



PARTNERSHIP
INNOVATION
RESILIENCE



2020-2021 Annual Report

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BOARD OF
DIRECTORS

MESSAGE FROM OUR PRESIDENT AND CEO



MICHELLE HOPPES
RN, MS, AHRMQR, DFASHRM
PRESIDENT & CEO

Partnership.

Innovation.

Resilience.

To coin an exhausted expression, these have been “unprecedented times.” As the pandemic swept across our nation, shutting down our world and causing chaos and uncertainty, it was our healthcare providers that were front and center. The heroic efforts of healthcare providers in the face of peril demonstrated the dedication to saving lives, healing, and caring that healthcare providers do every day. We all witnessed the instinct showed in placing patient well-being over personal safety. This phenomenon was like the Hippocratic Oath come to life, on full display around the clock, day after day, for over a year. We observed healthcare workers answering the call around the world, the double and triple shift days, and front line workers putting their lives on the line for total strangers who walked, wheeled, or were carried into the ICU by doctors, nursing staff, EMTs, lab technicians, and so many others – some who were dressed in full PPE, and some with almost no protection at all.

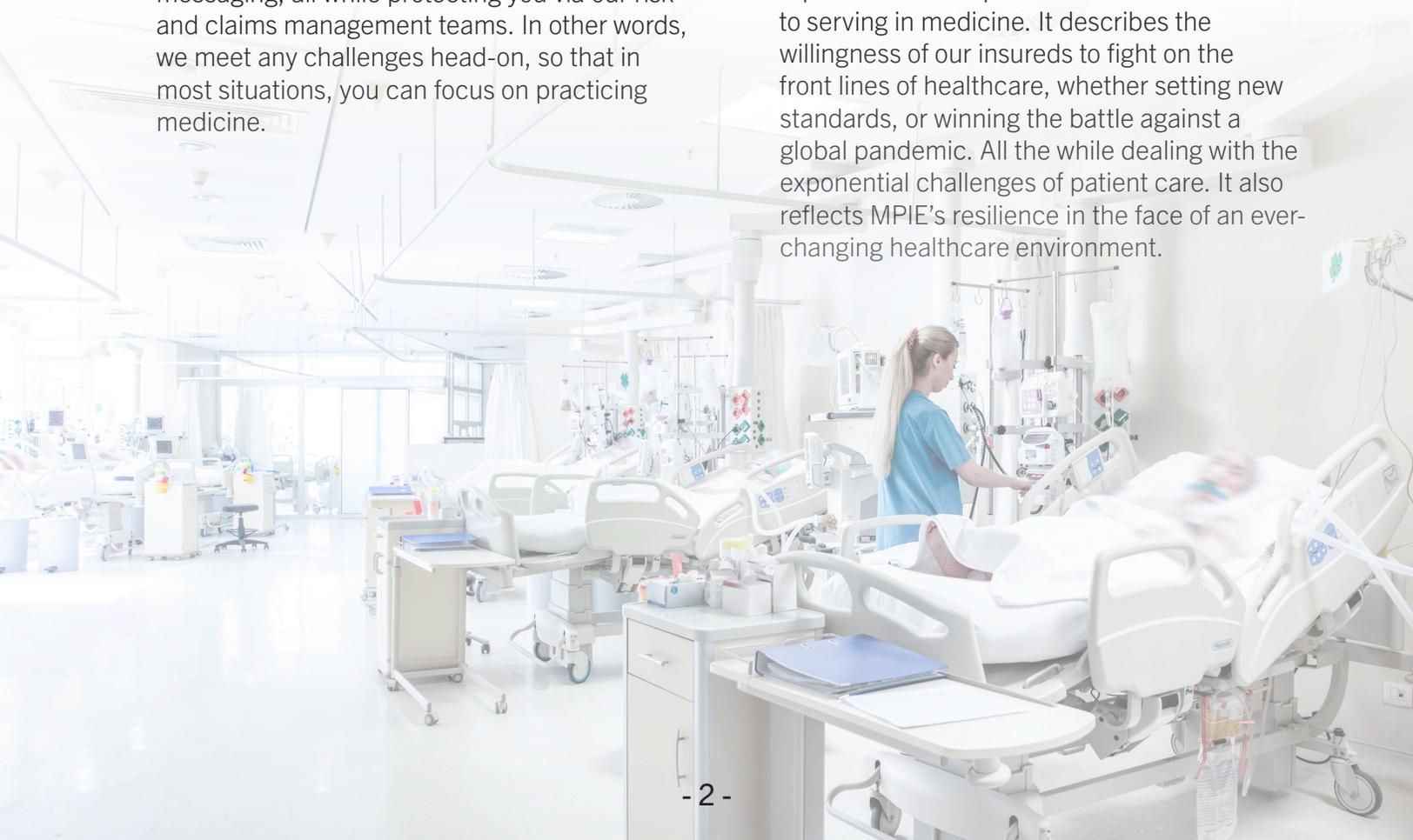
We are privileged to support the work of our healthcare organizations and providers, and we are dedicated to serving you.

