

OMIC

OPHTHALMIC MUTUAL
INSURANCE COMPANY
(A Risk Retention Group)

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Timothy J. Padovese
San Francisco, CA

Sponsored by the
American Academy of Ophthalmology
The Eye M.D. Association

March 1, 2009

Dear State Society Presidents and Executive Directors,

In 2008, OMIC focused our marketing and risk management resources towards forging even stronger ties with various state ophthalmic societies, as well as subspecialty societies that had a cooperative venture agreement with OMIC. We also contacted societies that did not yet have an agreement in place. We believe that these cooperative ventures provide a cost-effective way for ophthalmologists to access resources in both of our organizations and ultimately improve the quality of ophthalmic medicine. By working closer together we believe membership in our organizations will grow.

We are pleased that there are now 32 state and subspecialty societies with cooperative venture agreements with OMIC! OMIC policyholders who are members of these organizations have received over \$6million dollars in special premium discounts since our first cooperative venture agreement.

What are those benefits?

State and subspecialty societies benefit from;

- An OMIC live or online course available exclusively to society members
- CME credit through OMIC's partnership with The American Academy of Ophthalmology (AAO)
- A *preferred* 8% premium discount exclusively for society members attending OMIC risk management courses. The average physician will save \$1077.
- Repeated mention by OMIC representatives to state ophthalmologists regarding the benefits your society has negotiated with OMIC for its members.
- Increased society membership as well as meeting attendance at your state meetings by leveraging the tangible economic benefits of the OMIC risk management courses, the premium discount earned and CME credits.
- OMIC exhibits at society events
- A resource partner for risk management information to publish in your academy newsletters, publications, and websites.

OMIC will benefit from;

- Enhanced relationship with society members that will foster OMIC policyholder growth and retention
- State-specific feedback and ideas for development of future risk management resources and presentations
- Convenient Access to risk management courses for OMIC policyholders
- OMIC exhibiting opportunities at your state academy events, including advance marketing of educational events.

In these tough economic times it is critical that partnerships with others be forged to ensure risk management / patient safety remain up to date and accessible. At the same time cost efficiency are realized. Here are a few highlights about OMIC that touch these points:

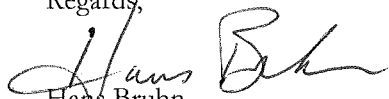
- The only malpractice carrier dedicated *exclusively* to ophthalmologists
- The only ophthalmic-specific risk management program in the U.S.
- Experienced claims management team defending more ophthalmic malpractice claims than the rest of the industry combined
- Higher percentage of claims settled without payment than other PIAA (Physician Insurers Association of America) carriers
- Average indemnity paid by OMIC is 40% lower than other PIAA carriers
- #1 resource for ophthalmic specific consent forms and risk management information FREE to society members.
- Policyholder dividends issued 17 of the past 21 years. In 2008 this dividend was 20%. In addition OMIC reduced their rates an average of 8% .
- Highest policyholder satisfaction with 95% long-term retention rate
- The most competitive insurance program available including one of the most generous premium discount and dividend programs in the country
- One of the most financially stable insurance companies in America, **rated "A" Excellent by AM Best**

We are pleased to provide you with a list of the 32 state and subspecialty societies that currently benefit from a cooperative agreement with OMIC.

We also invite you to visit our website, www.omic.com. Of particular interest may be our risk management resources section that includes procedure specific informed consent documents. All our materials are available for downloading by anyone.

If your organization is interested in discussing a cooperative venture agreement with OMIC please contact us. There are various ways we can work with your organization to retain and grow your membership and provide important value to your ophthalmologists and their staff.

Regards,


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“Cooperative Venture” Agreements

Between Ophthalmic Mutual Insurance Company (OMIC) and State Ophthalmology Societies & Ophthalmic Subspecialty Societies

Ophthalmic Mutual Insurance Company (OMIC) - Professional liability insurance company exclusively for ophthalmologists who are members of AAO.

