GREAT NEWS: No Changes to Physician or Hospital/Health Care Facility Premiums for 2008 Policy Year

We are extremely pleased to announce there will be no premium increase for the 2008 policy year for COPIC’s Nebraska medical professional liability and hospital/health care facility liability policies.

COPIC’s Board of Directors was able to make this decision because of relative stability in Nebraska claims and loss experience. We attribute much of this to physicians and hospitals/health care facilities taking COPIC’s risk management and patient safety messages to heart, as well as to preliminary impacts of the 3Rs early resolution program. Other important factors are Nebraska’s tort reform and judicial environments, which have remained on an even keel.

If you have questions regarding the premium you’ll pay in the 2008 policy year, your Underwriter will be able to assist you. Contact information can be found on the back page of this newsletter.

Rates for PC Coverage Unchanged for 2008 Policy Year

For the 2008 policy year, the percentage COPIC charges for Nebraska professional corporation (PC) professional liability coverage will remain at 5%. This percentage is applied to the total physician PLI premium paid by all physicians performing services on behalf of the PC.

Clarification of COPIC’s Coverage of Nurse Midwives

Recently, a policyholder asked for clarification of COPIC’s coverage of nurse midwives. We thought it might be helpful to other policyholders and insureds for us to recap that question and answer here.

Our policyholder had seen an article titled “Certified Nurse Midwifery—A New Incarnation of an Old Tradition” in Nebraska Nurse, a publication of the Nebraska Nurses Association. In that article, it was erroneously reported that COPIC would not insure physicians who supervise nurse midwives.

In fact, COPIC does provide coverage for Nebraska physicians for the vicarious liability that arises from the supervision of nurse midwives. During the application process, all nurse midwives who are employed or contracted by a physician and or his/her practice to provide care at any of the office locations must be disclosed and listed on the Declaration Page(s) for vicarious liability coverage to attach under the policy. In addition, a physician will be covered for the vicarious liability that arises from the supervisory agreement(s) for nurse midwives who provide care at locations not affiliated with the...
physician’s practice (such as a hospital setting). All physicians who sign supervisory agreements should keep a current copy on file and ensure that each nurse midwife provides certification of proper liability coverage.

In addition, be sure to contact your Underwriter any time you add or drop a nurse midwife (or any of the various allied health providers listed on the application) from your coverage. If you have questions regarding your coverage for supervision of nurse midwives or any other issue, contact your Underwriter (see back page for contact information).

Notice of Changes to Medical Professional Liability Policy Language for 2008 Policy Year

Pending Approval by NE Department of Insurance

COPIC provides policyholders and insured physicians and CRNAs with 60 days’ notice of all meaningful changes to policy language. Following are the changes that will become part of the policy language effective with renewals occurring January 1, 2008 and later. Your Underwriter can assist with any additional questions. You can reach him/her at (800) 421-1834.

- Section V: Defense and Settlement—
  Assigned paragraph numbers 5.2 through 5.5 to the four bulleted items that previously appeared under paragraph 5.1.2; accordingly, renumbered the previous paragraph 5.2 as paragraph 5.6

- Section VIII Exclusions (paragraph 8.1.4 in NE MPL-1, NE MPL-2, and NE MPL-3; paragraph 8.1.5 in NE MPL-4)—Deleted the words shown in strikethrough; inserted the words shown in underline
  Sexual misconduct, sexual intimacy, sexual harassment, sexual exploitation or sexual assault by You or that of any person for whose acts or omissions You are legally responsible, whether or not such allegations arise in a criminal or civil action and whether or not such misconduct arose under the guise of treatment.

- Section VIII Exclusions (paragraph 8.1.6 in NE MPL-1, NE MPL-2, and NE MPL-3)—Inserted the words shown in underline as paragraph 8.1.6; accordingly, renumbered subsequent paragraphs

Your agreement to supervise or accept responsibility for the acts or omissions of any person who is not Your employee and who performs elective aesthetic or cosmetic procedures other than as disclosed to and approved by Us through endorsement to this Policy.

- Section VIII Exclusions (paragraph 8.1.7 in all NE MPL policy forms)—Deleted the word shown in strikethrough; inserted the words shown in underline
  Any act or omission by You or any person Insured for whose acts You are legally responsible, which occurs prior to the time Your or such person’s license or certificate to practice is issued, or which occurs during any time Your or such person’s license or certificate to practice has lapsed or expired, is inactive, or has been suspended, revoked or voluntarily surrendered or which constitutes a violation of any restriction imposed upon such license or certificate or which falls outside the scope of such license or certificate.

- Section IX Definitions (paragraph 9.1.1 in all NE MPL policy forms)—Inserted the words shown in underline as paragraph 9.1.1; accordingly, renumbered subsequent paragraphs
  “Claim” means any written or oral demand for money or other relief made against You.

- Section IX Definitions (paragraph 9.1.5 in NE MPL-1, NE MPL-2, and NE MPL-3; in the definition of an “Insured”—
  Inserted the words shown in underline as the next-to-last sentence in the paragraph
  No vicarious liability coverage is available for anyone whose supervisory liability arises out of the acts or omissions of any allied health professional in any of the categories identified above at any of Your office locations unless the individual is listed on the Declaration Pages in which case that person will be treated as an “Insured” for coverage purposes under this Policy.

- Section XI Extended Reporting Period Option (paragraph 11.7 in NE MPL-1, NE MPL-2, and NE MPL-4)—In the last sentence of the paragraph, deleted the words shown in strikethrough and inserted the words shown in underline
  If a Named Insured physician with separate Limits of Liability who has been issued extended reporting period coverage without charge as a result of his or her bona fide

(continued on page 3)
Policy Language Change (from page 2)

retirement subsequently reenters the practice of medicine in any capacity, We shall have the right to cancel the extended reporting period coverage twelve months after its effective date or the date the physician resumes the practice of medicine, whichever is later in accordance with Section X, paragraph 10.10.3 as of the date the physician resumes the practice of medicine.

