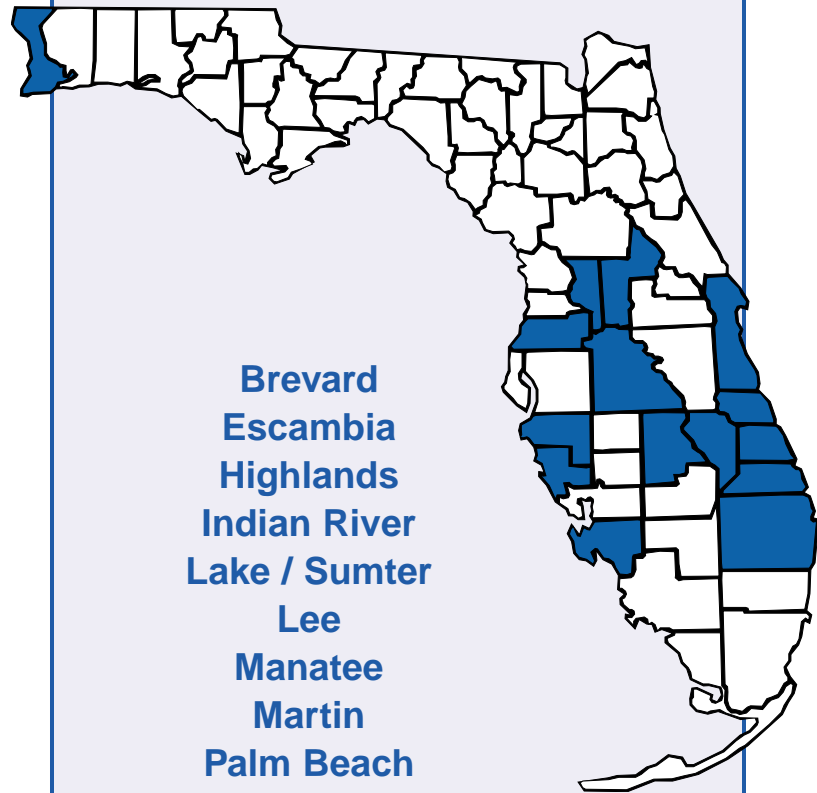
The 400 members serve as advocates for physicians and their patients. The Association is dedicated to the "cultivation and advancement of the medical sciences, the promotion of public health, the enactment and enforcement of just medical laws, the promotion of friendly communion among physicians and the guarding and fostering of their mutual interests, the enlightenment and direction of public opinion in regard to the great problems of medicine, so that the profession shall become more capable and honorable within itself and more useful to the public in the prevention and cure of disease and in prolonging human life." In addition the leaders work to unite "into one organization every honorable physician in Polk County, Florida, so that by intelligent unity and harmony in every phase of their labor they may make effective the opinion of the medical profession in all scientific, legislative, public health, social and material affairs; and with other county societies, to form the Florida Medical Association, and through it, with other State Associations, to form and maintain the American Medical Association."

Members of the PCMA are active within their community. In addition to hosting blood drives, the members also provide domestic violence shelter care packages, and work closely with the Polk County Health Department. The PCMA offices are also the location of the "We Care" program, which provides specialty care to indigent people.

As part of this endorsement program, FPIC is offering dues paying members a 5 percent discount off base premiums, as well as rewarding claims-free members additional discounts up to 25 percent for even greater savings. The claims-free discounts are based on the number of years a physician has been without a claim. (These discounts cannot be combined with any other program discounts.) FPIC will also institute its risk management program, *Partners in Prevention*, for insureds in order to minimize risk.

For information on the Polk County Medical Association endorsement or any of FPIC's endorsement programs, contact Patrick C. Ellis, Director of Market Development at 800-741-3742, ext. 3071, or email at ellis@fpic.com.

Florida County Endorsements



**Brevard
Escambia
Highlands
Indian River
Lake / Sumter
Lee
Manatee
Martin
Palm Beach
Pasco
Polk
St. Lucie / Okeechobee
Sarasota**

FPIC Frequently Asked Questions

Editor's Note: The questions and answers listed below are frequently asked of FPIC representatives and agents. The information should help policyholders when contacting FPIC.

How do I report a potential claim?

