MEDICAL LIABILITY
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## THE DOCTORS COMPANY MARKS SIX MONTHS IN NEW YORK ADMITTED MARKET, RECEIVES EXCLUSIVE ENDORSEMENT OF NEW YORK COUNTY MEDICAL SOCIETY

Six months since it entered the New York medical professional liability insurance market on an admitted basis, The Doctors Company reports that its longterm plan for expanding market share in the Empire State is progressing as planned and that it has received the exclusive endorsement of the New York County Medical Society.

"New York is the largest market in the country, and every market is unique — its regulatory framework, legal environment, tort reform," said Bill Fleming, chief operating officer at The Doctors Company. "For us, the driver behind moving into New York is that we're a mission-driven company. We want to deliver on our mission — to advance, protect and reward the practice of good medicine — wherever we can in a longterm, sustainable way.

"Our [New York] market share is growing, and the response from doctors has been overwhelmingly positive. They are excited to have access to coverage offered by a New York-admitted insurer that they own, that is beholden only to its members, and that delivers industry-leading benefits during their careers in medicine, as well as a significant financial benefit when they retire — with our Tribute Plan award. Nobody offers that in New York today. So we're offering a differentiated product, and in a market where claims can be very large, we're a company that understands that risk and has the capability to manage that level of risk."

New York's medical professional liability insurance market has been a hotbed of change lately. Oceanus Insurance RRG, once the sixth-largest insurer of medical liability in the state, formally liquidated last year, creating a sense of unease as other risk retention groups jockey for increased premium. MLMIC, the state's largest insurer of medical liability, is expected to begin the process of converting from a mutual to stock company following its entry into a definitive agreement to be purchased by Berkshire Hathaway almost two years ago.

"The [demutualization] process that MLMIC is entering into under Berkshire Hathaway has changed the landscape significantly," said Scot Glasberg, MD, president of the New York County Medical Society. "At the same time that was happening, The Doctors Company made its move to expand in the state. Physicians in New York are used to dealing with a mutual company that is owned by physicians and the benefits one offers.

"And when comparing a risk retention group to an insurer like The Doctors Company, The Doctors Company has a long history in medical malpractice, its financials are more than sound, it can provide dividends out of its surplus, and it can offer access to the state's excess coverage."

New York's Section 18 Excess Medical Malpractice Insurance Program, which covers claims that exceed usual policy limits of $1.3 million per incident and $3.9 million in annual aggregate, is restricted to physicians insured by an admitted medical professional liability insurance company.

"If you look at financial strength, we have $2 billion in surplus, more than $4 billion in assets and we've been in the business for 40 years," Fleming said, echoing Glasberg. "And a physician can only access the Section 18 Excess Coverage if they have an admitted policy. If they buy coverage from an RRG, they're not able to access that coverage. That's a major issue in a state like New York where you have high severity. The extra layer of coverage is important."

While recent developments in the New York medical professional liability marketplace certainly made the state's admitted forum more attractive to The Doctors Company, Fleming returns to the mutual's "mission" as the primary motivation for entering one of the medical liability industry's more notoriously volatile states.

"Our goal is to deliver on a mission," he said. "We're not a public company. We're not trying to hit a particular earnings per share target or even a year-over-year revenue growth metric. New York is a market where doctors are accustomed to owning the company that insures them and need that company to be financially strong. If you look ahead to the end of 2018 or the beginning of 2019, my expectation is that The Doctors Company is going to be the only member-owned, financially strong company writing in the New York admitted market."