



provisions



NORCAL POLICYHOLDERS

treated fairly

NORCAL Group
has joined forces
with ProAssurance.

With NORCAL, ProAssurance is now the third largest medical professional liability insurance company in the United States by market share.

NAIC 2020 data

#3

“Closing the NORCAL transaction was the beginning of a transformative event for ProAssurance. We have made excellent early progress with our integration plan. While the operating environment remains uncertain, as we and others in our industry seek to better understand the long-term impacts of the pandemic and navigate the healthcare professional liability (HCPL) marketplace, we are encouraged by these results and look forward to the remainder of 2021.”

Ned Rand
President and Chief Executive Officer
ProAssurance

ProVisions is ProAssurance’s monthly agent magazine. If you or your colleagues do not receive the digital version, email AskMarketing@ProAssurance.com. Please include names and email addresses for everyone who would like to subscribe.

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A Word From Gary Dowling

Our relationship with our agency partners has been a significant focus while integrating NORCAL’s business into ProAssurance. This merger provided a key opportunity to address the structure of our Company and realign it with the market and our goals, allowing us to be more efficient going forward.

We have restructured our Company to create more opportunities for communication by realigning our agent and brokers partners with Business Development and Underwriting. Each team at ProAssurance has more specific responsibilities with less overlap.

Business Development will continue to be forward-facing, maintaining the relationships with our agents and brokers that we have enjoyed for many years—and forming new relationships when the opportunity presents itself. We will continue to assist your teams with both finding and securing new business as needed.

On the flip side, the new production underwriting team was created to put key decision makers in front of your agents and their staff. You will be able to meet directly with them to discuss pricing, terms, and any other factors relevant to your renewals.

These two distinct roles will make it easier for you to have open and productive conversations, and to work more directly with the Company for the benefit of your clients.

We will continue to communicate as much as possible as these changes are implemented. In the meantime, if you have questions you feel need to be addressed more expediently, please reach out to your Business Development representative.

As always, our team is happy to help.



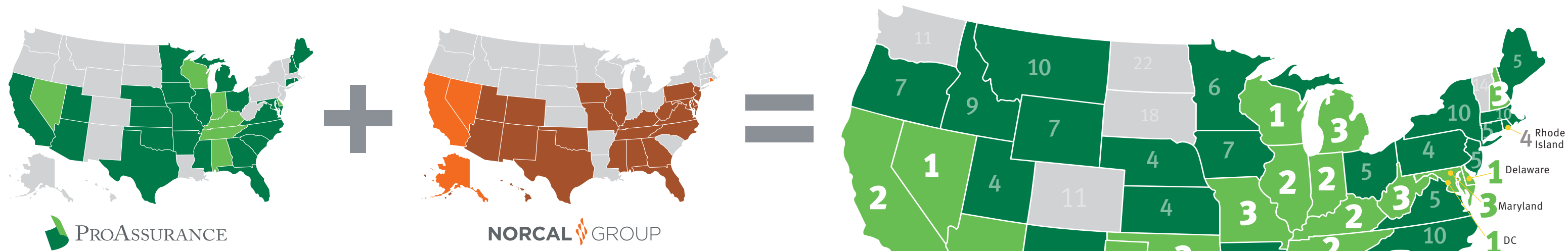
Gary Dowling
Vice President, Business Development

TABLE OF CONTENTS ...

- [A Word From Gary Dowling](#)
- [There Has never Been a Better Time to Be a ProAssurance Agent](#)
- [Regional Service Model Localizes MPL Expertise](#)
- [5 Advantages: Public Stock Insurance Companies Have Over Mutuals](#)
- [Transaction Details](#)
- [NORCAL Integration Impacts & Updates](#)
- [Mergers and Acquisitions in the Property & Casualty Sector](#)
- [Merging Brands: Integrating Common Strengths Behind Two Well-Respected Carriers](#)
- [NORCAL Agents Have Access to the ProAssurance Secure Services Portal](#)
- [Medical Professional Liability Industry Resources](#)
- [TIES THAT BIND](#)
- [Getting Clear About Change](#)
- [The Comments Section](#)
- [MPL 50/50 State Profile: Missouri Catching Up With Mark](#)

PROASSURANCE
Treated Fairly

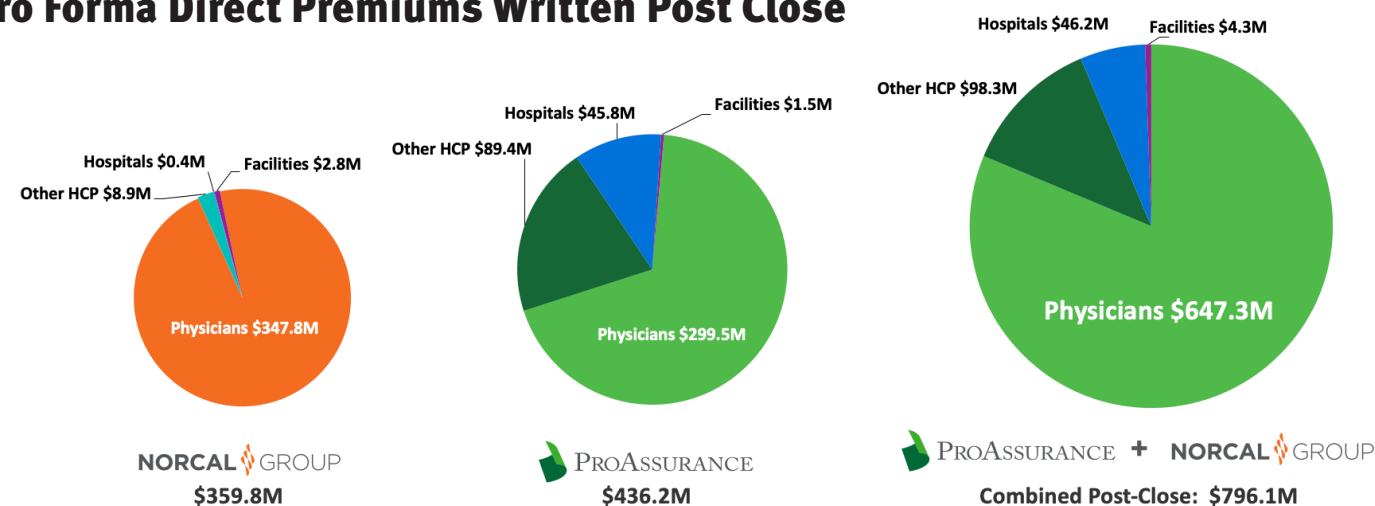
There Has Never Been a Better Time to Be a ProAssurance Agent



Medical professional liability insurance agents and brokers have access to:

- A true national platform offering flexible solutions across the full spectrum of healthcare from simple first-dollar provider coverage to excess tower reinsurance for entire healthcare systems
- Life sciences and medical technology liability products and captive solutions
- Local knowledge and service delivered through our regional service model
- Dedicated focus on liability risk solutions for the healthcare industry
- Regional/local claims and risk management expertise
- Solid financial reserves to defend and support favorable outcomes
- Relationships guided by the principle of fair treatment for insureds, strategic partners, and employees

