

Living Our MISSION

Environmental, Social,
and Governance
Sustainability Report 2021



OUR VISION

TDC Group is guided by our vision: To build the preeminent organization for service to healthcare. As the nation's most trusted provider of medical malpractice insurance, risk management, and healthcare practice improvement solutions, we are powerful advocates for the medical profession—and the health of the whole community. Our vision of service and advocacy encompasses not just healthcare but the communities in which we live and work.

WHAT IS ESG?

Environmental, social, and governance (ESG) factors can assist companies in identifying risks and opportunities that may not be captured by conventional financial metrics, to mitigate risk and enhance long-term performance. Environmental factors pertain to considerations such as climate risk, resource use, energy use, pollution, and waste management. Social factors examine its relationships with employees, members, vendors, and surrounding communities, as well as focusing on diversity and pay equity. Governance factors examine financial strength, adequacy of internal controls, cybersecurity and data protection, enterprise risk management oversight, and board composition.

Serving over

100K

healthcare professionals and organizations nationwide

\$1B

in annual revenue

\$6B

in assets

"A"

financial strength ratings

WHO WE ARE

TDC GROUP

TDC Group (thetdcgroup.com) is the nation's largest physician-owned provider of insurance, claims and risk management, and healthcare practice improvement solutions. Serving the full continuum of care—including physicians, other healthcare providers, medical groups of all sizes, hospitals, large health systems, and the life sciences industry—we help healthcare professionals overcome the complexities of today's practice environment. TDC Group delivers proven solutions constantly refined through tireless innovation. We are defined by our depth of experience, commitment to service, unparalleled product offering, and broad distribution capabilities.

THE DOCTORS COMPANY

Physician-owned and led for more than 45 years, The Doctors Company (thedoctors.com) is relentlessly committed to advancing, protecting, and rewarding the practice of good medicine. Today, as healthcare delivery continues to undergo unprecedented change, it's more important than ever to have a strong, trusted partner to help our members focus on what they do best—delivering care. The Doctors Company takes the mal out of malpractice insurance by helping hospitals and practices of all sizes manage the complexities and risk of today's healthcare environment—with expert guidance, resources, and coverage.

HEALTHCARE RISK ADVISORS

Healthcare Risk Advisors (HRA) is an industry-leading provider of comprehensive insurance and risk management

advisory services. For over 40 years, HRA (healthcareriskadvisors.com) has partnered with large and small New York hospitals, healthcare organizations, social service agencies, and clinicians to identify and solve their unique professional liability and other insurance needs. HRA takes pride in serving our members with an integrated approach to claims handling, risk management, and data analytics. With an overall goal of ensuring appropriate levels of coverage and access to best-in-class risk mitigation services and resources, HRA's services allow our members to focus their time and effort on the communities they serve.

TDC SPECIALTY UNDERWRITERS

TDC Specialty Underwriters (TDCSU) serves as the national excess and surplus (E&S) lines specialist within

TDC Group, focused on expanding product offerings to the rapidly evolving healthcare industry. TDCSU's experienced, recognized experts design E&S-driven liability solutions for a variety of healthcare organizations and professionals, including hospitals, physician groups, medical and long-term care facilities, managed care organizations, E&S physicians, and life sciences. TDCSU (tdcspecialty.com) distributes its products through approved wholesale and selected retail brokers and is a company committed to ease of doing business and service innovation. TDCSU's mission is to manage and mitigate operational and financial risk in the provision of healthcare services.

MEDICAL ADVANTAGE

Medical Advantage (medicaladvantage.com) is an innovator in maximizing clinical and financial performance in value-based contracting, decreasing the cost of care, and improving quality. Medical Advantage's service and solution portfolio includes EHR optimization, performance dashboarding, implementation of healthcare analytics, billing and coding consulting, private equity advising, telehealth assistance, MIPS & MACRA consulting, and much more. These offerings continue to expand as Medical Advantage serves clients in navigating an ever-changing landscape of market, regulatory, and financial challenges through customized, actionable solutions. Medical Advantage's mission is to simplify the delivery of efficient, high-quality healthcare.

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WELCOME

to the Future of
Service to Healthcare

Richard E. Anderson, MD, FACP,
Chairman and Chief Executive Officer

The Doctors Company has always been guided by a fundamental belief: That the practice of medicine should be advanced, protected, and rewarded. As The Doctors Company has grown over the years, we have sought likeminded organizations to partner with, and our vision has steadily expanded. With the creation of TDC Group, we are formalizing the structure to serve the full spectrum of healthcare, including physicians, other healthcare providers, medical groups of all sizes, hospitals, medical facilities, large health systems, and the life sciences industry.

