

# WEST VIRGINIA MEDICAL INSURANCE AGENCY

*"Meeting the insurance needs of physicians"*

WVMIA Newsletter

*"A report of insurance activity especially designed for our clients"*

SPRING 2011

## Agency Activities

STEVE BROWN  
Agency Manager  
Ext. 22  
Cell: 304.542.0257

DAVE MUELLER  
Physician Services  
Specialist  
Ext. 29  
Cell: 304.767.0027

ROBIN SADDORIS  
Account Manager  
Ext. 17

EVAN JENKINS  
WVSMA  
Executive Director  
Licensed Agent  
Ext. 15

4307 MacCorkle Ave., SE  
PO Box 4106  
Charleston, WV 25364  
304-925-0342  
800-257-4747  
304-925-3166 Fax

### ANNUAL AGENCY MEETING

On Friday August 26th, the West Virginia Medical Insurance Agency will hold its annual meeting for clients and friends at the WVSMA Healthcare Summit at The Greenbrier. Traditionally, the Agency has invited the WV Insurance Commissioner and the President of the West Virginia Mutual Insurance Company to speak at its meeting and has had a third speaker to present on a timely insurance topic. While this year will be no exception, final arrangements for speakers are not complete.

Clients of the Agency and prospective clients are invited to attend. The meeting will be held from 10:00 a.m. to 11:30 a.m. in Salon C of the Eisenhower Suites (off the Exhibit Hall) on August 26, 2011. For more information call Steve Brown, agency management at 1-800-257-4747 ext 22 (304-925-0342 ext 22).

### WE GET AROUND

While getting to our clients in Huntington, Putnam County, Charleston and Kanawha County, Logan County and Boone County is considered local visits for us, in the first four months of 2011, we have made personal contacts with clients in the following parts of West Virginia:

1. Eastern Panhandle, Berkeley Springs, Romney & Keyser: 1/25/2011; 4/20 – 4/21/2011
2. Northern Panhandle/ Mid-Ohio Valley: 4/11 – 4/13/2011
3. Central West Virginia, Morgantown, Fairmont, Clarksburg/Bridgeport, Philippi & Weston: 2/23/2011; 4/7/2011 and 4/28/2011
4. Mercer County, Raleigh County & Wyoming County: 2/21/2011; 3/23/2011; and 4/29/2011



We service the entire State, currently having clients in 39 counties. If you need us, we will be there!

Steve Brown and Dave Mueller have also attended Mutual CARE Seminars in Beckley, Parkersburg, Clarksburg, Charleston and Keyser and the Mutual CME Loss Control Program in Martinsburg on 1/25/2011. We have visited WVSMA Component Societies in Cabell County, Central West Virginia, Raleigh County, Logan County and Kanawha County. In addition, we have exhibited at specialty society conferences including: WVFP on April 1 and 2; WV Orthopedic Society on March 19; WV Academy of Pediatrics on April 15, and also the WVMGMA Conference on March 11.

Our service area is the State of West Virginia! Let your comrades know about us and our willingness to be of assistance in any part of West Virginia.

### West Virginia Medical Insurance Agency

4307 MacCorkle Avenue, SE, Charleston, WV 25304  
1-800-257-4747 ♦ 304-925-0342 ♦ 304-925-3166 (fax)  
Extensions: Steve – 22; Dave – 29; Robin – 17

*A specialized insurance agency dedicated to meeting the medical practice insurance needs of physicians.*

**Formed by physicians for physicians.**

We will evaluate your medical practice insurance needs and provide a specialized source of information and data for your insurance buying decisions.



Dave Mueller, Physician Services Specialist

## MUTUAL NEWS

WVMIC held an annual meeting on May 4, 2011. Re-elected to its Board of Directors were: Robert L. Ghiz, MD; Tamara D. Lively-Huffman; and David L. Rader.

The current Mutual Board is comprised of the following individuals:

<b>Chairman</b>	R. Austin Wallace, MD
<b>Vice Chair</b>	MaryAnn Cater, DO
<b>Secretary</b>	Stephen L. Sebert, MD
<b>Treasurer</b>	Michael A. Stewart, MD
<b>Members:</b>	Robert L. Wheeler, MD
	David L. Rader, President/CEO
	B. Frederick Becker
	Joseph V. Funderburk III
	Robert L. Ghiz, MD
	Bruce R. Martin
	Tamara Lively-Huffman, CPCU
	Executive Vice President/COO

***“Your West Virginia Mutual Insurance Company has returned \$9,250,000 to you, our physician owners in the form of premium renewal credits over the past three years.”*** (source WVMIC).

