



How to choose a medical liability insurance provider

TMLT is endorsed by
Harris County Medical Society



What do you need to know when comparing prospective medical liability insurance providers?

1. How long has the insurance provider been in business?

Longevity in the industry is important because a newer company with limited loss experience data on Texas physicians could find it difficult to accurately project future liabilities. Ultimately, the financial stability of the company could be affected. TMLT has been protecting Texas physicians for 28 years.

2. How experienced is top management, including the claim staff?

Experienced medical liability insurance professionals along with a physician governing board make up the leadership of TMLT. In the claim department, TMLT claim supervisors average over 15 years of medical liability claim experience and the claim management staff average over 20 years experience.

3. How many policyholders does the company have in Texas?

The number of policyholders a company serves in the state is a good indicator of their commitment to Texas. In the past, insurance companies have left the state when the business environment turned unfavorable. TMLT is domiciled in Austin, Texas and currently provides medical liability protection to the largest number of Texas physicians, over 14,000.

4. If you are sued, you will need legal counsel. Identify the defense attorneys the company uses for policyholder defense.

Select a medical liability provider who works with reputable attorneys experienced in the medical liability arena

in Texas and who have a successful record in medical liability litigation. TMLT consistently closes over 89% of claims with no indemnity payment, and in 2006, we won 97% of TMLT cases that reached the courtroom, setting a new performance high.

5. Request a financial statement or annual report to evaluate the financial stability of the company.

Your CPA or attorney can offer advice in interpreting the key areas of medical liability financial reports. In many cases, these reports can be accessed online. TMLT's most recent annual reports are online at www.tmlt.org or you may request a print copy from sales@tmlt.org.

6. What are the company's assets?

Insurance companies must accumulate significant assets in order to meet their promises to pay out substantial amounts in the future. The annual statement will detail a company's assets. TMLT's assets for 2006 were \$641m (*unaudited*).

7. What is the company's policyholder surplus?

A company must build sufficient surplus to assure that losses—in excess of collected premium—can be paid. At minimum, a company should have no less than one dollar in surplus for every three dollars in premium collected. In 2006, TMLT's surplus was \$224.8m (*unaudited*).

Audited financial figures will be available in our 2006 Annual Report coming out in April of 2007.

New for 2007

1 Effective January 1, 2007, TMLT reduced rates 7.5% for all specialties practicing throughout Texas. This is our fourth rate reduction since the passage of House Bill 4 and Proposition 12 in 2003.

2 This rate reduction is accompanied by a 20% dividend for all current TMLT policyholders who renew their coverage in 2007. The dividend will be credited upon policy renewal.

3 TMLT's website, www.tmlt.org, will launch a Members Only section for policyholders by the second quarter of 2007. On our secure site, you will be able to view your account information, request special services, and access information for policyholders only.

4 TMLT's Case Closed, Volumes I and II are now available at no charge to policyholders. Each book offers the chance to earn 4 hours of CME, including 1 ethics hour, by completing the CME activity in the book. TMLT policyholders completing one of these activities can earn a 3% premium discount (maximum \$1,000) applied to their next eligible policy period.

www.tmlt.org

TEXAS MEDICAL LIABILITY TRUST

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The only health care liability claim trust created and endorsed by Texas Medical Association