We are driven to protect those who provide superior care, reduce operational and financial risk in the provision of healthcare services, and simplify the delivery of high-quality healthcare. Our mission is the foundation of our ESG efforts. Outstanding healthcare is a critical component of social and environmental concerns. In support of this vision, we focus on ESG improvements and opportunities at all levels of our organization.

Our culture of service is created by our people—those who serve our members directly and those who support them. For many years, we have been proud to not only match employee donations, but to offer a monetary match for employee volunteer hours donated to a wide variety of worthy organizations, including a children’s grief-counseling center and safe space in Michigan and a fresh food reclamation project fighting food insecurity in California.

TDC Group is dedicated to implementing ESG improvements that have led to impactful changes, such as board service on the California Organized Investment Network and donations of refurbished computing equipment to local nonprofits. We are beginning our journey to document our ESG accomplishments and to develop goals and measurements for the coming years. Our ESG efforts focus on key issues that promote long-term sustainability. We have integrated ESG issues into our board

oversight, strategic planning, and business operations. In so doing, we strive for corporate social responsibility and the fair treatment of our members and employees, while supporting the physical, social, and environmental health of the communities we live and work in.

ANCHORED IN PURPOSE AND DRIVEN TO SERVE

Serving those who provide care is in our DNA. We cannot serve without sustainability, so we recognize our responsibility to identify risks and opportunities in ESG areas—even as we continue to witness a dramatic acceleration in the evolution of healthcare.

We have identified as our greatest ESG risks and mitigation priorities a challenging regulatory environment, the prospect of an overturn of MICRA liability protection in California, the volatility of financial markets, and ever-escalating cybersecurity risk.

TDC Group is also focused on increasing our workforce diversity, equity, and inclusion. We prioritize attracting and retaining talent to ensure we have a quality workforce in the future—one that mirrors the diversity of the healthcare profession we serve.

We base our actions on one powerful, fundamental principle: When we all work together to promote the practice of good medicine and improve our profession, society is the better for it.

Now more than ever, the rapid pace of change in healthcare demands an organization solely devoted to serving those who provide care. I am proud to say that TDC Group, anchored in purpose and driven to serve, is built to meet the needs of healthcare now and in the future.

FOCUSED ON EMPLOYEE SATISFACTION

▶ Medical Advantage was named one of *Modern Healthcare’s* Best Places to Work for 2019, 2020, and 2021.



▶ The Doctors Company is Certified™ as a Great Place to Work® for 2021.



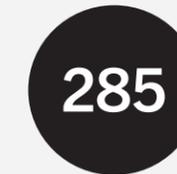
DEDICATED TO SERVICE

The Doctors Company has three community investment programs: Corporate Charitable Giving, Employee Gift Matching (matching monetary and volunteer hour donations), and The Doctors Company Foundation, which provides support for patient safety education for healthcare professionals in training and in practice, and patient safety research with clinically useful applications.

2021 NUMBERS



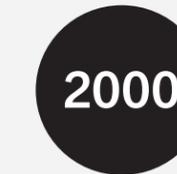
employee volunteer matching requests



community organizations receiving matching donations



organizations receiving contributions through corporate charitable giving



matched volunteer hours



in grants from The Doctors Company Foundation

Serving Those Who Cared for Us During the COVID-19 PANDEMIC

During the pandemic, we provided more than 13,000 premium deferrals and over 5,000 premium reductions totaling nearly \$20 million. The Doctors Company's medical malpractice policy offered automatic telehealth coverage, and we also provided coverage free of charge to retired members who volunteered during the crisis.

TDC Group recognized very early in the COVID-19 pandemic that those we serve—doctors and healthcare organizations—would be on the frontlines of this unprecedented crisis. As our healthcare systems were being tested to the limit, TDC Group was led by an important goal: Serving you as you care for all of us.

Practices racing to respond to COVID-19 needed one reliable source for the most

up-to-date information as developments in the pandemic changed nearly hourly. By the time coronavirus cases began to skyrocket across the country in late February 2020, we had built a comprehensive online resource center to serve healthcare throughout the crisis, featuring original, data-driven content from our risk management and insurance experts. The resource center was continually updated to address healthcare

providers' concerns as the pandemic evolved, including:

- ▶ Guidance on liability coverage concerns.
- ▶ Preparing a practice for COVID-19 patients.
- ▶ Temporarily closing a practice.
- ▶ Best practices for telehealth.
- ▶ How to safely reopen a practice.
- ▶ Vaccine FAQs and guidance for communicating with vaccine-hesitant patients.
- ▶ Insights on lessons learned throughout the crisis.

