

MBS

Policy & Services Manual


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1. Introduction

1.1 Who we are?

MBS Insurance Services Inc. is a provider of Insurance related services. MBS Insurance Services Inc. has been in the industry for two decades.

1.2 Welcome Letter from our CEO

Welcome

I just wanted to say welcome and I am glad you have chosen to be our client! Tom Watson, Sr., the founder of IBM, said that to be great, a company needs a religion. Good advice, too, for a company like ours. Therefore, in this our first meeting, let me share my core beliefs about insurance, and you can see if they match yours.

First, I believe the purpose of insurance, first and foremost, is to protect you, not skimp on coverage to save a few pennies. Therefore, the companies we represent are chosen with very stringent criteria; the first being they will be around to pay your claim.

Second, I believe that a single measurement is worth a thousand opinions. That's why we dig deep to analyze the financials of every company we represent and don't rely on opinions, but proven strategies I have discovered by investing tens of thousands of dollars in due diligence. By the way we use these same techniques to discover your true insurance needs and design "Protection" to match

Third, I believe in selling with integrity. The MBS credo is we will always tell the truth dramatically. We won't lie, shortchange you, recommend coverage we don't believe in just to make a sale and we won't cut corners. Our mission to protect you with every tool we have in the box and we have a lot of them as you will soon discover.

Fourth, I believe that like a master builder, one can have the materials, the tools and the talent but unless they have a true understanding of what you need and want, the final product won't be in your best interest. Therefore, I promise that you will have someone here who will listen intently, dig deeply and use the tools we have to develop the insurance protection you need.

Thanks again for choosing us and I look forward to hearing from you soon.

Sincerely,

Michael R. Bernal-Silva

A handwritten signature in black ink that reads "Michael Bernal-Silva". The signature is written in a cursive style with a large, stylized initial "M".

President and CEO

2. What are the services MBS provides

MBS Insurance Services provides a variety of services related to the Insurance industry. This section deals with the various services and packages offered.

2.1 Important services offered

- Malpractice Insurance
- Billings Errors and Omissions
- Individual Life (Universal Life, Variable, Term)
- Disability and Business Overhead Expense Plans
- Office Contents and Premises Liability Insurance
- Group Major Medical
- Group Life and Group Disability Plans
- Workman's Compensation Insurance
- Business and Personal Automobile Insurance
- IRA'S, 401K's
- Mutual Funds, Bonds, Annuities
- Estate and Financial Planning
- Group and Partnership Buyout Agreements
- Deferred Compensation
- Homeowners, Jewelry and Fine Arts Coverage
- Commercial Insurance

2.2 Overview/Outline Of Services And Products Currently Provided To MBS Client Physician Practices (as of April 2007)

2.2.1 BUSINESS STRATEGIES

- Developing and implementing effective Business Plans
- Written goals and objectives – practice specific strategic planning
- New practice start-ups
- Marketing - business growth and development strategies

- Practice mergers, acquisitions and sales
- Internal resource allocation strategies relating to key financial drivers
- Risk Management Gap Analysis and resulting improvement and monitoring strategies
- RBRVS financial forensic analysis

2.2.2 BUSINESS TRAINING PROGRAMS

- Professional business skills management training for residents, owners and managers
- Customer training programs for staff
- Focused Selection Interviewing and Hiring System

2.2.3 BUSINESS SYSTEM DEVELOPMENT AND IMPLEMENTATION

- Selecting the appropriate software system
- Developing meaningful management and financial reports and internal Risk Management
- Implementing and monitoring effective billing and collection protocol
- Development of effective and “tailored” business skill training programs
- Developing and implementing and controlling effective management infrastructures

2.2.4 PRACTICE MANUALS

- Corporate Compliance Manuals and Implementation Strategies
- Employee Policy Manuals
- Physicians Policy Manuals
- HIPAA Manuals and Implementation Plans
- Reimbursement and Administration Manuals
- Procedures Manuals including job descriptions
- Clinical Procedures Manual
- OSHA/CLIA Manuals
- Emergency/Catastrophic Planning Manual

2.2.5 CONTRACTS – NON-LEGAL CONTENT DEVELOPMENT AND NEGOTIATION

- Medication Services
- Lease Agreements
- Managed Care contracts
- Physician and management Employment and Confidentiality Agreements
- Business Purchase Agreements and Promissory Notes
- Shareholder/Partner Agreements – Buy-in/Buy-out Agreements
- Mediation services
- Key Executive coaching services

MBS provides the expertise your practice needs to negotiate with all insurance carriers guaranteeing you get the best rate. We act as your personal buyers of insurance products...