Pro Forma Direct Premiums Written Post Close



Pro Forma Market Position Post Close

Now ranked in TOP 3 in 19 states (including 7 new states)

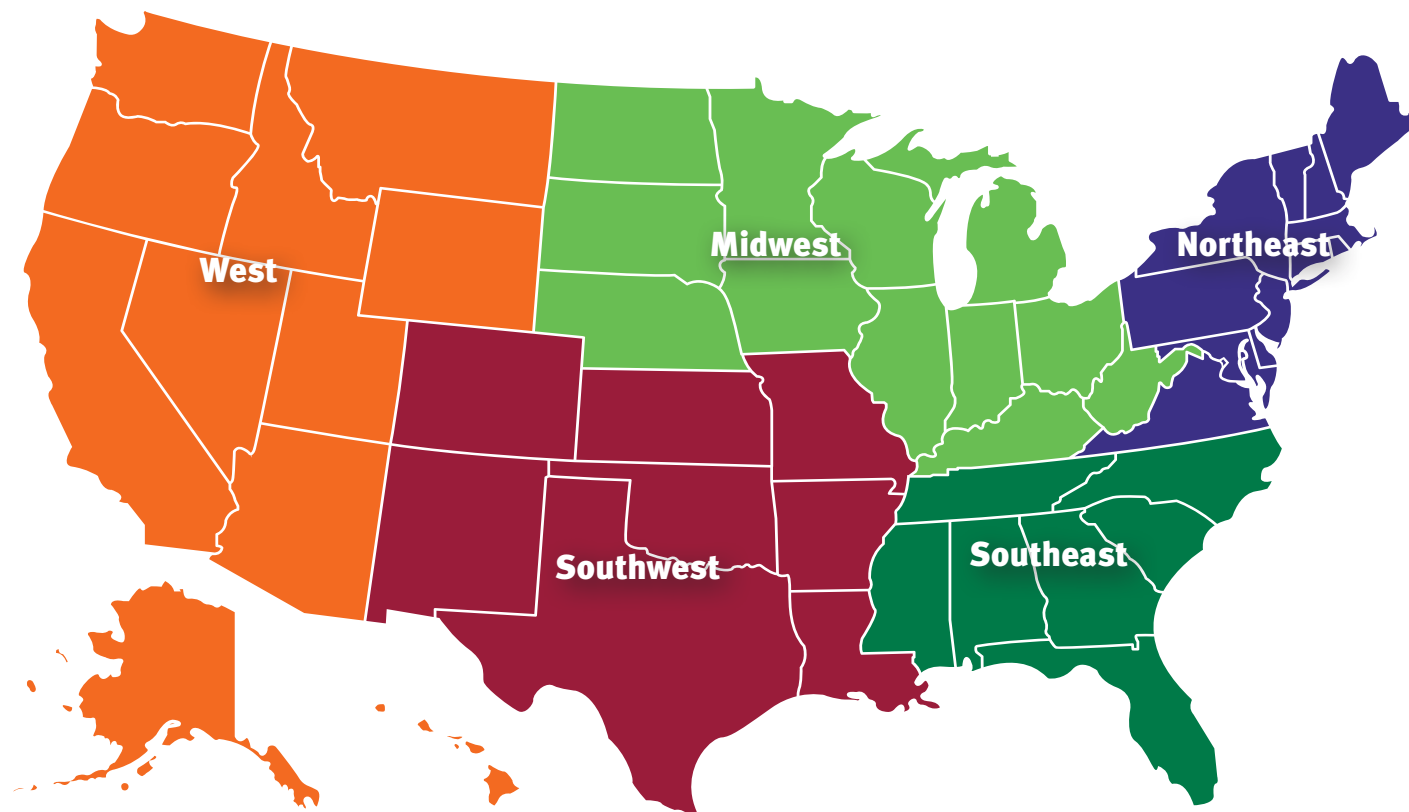
- Alabama
- Alaska
- Arizona
- California
- Delaware
- Illinois
- Indiana
- Kentucky
- Maryland
- Michigan
- Missouri
- Nevada
- New Hampshire
- Oklahoma
- Tennessee
- Texas
- Washington DC
- West Virginia
- Wisconsin

Ranked in TOP 10 in 46 states

- Arkansas
- Connecticut
- Florida
- Georgia
- Hawaii
- Idaho
- Iowa
- Kansas
- Louisiana
- Maine
- Massachusetts
- Minnesota
- Mississippi
- Montana
- Nebraska
- New Jersey
- New Mexico
- New York
- North Carolina
- Ohio
- Oregon
- Pennsylvania
- Rhode Island
- South Carolina
- Utah
- Virginia
- Wyoming

Source: 2020 NAIC filings for all MPL lines as of 4/29/2021.

* MPL market mix data is provided by AM Best and is not public information. If you would like to obtain this information, please reach out to AM Best directly.



Regional Service Model Localizes MPL Expertise

Going forward, key departments in ProAssurance’s healthcare professional liability line of business will be organized regionally. Each regional service team will have an underwriting, business development, claims, and risk management leader who will lead their team. They will work together to address unique issues which impact states in their region—as well as ensuring strategy and decisions align with the Company as a whole.

ProAssurance HCPL Leadership



UNDERWRITING
Karen Carlile
Senior Vice President



BUSINESS DEVELOPMENT
Gary Dowling
Vice President



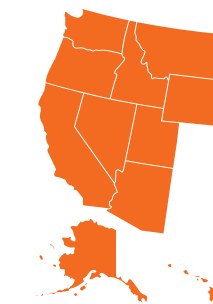
CLAIMS
Darryl Thomas
Chief Claims Officer



RISK MANAGEMENT
Lisa VanDuyn
Vice President

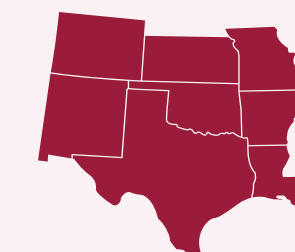
West Service Team

- UNDERWRITING: **Lucy Sam**, Assistant Vice President
- BUSINESS DEVELOPMENT: **Open**
- CLAIMS: **Gina Harris**, Regional Vice President
- RISK MANAGEMENT: **Katie Theodorakis**, Regional Manager



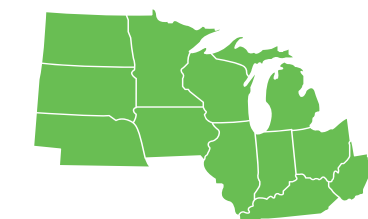
Southwest Service Team

- UNDERWRITING: **Heather Spicer**, Interim Vice President
- BUSINESS DEVELOPMENT: **Stephanie Spina**, Director
- CLAIMS: **Mike Severyn**, Regional Vice President
- RISK MANAGEMENT: **Mallory Earley**, Regional Manager



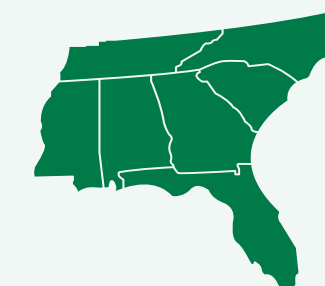
Midwest Service Team

- UNDERWRITING: **Debbie Farr**, Assistant Vice President
- BUSINESS DEVELOPMENT: **Doug Darnell**, Director
- CLAIMS: **Scott Hunsberger**, Regional Vice President
- RISK MANAGEMENT: **Tina Santos**, Regional Manager