This resource center has been visited over 500,000 times since it was launched. We also provided our resources through emails and social media platforms, where our

content received over 3.5 million views and 42,000 engagements.

Many healthcare providers faced the possibility of closing their practice and laying off staff members due to reduced procedures and patient visits—we helped them keep their businesses open through premium payment deferment and adjustment of insurance coverage levels.

TDC GROUP DELIVERED CLARITY SO HEALTHCARE PROVIDERS COULD DELIVER CARE



"So tell me about your patient—what was the exposure?"

As a former "disease detective" for the CDC's Epidemic Intelligence Service, **Darline El Reda, DrPh, MPH**, was well prepared to serve healthcare professionals during the earliest, most confusing days of the COVID-19 pandemic. With the state facing critical shortages of both testing supplies and lab capacity, Dr. El Reda,

Vice President of Population Health for Medical Advantage, stepped up when the Michigan Department of Health and Human Services (MDHHS) asked for knowledgeable volunteers to staff a 24/7 provider phoneline. She covered evening and weekend phone shifts to help healthcare providers determine whether their patients met the state's criteria for priority testing.

"It was clear that practitioners were tired," she says—which was understandable, because the state's guidance, like everything else, changed frequently. Providers also were disappointed if they could not secure a test for their patient. "To them," she says, "every patient was a priority." Moreover, some were concerned that they would not be able to persuade a patient to quarantine in the absence of a positive test result. "They all wanted to do the right thing," she says.

Concurrently, Dr. El Reda led Medical Advantage's efforts to provide their client, MDHHS, with daily analytics and reporting of laboratory testing data to inform pandemic response efforts. MDHHS was guided by this reporting when meeting with the governor about the state of the pandemic, working with statewide public health officials, and when discussing where the National Guard should be deployed for community-based testing efforts.

As both a volunteer and a member of the Medical Advantage leadership team, Dr. El Reda put her expertise as an epidemiologist to work for Michigan healthcare providers and patients.

FOCUSING ON SAFER PANDEMIC PRENATAL CARE



During the early days of the pandemic, when many obstetricians were checking on prenatal patients via telemedicine, **David L.**

Feldman, MD, MBA, FACS, Chief Medical Officer for TDC Group, gathered obstetric leaders from major medical institutions across NYC to discuss how to safely utilize phone and video modalities to continue prenatal care while mitigating infection risks for patients and staff. The NYC Prenatal

Collaborative (NYCPC) focused on which telemedicine practice changes were most effective for the unique, time-sensitive work of prenatal care.

Given differences in patient needs and access challenges, the group did not ultimately create a uniform standard protocol for delivering remote prenatal care. Rather, the NYCPC's discussions presented "a learning opportunity for a dedicated group of OB professionals to better understand how to incorporate this modality into providing safe patient care under unforeseen circumstances," says Dr. Feldman.

FINDING SOLUTIONS DURING UNPRECEDENTED PRESSURE



Tents. Hotels. Convention centers. As NYC hospitals raced to cover the volume of COVID-19 patients, they needed overflow sites up and running, stat. TDC Group

met the pandemic head-on by helping to create a pop-up hospital in Central Park and by meeting many other urgent risk management and insurance needs for hospitals in the heart of the crisis.

As the pandemic continues, we are supporting a major hospital system in their contributions to the development and distribution of COVID-19 testing kits to clinical labs in the U.S. and around the world. In these situations and so many more, "Everyone moved fast and collaborated, to not slow the process of ultimate patient care," says **Duane Perricelli**, Vice President of Client Services for HRA. Throughout the twists and turns of this fast-moving crisis, TDC Group has served a central service role for hospitals as their trusted risk advisor.

Focus on COMMUNITY PROGRAMS

TDC Group is committed to building healthy communities and improving access to healthcare. We are proud to support our employees and members in addressing social determinants of health, including equity issues, through community investment programs.

CORPORATE CHARITABLE GIVING PROGRAM

We are committed to reflecting the values of our members and employees, and we partner with 501(c)3 nonprofit organizations in the communities in which we have a significant presence. Our investments aim to address the social determinants of health—creating environments that promote good health for all.