***And the beat goes on...in 2011 physicians renewing with the Mutual are receiving a 12% renewal credit!***

## WV SUPREME COURT OF APPEALS

### CAP CASE UPDATE

Following the WV Supreme Court of Appeals hearing on McDonald v. City Hospital, et al, we have had numerous calls requesting our opinion on (a) when their decision will be rendered and (b) what will happen. We don't have an answer to either question because the Supreme Court does not provide a schedule for rendering its decisions – so in all candor we can expect the decision tomorrow or



by late June, but in reality we do expect it before the Court's summer recess (June 23rd). On the second question, it really is difficult to project the Court's response. This case could go either way – the unknown factor is: we have two appointed circuit court judges sitting on this case, in place of two elected justices that have recused themselves, and their opinions on the issue before the Court are unknown.

Enclosed with the newsletter is a copy of the *American Medical News* article dated April 11, 2011 entitled “CAPS Under Fire”, which appeared in their Professional Issues section.

## 2012 ELECTION

Robin Davis currently serving on the WV Supreme Court of Appeals has announced plans to seek re-election to the court in 2012. She will be seeking another twelve year term on the court, to which she was first elected in 2000. Justice Davis served as Chief Justice when the CAP case was filed with the court and also appointed replacement justices for two sitting justices that recused themselves. Justice Davis is a Democrat and is married to Scott Segal, a prominent trial lawyer.

# GOVERNOR ANNOUNCES WEST VIRGINIA INSURANCE COMMISSIONER TO RETIRE

Commissioner Jane L. Cline will retire effective June 30, 2011

Governor Earl Ray Tomblin announced May 18, 2011 that West Virginia Insurance Commissioner Jane L. Cline will retire after ten years with the West Virginia Offices of the Insurance Commissioner.

“Throughout her tenure, Jane Cline repeatedly demonstrated her skills as a manager, professional leader and independent problem-solver,” Gov. Earl Ray Tomblin said. “Cline dealt with a number of difficult and significant issues facing West Virginia’s insurance industry during her time as Commissioner. She deserves high praise, gratitude and accolades for her long and dedicated service to the people of West Virginia.”



Dave Rader, CEO, WV Mutual Insurance Company, Jane Cline, WV Insurance Commissioner, Steve Roberts, Executive Director, WV Chamber of Commerce and Steve Brown, Agency Manager, WV Medical Insurance Agency.

Appointed to Insurance Commissioner in 2001, Cline has been responsible for regulating the insurance market. Under her leadership, Cline’s staff successfully privatized the worker’s compensation system, *addressed insurance related reforms, such as medical malpractice*, and created AccessWV, a state run high-risk health insurance pool to address the needs of qualifying low-income residents.

In addition to her duties as Insurance Commissioner, Cline previously served as the president of the National Association of Insurance Commissioners (NAIC), as well as the chair of the Management Committee of the Interstate Insurance Product Regulation Commission.

“I have been fortunate to have worked in state government for 30 years,” Cline said. “I am appreciative of the confidence and support that Governor Tomblin, and the other governors I have served under, have placed in me. My time as West Virginia Insurance Commissioner has been rewarding. I will truly miss my staff, which has been instrumental in our agency’s successes, as well as, my fellow regulators whom we work with daily for the protection of our insurance consumers. I am looking forward to spending more time with my family and pursuing other interests.”

Commissioner Cline’s retirement will become effective June 30, 2011 and a replacement will be named in the future.

**Editorial Comment:** Commissioner Cline has truly been a friend of medicine during her tenure as Insurance Commissioner. She worked hard on issues concerning medical professional liability and has always supported our legislative efforts. She has been a steady friend in a time of need. *Steve Brown, 5/19/2011.*

## MEDICAL LIABILITY CLAIM UPDATE

Enclosed with this mailing is a copy of the updated Medical Liability Claims Lawsuits Filed Report for the 1st 4 months of 2011.

This report indicates a modest up tick in the frequency of suits filed. In 2011, the 4 month average is 18.25 while the average for 2010 was 14.17.

	2011	2010	2011	2010	2011	2010	2011	2010
	Jan	Feb	Mar	Apr	Jan	Feb	Mar	Apr
January	18	15	12	10	12	11	11	14
February	15	12	10	8	10	9	9	11
March	12	10	8	6	8	7	7	9
April	10	8	6	4	6	5	5	7
2011 Total	55	45	36	28	36	32	32	41
2010 Total	36	31	31	37	36	32	32	41
Average	13.75	11.25	9.00	7.00	9.00	8.00	8.00	10.25

If you have any questions, please call Steve Brown, agency manager at 304-925-0342 ext 22 (1-800-257-4747 ext 22).