For more info call 800-347-3417

2.3 Private Practitioner Enhancement Program

The following table summarizes the details.

Program Name	Description	Savings
<i>Silver Clients Free Services - All MBS Clients</i>	<i><u>Private Practitioner Enhancement Program</u> “Exclusive” and Powerful Three Letter Debt Collection “FREE”</i>	\$ 1,000
	<i>Basic Office Manager and Staff Training Seminar “FREE”</i>	\$ 295
	<i>Employee Liability Seminar workshop “FREE”</i>	\$ 195
	<i>Billing and Coding Seminar (two people) “FREE”</i>	\$ 495
	<i>“FREE” Report “How You Can - And Must Protect Your Practice From Financial Disaster” and Monthly newsletter</i>	\$ 99

<p><u>Gold Clients</u> <i>Premiums in excess of \$150,000 or 3 or more policies.</i></p>	<p><u>Gold Clients Additional Benefits</u> <i>401 (k) analysis/review/compliance studies</i> <i>1/2 Hour business consultation (phone interview) “FREE”</i></p>	<p>\$ 350 \$ 295</p>
<p><u>Quantum Clients</u> <i>Premiums in excess of \$250,000 or 5 or more policies</i></p>	<p><u>Quantum Clients Additional Benefits</u> <i>One hour “FREE” phone business consultation per practice and follow up report</i> <i>1/2 hour consultation (phone) with Employment Practices Attorney “FREE”</i></p>	<p>\$ 495 \$ 250</p>
<p><u>Platinum Clients</u> <i>Premiums in excess of \$500,000 or 10 or more policies</i></p>	<p><u>Platinum Clients Additional Benefits</u> <i>½ day business consultation per practice with written follow up “FREE” (some restrictions apply)</i> <i>1 hour consultation (phone) with our Practice Mergers Expert “FREE”</i> <i>Onsite Risk Reviews Office Procedures “FREE”</i> <i>1 hour consultation (phone) with Employment Practices Attorney “FREE”</i></p>	<p>\$ 1,500 \$ 450 \$ 275 \$ 500</p>
<p><i>Total Benefit Package</i></p>	<p><i>Total available value of “FREE” benefits for MBS Clients</i></p>	<p>\$ 6,199</p>

Some Services Cannot Be Combined. Call Office For Details.

3. Client Manual

The following sections describe the various procedures that clients need to do for various activities related to activities related to Professional liability programs offered by **MBS**.

3.1 Quotes

Follow the procedure below.

1. Complete the "Quick Quote" form.
2. Fax the completed form to SR. ACCOUNT EXECUTIVE at MBS INSURANCE SERVICES, INC.

If not sure, then call MBS at (800) 347-3417 and ext. 522 (Nicole Bahr/ prof. liab. seervicing dept. super.)

3.2 New Business Applications

1. Complete the necessary application and return it with all supporting underwriting requirements (refer to sample MBS New business cover letter)
2. Submit the Claims History Release forms (refer to attached forms and complete and return any "applicable" forms and fees. This has to be done for each applicant.

Important: All carriers require the completed publication and all required supporting underwriting requirements at least 2 weeks prior to any requested effective date. refer to the MBS Insurance services, inc. sample new business cover letter.
--

3.3 Binder (All Carriers)

Only the carriers are authorized to issue binders. You must contact MBS insurance services, inc. at (800) 347-3417/EXT. 300/OPERATOR

3.4 Certificates of insurance (renewals and/or new business)

1. Contact MBS Insurance Services, Inc. as this requires the carriers' approval "prior" to issuance.
2. Certain carriers may require a "written" request" when a "specific" certificate holder is not on file with that carrier.

Important: Some carriers may require 5 to 7 days to process a certificate of insurance. therefore, please allow sufficient time for this request.