Southeast Service Team

- UNDERWRITING: **Heather Spicer**, Vice President
- BUSINESS DEVELOPMENT: **Dennis Wilson**, Director
- CLAIMS: **Frank Bishop**, Regional Vice President
- RISK MANAGEMENT: **Ginger Kelley**, Regional Manager



Northeast Service Team

- UNDERWRITING: **Tim Pingel and Debbie Farr**
- BUSINESS DEVELOPMENT: **Shaun Fisher**, Director
- CLAIMS: **Mark Lightfoot**, Regional Vice President
- RISK MANAGEMENT: **Nichole Pieters**, Regional Manager



5 ADVANTAGES

Public Stock Insurance Companies Have Over Mutuals

The medical professional liability insurance market is transforming. After years of unsustainably low rates and rising loss costs, underwriters are pulling back on limits and raising rates. COVID-19 has placed enormous pressure on hospitals, health systems, and practitioners to provide the best care under unprecedented times.

In the midst of these challenges, buyers may choose to step back and re-evaluate their choice of carrier.

MPL buyers may switch based on two factors: a bad claims experience and price. Other reasons include moving to a state where the incumbent carrier is not active or relevant or if a physician practice joins a large entity and the incumbent is no longer able to meet increased coverage needs.

One rare factor is ownership structure. According to Rob Francis, EVP, ProAssurance, ownership structure provides vital clues regarding customer service quality, financial health, and changing market sustainability: “In 20+ years at ProAssurance, I don’t recall a single client raising questions about ownership structure. When an agent is reviewing the pros and cons of competitive quotes, ownership structure is simply not on the spreadsheet. That’s a shame, because it does have a material effect at both the individual account service level and on overall company health,” Francis said.

Public stock companies often face criticism that their top priority is to generate profit for shareholders while mutual companies would theoretically solely serve its member/owners. However, a stock ownership structure offers specific advantages over a mutual structure.

#1

Being Held Accountable by Investors

Institutional investors are adept at evaluating the business operations and performance of companies in their portfolio. Public companies do well by proving their experience and expertise in their market and maintaining a track record of success. That’s only possible if a company provides consistently good service and positive outcomes for customers.

Shareholders’ confidence in a company signifies support for a reliable, well-run, financially healthy business.

“Our investors aren’t ‘taking a flyer’ on ProAssurance, they’re digging through financial statements, building valuation models, and vigorously questioning us in quarterly live calls. They’re constantly checking to make sure they’ve made a wise investment,” Francis said. “Investors know ProAssurance’s value is rooted in our ability to underwrite an exceptional book of business and then provide the service needed to retain our customers.”

#2

Meeting Higher Regulatory Standards

Public companies have to meet a higher standard due to additional regulatory requirements: “We, like all competitors, report to the NAIC and relevant state departments of insurance, including periodic state audits. ProAssurance additionally must disclose material events publicly and file reports with the SEC,” Francis said. “We’re bound by [the Sarbanes-Oxley Act of 2002] and other federal laws applicable to public companies. This means our officers are directly responsible for the accuracy of all financial reports and the integrity of key controls.”

The additional regulatory requirements mean public companies are inherently transparent. The more transparency and disclosure from any given company, the more confidence a buyer can feel in selecting a carrier; and the more comfortable an agent can be when advising their client.

“With greater regulatory compliance obligations, there’s more pressure involved in operating a public company. In our opinion, that added pressure makes us a stronger company,” Francis said.

#3

Resiliency to Market Cycles

Insurance is a highly cyclical industry, and MPL has among the longest tails of the specialty lines. The operating environment in which a buyer chooses its carrier or experiences a loss event may be radically different than when the company is called upon to defend a claim. An insured that purchases a policy when times are good for the carrier but files a claim when the market is challenging may find it does not receive its expected service level.

Public stock companies have more flexibility in accessing capital markets, plus many investment banking and other financial industry relationships to call upon in hard times — or in times of opportunity such as M&A transactions: “This flexibility makes public companies better equipped to weather market cycles and therefore provide a more consistent level of service,” Francis said. “Of course, the ability to access capital markets is dependent on a company’s overall financial position, but public companies must report on their financial health every quarter, so insureds know where they stand.”

#4

A Diverse Board of Directors

MPL insurance is at the complicated intersection of medicine, law, and finance. While publicly owned MPL carriers have physician board members, they should also have legal and financial representation.

“While the physician start-up spirit from the initial medical liability crisis is still in our DNA, we’ve adapted to an ownership structure to stay viable over the long term. Physician involvement remains central to our operations, including having five physicians on our board of directors,” Francis said. “We have the best of both worlds with physician board members advising us on the market and medicine while also having professional experience diversity from the other disciplines which is a major advantage over the old-school physician board mono-cultures.”

Board members with more diverse sets of experience will bring complementary perspectives to problem solving and ultimately make informed, well-rounded decisions.

#5

Motivate Employees with Ownership Stakes

Many public companies offer stock options to employees, which can be very empowering and motivating. When employees are part-owners of their organization, they have more skin in the game and are more likely to bring their best selves to the job.

The company’s reputation becomes a direct reflection of the people working for and running it. Providing excellent service becomes less of an obligation and more a point of pride.

“Many ProAssurance employees, including myself, are shareholders. Having an ownership stake in our company means I am personally invested in raising the bar every day,” Francis said.

“Investors know ProAssurance’s value is rooted in our ability to underwrite an exceptional book of business...”

The additional regulatory requirements mean public companies are inherently transparent.

When employees are part-owners of their organization, they have more skin in the game and are more likely to bring their best selves to the job.

Public stock companies have more flexibility in accessing capital when times are tough—or in times of opportunity.

“Physician involvement remains central to our operations, including having five physicians on our board of directors.”

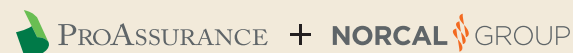
Trusted by Physicians

Over the past 30 years, ProAssurance has grown steadily. Most recently it acquired former mutual MPL insurer NORCAL Group. Importantly, NORCAL’s physician owners overwhelmingly supported the move away from mutual ownership and integration with a public stock company. ProAssurance’s larger size, financial flexibility, and track record of transparency offer the promise of longevity and consistency in a hardening market.

“Because we started out as a mutual ourselves, a focus on physicians’ unique challenges and coverage needs is part of our blueprint. We prioritize transparent conversations around risks and market conditions, disciplined underwriting, and delivery of an exceptional claims experience. It’s only by serving our policyholders that we also satisfy shareholders and stay successful,” Francis said. “MPL insurance buyers are going to have to make tough decisions to navigate this market. Ownership structure should be a part of the discussion.

This article will also be featured in the September issue of *Risk & Insurance* magazine.

Transaction Details



CONSIDERATION DISTRIBUTION FOR ELIGIBLE NORCAL POLICYHOLDERS:

What You and Your Clients Need to Know

The close of the NORCAL and ProAssurance transaction is now squarely in the rearview mirror, and we are pleased to report that financial consideration for eligible policyholders has been distributed to the mailing addresses on file. As such, your clients may have questions about their consideration election and distribution, taxes, and other related issues. This article is meant to assist you in answering some of these questions.