## WORKERS' COMPENSATION INSURANCE



On May 3rd and 4th, Steve Brown attended the Second Annual West Virginia Workers’ Compensation Educational Conference presented by the West Virginia Offices of the Insurance Commissioner.

Notable information regarding the workers’ compensation insurance system that has been in place since 2006 include: 220 different insurance carriers have made filings with the WVDOI to offer workers’ compensation insurance; of those 185 insurance carriers have actually issued policies in the voluntary market. The residual market (assigned risk) now has approximately 850 policies which represents about 2.6% of the market, significantly less than the originally estimated 10%. Approximately 32,800 workers’ compensation policies are in force in West Virginia; there are about 90 qualifying self-insured accounts.

During calendar year 2010, the DOI Fraud Unit received 888 referrals of which 166 (18.7%) were referenced to workers’ compensation insurance. Of the 166, 127 involved claimants, 36 involved employers, and only 2 involved vendors (carriers/medical providers/claim processors, etc.) *The speaker from the fraud unit guaranteed that more vendor investigations would be forthcoming and that they would include medical providers.*

## RISK MANAGEMENT QUESTION

**Do I buy insurance because it’s the lowest premium or because it provides me with the lowest risk?** Let us help you answer that question. Call Steve Brown at the West Virginia Medical Insurance Agency 304-925-0342 ext 22 (1-800-257-4747 ext 22).

# Personal Umbrella Policies (PUPs): Do I need a Personal Umbrella Policy?

For many people, the answer to that question is “Yes”. Personal Umbrella policies provide an effective means of compensating a claimant when the limits of another policy aren’t enough. These policies are popular for two reasons: they are not very expensive and they can provide you with “peace of mind”/ “sleep insurance” because they cover many types of losses.

With a PUP in place, you can protect your personal assets, up to the limits of the policy, from liability arising from a variety of potential losses. For example, if you are sued for damages caused by your son or daughter being in a car accident and injuring someone, a PUP can be very effective. In another example, in a case that was settled, a babysitter was sued by the estate of a deceased child in the drowning death of the child while under the watch of the babysitter. Or, if someone is injured while visiting your home, and sues you for damages, a PUP can provide additional coverage over-and-above your Homeowner’s policy. As with many PUP claims, these types of actual events give us examples of how important a PUP can be, as we can often empathize with both the Claimants and Insureds in these types of cases.

A 2010 study conducted by USAA shows that 85% of the recent umbrella claims are the result of routine auto related accidents, including failure to yield (52%), lost control (14%), and rear-ends (11%). A claim example could follow this scenario: a driver veers into another lane causing a multiple car pile-up with damages that surpass his auto insurance limits. The driver is found liable for \$150,000 in property damage and another \$500,000 in bodily injury damages. Is his/her auto liability limit enough to cover this exposure? Having a \$1,000,000 umbrella policy would allow for compensation of the affected parties without draining the personal assets of the liable party, which might include retirement funds.

In another real-life scenario, an Insured’s 18 year old son was driving the Insured’s car on a short trip to the store with his girlfriend, the Claimant. The car left the roadway and struck a tree. The Insured’s son told police that a vehicle cut him off, but there were no witnesses and no evidence of any impact with another car. The Claimant has no recollection of the accident. The Claimant, a 19 year old college student, was hospitalized for over a month with multiple fractures and internal injuries. She was in a wheelchair but is now able to walk with crutches and continues with physical therapy. She has a right drop foot as a result of the injuries. The Insured’s personal umbrella policy limit was paid.

Personal Umbrella Policies (PUPs) can vary from carrier to carrier, but can provide a “comfort zone” of coverage for an Insured, over and above the limits of other policies you already have established. Some companies broaden coverage by providing excess uninsured and underinsured motorist protection with limits of \$1,000,000. Policies such as these can be very beneficial in situations like those described in these actual scenarios, as well as in many other types of situations.

If you would like a quote on a Personal Umbrella policy, call the West Virginia Medical Insurance Agency at 1-800-257-4747 ext. 22.

## References

1. Independent Agent magazine, March 2011: RLI Rolls Out Excess UM/UIM Endorsement for PUP. Advantage Newsletter
2. Big I, Spring 2011, p.45: Real Life Personal Umbrella Claims Show Why Basic Insurance Is Not Enough: RLI Personal Umbrella.
3. IA Magazine, June 2010, PC Trends.
4. Big I Markets: 2 for Tuesday: May 31, 2011.

## WHY THE HARTFORD?



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## GROUP EMPLOYEE BENEFITS


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4307 MacCorkle Avenue, SE  
P.O. Box 4106 Charleston, WV 25364



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