3.5 Payment options (renewal and new business)

1. MBS Insurance Services, Inc. will forward the applicable carrier payment option cover letter.

3.6 Adding a healthcare provider and/or legal entity (other than a dba and/or trade name)

1. Refer to new business application (section 3.2).

Note: If your current policy term was financed, and if there are at least 5 remaining instalments, MBS will contact the current finance company for a "loan endorsement agreement" if one is available.

3.7 Deleting a healthcare provider and/or legal entity (other than a dba and/or trade name)

Important: The following pertains to other than "suspension of coverage". any requests for "suspension of coverage" must be discussed with your current mbs account executive In addition to this if the policy form was claims-made, the carrier will forward the extended reporting coverage document or notice detailing your options and deadlines.

3.7.1 Princeton Insurance Company

A. Requires a cancel accord form to be completed "prior" to the requested cancel date. It is important that this date should be the day after the last date practiced.

B. The document needs to be signed by the employer and employee, if applicable, or if in the case of an individual only, then by the individual.

C. The carrier always has the final underwriting decision regarding the cancel effective date.

3.7.2 Pro National/Pro Assurance

This carrier will accept either a cancel accord form or a written request.

A. Cancel accord.

- A1. To be completed “prior” to the requested cancel date. It is important that this date should be the day after the last date practiced.
- A2. Signed by the employer and employee, if applicable, or in the case of an individual only, then by the individual.
- A3. The carrier always has the final underwriting decision regarding the cancel effective date.

B. Written request (must include):

- B1. Healthcare provider name.
- B2. Date of cancel (should be day after the last practice date).
- B3. Reason for cancellation.

3.7.3 MD ADVANTAGE

Must contact MBS Insurance Services, Inc. as this carrier requires their own form and forwards upon request.

3.7.4 NJHPIX

Refer to PRO NATIONAL/PRO ASSURANCE for details.

3.7.5 CONVENTUS

Refer to PRO NATIONAL /PRO ASSURANCE for details.

3.7.6 PRI/NY or PRI/PA

Refer to PRO NATIONAL /PRO ASSURANCE for details.

3.7.7 ACE/ Atlantic Employer Group (only if mid-term)

A. Cancel accord.

- A1. to be completed “prior” to the requested cancel date. It is important that this date should be the day after the last date practiced date.
- A2. The document is to be signed by the employer and employee if applicable, or in the case of an individual only, then by the individual.
- A3. The carrier always has the final underwriting decision regarding the cancel effective date.

B. Written advisement (only if non-renewing upon expiry date)

3.8 Locum Tenens

All carriers require an application at least 2 weeks prior to any requested effective date.

Please refer to the new business application section.

Submission does not warrant coverage. The carrier will advise as to their decision.

Important: Princeton insurance company's underwriting guidelines allow for 4 instances and a maximum of 60 days within a paid policy term. The applicable Princeton insurance company's locum tenens form is required with any other supporting underwriting requirements. Please refer to the new business section and new business cover letter for other requirements. All other carriers' underwriting guidelines vary. MBS insurance services, inc. would need to contact the carrier.

3.9 Part-time credit

All carriers require their applicable form. The carrier always has the final decision in any underwriting matter.

A. Princeton insurance company.

21 hrs/per wk at all practice locations and all scopes of duties.

B. Ace/Atlantic employer group (chiropractors only).

B1. 20 hrs/per wk at all practice locations and all scopes of duties.

B2. 10 hrs/ per week at all practice locations and all scopes of duties.

Note: This carrier's underwriting guidelines may limit the allowable credits applicable.

C. MD Advantage

Not all specialties are eligible for this credit. The carrier will review and advise as to their underwriting decision.

20 hrs. per week at all practice locations and to include all scopes of duties.

D. Pro National/Pro Assurance

Various part-time categories. You must contact your MBS acct. exec.

E. Conventus

Various part-time categories. You must contact your MBS acct. exec.

F. NJHPIX

Various part-time categories. You must contact your MBS acct. exec.

G. PRI-NY/ PRI-PA

Various part-time categories. You must contact your MBS acct. exec.

3.10 Full-time (increasing practice hours)

All carriers require a "written" request (must include):

A. Reason for increase in hours

B. Advisement if increase in hours pertains to the current practice location or if due to an additional practice location.