By funding local nonprofit partners who know their individual community's needs, we can help to reduce inequities,

build resilience, and improve community members' capacity to succeed. Our nonprofit partners do this by providing:

- ▶ Safety net services such as food, emergency and short-term housing, and financial assistance.
- ▶ Help for families who have suffered losses during the pandemic or natural disasters.
- ▶ Healthcare and mental health services.
- ▶ Safe places to stay for those affected by domestic and sexual violence.
- ▶ Improved educational outcomes for underrepresented youth.
- ▶ Culturally competent services that address social, economic, and racial inequities.

SPOTLIGHT ON HOUSING AND COMMUNITY SUPPORT FOR THE ELDERLY

Housing Opportunities & Maintenance for the Elderly (H.O.M.E.) is a nonprofit organization committed to improving the quality of life of Chicago's seniors with low income. In response to the aid provided by The Doctors Company, Executive Director Gail Schechter said, "We were especially grateful for The Doctors Company's support last year when we had to cancel our celebration dinner because of the pandemic. Your organization was the first to convert your dinner sponsorship into unrestricted funding, which allowed H.O.M.E. to be nimble and provide emergency support including a free grocery delivery program for low-income seniors throughout Chicago."



Transportation Coordinator Ernest Dixon operates H.O.M.E.'s wheelchair-accessible shopping bus, which connects low-income residents of senior buildings throughout Chicago with full-service grocery stores.

FIGHTING HUNGER BY THE NUMBERS

When the pandemic increased food insecurity, TDC Group employees stepped up to increase their community contributions.

- ▶ **80+** community organizations directly addressing food insecurity have received contributions from TDC Group during the pandemic.
- ▶ **14,000+** pounds of fresh food are rescued every day—from local grocers, retailers, farmers markets, and restaurants—then delivered to organizations serving those in need by White Pony Express, just one organization receiving employee volunteer hours plus a TDC Group monetary match.



Q&A on

COMMUNITY INVESTMENT

Elizabeth Healy

Vice President, Government and Community Relations

At times during the past two years, our members and other healthcare providers have dealt with conditions closer to a military field hospital than a typical healthcare setting. But as healthcare providers have met and exceeded the challenges, we have also been proud to see our employees and nonprofit partners rise to meet the needs of our communities.

Elizabeth Healy, Vice President of Government and Community Relations, shares how employees and partners of TDC Group support the health of the communities we serve—in and out of the clinical setting.

Q. What are the latest developments in our Corporate Charitable Giving and Employee Gift Matching programs?

A. We have increased our investment in organizations that support equity in healthcare access and treatment. This is a key component of our long-standing commitment to addressing the social determinants of health. For instance, we are partnering with organizations that support both the success of physicians of color and the

healthcare access of patients from a variety of ethnic backgrounds and identities.

Q. What projects, programs, and positive developments are you excited about right now?

Our investments aim to address the social determinants of health—creating environments that promote good health for all.

A. Our leadership team and Board of Governors have committed to year one of a five-year plan that proposes an increase of 25 percent each year across the programs, more than doubling the current philanthropic efforts of our community investment programs in 2026.

To amplify the impact of the funding increase, in 2022 we're launching a new Workplace Giving platform to help

employees more deeply engage with our community investment programs.

Q. What are some of the most memorable positive impacts that you've seen from our community giving programs?

A. It feels especially significant now how much our employees and the company have stepped up to deal with food insecurity, health equity, and other issues brought to the forefront by the pandemic. We've heard from many nonprofit leaders expressing their gratitude that they could count on our continued support during a time when many corporate donors have had to scale back their giving.

Our fight against food insecurity continues, often at a hyper-local level: When one of our community clinic partners started preparing bags of groceries to give to patients facing food insecurity, we backed their efforts. These are the communities where we live and work. These are our neighbors. These are our children's classmates, some of them using the food bank for the first time.

Focus on INVESTMENT PROGRAMS

TDC Group has a long track record of investing in ESG initiatives and aligning with partners that reflect commitment to a shared mission of increasing diversity, equity, and inclusion (DEI), allowing us to create community benefits as we create value for our members.

Over \$4 billion of our investment portfolio is under ESG/DEI investment management as internally rated. In addition, more than two-thirds of our invested assets are managed by firms that have demonstrated a strong organizational commitment to these areas.

Included in our commitment to ESG and DEI is participating in the California Organized Investment Network's (COIN's) mission, which is "to guide insurers on making safe and sound investments that yield environmental benefits throughout California and/or social benefits within the State's underserved communities." COIN-qualified capital is allocated to

investments in communities traditionally underserved in financial markets and to environmental projects promoting sustainability in California.