CONSIDERATION DISTRIBUTION:

Key Information

Checks for Cash at Closing

Payments based on the final calculation as described in the Amended and Restated Plan of Conversion (the “Plan”) have been issued to eligible NORCAL Insurance Company policyholders who elected Choice 1 (a check for the sale of Conversion Stock to PRA Professional) or Choice 4 (a check for a conversion cash payment). Policyholders who have not received their check and would like it re-sent to their address on file or mailed to a different address should follow the steps in **table one**.

Statements of Holdings

For policyholders that elected Choice 2 (receive and hold Conversion Stock), a Statement of Holdings showing ownership of Conversion Stock in NORCAL Insurance Company has been issued and sent to the mailing address on file. Policyholders who have not received their Statement of Holdings and would like it re-sent to their address on file or mailed to a different address should follow these steps in **table one**.

Contribution Certificates

If a policyholder elected Choice 3, or if Computershare did not receive an election choice for an account by April 27, 2021, a Contribution Certificate in the amount of 100% of the policyholder’s final Allocable Equity has been issued. Policyholders should watch their mail for a cover letter containing a ProAssurance logo. The Contribution Certificate accompanies this letter and is a nine-page document that resembles a contract. Policyholders who have not received their Contribution Certificate and would like it re-sent to the address on file or mailed to a different address should follow the steps in **table one**. Note that all policyholders will need to complete and return an affidavit of non-receipt to Computershare to initiate the Contribution Certificate reissuance process.

Table one – Steps for Account Requests to Re-Send Consideration

Consideration Type	Named Insured is an Individual	Named Insured is an Entity
Check for Cash at Closing	Upon identity verification (see below under Identity Verification Process), the request may be made over the phone by calling Computershare Shareholder Services at (800) 546-5141. Or, the request may be made in writing by the policyholder. See below under Written Requests for mailing instructions. Note that if an office or practice manager calls on behalf of the policyholder, the policyholder will need to be on the line to complete the identity verification process and give Computershare permission to speak to that third party.	The request must be made in writing by an authorized party and include either of the following to certify that the requesting person is authorized to act on behalf of the policyholder: (a) an original Corporate Resolution with raised seal that is dated within the past 180 days and certified by someone other than the requesting person or (b) a medallion signature guarantee. See below under Written Requests for mailing instructions.
Conversion Stock - Statement of Holdings	Upon identity verification (see below under Identity Verification Process), the request may be made over the phone by calling Computershare’s Call Center at (800) 736-3001 (option 1). Or, the request may be made in writing by the policyholder. See below under Written Requests for mailing instructions. Note that if an office or practice manager calls on behalf of the policyholder, the policyholder will need to be on the line to complete the identity verification process and give Computershare permission to speak to that third party.	The request must be made in writing by an authorized party and include either of the following to certify that the requesting person is authorized to act on behalf of the policyholder: (a) an original Corporate Resolution with raised seal that is dated within the past 180 days and certified by someone other than the requesting person or (b) a medallion signature guarantee. See below under Written Requests for mailing instructions.
Contribution Certificate	Upon identity verification (see below under Identity Verification Process), the request may be made over the phone by calling Computershare’s Call Center at (800) 736-3001 (option 1). Subsequent to the call, Computershare will send the policyholder an Affidavit Of Non-Receipt, which must be completed and returned to finalize the request. Or, the request may be made in writing by the policyholder. See below under Written Requests for mailing instructions. The written request must be accompanied by an Affidavit Of Non-Receipt, which may be obtained by calling Computershare’s Call Center at (800) 736-3001 (option 1). The Affidavit must be completed and returned to finalize the request. Note that if an office or practice manager calls on behalf of the policyholder, the policyholder will need to be on the line to complete the identity verification process and give Computershare permission to speak to that third party.	The request must be made in writing by an authorized party and include either of the following to certify that the requesting person is authorized to act on behalf of the policyholder: (a) an original Corporate Resolution with raised seal that is dated within the past 180 days and certified by someone other than the requesting person or (b) a medallion signature guarantee. See below under Written Requests for mailing instructions. The written request must be accompanied by an Affidavit Of Non-Receipt, which may be obtained by calling Computershare’s Call Center at (800) 736-3001 (option 1). The Affidavit must be completed and returned to finalize the request.

Written Requests

All written requests must be sent directly to Computershare. These requests can be sent via regular mail or expedited delivery. The respective addresses for both delivery options can be found in the online policyholder resource on the NORCAL website. It is recommended that all written requests—especially if including original or medallion stamped documents—are sent via traceable mail (USPS registered mail, FedEx, or UPS).

Medallion Signature Guarantee

A medallion signature guarantee is a special certification stamp that guarantees a signature that authorizes any action—such as a check or Contribution Certificate reissue or change of address request—on a Computershare account is authentic. A medallion signature guarantee is required for service requests on any accounts in which (a) the Named Insured is an entity or (b) a third-party (anyone other than the policyholder or policy owner) is requesting a change. Policyholders can typically obtain a medallion signature guarantee at the financial institution where they conduct business. Another source for a medallion signature guarantee is eSignature Guarantee (esignatureguarantee.com).

In lieu of a medallion signature guarantee, Computershare will accept a written request to re-send a corporate policyholder’s consideration if it is signed by an authorized individual of the corporation and accompanied by an original Corporate Resolution with a raised seal that is dated within the prior 180 days and states the requesting person is authorized to act on behalf of the policyholder. Note that the Corporate Resolution may not be certified by the requesting person. Also, note this exception does not apply to policyholders requesting to transfer their consideration. Any policyholder requesting a transfer will be required to attach a medallion signature guarantee.

Identity Verification Process

Policyholders will be required to verify their identity when calling Computershare for account assistance. Before your client calls Computershare, please ensure that they have the following information ready and accessible, as Computershare will not be able to assist them without it. In addition, as a reminder, if an office or practice manager calls on

behalf of an individual policyholder, the policyholder will need to be on the line to complete the identity verification process and give Computershare permission to speak to that third party.

1. Company identifier (also referred to as “COY”). The COY for NORCAL policyholders is “NORC”.
2. Name on the account. This is the name of the Named Insured, exactly as it is listed on the declarations page of the NORCAL insurance policy.
3. Account number. This is on the cover letter and consideration election form that policyholders received from Computershare in early March. If your client does not have their account number, please ask them to call NORCAL Customer Service at 844-466-7225. Note: ONLY authorized parties on an account can obtain this information.
4. Mailing address. This is this mailing address on record with NORCAL as of May 25, 2021. If an address was subsequently changed, while the change may be on record with NORCAL, it will not be on record with Computershare.
5. SSN/TIN (if on the account). This must be the SSN/TIN for the Named Insured.

Once Computershare confirms this information, they will be able to review account information with your client.

Tax-Related Issues

Your clients may have tax questions related to the transaction consideration. To assist, a brief summary regarding tax issues related to the NORCAL and ProAssurance transaction consideration has been posted online (www.norcal-group.com/pratax). Please note that policyholders should refer to the U.S. FEDERAL INCOME TAX CONSIDERATIONS section of the Member Information Statement for detailed information about taxes. If your clients have additional questions, we recommend they consult their tax advisors.