C. If due to an additional practice location, then complete information is required for this additional practice location and to include status of employment (such as independent contractor or payroll employee)

D. Number of hours pertaining to this request.

E. Effective date of this request.

3.11 Increase Limits

Must contact MBS Insurance Services, inc as each carrier requires their own form plus may have "waiting periods" if eligible.

In addition, if the policy form was claims-made, the carrier will need to review and discuss further with your account exec.

3.12 Decrease Limits

Must contact MBS insurance services, inc as each carrier requires their own form plus may have "waiting periods" if eligible.

In addition, if the policy form was claims-made, the carrier will need to review and discuss further with your account exec.

3.13 Risk management credit (see below):

ACE/ATLANTIC EMPLOYER GROUP (CHIROPRACTORS ONLY)

Prior to expiry date, an updated educational seminar certification must be submitted with the renewal application and all other required underwriting supporting documents.

MD ADVANTAGE OF NEW JERSEY
(WWW.MDADVANTAGEONLINE.COM)

PRINCETON INSURANCE COMPANY
(WWW.PRINCETONEASYACCESS.COM)

PRONATIONAL INSURANCE COMPANY
(WWW.PROASSURANCE.COM)

PRI-NY
(WWW.PRI.COM)

PRI-PA
(WWW.PAPRI.COM)

NJHPIX
(WWW.NJHPIX.COM)

CONVENTUS INTER-INSURANCE EXCHANGE
(WWW.CONVENTUSNJ.COM)

3.14 Address Changes

All carriers require a written request (must include):

- A. Is this address for billing and correspondence or a “physical” practice location.
- B. Is this address a “residential” address or “business” address.
- C. Is this address a home/office address.

D. If business address, then are you an owner, employee, or independent contractor.

3.15 Intent to cancel/default notices, cancel notices or policy cancel endorsement declaration pages (received from the carriers) –

A. Princeton Insurance Company

Important: Even if payment was forwarded, the carrier has the right to decline reinstatement if your past payment history no longer meets the Princeton insurance underwriting criteria for continued coverage. They would notify you as to such and would return any premium payment received. Therefore, it is important to contact our office upon receipt as we will need to contact the Princeton insurance company underwriting dept. as to their decision regarding this matter. if you had contacted the Princeton insurance company directly, then please advise our office as to such and we will confirm their decision.

B. Ace/Atlantic employer's group

Even if payment was forwarded, the carrier has the right to decline coverage if the payment was received after your expire date. You would have also received the ace expire letter directly from this carrier and a copy of same from MBS. Therefore, it is important to contact our office upon receipt as we will need to contact the Ace/Atlantic employer group's underwriting dept. as to their decision regarding this matter.

C. All Other Carriers

Require MBS insurance services, inc. contacting the carrier's underwriting dept. for their decision.

3.16 Cancel notices or cancel "policy" endorsements or declaration pages (received from the finance companies)

A. Princeton Insurance Company -

Important: Even if payment was forwarded, the carrier has the right to decline reinstatement if your past payment history no longer meets the Princeton insurance underwriting criteria for continued coverage. They would notify you as to such and would return any premium payment received. Therefore, it is important to contact our office upon receipt as we will need to contact the Princeton insurance company underwriting dept. as to their decision regarding this matter. if you had contacted the Princeton insurance company directly, then please advise our office as to such and we will confirm their decision.

B. Ace/Atlantic employer's group

Even if payment was forwarded, the carrier has the right to decline coverage if the payment was received after your expire date. You would have also received the ace expire letter directly from this carrier and a copy of same from MBS. Therefore, it is important to contact our office upon receipt as we will need to contact the Ace/Atlantic employer group's underwriting dept. as to their decision regarding this matter.

C. All Other Carriers

Require MBS insurance services, inc. contacting the carrier's underwriting dept. for their decision.

4. Business, Workers Compensation, Commercial Umbrella Policies

4.1 Quotes

1. Insured completes quote form for either BPO or WC.
2. Quotes all processed on line with the carrier.
3. Proposal faxed to insured for acceptance.

4.2 New Business Application

1. Complete an accord form for coverage being requested and fax to insured for signature.
2. Process policy on line to bind. Some policies may require underwriting review depending on location (coastal) etc. Underwriter will send e-mail to let us know if approved.
3. Workers comp policies have a "nj notice of election" form which also must be signed if a sole prop or llc entity wants to "reject" or "accept" coverage for the owner. Corp. owners covered-have no choice.

