



Situation

A sizeable mid-Atlantic urology group, formed through the consolidation of smaller entities, was fully insured for professional liability coverage. Each physician within this group had their own separate \$1 million policy limit. Concerned by recent claims experience and a projected escalated premium, the group was giving consideration to joining an out-of-state Risk Retention Group (RRG) as a change from their current policy.

Action

Making a point to stay in touch with the organization over the last several years, RCM&D's Healthcare Group approached the physician PA yet again, however this time with an alternative risk financing program. RCM&D analyzed the organizations claims experience and payout patterns over the past seven years, and began educating the client extensively on how to measure the risk associated with deductibles. Successful in clarifying the economic advantage from assuming some risk, RCM&D was able to recommend a HPIX-based solution -- which involved a \$100,000 per claim deductible with a \$400,000 annual aggregate deductible.

Result

The urology group implemented RCM&D's recommendations and saw their annual premium decrease nearly 40%. RCM&D was also able to secure a two-year rate, and five-year underwriting, guarantee. Furthermore, it was determined that the group would have saved a high six-figure amount over the past seven years had the new program been in place all along.

As the organization's on-going advisor, RCM&D consultants will continue to monitor the current and changing market conditions for the group in order to counsel them accordingly.

For More Information, Contact

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