Information Sources Going Forward

Computershare is readily available to assist with account requests and inquiries. In addition, please refer your clients to our online resources at norcal-group.com/pratax for helpful information. You can also contact your ProAssurance/NORCAL representative or NORCAL Customer Service at 844-466-7225 at any time for assistance with questions that you may have.

NORCAL Integration Impacts & Updates

We will continue to make adjustments and communicate updates while merging ProAssurance and NORCAL business functions. If you have any additional questions, please contact your Business Development Manager.

• Demutualization = Single Endorsement on In-Force Policies

As a result of the NORCAL Mutual demutualization process, we have begun issuing a single endorsement on each in-force policy. This endorsement, effective Sept. 1, updates the name of the company to NORCAL Insurance Company, and removes voting rights.

• **Who Wrote This Policy?**—All legacy policies will remain on the paper on which they were originally written. Any policy changes will be made as the regulatory process allows. Agents will be informed of these changes prior to any “go live” dates.

• NORCAL Email Addresses Change to @ProAssurance.com

NORCAL employees have been given ProAssurance email accounts (FirstnameLastname@ProAssurance.com). Please use these going forward. Employees will reach out as needed to confirm the correct email to use. Messages sent to NORCAL email addresses will be forwarded to ensure important communications are not lost.

• NORCAL Phone Numbers

Phone numbers for NORCAL employees, as well as any employees who have been transferred to a permanent remote work setting, remain unchanged.

• Financial Ratings

AM Best and other financial ratings will continue to be reported separately for ProAssurance and NORCAL for the time being. We will share updates if any rating agencies make updates.

• Which Logo Works Best?

We will continue to use a version of the NORCAL logo which reflects NORCAL’s status as part of ProAssurance in key markets. If you have questions about which logo is appropriate for your agency to use on your website or in other materials—or if you need logo files—please email AskMarketing@ProAssurance.com.

Mergers and Acquisitions in the Property & Casualty Sector

Written by Scott Spinola, Content Strategist & Social Media Manager, Regular Contributor

It's remarkable to consider, but the company we know today as ProAssurance is the product of 26 previously independent companies including (most recently) NORCAL and the four companies it previously acquired.

These types of strategic acquisitions are not uncommon in the insurance industry generally or in the P&C sector specifically, which in 2020 saw YOY increases of 36.8% in number of deals, 77.6 % in aggregate deal value, and 53.3% in average deal value.¹

M&A can be used by insurers to achieve strategic objectives that organic growth strategies alone cannot achieve² and, according to Conning, is a leading indicator of industry trends.³ More specifically, ProAssurance's Market Dynamic Report 2021 identifies M&A as a signal of market distress noting that "the combination of limited

opportunities for organic growth and/or deteriorating financial results could trigger mergers in the MPL sector."⁴ Both NORCAL and ProAssurance, for example, have used acquisitions to achieve inorganic growth by expanding their national footprint (e.g., NORCAL's acquisitions of Medicus and FD Insurance, and ProAssurance's acquisition of NORCAL) and to develop new lines of business (e.g., ProAssurance with PICA and NORCAL with PPM).

The pandemic is one current driver of M&A that has forced many companies to rethink their business and operating models.

In a 2021 report, Deloitte notes that insurers are using M&A both defensively and offensively as part of their post-pandemic strategy. As a defensive maneuver, insurers are looking at M&A to drive down costs, scale up operations, guard their client base, and safeguard markets to maintain competitive positioning. M&A can also work on the offensive, the report continues, to help insurers not just recover, but advance by transforming their business models to address new market demands or gain a technological edge to meet changing

consumer and employee needs. Acquisitions of InsurTech companies, for example, are one way insurers are addressing technological challenges.¹

The insurance industry is undergoing dramatic changes in response to advances in technology and changing consumer demands. New agile companies are building technology-enabled business and operating models to more effectively engage consumers while advances in data collection and analytics provide unprecedented insights.

Insurers must develop strategies for transformation and innovation or risk losing relevance and organic growth strategies alone are not sufficient.² As the pace of these technological and market changes continue to accelerate and the industry becomes accustomed to a hardening rate environment, industry experts see M&A as a vital part of this transformation and anticipate increased M&A activity as a result.¹

References

1. Mark Purowitz, et al. **2021 Insurance M&A Outlook: Powering Through Disruption.** Deloitte US. 2021
2. Ram Menon, Laura Hay. **Accelerated Evolution: M&A, Transformation, and Innovation in the Insurance Industry.** KPMG. July 2018.
3. Conning. **Global Property-Casualty Insurance M&A in 2020: The Show Must Go On** 2021.
4. ProAssurance. **Market Dynamics Report 2020.**



MERGING BRANDS

Integrating Common Strengths Behind Two Well-Respected Carriers

Both ProAssurance and NORCAL Group have invested considerable time and talent to create their brands and business communications that command attention in the MPL market.

MPL insurance marketers live at the intersection of medical, financial, and legal communication. Bringing clarity to this complicated business isn't for the faint of heart. As the two marketing teams first began to work together, we found more in common than in conflict.

In fact, we learned our new NORCAL peers often faced the same complicated challenges. Fortunately, our values, branding, and cultural priorities for both companies are people focused, with an emphasis on working with integrity and building superior relationships.



The NORCAL/ProAssurance Horizon Logo

This combination mark was applied to all NORCAL materials and was in place "on close" thanks to our organized NORCAL marketing team. Everything that is communicated from NORCAL going forward will have this identifying mark.



The ProAssurance /NORCAL Transition Logo

This combination mark is applied to ProAssurance materials and to show NORCAL is part of ProAssurance Group. It helps tell the story we're working through with respect to both companies.



The ProAssurance Logo

Once our important, new relationships are secure, we'll begin the transition toward a single ProAssurance brand in all markets.

During integration, we'll identify and keep the best of both companies and brands moving forward.



What's That Curly Swatch Thing?

Our equity mark, **The ProAssurance Reveal**, demonstrates the action of turning a page to reveal a brighter future.

Insurance contracts, represented by the page, are too often seen as a commodity.

As we deliver on our brand pledge, we turn away from the status quo and reveal the brighter future where customers are treated fairly.



The first phase of our national trade magazine ad campaign announced our recently expanded national footprint.



Phase two of our ad campaign is a simplified reminder of our NORCAL acquisition.

On May 5, 2021, NORCAL Group joined forces with ProAssurance.

With similar values and a shared commitment to putting policyholders first, uniting the expertise of these two leading providers of medical professional liability insurance was a smart decision.

Now, as the nation's third-largest MPL carrier with claims and risk management expertise in every major healthcare region, our ability to provide options and solutions across state lines has grown even stronger.

Welcome to best in class, where the principle of fair treatment guides every decision we make and every action we take in defense of our medical professionals.

OUR TREATED FAIRLY PLEDGE

The principle of fair treatment guides every decision we make and every action we take in defense of our insureds.