It is in this spirit that I share a message that speaks to the uniquely challenging world of healthcare professionals in the 21st century. I want to share three action-oriented points that describe how we view our commitment to our insureds, and that we happen to think is an apt description of what our insureds have experienced, and how they continue to excel:

1. We value our partnership with you. We develop strong relationships with our clients based on mutual trust and respect, as well as effective collaboration, every step of the way. In most cases, we operate as an extension of our clients, we customize the services we provide while proactively assisting with risk prevention. This extends to our approach in assisting all insureds with critical information and messaging, all while protecting you via our risk and claims management teams. In other words, we meet any challenges head-on, so that in most situations, you can focus on practicing medicine.

2. This past year, one way we have demonstrated our **commitment to innovation** has been by quickly pivoting to provide you with impactful virtual support, to ensure we maintain our focus on service. This also applies to ongoing education – much of which we expect to remain virtual even after this pandemic passes. We remain alert to new threats on the horizon that could affect the claims or risk management process, and we use our advanced data analytics to provide insights for clinicians, practices, and hospitals. In other words, the clinical taxonomy is revealing where you've been at risk and often how to prevent that risk in the future. Innovation has become standard procedure in a pandemic-shaped world: to survive, you must innovate. But without a strong plan from start to finish, organizations may not be prepared to pivot and respond to factors that are both unexpected, and in large part, outside their control. Innovation comes at us every day. At MPIE, we determine which innovations deserve attention, and by whom, and determine which adds value to you, our insureds.

3. We **hold up the notion of resilience** to represent a concept that is foundational to serving in medicine. It describes the willingness of our insureds to fight on the front lines of healthcare, whether setting new standards, or winning the battle against a global pandemic. All the while dealing with the exponential challenges of patient care. It also reflects MPIE's resilience in the face of an ever-changing healthcare environment.



No matter the focus of your practice, the recent necessity to shift from a nearly 100 percent in-person practice to a nearly 100 percent virtual practice, and to make that major shift essentially overnight, may have sounded unattainable just a few short years ago, not to mention fraught with practical and legal risk from start to finish. The MPIE team remained a leader in disseminating the latest information and protection for our insureds as they adopted the necessary technology and processes.

In the span of a few months, virtual visits have become standard operating procedures, practiced all over the world, where necessity has become the mother of the Zoom meeting. How did this become standard operating procedure, and do we have data indicating it's safe and effective? These are areas where MPIE risk managers shine. In fact, throughout this year MPIE subject matter experts have helped define and promote virtual approaches and telemedicine best practices.

