



THE MAGNET™



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GEORGIA'S SOURCE FOR IMPORTANT PHYSICIAN INFORMATION

Risk Management Tips

HCNN Alerts Help Decrease Liability Risks

The Health Care Notification Network (HCNN), launched in March 2008, was developed to improve the speed and efficacy of the delivery of FDA-mandated patient safety alerts to physicians and other healthcare providers. MAG Mutual was one of the first medical malpractice companies in the nation to endorse this free service, providing our policyholders with detailed information and sign-up instructions. HCNN sent its first alert to over 800,000 physician subscribers last month. We believe this FDA compatible system will improve patient safety and reduce physician liability risks. For example, imagine the potential liability associated with prescribing recalled drugs to patients.

HCNN not only sends electronic alerts, eliminating paper waste and ensuring physicians receive alerts the day they are announced, but the network is also able to send out national public emergency notices to reduce the potential for lawsuits.

For more information about HCNN, and to enroll in the service, go to our website: www.MAGMutual.com, click on Risk Management, then select Risk Management Newsletters. Click on Volume 14/Number 2 2008. You may also sign up at www.hcnn.net.

Risk Management Assistance on the Web

Visit us at www.MAGMutual.com/Risk Management and find:

- New CME programs
- Frequently Asked Questions
- Closed Claims from your peers and more!

Smile! You're on Candid Camera!

MAG Mutual's 2007 Annual Report, which featured photos of actual physician policyholders, throughout the Southeast, turned out to be a big hit! So we are again collecting photographs of physicians for possible inclusion in our next Annual Report. Space is limited, but we want to feature as many of our insureds as we can.

To be included, submit images of MAG Mutual physician policyholders that are:

- "High-resolution jpeg images" (more than 100 dpi) or use the "medium or large" sized photo setting on your digital camera.
- Photos in physician gear (lab coat, surgical clothing, stethoscope, etc.)
- Shots where faces are seen – casual or candid headshots, or waist and above shots are the best!
- Need examples of great photos? Check out our 2007 Annual Report online

In order to be published, we must have a photo release form signed for each physician in photos. For the form go to www.MAGMutual.com, select the 2008 Annual Report. Fax or email the form along with photos by February 27th to **404-842-3369**, Email: rbarnes@magmutual.com.

Update GA Tort Reform

Physicians, legislators and others are asking whether the tort reform law passed in February 2005 in Georgia is working; particularly the \$350,000 "cap" on pain and suffering damages in medical liability lawsuits.

What impact has tort reform had on medical negligence claims in Georgia? The "cap" on non-economic damages applies only to medical incidents occurring after February

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In Practice. In Life.

Q&A on Disability Insurance

If I'm disabled, how do I cover living expenses?

Individual Disability Income will help to cover daily expenses when you're unable to work due to a disability.

I recently realized that if I'm disabled, I won't be able to contribute to my retirement funds. Is there another way to continue to grow my retirement program?

It's often neglected in financial planning, but if you are disabled, and no longer have earned income, you can't contribute money to traditional retirement funds. But there is another option: Disability Retirement Security Insurance can take over and allow you to continue to save for your retirement.

If I'm disabled for a short period and my practice continues, can I be reimbursed for business expenses?

Yes, if you have Overhead Expense coverage.

I'm part of a partnership, if one of us is injured or disabled by an illness and no longer able to work or be an active partner, how are the other partners protected?

Disability Buy-Out insurance provides funding for partners to purchase the share of the practice of the disabled partner.

I want to explore Disability Insurance coverage and I'm a MAG Mutual medical liability insurance policyholder. How can you help?

Absolutely! MAG Mutual Financial Services, Inc., through a nationally known alliance, can provide policyholders with Disability Income insurance and special savings, starting around 20% compared to other companies. For more information or to request a quote for your specific needs, please call us toll-free at 1-866-261-2497●

*Disability income insurance provided through a leading national insurance provider.

(MMIC Position on GA Tort Reform, continued from page 1)

16,2005. Because it generally takes three to five years for a medical injury or incident to become a claim or lawsuit and be fully resolved by a jury (if not settled), we won't know the full impact for several years. However MAG Mutual has seen a substantial decrease in the number of medical liability claims filed. The average number of reported claims has dropped and consistently averaged 30% below pre-tort reform numbers.

The severity initially dropped following the passage of tort reform, however monetary awards have risen slightly and we expect the trend to continue to grow with general and medical inflation at about 5% to 7% per year.

What does all this mean for Georgia physicians? Since the passage of the Tort Reform, Georgia physicians have seen a decrease in their medical professional liability rates. As of year-end 2007, rates charged by all insurers for physicians and surgeons medical professional liability insurance in Georgia had decreased 14.5% since 2004. MAG Mutual has not issued a rate increase since 2005. In fact, in response to the positive impact of tort reform since its passage in 2005, MAG Mutual reduced medical professional liability insurance rates 10% in Georgia and distributed \$25 million in dividends within the last two years.

What about challenges to the Cap? A recent case, *Park v. Wellstar et al.* is the first case since Georgia's 2005 Tort Reform Act (SB 3) was enacted which may have resulted in a ruling by the Georgia Supreme Court on the constitutionality of the \$350,000 cap on non-economic damages. However the parties chose to settle the case prior to the issue being heard by the Court. The particulars of the case, including the settlement amount are confidential.

What does this mean? The \$350,000 cap on non-economic damages remains in force. It may be some time before another challenge to the cap occurs and is considered by Georgia's Supreme Court. It is important that Georgia's medical community continues to fight challenges to the 2005 Tort Reform Act both in the courts and in the legislature. The longer the cap remains intact, the more likely the intent of the Georgia legislature will be achieved and Georgia citizens will continue to have access to affordable, quality healthcare. ●

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