- **Ensuring stability**—maintaining solid financial reserves to help defend and support favorable outcomes
- **Providing clarity**—communicating with honesty, consistency, enthusiasm, and transparency
- **Sharing control**—offering insureds a voice in their defense with considerate guidance and rigorous legal support
- **Lessening uncertainty**—helping insureds proactively reduce risk and increase defensibility by providing patient safety education and risk management

Visit norcal-group.com for healthcare professional liability insurance information.

Marketing and communication efforts will share our Treated Fairly Pledge and our commitment to serve and defend policyholders with respect.

How we say things is as important as what we say...

WE ARE	WE ARE NOT
professional	aloof
respectful	deferential
understanding	warm and fuzzy
knowledgeable	know-it-alls
straightforward	blunt
attentive	bothersome
friendly	effusive
articulate	complex
responsive	controversial
clever	trendy
confident	arrogant
compassionate	comiserative

NORCAL Agents Have Access to the ProAssurance Secure Services Portal

ProAssurance's secure services portal (SSP) is the secure area of the ProAssurance's website which requires an account to view. NORCAL agents who did not previously have ProAssurance appointments may now access the ProAssurance SSP.

Setting up an account

To request an account, click "Create an Account" at the top of any page of ProAssurance.com. Enter all the relevant information on the form and click the "Create an Account" button at the bottom of the page. Web Support will verify your status and verify your account within 1-2 business days.

If you experience any issues while setting up your account, you can contact the Web Support team at 205-439-7956 or WebSupport@ProAssurance.com.

Items available

There are three main tabs within the SSP that NORCAL agents may access:

- **Risk Management**—Get copies of the Risk Management Guidelines, sample forms, checklists, and letters, newsletters, case studies, and more.
- **Seminars**—View ProAssurance's full CME seminar library. Please note that seminar activity reporting, which allows agents to view their clients' seminar participation, is not yet available for NORCAL agents.
- **Agent**—Marketing materials, previous copies of the *ProVisions* newsletter, applications, and underwriting manuals can be found here.

Items Pending IT Systems Integration

The remaining three tabs, Payments, Policy Services, and Credentialing, contain specific policy information. We are still in the process of importing NORCAL policy details into the system, so if you attempt to navigate these pages, you will receive a "Page Access Not Authorized" message.

We will continue to share updates as more information becomes available in the SSP.

SSP SERVICES	LEGACY AGENTS	NORCAL-EXCLUSIVE AGENTS	POLICYHOLDER	INSURED
Make a Payment			X	
Billing Account Summary	X	Pending	X	
Payments FAQ	X	Pending	X	
Policy Documents	X	Pending	X	
Frequently Downloaded Forms	X	Pending	X	
Completed Renewal Applications	X	Pending		
Certificates of Insurance	X	Pending	X	X
Add a COI Holder	X	Pending	X	X
DentistCare Resources*	X	X	X	X
Ob-Gyn Risk Alliance Resources*	X	X	X	X
Risk Resource Center	X	X	X	X
Dentist Online Seminars*	X	X	X	X
Physician Online Seminars	X	X	X	X
Practice Administrator Online Seminar	X	X	X	X
Ob-Gyn Risk Alliance Courses* 3rd party administrator			X	X
Seminar Activity Reporting	X	X	X	X
ProVisions	X	X		
Marketing Materials	X	X		
New Business Applications**	X	X		
Renewal Applications**	X	X		
ProAssurance Underwriting Manuals	X	X		
Agent of Record Guidelines	X	X		
Agent Bulletins	X	X		
Webinar Archives	X	X		

*Only if the customer is in the Ob-Gyn Risk Alliance (OBRA) or DentistCare program. OBRA courses are produced and housed with Relias, ProAssurance's partner for ob-gyn specific risk management content. Full transcripts of OBRA insured seminar participation is available upon request.

**Only blank ProAssurance versions available. New business and renewal applications are also accessible on the public website. ProAssurance clients receive pre-filled renewal applications when they enter their renewal window.

- Visit the SSP to check out past issues of *ProVisions* and share knowledge.
- Email us to get printed magazine sent to your office or home.
- Order marketing collateral to support discussions.

MEDICAL PROFESSIONAL LIABILITY

Industry Resources

Industry Articles

Hospital CEO turnover rate by state *(Becker's Hospital Review)*

Through 2020, 16% of hospital CEOs left their role, the lowest turnover rate since 2011.

Aon price tag for scrapped deal to buy Willis raises to \$1.4B *(Insurance Journal)*

The companies announced they were pulling the plug on a deal that would have created the world's largest insurance broker, due to regulatory objections. The merger would have cost an estimated \$30 billion.

Most physicians employed by a hospital or corporation, report finds *(Healthcare Finance)*

Hospitals and corporate entities such as insurance companies and venture capital firms now own nearly half of U.S. physician practices.

Hospital consolidations in crosshairs of Biden administration *(Medical Economics)*

A recent executive order specifies that the Justice Department and Federal Trade Commission must review and revise their merger guidelines to ensure patients are not harmed by hospital mergers.

Study: independent practices dwindling as physician employment blooms *(Medical Economics)*

Only 30 percent of U.S. physicians were practicing independently at the start of this year.

CFOs tackle highest inflation in 13 years *(Becker's Hospital Review)*

As the economy rebounds, CFOs industrywide face higher expenses and demand, coupled with a growing backlog of services and workforce shortages.

Global P/C industry sees strongest rate hikes in 20 years but inflation headwinds loom *(Insurance Journal)*

Global premiums should grow at an above-trend 3.3% this year and 3.9% in 2022, taking the global insurance market to above \$7 trillion for the first time by the end of the year.

State Specific News

Oregon bill would increase scrutiny of hospital mergers, acquisitions *(Becker's Hospital Review)*

Under this legislation, the Oregon Health Authority would need to approve any merger, acquisition, or affiliation that would increase a healthcare organization's net patient revenue by \$1 million or more.

Missouri medical malpractice damage caps upheld by state Supreme Court *(Missouri Independent)*

A 2015 law limits non-economic damages to \$400,000 for personal injury and \$700,000 for catastrophic injury.

Arizona - Ruling on malpractice case cites need for expert testimony *(AP News)*

An Arizona Supreme Court decision says medical malpractice lawsuits involving unclear causes of death or other injury can't proceed without sufficient expert witness testimony providing guidance for jurors.

Ties that Bind *Getting Clear About Change*

Monthly
Insights for
Selling to
Healthcare
Professionals

As a ProAssurance agent working in the dynamic specialty of medical malpractice liability insurance, change is part of your world.

You drive change through your sales efforts, by changing prospects into ProAssurance clients.

You manage change by guiding your clients through the sales and on-boarding process and making sure their needs are met.

At the other end of the spectrum, a big part of your job is to provide valuable customer service to retain your clients at renewal time. Hence your job is also to prevent unwanted change.

Change feels more comfortable when you control it, but how do you get comfortable with change when you can't?

Filter the Emotion

When we face significant change, our imaginations kick into overdrive. Thoughts develop based on what we hope the outcomes will be or what we fear might happen.

Filter out the emotion and gain clarity about an impending change. Just as you use a carbon filter to clarify water, use a **C.A.R.B.O.N.** filter to see change clearly.

