



notes

FROM THE CHAIR OF THE BOARD

PROFESSIONALS ADVOCATE® Insurance Company

December 2012

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2013 Premium Rates to Remain Unchanged

Moderation in claims frequency allows for no rate increase from 2012.

New Online Services Available for Insureds

Login Assistance feature added to proad.com; new mobile site coming soon.

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

ProAd continues to maintain the financial strength and stability needed in order to protect your practice.

e-dataRESPONSE Provides Essential Privacy Breach Coverage

Protection for you and your practice in the event of a privacy breach.

Risk Management Education Program Concludes for 2012

2013 programs to be announced in February, including a new *Case in Point* home study option.

Dear ProAd Insured,

Doctors are always delighted to deliver good news...and I am no exception! I am pleased to report that Professionals Advocate will not be taking a rate increase in 2013. The frequency of malpractice claims against our Doctors has remained stable in recent years, which when combined with continued good success in claims resolution, has allowed us to avoid a rate increase. We understand the financial pressures faced by Doctors and we work hard to keep the price of our insurance as low as possible. As an additional positive development, A.M. Best has reaffirmed its positive rating for ProAd, highlighting the commitment ProAd makes to operating and investing in a fiscally sound and responsible manner.

This issue of *Notes from the Chair* newsletter also includes timely information about our new **e-dataRESPONSE** and **e-dataRESPONSE+** privacy breach response coverages available for Insureds. Considering the highly protected nature of the personal information stored by Doctors in electronic and printed form, and the stronger "duty of care" placed on Doctors by HIPAA regulations, we advise you to learn more about how these coverages can help protect your practice.

In other news, the response to our 2012 risk management programs has been highly positive and we have rolled out some excellent web services with a new, feature-packed mobile version of our web site coming very soon.

ProAd is grateful for the confidence you place in us and we work hard every day to earn that trust. We have never wavered in our commitment to provide a strong defense against malpractice claims. Thank you for your loyalty and support. We look forward to continuing to serve you in 2013.

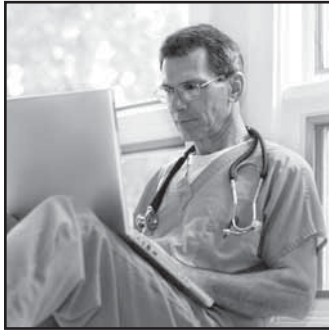
Sincerely,

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

2013 Premium Rates to Remain Unchanged

Supported by the continued moderation in the frequency of claims, Professionals Advocate is pleased to announce there will be no rate increase for 2012 renewal policies. This is the ninth consecutive year ProAd Insureds have had no price increase on what they pay for professional liability coverage.

This does not take into account any additional changes that may affect your individual rates, such as claims-made step increases or other policy coverage adjustments. If you have questions concerning your policy or renewal premium, please contact your ProAd Insurance Agent/Broker or call the ProAd Customer Service Department at 800-492-0193 or 410-785-0050.



New Convenient Online Services Available For Insureds

If you have visited the ProAd web site at proad.com, you already know that we offer a wide variety of convenient, online Policyholder services. Insureds who sign up for an online account have access to additional services that are only available on our secure web site. All of these web services are free and available 24 hours a day, seven days a week. Professionals Advocate continuously works to improve the online experience of our Policyholders and will introduce several new features in the coming months.

Login Assistance

ProAd has introduced a new web feature called Login Assistance. Insureds can visit proad.com at their convenience and create their own online account and password in minutes. Users can also retrieve forgotten usernames and passwords quickly and easily with new assistance prompts.



ProAd Mobile

Coming soon in 2013 will be ProAd Mobile, a mobile version of the ProAd web site that will make it easier than ever for our Insureds to get help or information whenever they need it. ProAd Mobile is free, easy to use and available on any mobile phone with Internet access. Initial features that will be available include:

"My Account" Access

View real-time details about your account, including billing and payment information, policy specifics, risk management attendance and more.

Claims

Important information for reporting claims and the immediate steps that need to be taken in the event of a claim or lawsuit.

