

## Healthcare solutions to successfully navigate today's evolving market



The healthcare industry is experiencing record changes in the way they do business. From the reductions in the number of organizations resulting from mergers and acquisitions to the uncertainties around insurance, patient sources and revenue, one thing is evident: healthcare organizations and providers must react.

**Our experts work with clients to identify and quantify the key risks facing their organization, create approaches to effectively manage those risks and develop innovative, cost-efficient risk financing programs that align with their overall business objectives.**

The dedicated Healthcare Professional Liability practice, with a staff of over 60 individuals focused on medical professional liability and other risk issues, was formed in 1975. Over the past 40+ years, we have become the leading independent actuarial and risk management consulting firm. Our clients include:

- hospitals & healthcare systems
- healthcare captives & risk retention groups
- physician groups
- academic medical centers
- long-term care facilities
- physician insurers

Our history, combined with our specialized knowledge, means that our team can efficiently work with you to complete your analyses and proactively address potential problem points before they become issues. In addition, as new challenges and issues arise in the future, **the collective knowledge and experience of our Healthcare Professional Liability practice can be leveraged to ensure your ongoing success.**

### How we support our clients

- **Estimating self-insured liabilities** to provide the liability indication, identify key underlying cost drivers and develop strategies to reduce costs.
- **Allocating cost**, including class rating, experience rating, schedule rating, and dividend distribution, to provide actuarially supported allocations that reward and encourage favorable loss experience.
- **Projecting self-insured pure premium funding**, including separate trend analysis for metrics like frequency, severity, and pure premium.
- **Performing financial analysis**, including pro forma projections to support business plans and regulatory requirements.
- **Providing alternate retention analysis** to evaluate the most cost efficient retention based on mix of exposures, capital and risk tolerance.
- **Performing captive feasibility studies** to assess whether a captive is the right risk financing solution, including designing the program and understanding its associated costs, along with estimating financial results over a multi-year timeframe.
- **Performing reserve reviews** for a quantitative assessment of individual case reserves using representative, statistically valid samples of open and closed claim files, from which we infer and extrapolate actionable insight.
- **Performing enterprise linkage studies** to understand cross-functional linkages within an enterprise to identify opportunities for leveraged performance improvement.

## Market-leading expert advice, grounded in perspective.

You can rely on sound advice grounded in years of experience, with the ability to create benchmarks, provide opinions on trends and develop best practices.

Our professional liability team has invested heavily in benchmarking tools to present client specific data as compared to industry norms. Specific examples of our benchmarking initiatives include:

- **State specific medical malpractice loss cost benchmarking**, displaying frequencies and severities, separately for the indemnity versus legal expense portion of claim costs. In addition to these industry analyses, these benchmarking studies present a comparison of your own data to that of your industry peer group
- **Obstetrics service line benchmarking**, displaying similar data elements to the state specific benchmarking, but relating specifically to the obstetrics service line
- **Linkage studies relating medical malpractice loss costs to patient satisfaction and employee engagement**
- **“Point of View” analyses of all major insurance lines of business, including medical malpractice**. Based on publicly available industry data, we perform our own analysis of the industry to review items such as reserve adequacy and price adequacy. We also analyze historical frequency and severity trends to better understand the market forces that will impact the future

We advise **28 out of the top 35** largest non-governmental health systems in the United States.



**Market leader** in consulting on **actuarial and alternative risk financing matters**



**We are the actuary for**

- **600+** medical professional liability clients
- **300+** captive insurance companies
- **2,000+** hospitals nationally

We are the consulting actuary **for more than half** of the Medical Professional Liability Association companies (previously known as the Physician Insurers Association of America, or PIAA).

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