- **Context:** Why is this change taking place? What circumstances are driving it? A corporate merger? Shifts in the economy? Is someone retiring or changing roles? Identify and understand the basis—the context—for any change.
- **Assess:** How might the change impact you or your organization? Assess and list any possibilities both pro and con and run them through the next step of the filter.
- **Reality Check:** Get real about any options you might have regarding the change event and whether or not those options

will provide satisfactory outcomes. When I was informed that my sales manager was being replaced, my first impulse was to quit and go work for a competitor. My reality check was the realization that by changing companies, I'd only get what I was trying to avoid—a new manager!

- **Benefits:** Consider ways that you or your organization might benefit from the change. Especially when everything seems like gloom and doom, view the situation through your most optimistic lens. Don't expect benefits to be linear and obvious. Be creative. Ask what-if questions to reveal how a change can bring favorable possibilities.
- **Objections:** Present any realistic objections you might have to people who can address them. In sales, an objection is a perceived barrier that must be addressed for the deal to move forward. What barriers stand in the way of you feeling comfortable with the change? Satisfying objections will help you move forward with confidence and optimism.
- **New Normal:** Visualize how you can integrate the change into your life or workflow. Once you understand how a change will become part of your normal routine, you'll gain a better understanding of its true impact.

C.A.R.B.O.N. is also a tool you can use with clients and prospects during the sales and retention process to help them consider how changes in their insurance coverage will affect them.

Whenever change shows up, run it through your **C.A.R.B.O.N.** filter to see things clearly. It might even help you sleep better at night, and in these times of uncertainty, that might be a welcome change.

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filter to see
things clearly.



Written by **Mace Horoff** of Medical Sales Performance

Mace Horoff is a representative of **Sales Pilot**. He helps sales teams and individual representatives who sell medical devices, pharmaceuticals, biotechnology, healthcare services, and other healthcare-related products to sell more and earn more by employing a specialized healthcare system.

Have a topic you'd like to see covered? Email your suggestions to AskMarketing@ProAssurance.com.

THE Comments Section

This month's topic:

Missouri Department of Commerce and Insurance, Statistics Section

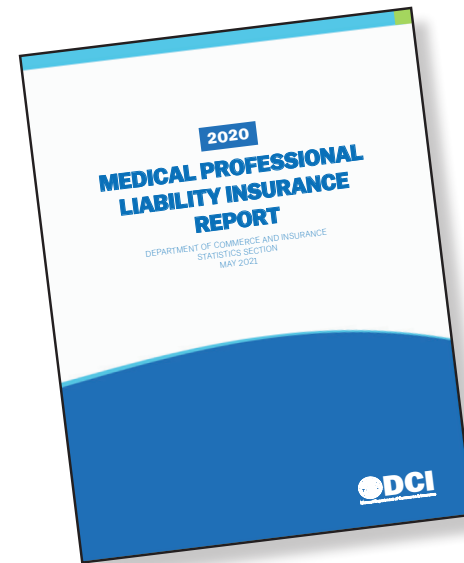
2020 Medical Professional Liability Insurance Report

The Missouri Department of Insurance Statistics Section produces an annual Medical Professional Liability Insurance Report. The latest version was made available in 2021.

Data for physicians and surgeons, hospitals, and other medical care providers are summarized in this report—including new incidents reported and claims closed.

Reports like these are valuable as they provide an unbiased look at the claims environment in a given state.

[View the full report.](#)



“The Risk Management department utilizes the 2020 Medical Professional Liability Insurance Report to examine data specific to Missouri and identify the most common allegations and claims against our insureds as well as those with other carriers. This information allows us to provide proactive risk management services and potential avoidance of future claims.”



Mallory Earley
Southwest Regional Manager,
Risk Management

“While the Missouri data does show some troubling trends, we did receive good news from the Missouri Supreme Court. On 07/22/21, they found the non-economic damage cap on medical negligence cases constitutional in Velazquez v University Physician Associates, et al (SC98977)”



Hal McClelland
Southwest Regional
Vice President, Claims

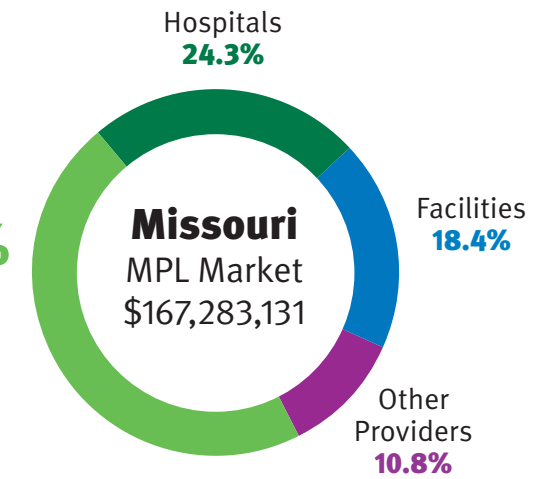
About The Comments Section

The *Comments Section* is a reoccurring feature which focuses on an industry article in line with the monthly theme. ProAssurance thought leaders will offer insights on the article and how the topic presented relates to our industry.

MPL State Profile Missouri

- 19** 2020 Rank in MPL Market
- 6** 2020 ProAssurance Rank
- 3** 2020 NORCAL Rank
- 3** 2021 ProAssurance Post-Merger Rank

Physicians
46.5%



Department of Insurance Reporting

The Missouri Department of Insurance publishes:

- **Annual MPL reports**
- **Market share reports**, searchable by line of business and year
- **Annual general reports**, including market share, complaint index, market conduct, and more

Tort Laws

- **Limits on damages for pain and suffering:** \$442,574 non-economic damage cap; exceptions for catastrophic injury or death at \$774,504 (amounts adjusted by 1.7% on 1/1 annually)
 - Effective 2015 (§538.210)
- **Limits on contingent attorney fees:** none
- **Reform of collateral source rule:** none
- **Periodic payment of future damages:** mandatory over \$100k at the request of either party
 - Effective 1986 (§538.220)
- **Statute of limitations:** 2 years from discovery (also for foreign objects); 10 year maximum
 - Effective 1976 (§27-2-205)

Prejudgment Interest

Rate: if the claimant has made a demand for payment or an offer of settlement and the amount of the judgment exceeds the demand for payment or offer of settlement, the Federal Funds Rate (established by the Federal Reserve) plus 3%

Accrual date: 90 days after the demand or offer was received or from the date the demand or offer was rejected without counteroffer, whichever is earlier

Pending Legislation

SB 179 – First Committee Review

This bill modifies provisions relating to enforcement of arbitration awards and intervention in court proceedings for insurance companies.

HB 577 – First Committee Review

This bill modifies the rule for determining the admissibility of evidence of collateral source payments in civil actions. Clarifies that Section 490.715, RSMo, applies only to a party in a plaintiff's case, and that no party shall introduce evidence of the amount billed for medical treatment if the amount has been discounted, written-off, or satisfied by payment of an amount less than the amount billed.

HB 148 – First Committee Review

This bill stipulates that, in any civil action in which the jury is the trier of fact, the plaintiff or his/her attorney may not seek or make reference to a specific dollar amount or state a range of awards for non-economic damages for the jury to consider.