Risk Management

The latest details on upcoming education programs, as well as step-by-step directions or turn-by-turn navigation to program locations.

Podcasts

Access to our full library of podcasts, with helpful topics on claims, risk management, communication issues and much more.



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

Once again, Professionals Advocate Insurance Company has been rated "A-" (Excellent) by the A.M. Best Company. This solid financial rating is a reflection of 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. ProAd will continue to work to be a dependable source of liability coverage for Virginia Physicians.

e-dataRESPONSE Provides Essential Privacy Breach Coverage

As the availability of personal medical and financial information on the Internet and in digital form continues to increase, so does the risk that sensitive patient information can be unintentionally exposed. In the event that your practice experiences a privacy breach, no matter the circumstances, you will be held legally responsible for the consequences. Professionals Advocate Insurance Company has added new **e-dataRESPONSE** and **e-dataRESPONSE+** coverages that can provide you with expert guidance and support in the event of a privacy breach.

e-dataRESPONSE provides you with a basic level of privacy breach coverage for a variety of regulatory and liability costs related to the breach of electronic or paper records. This enhancement is included in your current MedGuard coverage with no deductible or additional cost to you. The coverage* includes payment, on behalf of an Insured, for out-of-pocket expenses due to:

- Legal services to respond to or defend a privacy breach
- Computer security consultant services to determine cause and extent of a covered data breach
- Legal defense against a civil action due to a privacy breach
- Government fines and penalties due to a privacy breach
- Fees and other expenses you are legally obligated to pay to implement credit monitoring or other mitigation for persons affected by the breach

More comprehensive protection from the work and expense of a breach is available with our **e-dataRESPONSE+** standalone privacy breach response coverage. While basic privacy breach coverage provides limited reimbursement for expenses and some assistance in managing the breach, your responsibility for the breach can be considerable. This can include researching the extent of the breach, determining what steps are needed to comply with applicable laws, notifying all relevant individuals, identifying and providing appropriate credit monitoring for the victims of the identity theft, and responding to regulatory and civil proceedings. In the event of a significant breach, the scope and costs of these efforts can quickly exceed the basic coverage. Purchasing **e-dataRESPONSE+** standalone privacy breach response coverage can provide all these services and more for your practice. For more information, contact our Customer Service Department at 410-785-0050 or 800-492-0193.

Why is Privacy Breach Response Coverage Important?

- Doctors work in one of the most highly regulated industries. HIPAA regulations require that Personally Identifiable Information (PII) or Protected Health Information (PHI) be handled with a stronger “duty of care” than required by most other businesses.
- Identity theft is the fastest growing crime in America. Personal medical data for more than 11 million people were improperly exposed during the past two years.
- The medical profession accounts for nearly 25% of all reported privacy breaches.
- If records are lost, Doctors can face: significant government fines and penalties; extensive legal, notification, forensic and credit monitoring expenses; damages and expenses arising from a breach-related civil suit.
- Privacy breach response coverage can provide meaningful protection and reimbursement in the event of a loss of electronic or paper patient records.

* As with any insurance coverage, the premiums for, and the coverages provided by, Professionals Advocate, including all terms, conditions, and exclusions are set forth in your policy and related documents. The descriptions contained in this article are intended only as a general description of how ProAd e-dataRESPONSE coverage works. These descriptions do not refer to your specific premium and are not a substitute for reading your invoices and any policy provisions related to your premium. Please check with your local Professionals Advocate agent or broker or the Professionals Advocate Customer Service Department if you have any specific questions about this coverage or your policy.

Risk Management Concludes Successful 2012 Education Program

The 2012 risk management program, *Litigation is a Constant Threat for Doctors*, has successfully concluded. More than 1,200 Doctors participated in the program, potentially reducing their liability risk as well as earning a 5% premium discount and CME credits.

Two new topics were offered on timely and relevant medical issues. We also offered the popular *Case In Point* home study course, an in-depth review and analysis of a collection of closed claims focusing on communication issues.

Details on our next education program will be mailed in February 2013, including information on *Case in Point II*, which will focus on issues pertaining to proper documentation.



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