The Doctors Company Expands Presence in New York Medical Malpractice Market
Questions and Answers for Agents and Brokers

September 28, 2017—The Doctors Company, the nation’s largest physician-owned medical malpractice insurer, has expanded its presence in the New York medical malpractice insurance market. The following questions and answers may be helpful to agents who would like to know more about The Doctors Company and its admitted offering. (For separate information about The Doctors Company RRG, see p. 5.)

For additional questions, please contact:

Brian Dalton, Assistant Vice President, Business Development, The Doctors Company
(800) 748-0465, extension 5516, or brian.dalton@thedoctors.com

Q: What are the reasons for this new market entry?
A: Changes in the New York medical professional liability insurance market and our mission to advance, protect, and reward the practice of good medicine have compelled us to examine our New York strategy. While we have insured practices with New York exposure for many years, we have made the decision to give all New York physicians the option to become part of the largest physician-owned insurer in the country.

Q: How will New York physicians benefit from this market expansion?
A: The Doctors Company is one of the only medical malpractice insurers in New York that is physician-owned, national in scope, and rated A for financial strength by both A.M. Best Company and Fitch Ratings. Physicians benefit from the company’s mission to advance, protect, and reward the practice of good medicine.

Q: Tell me more about The Doctors Company.
A: Founded and led by physicians, The Doctors Company is relentlessly committed to advancing, protecting, and rewarding the practice of good medicine. The Doctors Company is the nation’s largest physician-owned medical malpractice insurer, with 80,000 members and $4.6 billion in assets, and is rated A by A.M. Best Company and Fitch Ratings. The Doctors Company takes the mal out of malpractice insurance by helping practices of all sizes manage the complexities of today’s healthcare environment—with expert guidance, resources, and coverage.

Q: Is The Doctors Company endorsed or sponsored by any medical associations?
A: The nation’s most prestigious medical organizations recognize our efforts in support of doctors and endorse or sponsor The Doctors Company as their chosen medical liability insurance carrier. The Doctors Company is endorsed or sponsored by the following national partners: American Academy of Otolaryngology—Head and Neck Surgery (AAO-HNS); American Association of Neurological Surgeons (AANS); American College of Cardiology (ACC); American College of Surgeons (ACS); American Society of Plastic Surgeons® (ASPS®); and Society of Hospital Medicine (SHM). In addition, numerous state medical societies endorse or sponsor The Doctors Company.
Q: What makes The Doctors Company unique in New York?
A: The Doctors Company brings many differentiators to this market:

- Our superior financial condition will distinguish the company from many New York insurers. The Doctors Company is rated A (Excellent) by A.M. Best and A (Strong) by Fitch Ratings, with $4.6 billion in assets, and $2 billion in surplus.
- We offer occurrence and claims-made coverage in the admitted market.
- Becoming an admitted New York insurer is an arduous process and signifies our commitment to New York physicians (and the hospitals where they practice) that we are serious about our market expansion and our intent to fulfill our mission in New York.
- We are the only New York insurer offering the Tribute® Plan, a unique financial benefit that rewards eligible members (insured through the admitted product) for their loyalty and commitment to practicing good medicine.
- As a member-owned company, we pay dividends to our members, not stockholders. To date we have paid $400 million in member dividends to those insured through the admitted product. It will take several years to accumulate sufficient New York premium and loss information, which is used to determine dividend payments. Typically, members must be insured with the company for three full years to be eligible for dividends. Dividends may be available earlier for physicians who join one of our dividend-paying national programs.
- We are endorsed by national specialty societies, numerous state, county, and independent practice organizations.

Q: What are the company’s New York marketing plans?
A: We are implementing a two-phase approach:

- Phase 1—Indirect brand-building and marketing through third parties, including media and national program marketing.
- Phase 2—Direct brand campaigns and prospect marketing, in addition to continued indirect strategies and tactics like agent co-branded marketing.

Q: Who are the key contacts for service and administration?
A: Service: Brian Dalton, Assistant Vice President, Business Development (800) 748-0465, extension 5516, or brian.dalton@thedoctors.com

Administration: Tammy Clark, Regional Operating Officer, Northeast Region (866) 990-3001, extension 6504, or tclark@thedoctors.com

Underwriting: Mindy Rogers, Assistant Vice President, Underwriting (800) 748-0465, extension 5588, or mrogers@thedoctors.com

Q: How will a New York market expansion impact The Doctors Company’s industry ratings?
A: Both ratings agencies, A.M. Best Company and Fitch Ratings, recently reaffirmed our A ratings. We do not anticipate this expansion to have any impact on our ratings.
Q: When will The Doctors Company begin accepting applications and what policy effective dates should we target?
A: Immediately for October 10, 2017, policy effective dates.

Q: How do agents access The Doctors Company in New York?
A: We are currently working with a select group of New York agents and established agents of The Doctors Company with New York operations to build a world-class distribution network. We believe in limited distribution and partnering with professionals who understand healthcare and are experts in their field.

Q: How do I submit new business applications?
A: Send your submissions to NERsubmissions@thedoctors.com.

Q: What is the commission plan?
A: Commission is 8% on new business and renewals for the admitted product. Tail commission is 5% unless the agency is designated as a Chairman’s Circle or Key Agency. For those agencies, tail commission is paid at the claims-made renewal commission rate.

Q: Are there any specialties that The Doctors Company will not insure?
A: The company is accepting submissions for quality risks in all specialties. We are not currently filed to provide coverage to podiatrists or dentists, and will work with the New York Department of Financial Services to do so as soon as possible.

Q: Will The Doctors Company write facilities?
A: We are not planning to write facility coverage. However, we do offer professional and management liability policies for a variety of organizations and healthcare professionals, including medical and long-term care facilities, managed care organizations, and life sciences, through our specialty lines subsidiary, TDC Specialty Underwriters. TDCSU is writing facility business in New York, including excess over SIRs or primary.