Under the leadership of T.C. Wilson, Chief Investment Officer (CIO), TDC Group has approved a minimum allocation of 1 percent of total group invested assets in COIN-qualified strategies. Mr. Wilson serves on the COIN Advisory Board.

Mr. Wilson was honored to win a Spotlight Award from COIN for representing and confirming TDC Group's commitment to investing aligned with COIN's mission.



Q&A on

SUSTAINABILITY AND INVESTING

T.C. Wilson
Chief Investment Officer

In 2017, T.C. Wilson took on the role of Chief Investment Officer, after providing 18 years of expert guidance as our company's investment consultant. Wilson shares how TDC Group is growing into a leader in ESG investing within the medical professional liability insurance and healthcare services sectors.

Q. What attracted you to the California Organized Investment Network's (COIN's) mission?

A. As a mission-based company with headquarters in California, we seek to align ourselves with other mission-based initiatives, including COIN. COIN provides us with investment opportunities that are consistent with our sustainability objectives by offering the social and environmental benefits of impact investing—whether it's investing in renewable energy to combat climate change, or investing in areas that support underserved communities or small businesses affected by natural disasters.

Q. How do you see COIN's goals aligning with TDC Group's goals for its investments?

A. For TDC Group, the objective of a dedicated COIN investment portfolio is to promote the company's ESG/DEI engagement as a corporate citizen by building a well-diversified portfolio of complementary ESG/DEI investments.

We are most interested in investments that align with TDC Group's mission. Because we serve healthcare providers,

Over \$4 billion of our investment portfolio is under ESG/DEI investment management as internally rated.

we might be drawn to an investment project that supports affordable housing, which connects to increasing access to quality healthcare. It may also mean investing in companies that lower the total cost of care, improving patient outcomes and expanding access to care for rural communities and underserved populations, while still achieving attractive market-rate risk-adjusted returns. The connection to healthcare

can be direct and immediate, or can emerge in longer-term outcomes.

Q. Can you speak to TDC Group's ESG and DEI investments elsewhere in the country? How do you determine whether an opportunity meets TDC Group standards for ESG/DEI?

A. On the DEI side, we look at the ownership structure of prospective money management firms. When scoring those firms, we will give credit to those firms that are minority owned. We currently engage three woman-owned firms that manage a combined \$400 million of TDC Group's assets. On the ESG side, we can see impacts in renewable energy projects in solar and wind across the world. Affordable housing investments across the U.S. often draw our attention, too, because they can connect to healthcare, and from a return and risk perspective, there are attractive opportunities.

Q. What kinds of positive community or environmental impacts do you see from TDC Group's investments?

A. One of our most impactful efforts is investing in California municipalities

to benefit underserved communities in areas such as Oakland, Alameda, San Jose, and Los Angeles.

We also have impact investments in energy conservation and renewable power. Specifically, one of our renewable investments focused on providing solar panels in California, Massachusetts, and New Jersey, and it resulted in an estimated 788,000 metric tons of water saved, 44,000 homes powered with clean energy, and 275,000 metric tons of CO2 emissions avoided.

Q. What are your goals in terms of increasing our ESG and DEI investing over time?

A. There really isn't a limit to our ESG and DEI investing potential. As long as the investment meets our investment objectives and has the potential to generate attractive risk/return characteristics, we'll consider it. We will not limit our ESG and DEI exposure, and we want to expand our ESG and DEI investing wherever an opportunity makes sense from both a prudent investing perspective and an ESG/DEI perspective.

Focus on DIVERSITY AND INCLUSION

TDC Group prioritizes attracting and retaining talent to ensure we have a quality workforce now and in the future—one that mirrors the diversity of the healthcare profession we serve. Just as diversifying our financial portfolio makes us stronger, promoting a corporate culture of diversity, equity, and inclusion makes TDC Group stronger and helps us provide exceptional service and innovative solutions.

TDC Group focuses on:

- ▶ Recruiting and maximizing our diversity outreach.
- ▶ Offering consistent employee development and advancement opportunities.
- ▶ Conducting gender pay equity studies and Annual Diversity & Inclusion training.

TDC Group utilizes 71 minority, woman, veteran, and disabled owned vendors.

- ▶ Employee retention and attrition.
- ▶ Annual succession planning with a focus on diversity, equity, and inclusion.
- ▶ Great Place to Work culture assessment.

