


Update: The Professional Liability Crisis

St Paul's recent announcement that they are completely exiting the medical professional liability marketplace is particularly significant since they are a leading national carrier. It speaks to the severity of the emerging professional liability crisis around the nation. With their announcement, some 14 companies have now either declared bankruptcy or withdrawn from this line of business. Rate increases are now widespread across the country. A real need is TORT REFORM, and we expect a major effort in many states to bring about needed judicial changes.

Despite the difficult claims environment that has evolved, MAG Mutual Insurance Company has not strayed from its mission of defending the professional reputation of our policyholder/owners. Due in part to a number of new defense initiatives implemented in 2001 to combat this environment,

MAG Mutual had a superior defense record this year as 83 percent of the claims we closed were with NO indemnity payment. We also won 81 percent of the cases taken to trial. Both results exceed industry norms. Fortunately, the vast majority of our MAG Mutual policyholders are claim-free since they provide very high quality care, document the medical record well and strive to maximize patient rapport—the three primary ways to avoid the courtroom altogether.

Although increased claim payments on cases we must settle are forcing us to raise premiums to keep pace, you can count on us to be here for you through insurance crisis after crisis as the commercial carriers come and go. We look forward to continuing to serve your professional, business and personal needs through the MAG Mutual Group of companies. 

Legal Defense and Claims Management:

Make a Difference in Your Life & Your Practice

Each year, MAG Mutual Insurance Company receives scores of letters from physicians telling us why claims defense is so important in their lives and in their practices. We understand that your professional reputation is one of your most valuable assets and that medical professional liability claims are a potential threat to your financial future.


Legal defense and claims management is one of the things in which we excel. MAG Mutual has assembled a team of experienced, well-known attorneys throughout the Southeast to defend and protect our policyholders.

No claim is settled without your consent. Since the inception of the company in 1982, we've handled more than 20,000 medical claims against physicians and hospitals—of which approximately 7,000 resulted in lawsuits. During that same period, MAG Mutual closed 85 percent with no payment and won more than 82 percent of all cases taken to trial.

We continue our rigorous defense efforts through our Five Star Defense Program—just one example of MAG Mutual's unparalleled commitment to our physician policyholders/owners.

The Five Star Defense Program includes:

- ★ MAG Mutual Insurance Company Claims Department
- ★ Effective Defendants' Program
- ★ Expert Witness Databank
- ★ Georgia, North Carolina, Florida and Alabama Defense Teams
- ★ Georgia, North Carolina and Florida Physicians' Claims Committees

For more information about legal defense and claims management, please call MAG Mutual at 404-842-5600 or 800-282-4882. 

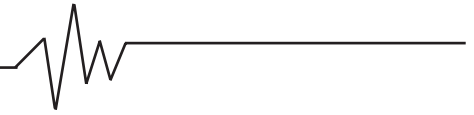
New Georgia Teen Driving Safety Law in Effect

Georgia's new teen driving safety law (Senate Bill 1) focuses on saving the lives of Georgia's teens. It contains the following provisions, which are meant to reduce crashes, serious injuries and traffic-related deaths involving teen drivers and their passengers.

- A comprehensive on-the-road driving test for new drivers will now be required

- New drivers must complete an approved driver's education course and an additional 20 hours of supervised driving instruction or 40 hours of driver instruction with a sworn affidavit from parents/legal guardians certifying such instruction to receive a driver's license
- A non-driving time for 16- and 17-year-olds of 12:00 midnight to 6:00 a.m. will be imposed, with **no exceptions**

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- No driving with any non-family passengers under the age of 21 for the first six months of the Class D license period and no more than three unrelated passengers after that point will be tolerated
- An accumulation of four or more points by any driver under the age of 18 in any 12-month period will result in a license suspension for six months

It is hoped that with these new teen-driving requirements, young drivers will gain the knowledge, skill and experience needed to develop safe driving habits before they receive their first license.

12,000 Policyholders Strong... and Still Counting

MAG Mutual Insurance Company celebrates our 20-year anniversary in 2002, and we now insure more physicians than any other time in our history—we're 12,000 policyholders strong! The professionalism of our staff—at all levels—throughout the years plus the beneficial products and services we offer our insureds has enabled MAG Mutual to achieve this milestone. In fact, we added 3,351 policyholders in 2001 alone.

In addition to the increased number of insureds, in 2001 we:

- reduced the average cost of each claim regardless of a significant nationwide increase in claim severity
- offered more products and services than ever before

MAG Mutual representatives will attend more than 70 medical society meetings and exhibits throughout the Southeast during our 20th anniversary year, so stop by and visit us. For information on where and when we will be near you, please call our Medical Relations Director, Steve Davis, at 404-842-5690 or 800-282-4882.

Importance of Maximizing Patient Rapport

Have you ever thought you might need an attitude adjustment? When it comes to your interaction with patients, your attitude may be the single difference between being sued and not being sued. Studies have identified similarities in those physicians who have not been sued. Here are some tips.

- Show care and concern for your patient and his/her family. Irritated patients and caregivers may be more likely to initiate a malpractice suit
- Always return telephone calls promptly and document the conversation
- Listen carefully to the patient and solicit questions rather than stifle them. Allow the patient to make informed decisions without coercion
- Thoroughly educate the patient about treatment plans, benefits, risks and alternatives
- Make sure the patient understands all charges billed to his/her account
- Exchange information appropriately with all other professionals involved in the patient's care
- Keep the patient's chart legible and current. Carefully document recommendations and prescriptions (including sample medications) as well as any issues of noncompliance or refusal to accept treatment

Remember, patients who like their doctors are less likely to sue them.

For more information, please call MAG Mutual Insurance Company at 404-842-5600 or 800-282-4882 and ask to speak to a risk management consultant.

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