MPIE remains strong – through this pandemic and beyond. What we've learned about serving our insureds through uncharted waters has made our strong system and processes even stronger. A core component of this strength is our commitment to our trust relationship with our insureds, as well as

communicating with you clearly and frequently, in ways that add value for your practice. This includes our “just-in-time” alerts using cutting-edge tactics to keep our insureds abreast of critical information in a fast-changing marketplace. This also includes the development of a new website with an updated, user-friendly, and intuitive insured portal built with your needs in mind. We've invested in a new online system that serves both your immediate need for easier access to resources and education and future technology needs to come.

At MPIE, our purpose is to serve you, and together we can meet the challenges of today and tomorrow – including the ones that don't yet exist. We believe that nothing is as valuable as your professional reputation. Our credibility, and our job, is to protect all that is most valuable to you.



RN, MS, AHRMQR, DFASHRM
PRESIDENT & CEO

Our commitment to you realized in challenging times

RISK MANAGEMENT

- ▶ Virtual education
- ▶ Increased communication
- ▶ High level of service
- ▶ Telemedicine best practices

EDUCATION AND TECHNOLOGY

- ▶ New website to serve our insureds
- ▶ Virtual education options
- ▶ Resources for telemedicine and emerging technologies

CLAIMS

- ▶ Protecting insureds' reputation and financial interests
- ▶ Limiting the stress and burden of claims
- ▶ Business continuity plan to seamlessly pivot to 100% remote
- ▶ Industry best claims management services
- ▶ Claims closed – no loss payment 70%

MESSAGE FROM OUR EVP AND CFO



KATIE PETERSON
EXECUTIVE VICE PRESIDENT & CFO

Partnership.
Innovation.
Resilience.

We experienced challenges in 2020 like none of us could have imagined. We are in a dynamic market, whether you define it as insurance, or healthcare, or both. As an insurance company, we were proactive and easily transitioned our services to a virtual platform. However, the pandemic is not the only challenge facing the insurance and healthcare market, as the medical malpractice industry is faced with mega-verdicts, rising defense costs, increasing rates, fierce competition for premiums, and increasing technology costs.

MPIE is well positioned to respond to the challenges facing insurance and healthcare with innovation and a resilient attitude. As our operations transitioned seamlessly to virtual, we found new ways to deliver outstanding services, such as risk management real-time e-alerts, and fast-tracked telemedicine coverage in physician offices. We are so proud of the MPIE employees who stayed dedicated to their sense of purpose in serving our subscribers and who are excited to make an impact on provider protection and resiliency, patient safety, and innovative insurance solutions. Regardless of the next round of challenges, we will be here to deliver unparalleled services and solutions to our insureds.

