



## **Positive Physicians Insurance Company Executive Summary**

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**Positive Physicians Insurance Company was founded by Dr Lewis Sharps an Orthopaedic Surgeon in 2002 as a response to the medical malpractice meltdown that was occurring in Pennsylvania and New Jersey.**

**As the past President of Pennsylvania Orthopaedic Society the company's Mission Statement was to provide "Stability and Predictability to our insureds so they in turn can provide the highest level of health care to their patients." Positive was a life raft for hundreds of physicians who had no choice but to leave their state or retire.**

**Over the last 18 years Positive has lived up to its Mission Statement and has grown into eight states insuring thousands of physicians and surgeons.**

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### **Market Summary**

Positive grew and remained profitable during the hard market that existed from 2002 to 2007. After 2007, the MPL market softened and became competitive as the carriers who previously fled Pa and NJ came back into the market because of the dramatic rate increases that had taken place.

From 2007 until 2018, the MPL market progressively softened with national carriers acquiring market share by offering unsustainable pricing resulting in combined ratios well in excess of 100.

The trend of underpricing risk while MPL severity continued to increase came to a halt last year when national carriers began increasing rate by 5% to 25% and the MPL market hardened.

### **Corporate History**

Positive's Management Team took control of two other insurance exchanges in 2017 and merged them into Positive Physicians Insurance Company as part of a public offering on March 27, 2019.

The initial public offering was completed on March 27, 2019 creating Positive Physicians Holdings, Inc., a Pennsylvania domiciled holding company which in turn wholly-owned Positive Physicians Insurance Company. PPHI was listed on the NASDAQ exchange under the symbol of PPHI.

## **Differentiators**

### **What Differentiates Positive Physicians Insurance Company?**

- **NO ONE UNDERSTANDS SURGICAL RISK BETTER THAN Positive!**
- **Integrated Risk Management**
- **Continuous Claim Management**
- **Availability of Exceptional Experts in every field**
- **A paradigm shift in the relationship of the Carrier and the physician.**
  - **Partnership with our Doctors**

## **INTEGRATED RISK MANAGEMENT “IRM”**

**The Keystone of the Positive Physicians Insurance Company is the ability to create an Integrated Risk Management Program within our free standing physician and hospital based practices.**

**Experience has proven that this IRM platform improves Patient Satisfaction and Quality of Care at no cost to the group while simultaneously protecting our insureds against claims. In an era of outcome driven reimbursement this platform can be a very persuasive tool in negotiating better payment contracts.**

Inherent to this process is the appointment and training of a Risk Coordinator (“RC”). The RC is an existing employee of the clinical group, not a new employee. Therefore the RC does not result in any additional overhead to the practice. This RC is usually a physician assistant, nurse practitioner or technician. There should be one RC for each geographic office.

PPIC recommends that each insured appoint a Risk Coordinator at each of their clinical offices in order to interface with the doctors, the patients and the staff.

The RCs will be trained by Shannel Windle the PPIC Risk Manager during off hours. Each office will be trained individually.

The RC’s role is to notify the PPIC Risk Manager and our Third Party Administrator, Kurt Gingrich Esq., of any untoward events or potentially compensable events (PCE’s) that have the potential for litigation. Positive will then actively mitigate these situations by providing the necessary advice, hand holding and patient-centered attention inherent to decompressing the event. No issue is too small for us. Our philosophy is that the closer you get to the event the less chance there is of the event escalating into a claim.

PCE’s will not be held against any provider or the corporation during the renewal underwriting review.

We strongly believe that this service not only reduces claim frequency but also improves patient satisfaction and quality of care at no cost to the clinical practice.

As part of our IRM platform, PPIC will provide your medical groups with the following assessments:

- An initial Risk Assessment for each office.
    - To be conducted by our Risk Manager
    - To Include:
      - Assessment of telephone logs
      - Assessment of message logs
      - Training of front and back office staff as to role of RC
      - Assessment of chart documentation
      - Review of operative permits
      - Review of informed consent forms
      - Patient grievance process
      - Physician communication with the group
      - Complication notification process
      - Billing procedures when faced by dissatisfied patient or complications
      - Medication management
      - Review the EMR for potential template or documentation errors
  - Repeat full office Risk Assessments are available at 6 month intervals
    - To assess compliance with policy and procedures
  - Review of claim history with each physician from past to present
  - Review of informed consent forms
    - Procedure Specific
  - Selection and training of the Risk Coordinators
    - Estimated 1 per office location
    - Re-training of Risk Coordinator once per year
  - Provide interface between the practice and its management to ensure that the Risk Management program is integrated into the culture of the practice. This improves patient satisfaction and quality of care thereby decreasing risk exposure and cost.
  - PPIC will provide 24/7 Availability to manage Potentially Compensable Events (PCE).
  - PPIC will provide counseling to each office and the involved physician with regard to appropriate handling of each PCE.
  - PPIC will manage and track all Potentially Compensable Events (PCE).
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## **CONTINUOUS CLAIM MANAGEMENT**

Positive excels at effective Claims Management. Our program is based upon developing close teamwork between our insured, the defense counsel, and our third party claims administrator, Gateway Risk Services, Inc. (Gateway).

Our policy is to treat every claim as if it is going to trial no matter how frivolous it may appear.

The cornerstone of our claim management program is the development and evaluation of each claim at the earliest possible time. Going forward, we then continuously monitor the claim process. This requires active communication and the coordination of activities between PPIC, our insured, Gateway, and defense counsel, as well as the application of common sense and good judgment.

As a doctor driven company, we have the ability to recruit leading experts to serve as defense witnesses. This alone has worked strategically for winning claims on behalf of our doctors.

Close communication at every stage of the litigation process, joint decision-making upon a reasonable course of action, and appropriate file documentation has enabled PPIC to achieve its goal of superior results.

PPIC wants results and not all defense law firms are created equal.

Our defense attorneys have been monitored and screened over the last 18 years. Their defense strategies are constantly reviewed by our TPA as to effectiveness. They are required to work within the Positive litigation framework.

A Litigation Status Report and Plan (LSRP) is mandated from defense council on a scheduled basis and is reviewed by our Claims Committee, TPA, Dr. Sharps, or a member of our Medical Review Board. This becomes a valuable monitoring tool to assess the strategy and effectiveness of the defense.

We are dedicated to providing our doctors with the best defense possible.

## **PARTNERSHIP WITH OUR INSUREDS**

As a physician driven company that was founded in 2002, shortly following the demise of PIE, PIC and PHICO, it was essential that we change the paradigm by actively partnering with our insureds in order to become part of their professional culture.

We constantly emphasize that we, the insurer, can only thrive if our doctors and their practices thrive. If our doctors protect us by embracing enhanced risk management, then we can protect them with competitive pricing.

**\*Demotech financial stability rating of A' Unsurpassed**