4.3 Certificate of Insurance

1. Once the policy is issued and approved, a certificate is faxed/mailed to the insured, landlord (if needed) leinholders, etc. A deposit of 25% can be collected at this time from the insured or billed by the carrier.
2. Actual policies received within two weeks from the carrier and mailed to the insured with various MBS form letters.

4.4 Endorsements

1. Add/change locations, add/change leinholders, increases, etc. A quote form is processed again and new accord form for change of locations must be signed for our file records. The accord form can then either be faxed to the service center for all accounts serviced with them or non-service center accounts can be issued on line by MBS. If certificate is needed, then the same procedure as above is to be followed.

Note: Service center can issue certificates also; however, if needed by the client immediately, we will issue as the service center may take a couple days to process.

4.5 Business Insurance-PRINCETON INSURANCE COMPANY

1. QUOTES

Insured must complete and sign a Princeton application. Quotes are processed manually. Proposal faxed to insured for acceptance. Cannot bind coverage. Applications are faxed to Princeton for underwriter approval.

2. Once approved, a “binder” is issued and faxed to the insured. a policy and bill is sent to MBS within 30 to 45 days and mailed to the insured with various MBS form letters.

4.6 All Carriers

If insured wants to cancel a policy as they are moving, no longer have an office or employees (workers comp), etc., they must signed a cancel accord form to be submitted to the carriers for processing.

5. CHUBB Auto and Homeowners

5.1 CHUBB Auto

Procedure to follow

1. Fax Declaration page of present coverage to: Chubb Solutions, attention Ricki Lynn, at 888-382-7115.

List of Required Information

1. Insure
d's Name and Address, and Drivers License numbers for all Licensed Drivers
2. Social Security Numbers for the two named insured
3. Prior Limits of Liability

Note: Chubb will not write less than \$300,000 single limit of liability.

4. Year, Make, Model and VIN's for all vehicle
5. Comp and Collision Deductible
6. Garage location if different
7. Away at school over 100 miles.

Note: Chubb DOES NOT run MVRs or Clue Reports. All quotes are based on no tickets or accidents.

Required Auto Application

1. Accord NJ Personal Auto Application with ORIGINAL signature.
2. NJ Private Passenger Supplemental New Line Application, Documentation requirements with ORIGINAL signature
4. If insured has an Homeowners with Chubb, an Acceptable Waiver of NJ Pre-Inspection Requirement form
5. If they do not have an Homeowners with Chubb, a CARCO Photo Inspection form and an Acknowledgement of Requirement for Pre-Insurance Inspection form with ORIGINAL signatures
6. NJ Standard Automobile Insurance Coverage Selection Form with ORIGINAL signature.

7. A check and all required documents are sent or sent overnight to:

Chubb Insurance

202 Halls Mill Road

Whitehouse Station, NJ 08889

We do not have binding authority. Chubb will issue proof of coverage when policy has been approved. We cannot send ID Cards.

Endorsements can be called in or faxed to Chubb. Change requests must be signed by the insured and kept on file.

5.2 Chubb Homeowners

Required Information

1. Complete a Chubb Worksheet

List of Required Information

1. Name
2. Address
3. Phone Number
4. Occupation
5. DOB
6. Social Security Number
7. Effective Date of Coverage
8. Liability
9. Fire station/fire hydrant
10. Year built
11. Dwelling Amount. Note: Chubb inspects all Homes. Their appraisals may be different.
12. Year plumbing, electrical, heating and roof were updated
13. Any losses
14. Mortgage Company

Fax application to Chubb Solutions at 1-888-382-7115, attention Ricky Lynn. After they quote, approve for issue.

Evidence of Insurance is then faxed to Mortgage Company and Paid Receipt if needed.

Endorsements can be called in Directly to Chubb Solutions. Appraisals for jewelry over \$50,000 must be submitted to Chubb.

Personal Umbrella

This can be added to the homeowners policy by adding vehicles and property owned. This is a little cheaper than writing a separate policy. However this can also be written on a separate policy. The information is listed on the Chubb Worksheet and called in to Chubb for a separate policy quote.

