



notes

FROM THE CHAIR OF THE BOARD

PROFESSIONALS ADVOCATE® Insurance Company

December 2014

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Premium Rates Remain Unchanged

ProAd will not be taking a rate increase in 2015.

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

Strong rating issued in recognition of ProAd's financial strength and stability.

News Briefs from ProAd Risk Management

A reminder on meaningful use (CEHRT), plus information on our EMR and HIPAA resources pages.

e-dataRESPONSE+ Now Available for Purchase

e-dataRESPONSE+ can protect you and your practice in the event of a privacy breach.

Enhancements Added to MedGuard

New coverages include RAC audits, identity theft and more.

Claims Portal Coming Soon

Secure site offers personalized information and litigation support in the event of a claim.

Dear ProAd Insured,

I am happy to announce that ProAd will not be taking a rate increase in 2015. We are proud to be able to deliver this price stability to at least one expense facing our Doctors. As a Doctor-owned and directed company, Professionals Advocate understands the challenges and financial pressures that you face. We will continue to work to keep the price you pay for professional liability insurance as low as possible.

As December winds down and we begin to look ahead to 2015, it's always nice to end the year with more good news. As you read this issue of *Notes from the Chair*, you will see that we have been hard at work creating timely and helpful new services, such as our EMR and HIPAA resource centers. We will also be offering our new Claims Portal, a comprehensive tool that will provide Insureds with in-depth information and support in the event that a claim is filed. In addition to these new services, we also continued to improve upon services that we already offer, like the numerous enhancements made to our MedGuard coverage. We were able to do all this while still maintaining our strong A.M. Best financial rating and offering you the high quality customer service that is the hallmark of Professionals Advocate.

ProAd is extremely grateful for the trust you place in us, and we work hard every day to earn that trust. Thank you for giving us the opportunity to serve you. We welcome your comments and suggestions.

Sincerely,

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

2015 Premium Rates to Remain Unchanged

The Professionals Advocate Insurance Company will not be taking a rate increase in 2015. Our current rate stability can be attributed to continued favorable loss experience, coupled with the current sound financial position of the company.

The renewal premium rate does not take into account any 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 change. If you have questions concerning your policy or renewal premium, please contact your insurance producer, agent or broker, or call the ProAd Customer Service Department at 410-785-0050 or 800-492-0193 (toll free).

A.M. Best Reaffirms “A-” (Excellent) Rating for ProAd

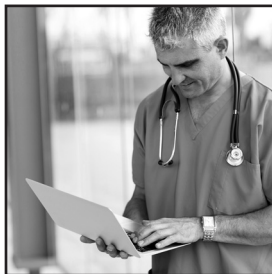
The A.M. Best Company, the world’s oldest independent insurance rating agency, has issued an “A-” (Excellent) rating to Professionals Advocate. A.M. Best ratings are assigned after an extensive quantitative and qualitative evaluation of a company’s balance sheet strength, operating performance and business profile.

“We are very pleased that A.M. Best recognizes our sound financial position,” said Mary Lura Duvall, Senior Vice President and Chief Financial Officer. “ProAd’s Policyholders know they can depend on us for the strength and stability needed to protect their practice and professional reputations.”



2014 is the 11th consecutive year that A.M. Best has recognized ProAd with an “A-” (Excellent) rating.

News and Notes from the ProAd Risk Management Department



Meaningful Use – CEHRT Reminder

Policyholders are reminded that Medicare-eligible professionals need to demonstrate meaningful use of Certified Electronic Health Record Technology (CEHRT) for a 90-day reporting period in 2014 to avoid being subject to a 1% penalty. The penalty will increase in subsequent years, up to a maximum of 5%, should the provider continue to fail to demonstrate meaningful use. Please refer to the CMS website for more information: http://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/Downloads/PaymentAdj_HardshipExceptTipSheetforEP.pdf (For your convenience, this link is available on our web site at: **proad.com**)



ProAd EMR Resource Center Provides Important Guidance

Although the benefits of Electronic Medical Records can be significant — including improved safety and quality of care, convenience for patients and, potentially, better outcomes — the challenges of implementing and using an EMR system can prove daunting for many medical practices. There is a potential for confusion and errors that can be frustrating, costly and even dangerous. To assist you, ProAd offers an EMR resource center on our web site. This content area is designed to help our Policyholders navigate through the complex issues that arise with the adoption and use of an EMR system. The materials provided cover a broad range of important topics related to EMR, from introductory information about EMR selection and implementation, to government incentives and risks associated with EMR usage. To view the EMR resource center, please visit the ProAd web site at **proad.com** and enter your Username and Password to access the “members-only” section.