FINANCIAL HIGHLIGHTS

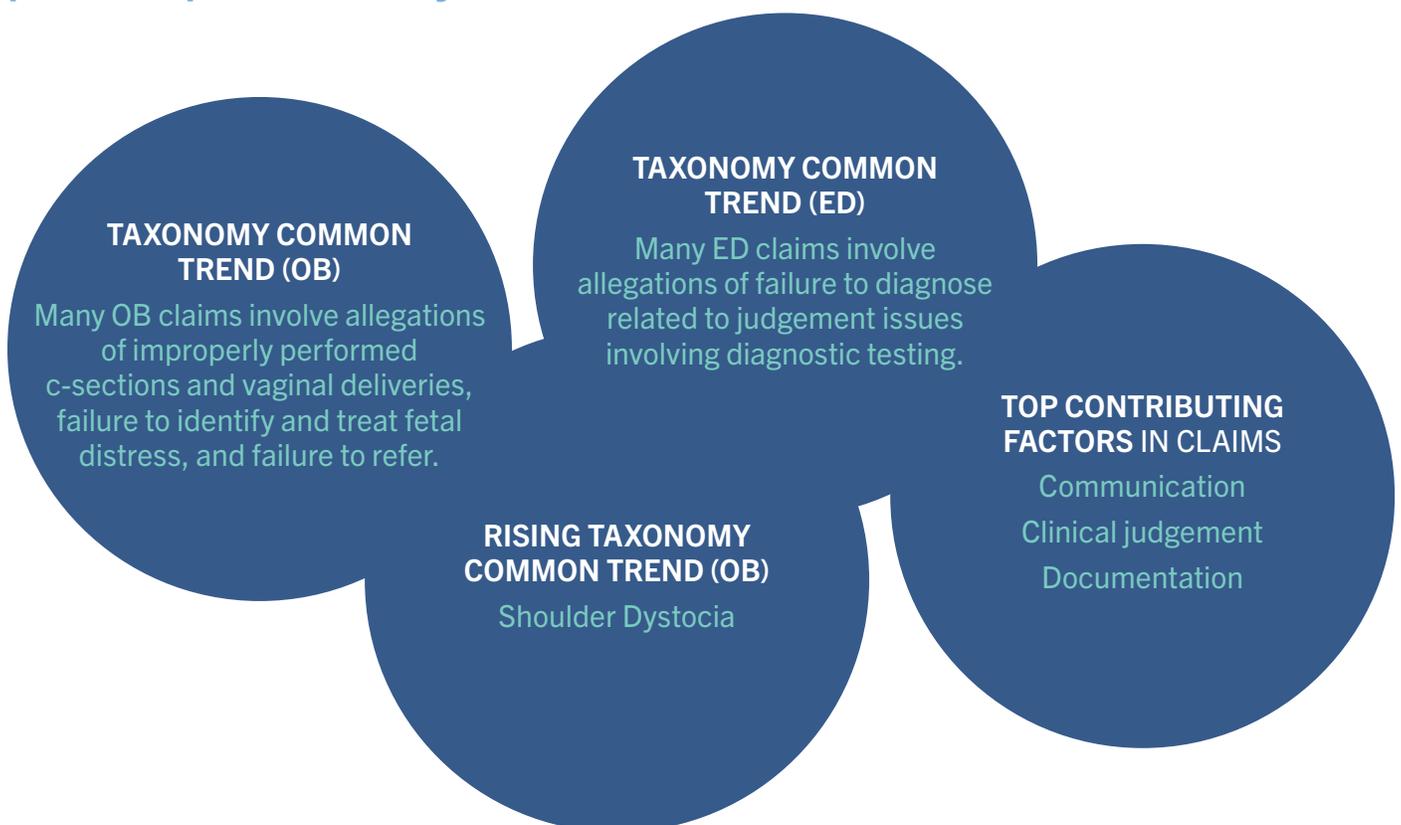
2020	<i>Dollars in thousands</i>
Total Assets	\$130,904
Loss Reserves	\$52,822
Direct Written Premium	\$18,183
Net Income	\$5,383
Policyholders Surplus	\$52,367
AM Best Rating	A- (Excellent)

TAXONOMY AND DATA ANALYTICS

Big data and analytics have become an important tool to derive meaningful insights to make timely decisions and reduce risk. This past year, MPIE has been focusing on ways to enable providers and leaders to make informed patient safety decisions. MPIE's taxonomy aids healthcare clients in determining why patients are harmed and how to prevent it. The insight provides direction and lessons learned to drive risk management and patient safety initiatives. We believe innovation and data benefit insureds and are continuously improving to provide our insureds with the most accurate and useful metrics.

MPIE identified common trends and created guidelines and specific education with recommendations for simulation training and changes in documentation for providers to promote patient safety.

- 1. Neonatal Resuscitation**
- 2. Second Stage of Labor**
- 3. Shoulder Dystocia**





CLAIMS

MPIE's claim philosophy continues 30+ years of innovation and excellence in the management of professional liability claims, by vigorously defending the appropriate practice of medicine to protect our insured's reputation and financial interest. MPIE continues to serve as an aggressive advocate during the claims process because we understand the stress and burden that a professional liability claim can have on our insureds. We strive to collaborate with our insureds to be the most valuable resource for minimizing the stress, disruption, and financial impact professional liability allegations may have.