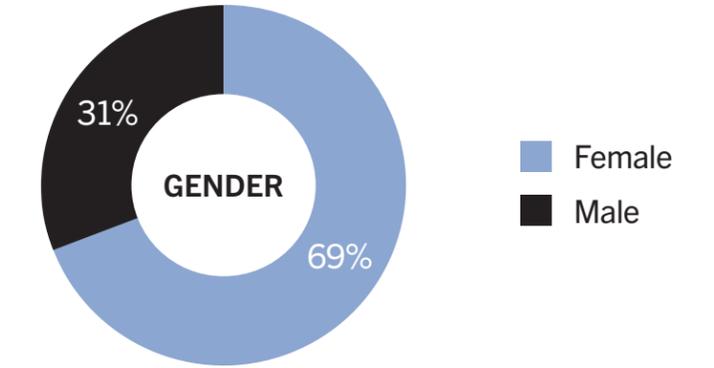
In 2020, Medical Advantage established a Diversity and Inclusion focus group. The group meets quarterly to track progress, define goals for the year, discuss any workplace issues, and ensure that the company's core values align with DEI.

TDCSU performs an annual cultural assessment and employee satisfaction survey, as well as utilizing a women-owned recruiting firm, risk management firm, and office furniture supplier.

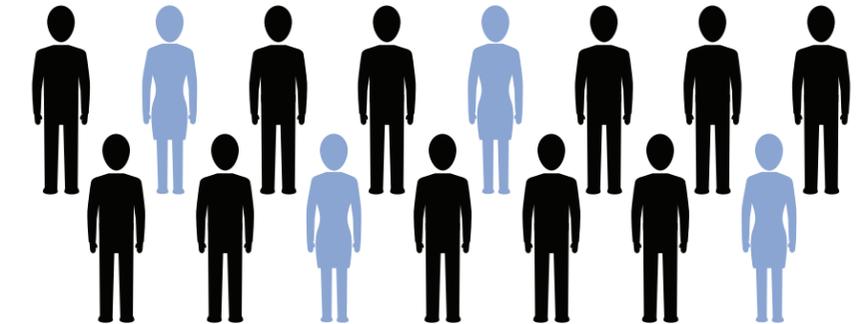
As of December 2021, 69 percent of TDC Group employees were women, and 56 percent of management roles were held by women.



TDC GROUP EMPLOYEE DEMOGRAPHICS



TDC GROUP BOARD OF GOVERNORS DEMOGRAPHICS



ENVIRONMENTAL Impact

Our investment portfolio includes \$50 million in global renewable energy investments, with more planned in the future.

TDC Group is focused on sustainability as a steward of our natural resources:

- ▶ The Doctors Company's Napa office has been recognized for the last 10 years by the Napa Valley Recycling and Environmental Awareness Team as one of the South County Business Recycling Leaders.
- ▶ TDCSU follows suit by leveraging recycling wherever possible, leases office space in a green building, and uses paperless delivery with all correspondence and policy information.
- ▶ HRA works in a building that uses 100 percent green power, with smart

technology for lighting and energy. HRA leadership has also supported their building's mandatory recycling program with more plentiful recycling containers and has provided all employees with a reusable water container.

- ▶ Medical Advantage is paperless, and recycling is available in all offices. Having embraced remote work tools even before the pandemic that reduced their offices' carbon footprint and reduced employees' use of fuel in commuting, they are now making plans to further leverage green technology.



TURNING TECHNOLOGY UPGRADES INTO OPPORTUNITIES

The Doctors Company has donated hundreds of reconditioned computers, as well as scanners, printers, and more, to local charities, where they are put into immediate use by those in need and those who serve them.

At a Napa nonprofit that serves adults with developmental disabilities, program participants with autism were using computers donated by The Doctors Company to do word searches, play word-related games, and develop language skills so they can "keep learning and growing," their Associate Director said.

Senior Infrastructure Engineer **Eduardo Tobias's** longtime practice of donating refurbished computers to local charities has inspired other IT staff to follow suit—one reconditioned computer has been used by the Associate Director to complete documentation "for the social work part of the job."

She said: "Donations like this make a huge impact. We were able to use the computers immediately, and we're just really, really appreciative."



TDC GROUP EXPANDS TELEHEALTH SUPPORT

TDC Group provides ever-growing resources for healthcare providers to effectively implement telehealth, thereby improving access to care and reducing environmental impact by cutting down on patients' trips to medical offices for care that could safely be provided remotely.

While The Doctors Company has included telehealth coverage automatically with professional liability insurance coverage for years, and Medical Advantage has long offered telehealth consulting, the early COVID-19 pandemic prompted us to expand our support for telehealth in all arenas.