It is imperative that you notify FPIC immediately when you receive a notice of a claim or think that an incident may become a claim. Contact us at 800-741-3742, chose option 3, and then select option 1 to reach the "first report" representative. Timely reporting is necessary for FPIC to adequately process the claim and, if necessary, prepare a defense as FPIC has a limited time period in which to respond. Be prepared to provide FPIC with basic information regarding the incident including the general contact information for the physician: name, address, phone number, specialty as well as information about the patient or claimant. FPIC will also need the patient's name, age or date of birth, address, and the dates you rendered treatment. If you have received a summons, notice of intent, or request for records, you will be instructed to fax this information to FPIC. An FPIC claims handler will then contact you with 48 hours.

Who do I contact for questions regarding my billing?

Our highly trained, customer-oriented staff in Policyholder Services will be glad to assist you with billing inquiries. You may contact them at 800-741-3742, ext. 3217. Please have your policy number handy to assist your representative in expediting your call.

Who do I call for information regarding loss prevention techniques?

In addition to having the best professional liability coverage and services available, our policyholders are afforded the most comprehensive risk management products and services. The Risk Management Department at FPIC is dedicated to preventing losses and mitigating exposure to the unavoidable claim. The complimentary services include on-site risk management consultations and in-services, reference publications, specialty-specific medical and dental education programs, many of which qualify for CME, and an expansive website. In addition, FPIC offers numerous publications for use in your practice, including reference manuals, specialty specific loss prevention manuals, and quarterly newsletters. You may contact the FPIC Risk Management Department at 800-741-3742, ext. 3016, or rm@fpic.com.

How do I change any of the information on my policy?

For policy additions or changes, you need to contact the Policyholder Services Department at 800-741-3742, ext. 3217. Our courteous staff members are standing by to assist you with changes in limits, staff or addresses. You may be instructed by your representative to place your request in writing and send it to FPIC.

For all additional inquires contact us at 800-741-3742 and our operators will be happy to direct you, or visit our website at www.medmal.com. Our website contains a wealth of information that can be used to assist you.



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For information regarding this publication or to obtain additional copies contact FPIC's Communication Department, at 800-741-3742, ext. 3057, or e-mail: waller@fpic.com.

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Florida Hurricane Catastrophe Fund

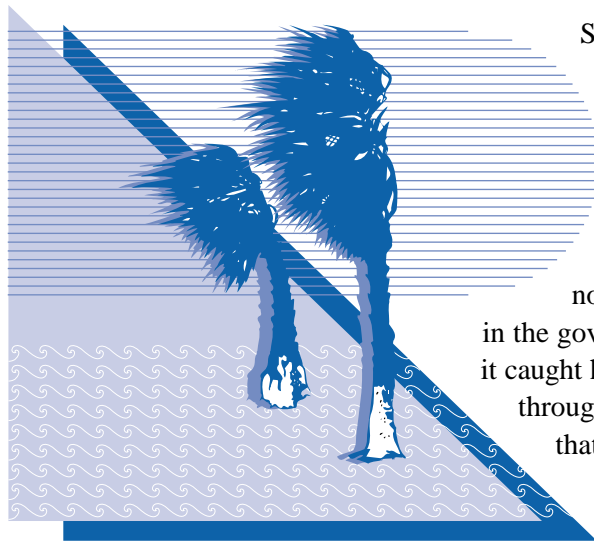
By Kurt Driscoll
Vice President of Government Relations

When the most recent legislative session began, rumors were rampant that the opponents of the tort reform legislation passed during Session 2003 “D” were going to sponsor numerous bills regarding additional regulation of insurance companies. Some legislators did not see where the new legislation changed the current tort system. With loss and defense costs chewing up approximately \$.80 of every dollar awarded, it is easy to see where changes in the laws need to be in order to effect the maximum amount of change on reducing insurance premiums. As a result of the rumors, the FPIC staff began preparing data, writing white papers, and discussing strategies that could be used to defeat any legislation that added to the cost of professional liability insurance premiums.

However, the leadership in each house found it more beneficial to their constituents to not allow insurance company regulation proposals to make it to the floor for voting. In addition, there were several favorable initiatives that also did not make it through the system.