During the pandemic, MPIE's business continuity plan enabled MPIE to seamlessly transition to a 100% remote environment. Our claim philosophy, commitment to preparation and resilience have enabled us to continue to provide our insureds with industry best claims management service. Our team of attorneys, nurses, legal nurse consultants, paralegals, nurse case managers, and private investigators continue to work daily, in a mostly remote setting, with no impact on the quality of our services. We continue to leverage cutting-edge technology to effectively evaluate claims, prepare and execute aggressive defense strategies and resolve matters while providing unparalleled claims service even midst the pandemic.

MPIE believes in the aggressive defense of the appropriate practice of medicine, protecting our insureds, both in their medical practice and within the legal system. At the same time, our claims team collaborates with risk management to quickly identify trends to improve quality and safety.

MPIE's claim philosophy and approach works and the results are the proof:

- Experienced claims staff including in-house attorneys, nurses, legal nurse consultants, paralegals, and nurse case managers
- On average, over 70% of claims are closed with no loss payment
- Nearly 10% of 2020 claims were referred to MPIE's GAPP Program (Giving Assistance to Patients and Providers). This nationally recognized innovative approach aids our insureds by providing immediate patient assistance following an unexpected outcome, helping to retain the provider-patient relationship and avoid unnecessary litigation
- MPIE's Early Resolution Program identified and resolved numerous claims, early, with minimal impact to our insureds
- MPIE's claims support and claims management philosophy has resulted in 100% client satisfaction



An aggressive and appropriate defense



Protecting our insureds from unreasonable exposure



Providing appropriate outcomes for injured patients



Collaboration with risk to identify trends, improve care, and enhance patient safety

MPIE strives for the best outcomes every step of the way. The partnership we have with our insureds is critical to achieving successful outcomes. The foundation of our relationships is built on trust and understanding of MPIE's philosophy and goals.



Subscriber Savings Account

\$63M

returned to subscribers

\$86M

total allocations to subscribers

SSA calculation is made up of:

Safe practice allocation – determined by participation in risk management and demonstration of low losses

Loyalty Allocation – based on longevity as an MPIE insured

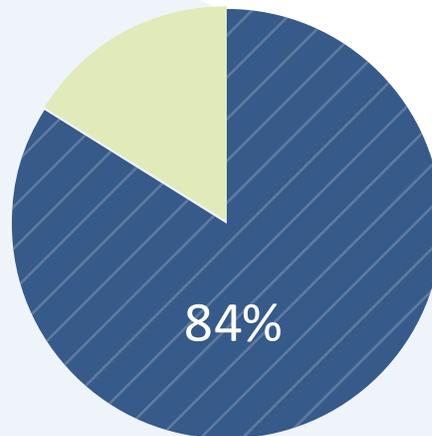
RISK MANAGEMENT AND CLIENT SERVICE

A key area of service for any medical professional liability company is risk management education. MPIE is no exception and allocates significant resources to ensure risk management and patient safety education is top of mind and readily available for our insureds. MPIE risk management and client services adapted in 2020 and become completely virtual, innovating to support our clients through education, increased communication, and service. We pride ourselves on our insured relationships and closely partnering with them as they navigated the uncertainties of a challenging year.

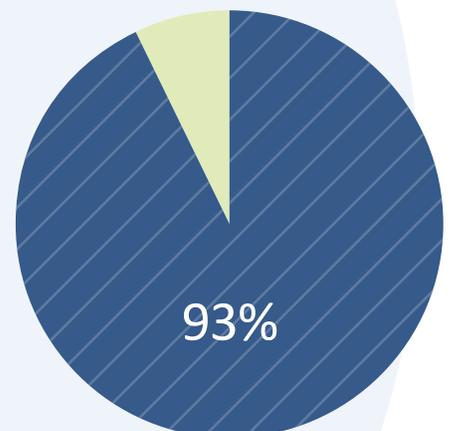
As we transitioned to a virtual education and service approach in 2020, we focused on “just in time” E-alerts, telemedicine best practices, and high-risk/high-frequency specialties of obstetrics and emergency medicine. We researched and innovated the best methods for the delivery of virtual education and learner interactivity and incorporated these techniques into our education programs. The results of our program enhancements resulted in very high quality, and highly rated educational experiences according to post-program survey responses. While 2020, proved to be a challenging year for many in several ways, MPIE risk and client services pivoted quickly and maintained our customary high level of service and excellent educational programming. As a result of the program delivery changes and focus on high-risk specialties and lessons learned from claims, we saw an increase in education participation and have been able to directly attribute provider behavior changes to the claims management process validated through medical record audit and taxonomy classifications.