From updated informed-consent documentation, to expert assistance navigating the shifting sands of the telehealth regulatory landscape, to a stream of clinical updates regarding best practices for remote triage and physical exams—and, crucially, guidance regarding when to insist patients be seen in person—the organizations of TDC Group led our industry in supporting healthcare providers ramping up their provision of telehealth.

Though the crises of the pandemic will end, the environmental benefits of increased telehealth access will live on.

SOCIAL Impact

TDC Group is committed to building healthy communities, improving access to healthcare, and addressing the social determinants of health. Our commitment is reflected in the financial and volunteer contributions of our employees, corporate charitable donations that directly support communities where we work, and patient safety research and education grants for healthcare professionals in training and in practice through The Doctors Company Foundation.

A DIVERSE TEAM OFFERS A STRONGER DEFENSE

When a healthcare provider faces litigation, TDCSU's defense panel selection process prioritizes representation from the start, ensuring that women and members of minority groups are among the attorneys and experts on the team.

TDCSU leadership knows that as the U.S. population becomes more

diverse, our juries do likewise, and communication is easier when experts are more reflective of the community they work in. Healthcare providers need and deserve a professional liability insurer and defense team who can navigate changing social dynamics, relating well to juries to present a strong defense.

REPRESENTATION MATTERS: WE SERVE OUR MEMBERS THROUGH A DIVERSE, TALENTED WORKFORCE

Since 2015, Senior Underwriter **Gabe Villalpando** has volunteered in Lansing to help teens in his community learn about career opportunities that they might never have considered—in professional liability. Villalpando says, "I evangelize the virtues of insurance to candid, unforgiving teenagers." Now, his acceptance into the competitive Diversity Leadership and Mentoring Program (LAMP) in PLUS will provide him with mentorship, as well as opportunities to further his focus on providing best imaginable service to our members.



"I want to be the change I wish to see in my community and in our industry," says Villalpando. "Representation matters, and I want to help grow our industry by showing that everyone has a chance at success in professional liability."

As the medical profession continues to become more diverse, we provide best imaginable service to our members through our diverse, talented workforce.

SOCIAL IMPACT BENCHMARKS

- ▶ Employee retention is consistently better than 90 percent, and TDC Group provides robust Employee Assistance Programs that help our employees address workplace safety, family health, legal concerns, child and elder care issues, and more.
- ▶ Third-party Gender Pay Equity analysis for The Doctors Company found no issues of concern. This analysis will be repeated every 18 months at all strategic business units of TDC Group.
- ▶ The Doctors Company's Department of Patient Safety and Risk Management is committed to addressing inequities in healthcare access and safety, including those created by implicit bias.
- ▶ The Department of Patient Safety and Risk Management also provides educational resources to help healthcare professionals reduce communication-related patient safety risks and communicate well with patients in environments rich in cultural and linguistic diversity.

THE DOCTORS COMPANY FOUNDATION: IMPROVING PATIENT SAFETY ONE GRANT AT A TIME

The purpose of the Foundation is to support patient safety education for healthcare professionals in training and in practice, and patient safety research with clinically useful applications. With this in mind, we focus on projects/activities that develop knowledge, techniques, and tools whose application reduces or eliminates risk of adverse events that cause harm to patients while under care.

The Foundation is a charitable organization with 501(c)3 nonprofit status. It is governed by a Board of Directors that includes physicians and corporate representatives. The board is chaired by William C. Rupp, MD.

Recent grants emphasize innovation and disseminating findings for widespread use to improve patient safety across the healthcare community:

- ▶ **Enhanced Diagnostic Reasoning (eDRx):** In the emergency department (ED), cognitively dense diagnostic decisions are made on multiple patients with undifferentiated symptoms under significant time—and information—constraints. These factors significantly impact the process of clinical reasoning in the ED. This investigation of "Enhanced Diagnostic Reasoning" or eDRx, by the Regents of the University of Michigan, addresses the need to boost diagnostic reasoning skills of

medical students and ED residents by employing a unique combination of ambient and artificial intelligence (AAI).

- ▶ **Identifying and Mitigating Patient Safety Risks Associated With Referrals from Telehealth to In-Person Care:** Despite benefits such as improving access to care, delivering care remotely may convey unintended consequences and safety risks. Some patients will inevitably require referral to in-person care, so the MedStar Health Research Institute will support a comprehensive analysis to identify telehealth referral risks and develop a rigorous assessment tool to help facilities mitigate patient safety risks.