6. Travelers Auto and Travelers Homeowners

6.1 Travelers Auto

Follow the procedure below

1. Have prospect fax a Declaration Page of present coverage or complete a Quote Sheet.

Required Information

1. Insured's name and address, drivers license numbers and DOB for all licensed drivers.
2. Social Security number for the primary named insured
3. Year, Make, Model and VIN s of all Vehicles
4. Comp & Collision Deductibles
5. Garage location if different
6. Away at school over 100 miles
7. Quotes are done on Travelers website. Once the quote is done. Print the Acord Application from the website. Also need Fraud Statement, Quote and Coverage Selection Form Signed by Insured. Faxed signatures are accepted. Application and other required forms are for our records only. Do not forward to Travelers. A down payment is required on all auto policies unless it will be EFT billed.

Id cards can be typed from the template from the website

Endorsements processed on line. If they are still with First Trenton, these must be faxed to the Travelers Servicing team. Change requests are sent to the insured for signatures to be kept on file.

6.2 Travelers Homeowners

Follow the procedure below

1. Have prospect fax the Declaration Page of present coverage or complete a Homeowners Quote Form.

Required Information

1. Name of Insured
2. DOB
3. Social Security Number
4. Amount of Dwelling Coverage
5. Year built
6. Construction of Home
7. Central Station Burglar Alarm
8. Heat Source. If oil, where is tank?
9. Fire hydrant and fire department
10. Over a mile away from ocean/bay
11. Pool
12. Any claims in the last three years

Quotes are done on Travelers website. Quotes faxed to insured along with Accord application for signature. Policies issued directly on line. Collect 25% downpayment or percentage given on Travelers website. Policies are received within a couple of weeks and mailed to insured with MBS Letter. If coverage needed for closing, Evidence of Insurance and a Paid Receipt is faxed to the bank. A personal umbrella can also be quoted along with the homeowner quote. An accord form must be signed by the insured.

Endorsements all processed on line unless they are still with First Trenton. These must be faxed to the service center for processing.

7. Employment Practices Liability

HARTFORD

Can be quoted right on the Business Policy. starting premium \$1250 for \$100,000/200,000. Need employee count.

ROCKWOOD

Can be quoted on line or application can be completed and faxed or e mailed to underwriter for quoting. Starting premium is \$1200 for \$250,000. Coverage can only be bound by the company upon receipt of acceptance and original signed application. Claims made coverage only.

7.1 Bond Policies – Hartford-Travelers and Great American

1. Coverage can be added to business policies for pension bonds.
2. Great American can provide coverage for all other types of bonds, court bonds, license bonds, etc. Application must be completed and submitted to the carrier for approval. Policies are issued by the carrier within a month and are on an agency bill. We invoice the client when the policy is mailed.

7.2 Flood Insurance-Travelers

1. Quotes can be processed on line. If the insured is in a flood zone, the insured should get an elevation certificate. However the processing can be done without one too. There is a 30 day wait unless it is for a loan. Applications can be printed from travelers web site for insured's signature. A photo of the front and back of the property must be sent to us via e mail to transmit to the carrier. Policy cannot be issued without photos. Payments can be made via credit cards or check. Policy cannot be issued without payment

8. Renewal

8.1 Renewal Procedure

Malpractice insurance companies are constantly changing their rates and policies each year and our job as your agents is to analyze the market and then make our recommendations. This is how we do it.

Your malpractice renewal is compared with all the other companies in New Jersey (except NJ Pure). We look at the following factors:

1. Their rates
2. Coverage offered
3. Your situation
4. The stability of the carrier, their claims department.

We then make a spreadsheet out of our answers so that you can make an educated decision.

Your Professional Future Is Our Major Concern.

As a physician, your livelihood depends on the quality and stability of your malpractice carrier so choosing the right coverage and company becomes extremely tricky. With the price wars over and the casualties falling from sight, everyone clearly recognizes price alone is not the governing factor in choosing a company.

The Absolute Fact of Life...This marketplace is fueled by one dominating factor, claims.

The quality of medicine practiced has taken a back seat to the number of claims filed against a physician, even if they are frivolous. Understanding that fact, these questions need answers before any decisions are made.