Education participation has increased almost 10% in the last year.

2019



2020





EDUCATIONAL PROGRAMS (OFFERED VIA LIVE WEBINAR AND THEN ON-DEMAND):

- Cultural Intelligence
- Closed Claims Review: Risk Management Lessons from a Challenging Case
- COVID-19: MPL Implications: A Risk Management Overview
- Your Biggest Risks (Office Manager Program)
- Disclosure, Apology, Candor
- Disclosure Effectively Handling Adverse Events
- Someone Else's Misfortune: The Unthinkable Threat in the Exam Room: Provider Sexual Abuse
- OB High-Risk Areas: A Focus on Placental Evaluation
- Cord Blood Gases: When and Why
- Cauda Equina Syndrome: Diagnosis & Escalation
- Infection Control
- Grievances
- Discharge Planning
- Using ERM to Navigate Coronavirus and Other Pandemic Risks
- Leadership at Every Level
- Navigating the Aging Provider Quandary
- Risk Management Introduction and Focus on Risk Identification
- Maximizing Effective Practice Among Physicians, PAs, and APRNs
- Sepsis: Infections You Don't Want to Miss
- Formal, Informal, Curbside and Other Consultations

EDUCATION

- Specialty specific courses for ED, OB, and anesthesia
- Communication strategies to improve patient safety in high-risk situations

PUBLICATIONS

Two FACETS Newsletters, one Facility newsletter, one OB specialty specific newsletter (with interactive capabilities), with 83 E-alerts created/delivered

Summer 2020 Facets: Obstetrics Edition



- Obstetrical Services: Medical Malpractice and Risk Reduction
- Maternal Obesity and Associated Risk Factors: A Top Contributing Factor in Medical Malpractice Cases
- Cannabis Use in Pregnancy: What You Need to Know
- MPE Perinatal Initiative Program



Fall 2020 Facets

- Charting our Course Together in a New World
- Don't Drop the Ball on Infection Control: Looking Beyond COVID-19
- The Quandry of COVID-19 Disclaimers
- MPE staff promotions & new staff bios



Facility Focused Facets

- Chasing a Pandemic: Artificial Intelligence Helped Predict COVID-19 Outbreak Hot Spots
- Patient Falls: Malpractice Prevention & Patient Safety
- Don't Get Burned: Overlooked Risks: Nonsurgical Healthcare-Associated Burns



Summer 2020 Facets

- Provider Burnout: Providers and Patients at Risk
- What's Wrong with This EHR Screen?
- Surviving These Changing Times and Creating a Resilient Culture
- When Should Surgeons Stop Operating?
- Physician Resiliency: Building Group Flyer

RISK MANAGEMENT COMMITTEES

MPIE Risk Management utilizes the wisdom of our insured providers and national experts to inform and guide our education program development and focus. We have three primary committees that function in this role: Risk Assessment Committee which focuses on all specialties and general educational topics, Obstetrics Advisory Committee, and Emergency Medicine Advisory Committee.

Each committee is chartered with the responsibility to assist MPIE Risk in the identification of risk-prone behaviors, trends, and/or clinical barriers to patient safety and risk reduction. These committees enable MPIE to develop guidance across multiple hospitals, practices, and regions to best support our insureds.

In 2020, the OB Advisory Committee was very active in guiding the development of the MPIE Perinatal Safety Program which included the creation of several resources and educational best practices.