An idea that caught on early in workshop and committee meetings involved hurricanes. As a result of losses caused by hurricane Andrew, there was a real possibility of most insurance companies pulling all of their property and casualty business out of the state of Florida. Many residents who live near coastal areas discovered that homeowners insurance was difficult to obtain. Insurance carriers could not bear the brunt of another hurricane like Andrew if they were going to survive. The solution was to pass legislation creating the Florida Hurricane Catastrophe (CAT) fund in the mid 1990s designed to provide reinsurance dollars that could be used to help cover losses from a major hurricane, such as Andrew. Through the use of assessments to current property and casualty insurance purchasers and potential assessments to all property and casualty insurance buyers (including medical malpractice) the CAT Fund could help sustain the insurance industry in Florida in order to keep the carriers from leaving the state or worse, going bankrupt.

During the 2004 Legislative Session, it was decided that due to inflation and the growth of coastal properties, increases in coverage with corresponding increases in rates and potential assessments are necessary. Several proponents of the increases sought to pass legislation that would increase potential assessments from a maximum of 6 percent to 10 percent. In theory this is a good concept, because it keeps Floridians from losing homeowner’s insurance or worse from our insurance carriers going bankrupt and being unable to pay losses resulting from a major hurricane.



Senator J. D. Alexander (R-S-17), refused to support any legislation that would increase malpractice premiums for the physicians in his district. Although deleting medical malpractice from the CAT fund assessment base was not a very popular option for many in the government or the insurance industry, it caught hold and continued to be discussed throughout the 2004 Session. The bill that passed gave many, medical malpractice insurers a three-year exemption from any hurricane assessments. This exemption for the hurricane years of 2004, 2005, and 2006 for medical malpractice, makes it impossible for the Hurricane CAT Fund to assess your premiums should there be a major hurricane within the next three years.

The exemption could result in holding off major premium increases that would be caused by assessments on medical malpractice in future years. The Florida Hurricane Catastrophe Fund could assess medical malpractice policies up to 10 percent of premium for 30 years. The current estimate is that if there are two major hurricanes in Florida during the next three years the cost would amount to a 7 percent assessment. Based on FPIC’s current premium volume, that savings would reach nearly \$336,000,000 over the 30-year life of those assessments.

FPIC was active in lobbying for this change to the CAT fund. This savings only affects you, our policyholders, not the shareholders. Any Florida Hurricane Catastrophe Fund Assessments are passed immediately on to the policyholders and do not affect the insurance company financials in any way. This recent exemption by the legislature proves that FPIC is “for the physician.”

FPIC Binding Arbitration

FPIC has created a binding arbitration program for use by our physicians in Florida. Under this program both parties agree to give up their right to have any medical malpractice claims resolved by a jury in a court of law. The claim is handled by a panel of three arbitrators. An arbitrator is like a judge, in that he or she listens to the evidence presented by both sides and decides whether malpractice occurred. If necessary, the arbitrators can issue subpoenas to compel witnesses to appear at the hearing or to obtain documents or other evidence. At the arbitration hearing, each party will be represented by their own attorney. Each party will have the opportunity to present evidence and witnesses, and cross-examine the other party's witnesses. The arbitration panel will listen to the evidence and render a decision. They apply the same laws that a court would, but the procedural rules are more relaxed and the hearing is less formal than a trial. Based on the evidence and the law, the arbitrators can award any amount or kind of damages that a court can award.

The benefits of binding arbitration include:

- Time Savings - disputes are resolved quickly.
- Cost Savings - because of the informality, arbitration hearings are less expensive than trials.

- Educated and Experienced Arbitrators - the arbitration panel will be more educated and experienced than the average jury.
- Finality - since the process is binding, the decision of the arbitrators is final and cannot generally be appealed, except on very limited grounds.

The FPIC program includes a copy of a standard arbitration agreement that FPIC would like participating physicians to use, a short video for patients to view before signing the agreement, and instructions for use.

FPIC's arbitration program offers two alternative arbitration agreements. Both agreements are the same except for one key provision. Our form "A" agreement requires patients to sign the arbitration agreement as a prerequisite to future treatment. The other agreement, form "B," permits a patient to terminate the agreement for a period of 30 days from the date the patient signs the agreement.

For additional information regarding FPIC's binding arbitration program or to request a copy, contact Amy P. Waller, Director of Communications, 800-741-3742, ext. 3057 or waller@fpic.com.

www.medmal.com

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