SB 171 – First Committee Review

This bill stipulates that a claim by a defendant or third-party defendant that a nonparty is at fault shall be an affirmative defense for each party in the action that a specific percentage of fault that proximately caused the damages is attributable to persons from whom the plaintiff does not seek recovery.

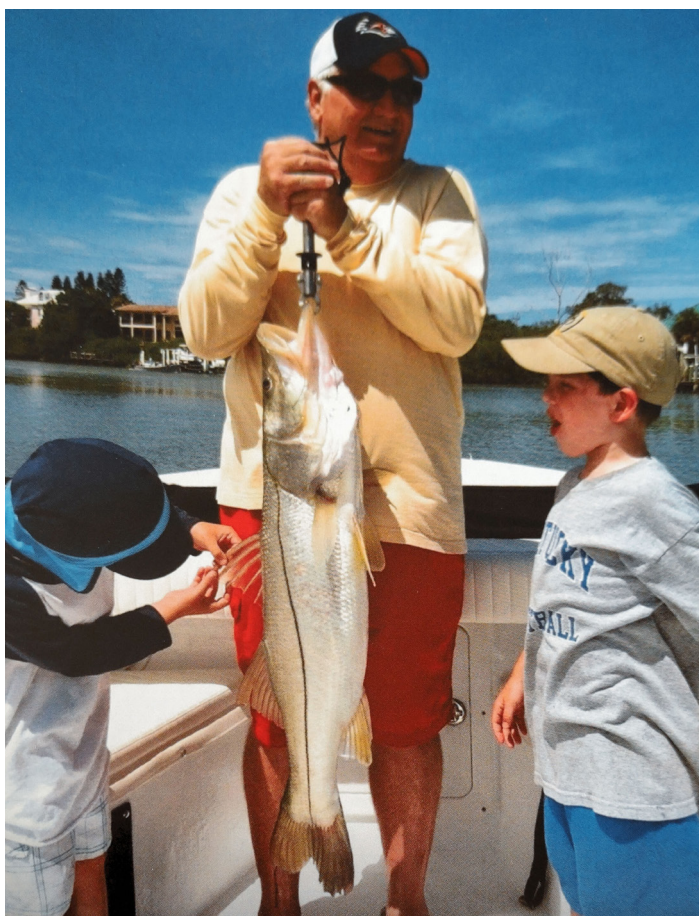
ProAssurance Specifics

ProAssurance acquired Missouri Medical Insurance Company (MOMEDICO) in 1996. MOMEDICO had been serving physicians in the state since 1978. The acquisition provided a solid foothold for Midwest operations and westward expansion, which was further cemented when Mutual Assurance and ProNational merged to form ProAssurance.

Limits: \$200k/\$600k, \$500k/\$1.5M, \$1M/\$3M

Catching Up **With Mark**

This month we sat down with Mark Sander, former Regional Vice President of Sales at ProAssurance. Keep reading to learn how Mark's passion and talent for playing bridge, was a connection to his successful career as a sales executive in the medical professional liability insurance industry.



Tell us about your career path.

The first lucky moment in my life was when I didn't get drafted to the Vietnam War following my graduation from college in 1970 from Washington University in St. Louis. My career path began immediately after graduation with a sales position for Dunn & Bradstreet in St. Louis where I remained for about two years before returning home to Indianapolis to work for the life insurance business. I sold life insurance to college seniors, which allowed me to pursue my real passion – tournament bridge. Selling life insurance gave me the flexibility I needed to play bridge all over the U.S. in the '70s and '80s.

In my late 20s, I went to work for Home Mutual Insurance (known today as SECURA) as a Regional Sales Manager selling auto and homeowners insurance. I was at the peak of my bridge playing career, and my second lucky moment came when I met the Executive Director (Don Foy) at the Indiana State Medical Association. Don informed me they were forming an insurance company and they were going to sell medical malpractice along with home and auto insurance. He passed my name to the CEO of Physicians Insurance Company of Indiana (PICI). I was offered the job and started at PICI in January 1983 on the ground floor, where I recruited agents into a sales force.

“You should have persistence, honesty, and integrity. And finally, establish trust with the people you work with, the people you work for, and with customers.”

What do you think contributed to your success in sales?

I like people and I like building relationships. Getting along well with people was always a strength of mine. You must have a good attitude and be persistent. And, you have to have desire and the discipline to do the work. I never saw myself as an accountant or banker; it didn't fit my personality.

What were your early years like at ProAssurance?

I was a Regional Vice President of Sales and was responsible for Indiana, Ohio, and Kentucky. For the last five or six years of my career, I split my time in the Indiana office and Washington, D.C. My success was dependent on the company, and the people who worked with me and around me including the independent agents who represented us. I was fortunate to have fabulous employees throughout my career.

What makes you most proud of your career at ProAssurance?

I'm proud of the Indiana office and what we were able to accomplish in the three states once the merger occurred. After the merger occurred, we became the largest writer for hospitals in the state of Indiana. A similar thing happened in Ohio and Kentucky – we went from having the smallest book of physician business to one of the largest in both states. We grew very fast and that was due to the agency plan we developed. I loved working with Lois Wyrick (our underwriter). The people who worked for me all did well.

My proudest moment was in 2015 when I retired. Lois organized a party for me and about 100 people attended. Agents flew in from three or four states and my former boss was there. The best part was my father, who was living at the time, was there. That was a really proud moment for me.

What is a typical day like for you now?

I get up early and walk around the golf club near my winter home in Scottsdale, Arizona. I walk three to five miles a day. Some afternoons I go out and sit by the pool.

My third luckiest moment was when I got married in 2017. My wife and I travel a lot. We've visited Mount Rushmore, Yellowstone National Park, the Grand Canyon, and every national park in Utah. In the U.S. we like to take road trips and drive the roads less traveled. We also have family and friends that we visit in Nashville and Seattle, and we try to take a family vacation with our grandsons every year. Betty and I spend the month of November in Sanibel. I have an active life during retirement.

We're also highly active at home in Indiana. In the summer months we're involved with the White River Yacht Club. We have a lot of friends in Indiana, and we've met more people this year. One of my passions in life as I got older is thoroughbred horse racing. We have a couple of friends that we do that with. Retirement has been great. I've been able to do things and enjoy life in a way that I never would've imagined as a kid.

Do you have any words of wisdom to team members at ProAssurance?

ProAssurance has always been a good company, with good people and excellent leadership at the top of the organization. The business has changed dramatically as hospitals became more dominant and physicians integrated into hospital systems. You must understand who our customers are (healthcare providers and healthcare systems, physicians, and the independent agents who represent ProAssurance) and what motivates them. You should have persistence, honesty, and integrity. And finally, establish trust with the people you work with, the people you work for, and with customers.

Former Regional Vice President of Sales

Mark Sander



provisions

To subscribe or see previous issues, visit ProAssurance.com/ProVisions.

NORCAL Group will bring over

32,000

insureds to the ProAssurance

NORCAL 2020 direct written premium: **\$360M**

NORCAL 2020 asset base: **\$1.7B**

Now, as the nation's third-largest MPLI carrier with claims and risk management expertise in every major healthcare region, our ability to provide options and solutions across state lines has grown even stronger.



Rated A- (Excellent) by AM Best **A-**

NORCAL is licensed in all 50 states and ranked in the TOP TEN in **27**