GUIDELINES

- Neonatal Resuscitation and Shoulder Dystocia
- Cord Blood Gasses When and Why
- OB High-Risk Areas- A Focus on Placental Evaluation

AUDIT TOOL

OB Quality Indicators including Labor, Maternal, and Neonatal indicators for hospital self-audit

EDUCATION

Virtual and interactive OB education was rolled out to MPIE insured OB providers in 2020. This education is nationally recognized as a high-quality clinical

education program that pre-tests a learner's needs and only teaches the topics needed. Advanced fetal monitor certification was also included in the educational offerings.

E-ALERTS

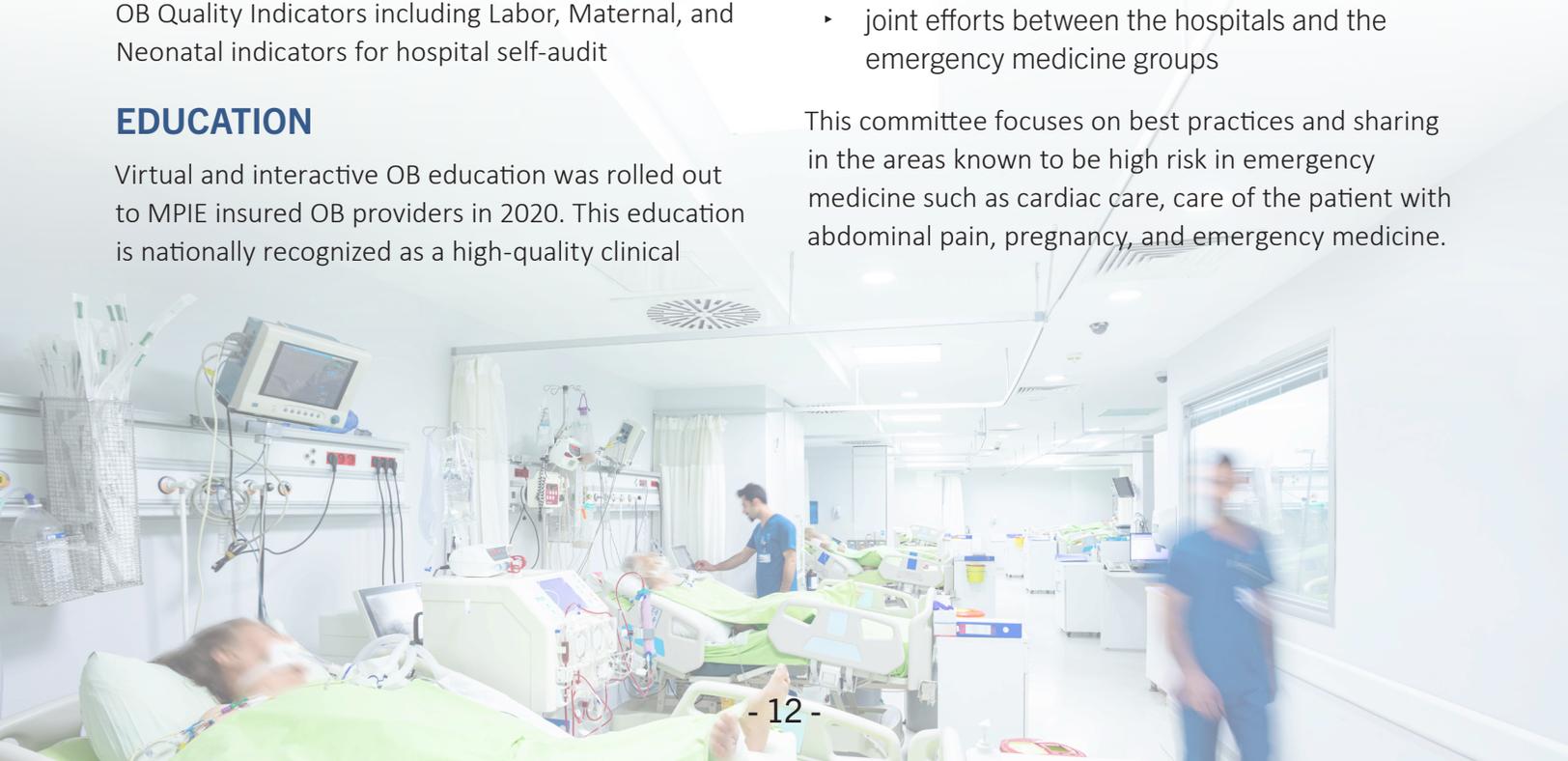
At the onset of the pandemic, MPIE took a proactive stance with obstetric providers, supporting them in real-time through the creation of eleven E-Alerts that were obstetric specific. The E-Alerts outlined the pandemic-related changes to healthcare for obstetrics and included guidance from their specialty-specific organizations and the Centers for Disease Control (CDC). This service ensured the providers had the latest recommendations regarding the care and treatment of their patients at their fingertips. MPIE additionally ensured all providers were given appropriate resources and tips for self-care during the pandemic.