Q: What are your discounts?
A: The Doctors Company has filed and is approved for the following discounts:

- Claims-free discount of either 7.5% or 12% depending upon length of time that the physician is claims-free.
- Risk management discount of 5% when a physician successfully completes the state-mandated Section 18 excess coverage risk management program.
- Annual payment discount of 2%.
- New doctor discount.
- Part-time discount.

Q: Can I move my business currently with another carrier to The Doctors Company prior to its natural renewal?
A: At this time, we are reviewing submissions 60–90 days prior to current expiration to accommodate an expected large influx of new business. We will evaluate this process each month and communicate any changes to you as quickly as possible.
Q: What submissions are best suited for the admitted product?
A: We expect that most of our New York risks will be insured through the admitted filing with $1.3 million/$3.9 million limits of liability, especially those who are eligible for Section 18 excess coverage and wish to continue their participation.

Q: What risk management and patient safety services are included in the policy premium?
A: The Doctors Company provides a broad range of resources for its insured physicians and organizations:

- Every member is assigned a risk management/patient safety consultant. The Doctors Company risk management team has more than 30 highly capable professionals who are available to provide services 24 hours a day, 365 days a year.
- Online risk surveys (see Practice Risk INSIGHT) can be accessed at any time. Risk management/patient consultants are available to help develop action plans to address areas of improvement.
- Analysis of patient harm is found in the Claims Analysis INSIGHT. The Doctors Company accesses more than 30,000 claim files to identify system failures that resulted in patient injuries. These articles and white papers are found on The Doctors Company’s website.
- An extensive number of education modules are ready for member access. On-demand programs cover many of the critical areas of safe medical and surgical care. An assigned risk management/patient safety consultant can help identify your clients’ needs and customize education plans for them.

Other services are available following consultation with your assigned risk management/patient safety consultant. Large groups can take advantage of Patient Experience Insights, Practice Culture Insights, Team Building Insights, and Patient Communication Insights.

Q: Who will provide the risk management education services required for Section 18 Excess eligibility?
A: Education required for Section 18 Excess Liability Pool is available online. Members will receive instructions for how they can access this required education at no cost.

Q: Who decides what law firm defends my clients?
A: The local Claims manager assigns counsel. There are times when a member or agent may have a preference. In those cases, we evaluate the recommended attorney against our high standards for trial attorneys, and work collaboratively with the member or agent to assure his or her needs are met.

Q: What is The Doctors Company claims-management philosophy, and where do I obtain defense panel information?
A: The Doctors Company aggressively defends members against non-meritorious claims. We hire only the best defense counsel who are strong trial lawyers and are not afraid of the plaintiff’s bar or taking a case to trial. We recently updated our New York panel and will continue to review and expand that panel over time.
Information about The Doctors Company RRG in New York
Questions and Answers for Agents and Brokers

It is important to note the differences between The Doctors Company admitted product and coverage purchased through The Doctors Company Risk Retention Group (RRG). Those who are covered through the RRG are not members of The Doctors Company and do not receive the same benefits as those who are insured through the admitted product. Regulatory and financial conditions also vary.

For additional questions, please contact:

Brian Dalton, Assistant Vice President, Business Development, The Doctors Company
(800) 748-0465, extension 5516, or brian.dalton@thedoctors.com

Q: What are the key differences between the admitted and RRG offerings?
A:

<table>
<thead>
<tr>
<th>Feature</th>
<th>Admitted</th>
<th>RRG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consent to settle</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Section 18</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Policy forms</td>
<td>Claims Made, Occurrence</td>
<td>Claims Made, Occurrence</td>
</tr>
<tr>
<td>Dividends</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Financial strength</td>
<td>A—A.M. Best Company, Fitch Ratings</td>
<td>A—Fitch Ratings (A.M. Best Company pending)</td>
</tr>
<tr>
<td>National program discounts</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Patient Safety offering</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tail coverage</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tribute® Plan</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Cyber liability coverage</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Q: Will New York hospitals and health systems accept the RRG paper?
A: Work is underway with hospitals that require prior approval before accepting RRG paper, and we invite those requiring such approval to contact us to initiate the process. However, there are many hospitals that do not provide blanket approval in advance of a member of the medical staff requesting approval of an RRG policy.

Q: How do I submit new business applications?
A: For the RRG, please send submissions to NYRRGsubmissions@thedoctors.com.
Q: What is the commission plan?
A: If written through the RRG, commission rates are 10% for new business and renewals.

Q: Will The Doctors Company write facilities?
A: The RRG is not planning to write facility coverage. However, professional and management liability policies for a variety of organizations and healthcare professionals, including medical and long-term care facilities, managed care organizations, and life sciences, are available through the specialty lines writer, TDC Specialty Underwriters. TDCSU is writing facility business in New York, including excess over SIRs or primary.

Q: Will rates be competitive?
A: For risks appropriate for the RRG program, there will be flexibility to offer pricing that will be competitive in the marketplace.

Q: What risk management and patient safety services are included in the policy premium?
A: The Doctors Management Company provides a broad range of resources for insured physicians and organizations who are insured through the RRG, similar to those offered to insureds of The Doctors Company. See p. 4 for details.

Q: Who are the key contacts for service and administration?
A: Service: Brian Dalton, Assistant Vice President, Business Development (800) 748-0465, extension 5516, or brian.dalton@thedoctors.com

Administration: Tammy Clark, Regional Operating Officer, Northeast Region (866) 990-3001, extension 6504, or tclark@thedoctors.com

Underwriting: Mindy Rogers, Assistant Vice President, Underwriting (800) 748-0465, extension 5588, or mrogers@thedoctors.com