HIPAA Resources Introduced on “Members-Only” Web Site

The Health Insurance Portability and Accountability Act (HIPAA) is a complex and wide-reaching federal law, with regulations that present opportunities and concerns for health care professionals. Important information is available on our web site to help you understand the key aspects of both the Privacy and Security rules and assist you in making sure your practice is in compliance. The HIPAA Resources area is available on the “members-only” section of our web site: **proad.com**

e-dataRESPONSE+ Privacy Breach Coverage Available for Purchase

ProAd's e-dataRESPONSE+ is a stand-alone privacy breach coverage product that offers substantial comprehensive protection in the event of a privacy breach. Should your practice experience a privacy breach, no matter the circumstances, you will be held legally responsible for the consequences. Basic privacy breach coverage, such as the e-dataRESPONSE included in your MedGuard policy, can provide limited reimbursement for certain expenses incurred as a result of a privacy breach. However, in the event of a significant breach, your responsibilities can be considerable, including 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. Purchasing the more robust e-dataRESPONSE+ privacy breach response coverage can provide all these services and more for your practice. For additional information, contact your insurance producer, agent or broker, or our Customer Service Department at 410-785-0050 or 800-492-0193 (toll free).

MedGuard Defense Coverage Now Includes Significant Enhancements

Earlier this year, a number of enhancements were added to ProAd's MedGuard coverage. These enhancements are offered in addition to the e-dataRESPONSE privacy breach coverage added to your MedGuard policy in 2013. These new enhancements (*see below*) offer increased protection against costs that are not covered by your basic medical professional liability insurance policy. MedGuard is an administrative disciplinary review defense coverage included as a part of your Professionals Advocate policy. In the event an Insured is subject to certain administrative proceedings, MedGuard adds an extra layer of security beyond traditional medical malpractice coverage by helping to defray the costs associated with those legal expenses. Just as there is no additional fee for your MedGuard coverage, there is no additional fee for these enhancements. MedGuard coverage for these new features has been automatically added to all eligible individual and organizational policies. For more information about MedGuard coverage, contact your insurance producer, agent or broker, or the Professionals Advocate Customer Service Department at 800-492-0193. Visit the ProAd web site at www.proad.com/medguard for additional information.

Essential MedGuard Enhancements to Protect Your Practice

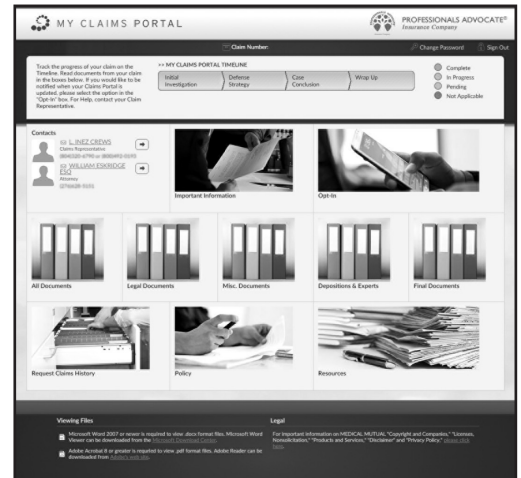
To offer even more protection to our Insureds, ProAd has added these enhancements to your MedGuard coverage:

- Defense in an investigation, civil suit or administrative proceeding brought by a state or federal agency alleging improper submission of claims for Medicare or Medicaid reimbursement (commonly referred to as a **RAC Audit**).*
- Access to **AllClear ID**, an identity theft protection and data breach response company.
- Defense for claims brought by patients alleging violation of the **Americans with Disabilities Act** in regard to physical accessibility of the medical office or refusal to provide medical professional services to a disabled person.
- Reimbursement of **legal costs** when a court or arbitrator renders a final ruling that a health care insurer terminated the Insured's provider contract solely because the Insured advocated appropriate medical care on behalf of the Insured's patients.
- Defense for claims against the Insured alleging bodily injury or property damage arising from the Insured's disposal of **biomedical waste** generated by the Insured's medical practice.
- Payment for **emergency treatment expenses**, regardless of fault, for bodily injury caused by an accident arising out of care rendered by any individual Insured in the medical office.
- Defense in an investigation by **OSHA**.

* Excludes fraud or willful non-compliance with Medicare/Medicaid or other similar statutes, regulations or procedures.

New Claims Portal to Offer “One-Stop” Information on Claims

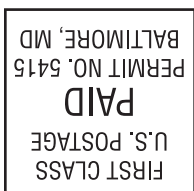
With the introduction of more and more government regulations, declining reimbursements, convoluted payment systems and many other workday pressures, practicing medicine today can be very stressful for Physicians. This is even more so if a Doctor is charged with malpractice. However, the more you know about the claims process in general, and your claim in particular, the better you will manage this stress and the better you will assist in your defense. To provide this information, ProAd is in the process of creating a password-protected, individual and claim-specific web site where our Insureds can access, review and retain specific information related to a claim. This will include a detailed timeline to track the litigation process, claim-related documents, how-to information, and the ability to communicate easily with the claims representative and defense attorney. This dynamic and easy-to-navigate site will be introduced in 2015. The claims portal will be effective for claims filed after January 1, 2015.



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- **e-dataRESPONSE+ Available for Purchase**
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