ED ADVISORY COMMITTEE

The MPIE ED Advisory Committee was formed to aid in the development of resources and best practices to support patient safety in emergency medicine. The emergency medicine risk management and patient safety program includes:

- nationally recognized on-line education
- web-based modules for high-risk areas
- joint efforts between the hospitals and the emergency medicine groups

This committee focuses on best practices and sharing in the areas known to be high risk in emergency medicine such as cardiac care, care of the patient with abdominal pain, pregnancy, and emergency medicine.



ERC RISK SOLUTIONS

Interim Staffing &
Candidate Skills
Evaluation

Risk
Management
Program
Assessments

Enterprise Risk
Management
Teaching &
Implementation

Gap Analysis &
Development of an
Early Resolution
Program

Snapshot Critical
Area Assessments-
ED, OB, OR

Root Cause
Analysis Train the
Trainer Education
& Facilitation

Risk Management
Mentoring
Program

CUTTING EDGE RISK MANAGEMENT INITIATIVES

- ▶ Clinical Risk Assessments: OB, ED, OR, OB Practices, Cardiology, Physician Practices
- ▶ Measurement
- ▶ Dashboard improvements, see results!
- ▶ Benchmarking and competitive results!

The MPIE Advantage:

MPIE insureds have priority access to ERC risk solution services and can customize the insurance risk management program with ERC offerings.





DONALD JONES, DO
CHAIRMAN OF THE BOARD
ANESTHESIOLOGY



JOHN THROOP, MD
VICE CHAIRMAN



TERRENCE ENDRES, MD
ORTHOPEDIC SURGERY



JAMIE FROST, MD
PEDIATRIC RADIOLOGY



PAUL KARSTEN
MENTAL HEALTH SERVICES
CHIEF FINANCIAL OFFICER



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CHIEF RISK OFFICER



PAULA REICHLER
HEALTH SYSTEM SVP
CHIEF FINANCIAL OFFICER



CELESETE MCINTYRE
HEALTH SYSTEM SVP
CORPORATE CONTROLLER



SHELLEYE YAKLIN
HEALTH SYSTEM CEO

BOARD OF DIRECTORS

MPIE's distinguished group of board members are passionate about protecting, defending, and rewarding the practice of good medicine. Our Board of Directors is comprised of physicians and healthcare management executives who bring a diverse set of professional experience and expertise to the governance of MPIE. Additional physicians and risk managers make significant contributions by serving on MPIE committees.



COMMUNITY SUPPORT

\$86M

\$83 million of MPIE profits have been returned to hospital and physician subscribers. Profits remain in our communities rather than going to anonymous shareholders.

\$276K+

MPIE has donated over \$260,000 to charitable causes since 2005. These donations have been directed towards:

- › advanced patient care programs
- › health system foundations
- › risk management education
- › memorials
- › community charity events



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