- ▶ **Taking Action to Improve Root Cause Analysis:** The National Patient Safety Foundation (NPSF) looked to address the highly variable and inconsistent state of root cause analysis (RCA) practices and approaches. It realized that if healthcare organizations had a more standardized framework, they could improve the way they investigate errors, adverse events, and near-misses. More than 20 organizations endorsed the guidelines NPSF developed, agreeing to implement the changes, and more than 10,000 healthcare professionals attended web-based training in the guidelines.

GOVERNANCE

Impact

Our Board of Governors provides strong oversight on our ESG efforts, with robust technology and processes that protect our members and assets.

TDC Group is committed to conducting our business with honesty, integrity, and the highest level of ethics. Our financial success has been built on a conservative business philosophy designed to fully empower our mission and create long-term financial viability and success. We have integrated ESG considerations into our business operations, strategic planning, and succession. Our Triennial Financial Exams have consistently shown no issues related to our corporate governance practices.

The Nominating and Governance Committee is responsible for our governance structure and processes. This includes a strong ethical culture, including the ratification of the Corporate Governance Annual Disclosure (CGAD) report. The

committee also oversees board recruitment and board diversity, for which we exceed all regulatory requirements. Our Finance and Risk Committee is responsible for the oversight of material financial risk, including scenario planning and the ratification of our Own Risk and Solvency Assessment (ORSA) Report.

Our Audit Committee oversees our Enterprise Risk Management activities with regular reviews of any issues that arise. Our Technology and Cybersecurity Committee oversees our technology advancement, cybersecurity risks, and data security. The Investment Committee oversees our investment policies and practices that support corporate social responsibility efforts, including oversight of our corporate investment managers who integrate ESG considerations into asset allocation and investment decision making.

CYBERSECURITY PROTECTS HEALTHCARE PROFESSIONALS AND SYSTEMS—NOT JUST DATA



Deepika Srivastava
Chief Information Officer

Data security is one of the many ways we fulfill our commitment to supporting healthcare professionals and maintaining resilient healthcare systems.

Healthcare-related organizations remain top targets for hackers. The COVID-19 pandemic has provided additional opportunities for cybercriminals, given the shift to remote work environments, which present security challenges that are distinct from those of a traditional professional setting.

TDC Group serves the entire spectrum of care—from small practices to large health systems and hospitals, to vaccine and medical research companies, and more. Cybersecurity remains vital to sustaining and achieving our vision as we build the preeminent organization for service to healthcare.



Q&A on

OUR CODE OF ETHICS

Bryan Lawton, PhD
Chief Governance Officer and Chief Ethics Officer

Governance consideration includes a company's leadership, executive pay, audits, internal controls, and member rights. Central to our internal controls is our Code of Ethics.

Q. How does the Code of Ethics reflect the values of TDC Group?

A. We follow a specific, well-articulated Code of Ethics, with biannual training for all. This Code applies to each employee, including all officers, and the Board of Governors. The behaviors that are exemplified in this Code are guided by our values that are at the core of who we are and what we do. Our values and core beliefs define our culture and set forth expectations for how we conduct our work.

Our values are professionalism, service, and dedication to our mission.

We put our values into action by demonstrating them through our behaviors, decisions, and interactions

every day. When faced with decisions, sometimes the answer is clear and the right decision is easy. Other times, decisions can be complex, and guidance is needed. While direct communication with a supervisor is often the best course, we also maintain an ethics hotline.

Q. What's the benefit of maintaining an ethics hotline, in addition to other procedures for employee reporting of ethical concerns?

A. An ethics hotline provides an opportunity to gather more information than some other reporting methods. For instance, if an employee leaves just a brief anonymous note about their concern, it can be harder to determine the best next steps.

Q. If an employee wishes to remain anonymous, they may do so through the ethics hotline. What's the benefit of this?

A. Some employees are more comfortable providing an anonymous report. This is especially true if they fear retaliation—which they may do because of a bad prior experience elsewhere, even if their current supervisor at TDC Group would be responsive to their concerns. By maintaining access to anonymous reporting, we improve our odds of hearing about potential issues sooner—and sooner is always better when responding to ethics concerns.

Q. How does the ethics hotline help us support the principle of nonretaliation?

A. Anonymity protects a potential whistleblower against retaliation in the simple sense that it conceals their identity. Maintaining this open posture to receiving anonymously reported employee concerns demonstrates TDC Group's commitment to nonretaliation, which is protective in a larger sense.

Follow us.



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