2007 Assessment Shows Even Higher Customer Satisfaction

COPIC strives constantly to improve the service and value we provide to customers. To help us benchmark our progress toward that goal, we conduct an annual customer satisfaction assessment. The results for 2007 indicate that most of you feel COPIC is doing a solid job on the critical elements of medical malpractice insurance.

In three of five brand image areas explored in the assessment, there were significant increases in the percentages of respondents marking “Strongly Agree” over last year:

- “COPIC is best medical malpractice insurance value in Nebraska”
  2007 = 65.0% Strongly Agree (35.0% Agree)
  2006 = 55.9% Strongly Agree (44.1% Agree)

- “COPIC gives me honest information about how premiums are determined”
  2007 = 53.3% Strongly Agree (46.7% Agree)
  2006 = 38.1% Strongly Agree (61.1% Agree)

- “COPIC gives me understandable information about how premiums are determined”
  2007 = 46.2% Strongly Agree (53.0% Agree)
  2006 = 39.4% Strongly Agree (56.0% Agree)

Ratings in the other two brand image areas remained strong, little changed from 2006:

- “Overall, I am pleased to have COPIC as my insurer”
  2007 = 76.4% Strongly Agree (23.6% Agree)
  2006 = 71.5% Strongly Agree (28.5% Agree)

- “COPIC will provide a vigorous defense if I am involved in a claim or lawsuit”
  2007 = 57.1% Strongly Agree (42.9% Agree)
  2006 = 54.4% Strongly Agree (45.6% Agree)

There were also significant increases in the percentages of respondents marking “Strongly Agree” over last year on two attributes that set COPIC apart from other malpractice insurers:

- “I value COPIC above other insurers because COPIC supports the NMA’s efforts in the state legislature”
  2007 = 61.7% Strongly Agree (37.5% Agree)
  2006 = 51.8% Strongly Agree (48.2% Agree)

- “I value COPIC above other insurers because COPIC sets premiums to reflect the true indicated cost of coverage”
  2007 = 51.7% Strongly Agree (48.3% Agree)
  2006 = 42.3% Strongly Agree (57.7% Agree)

In addition, more than 90% of respondents indicated that they value all three of three unique COPIC programs (CO-POWER; 24/7 risk management hotline; 3Rs Program). Similarly, more than 90% of respondents indicated that they value all five of five Nebraska-specific COPIC attributes (NE physician risk manager; NE risk management administrator; NE claims adjuster; NE physician on COPIC board of directors; NE claims committee).

We were also pleased to find that a significant percentage of respondents were able to cite an example of an instance in the last 12 months in which COPIC particularly impressed them. We also received comments and ideas on ways to enhance our products and services, and these will receive thoughtful consideration.

Finally, when respondents were asked to name the most important reason why they continue to purchase their medical professional liability insurance from COPIC, time and again we saw answers such as the following:

- “Honesty, efficiency, and aggressive defense.”
- “I feel they understand medical malpractice from a physician's standpoint.”
- “Actively involved in the state and my practice.”
- “Great mission, great value, physician run —doing what is ‘right!’”
- “It has a proven record of excellence.”
- “A medical malpractice insurance company that is dedicated to improve physician coverage by preventive education.”

We are gratified by the results but want you to know that we will continue to strive to exceed your expectations and prove in every encounter that the COPIC name stands for better products, better value, and better service than you could find anywhere else. Thank you for allowing us to earn your loyalty and trust.
Questions? Comments?
We trust that you have found this issue of Nebraska Bulletin to be helpful and informative. If you have questions or comments about any of the information contained herein, or if you wish to suggest topics for future issues, please contact Marjorie Wallwey, Communications Manager, at (800) 421-1834, ext. 6067, or send an email to mwallwey@copic.com. All extensions listed below can be reached by first dialing (800) 421-1834 or can be reached directly by dialing (720) 858-xxxx.

(800) 421-1834 toll free • (720) 858-6001 fax • http://www.callcopic.com

Administration
Ted J. Clarke, MD, Chairman/CEO ...................... ext. 6055
Steve Rubin, President/COO .................................. ext. 6084
Gerry Lewis-Jenkins, Executive Vice President .......... ext. 6138

Claims
Tim C. Smith, J.D., Vice President ....................... ext. 6178
Gary Tetenborn, Senior Adjuster ....................... 402-932-4350
Sean Gelsey, Manager ........................................... ext. 6156

CO-POWER™ Group Purchasing Program ... 913-888-9191

Finance
Candice Stears, Accountant II ............................... ext. 6076

Sales
Pat Zimmer, Director ............................................. ext. 6186

Risk Management
Alan Lembitz, MD, Vice President ......................... ext. 6133
Patty Wolfe, RN, NE Risk Mgmt. Admin. .......... 402-438-7600

Rich Quinn, MD, Phys. Risk Mgr. ....................... ext. 6131
Jeff Varnell, MD, Phys. Risk Mgr. ....................... ext. 6134
Incident reporting ........................................ ext. 6120, 6121, 6122, or 6132

Underwriting
Brad Ash, Vice President ........................................ ext. 6173
Credentialed line ................................................. ext. 6160
Policy changes line ............................................ ext. 6176

Individual and Group Policies by name on account
A, C, U, Y............................................. Janel Loud-Mahany, ext. 6168
E, G, L, M, O, P, Q, S, W, X, Y, Z............. Anita Daniels, ext. 6171

Hospital/Facility Policies
A, C............................................... Lori Simkavitz, ext. 6162
B, D-Z .............................................. Kelly Keesee, ext. 6174