1. What is your insurance company claim department philosophy?
2. Are attorneys on the bottom of the list handling your cases?
3. Does your insurance company allow you to pick your attorney from a list?
4. Does your insurance company have an appeal process for rate increases and policy turndowns?
5. What is their approach to cases that have a potential in excess of the policy limit (bad faith).
6. Did you know personal counsel can cost you up to \$50,000 and in most instances is unnecessary?
7. Do you know which carrier will provide attorneys for your deposition in non-medical malpractice situations?

8. Did you ever wonder if carriers are obligated to assist you in Board of Medical Examiner issues?
9. Which carriers will provide forensics?
10. Does your carrier provide a witness preparation service?

As part of our ongoing expansion of services for our clients, we also analyze the following information:

1. Comparison of claim departments for the existing carriers
2. Analyze financial ratios including solvency issues.
3. Review discount and surcharge policies and policy language including all clauses and riders.
4. Review the experience of claim departments.
5. Do they routinely handle Board of Medical Examiner issues?
6. What is their knowledge of venues and judges?
7. Will they assist you or supply an attorney in a deposition for a non-medmal issue?
8. What is their long-term plan?
9. Will they remain in New Jersey?

In a nutshell, our job will be to insure that any claim you may have is handled fairly and the not to the advantage of the insurance company.

If you have any questions please call me 800-347-3417 ext. 500

Michael Bernal-Silva

8.2 How To Prepare A High-Quality Renewal Submission

Although the provider's agent or broker should be an expert in medical professional liability insurance, no one outside the healthcare organization knows the organization's risk management program, insurance program, and corporate structure as well as the administrative staff.

In the current market, the renewal submission documentation **must be prepared in a thorough and timely manner**. Four to six months before the renewal date is an appropriate time to begin meeting with the agent or broker charged with presenting the renewal submission. Rather than completing documents for a standard submission, **buyers should be prepared to build a best case by presenting a historical picture of the risk**. In reviewing the renewal submission, healthcare organizations should:

- Be creative in the use of a renewal narrative describing the risk-management structure, including credentialing, early-warning systems for adverse patient outcomes, claim interventions and expertise, quality of outside defense counsel, and favorable existing or pending state legislation;
- Provide detail on all large losses, and indicate what remedial measures ensued;
- Disclose all joint ventures and the ownership interests therein; and
- Review plans for new corporate structures and programs that will affect the liability exposure, including those that may reduce risk, such as

Medication administration systems

Computerized medical records, or

Any other technology that promotes patient safety

- Reinforce commitment to patient safety and education

The release of two reports by the *Institute of Medicine* in the past two years has heightened the focus of the healthcare industry on patient-safety initiatives and clinical risk management. The second report, "Crossing the Quality Chasm: A New Health Care

System for the 21st Century", strongly advocates using a **systems approach to reduce clinical risk**.

The Agency for Healthcare Research and Quality released a report in July 2001, enumerating **evidence-based patient-safety practices that have been proven to be effective in reducing poor patient outcomes and injuries**. These documents should be given serious consideration in formulating risk management strategies.

The increasing cost of malpractice insurance and related costs are additional reasons for providers to increase their focus on patient safety. Clinical risk management should become deeply embedded in providers' operational structure **and strategic planning**. When providers assume more risk through self-insurance, it is vital that the clinical risk-management department charged with risk-control responsibilities communicate with the finance department charged with risk-financing responsibilities.

Pay attention to carrier financial ratings. A gourmet chocolate shop had a prominent sign that read "Cheap chocolate is not good chocolate." The same is true of cheap insurance. In the face of multiple malpractice carrier failures, buyers need to know the financial ratings of their insurance companies. **Carrier financial conditions, not just the lowest price, should be given great weight in the purchasing decision.** Because financial conditions can deteriorate quickly carrier financial statements and narratives prepared by rating agencies such as A. M. Best and Standard & Poor's should be reviewed at least annually to determine whether the

company's rating has changed. Malpractice carrier failures have left thousands of insureds with virtually worthless policies and the need to purchase expensive replacement coverage to bridge gaps in a provider's insurance program. Carriers that have experienced recent downgrades should be avoided, as should any company with less than an A- rating from A. M. Best. Healthcare organizations should make every effort to place malpractice insurance coverage with carriers that have the highest financial ratings.

9. Appendix

9.1 List of

9.2 Sample

Notes