In 1987, Academy members proposed the formation of an ophthalmologist owned and operated insurance company, ophthalmologists were at the mercy of a few large insurance carriers with little loyalty to, or understanding of ophthalmology. With the sponsorship of the Academy and the financial support of nearly 800 Academy members willing to invest in a start-up insurance company, the **Ophthalmic Mutual Insurance Company (OMIC)** opened for business on October 1, 1987. Over the next twenty years, a commitment to aggressive claims handling, responsive underwriting, and ophthalmic-specific risk management has brought OMIC to its present position as the recognized leader in ophthalmic liability insurance, exemplified by affordable, actuarially sound premiums, strong policyholder growth and retention (over 3900 insured physicians, 97.5% retention), favorable loss experience (36% loss and expense ratio), and geographic diversification. OMIC is rate “A” (Excellent) by A.M. Best Company, the leading provider of independent insurance ratings.

Risk Management Services- Ophthalmic-specific risk management information and confidential one-on-one counseling to OMIC insureds

In 1993, the OMIC Board established the OMIC risk management department “...to assure ophthalmologists incorporate sound risk management principles into their practice to improve the overall quality of patient care, minimize patient injury, and reduce malpractice litigation.” OMIC has set about developing a comprehensive ophthalmic-specific risk management/loss prevention program to address these liability exposures.

The most often used and valued service of insureds is the “hotline” that provides individual support and one-on-one confidential counseling from risk management professionals who understand the unique liability issues facing ophthalmology in today’s healthcare environment. Now, each year over 1,000 OMIC insureds and their staff report increasingly complex clinical and legal issues that have emerged in subspecialties such as refractive surgery, retina and ROP and ever more complex regulatory and compliance liability exposures such as HIPAA and FDA risk exposures. The support the

ophthalmologist and practice staff receive from OMIC risk management specialists cannot be underestimated - not only for the opportunity to minimize the impact of a potential professional liability loss but also for early intervention that minimizes the disruption from sometimes extremely volatile office practice situations. Early intervention is not only supportive of the OMIC's goal of developing strategies of preventing loss but integral in minimizing the adverse consequences once a specific loss is reported.

Cooperative Ventures – Providing ease of access to risk management information, membership incentives, and premium discounts to ophthalmic state and sub-specialty society members.

An integral part of the OMIC risk management program is the support of ophthalmic state and subspecialty society cooperative ventures that started in 1995. As part of this effort, **state society members** attending OMIC risk management seminars receive a *preferred* 8% premium discount. As of 2009 there are over 32 cooperative ventures (an increase of 29% in 2008) that provide a greater depth and breadth of understanding to the OMIC risk management program. OMIC is able to understand the unique exposures to the specific state and subspecialties within the practice of ophthalmology. Now, the department is able to leverage technological advances such as the OMIC website, and interactive audio conferences to reach out to these state societies with specific information addressing their concerns. Here is list of those societies:

Current Cooperative Ventures

1. Alabama Academy of Ophthalmology (**ALAO**) – 2007
2. American Association for Pediatric Ophthalmology and Strabismus (**AAPOS**) – 1996
3. American Society of Ophthalmic Plastic and Reconstructive Surgery (**ASOPRS**) – 1998
4. Arkansas Ophthalmological Society (**AOS**) – 2008
5. Arizona Ophthalmological Society (**AOS**) – 1998
6. Association of University Professors of Ophthalmology (**AUPO**) – 2002
7. California Academy of Eye Physicians and Surgeons (**CAEPS**) – 1998
8. Colorado Society of Eye Physicians and Surgeons (**CSEPS**) – 2001
9. Contact Lens Association of Ophthalmology (**CLAO**) – 1997
10. Florida Society of Ophthalmology (**FSO**) – 1998
11. Georgia Society of Ophthalmology (**GSO**) – 2008
12. Hawaii Ophthalmological Society (**HOS**) – 2002

13. Illinois Association of Ophthalmology (**IAO**) – 1997
14. Indiana Academy of Ophthalmology (**IAO**) – 2008
15. Iowa Academy of Ophthalmology (**IAO**) – 2007
16. Kansas Society of Eye Physicians and Surgeons (**KSEPS**) – 2009
17. Kentucky Academy of Eye Physicians and Surgeons (**KAEPS**) – 2008
18. Louisiana Ophthalmology Association (**LOA**) – 1999
19. Missouri Society of Eye Physicians and Surgeons (**MOSEPS**) – 1997
20. Nevada Academy of Ophthalmology (**NAO**) – 2002
21. New England Ophthalmological Society (**NEOS**) – 2001
22. Ohio Ophthalmological Society (**OOS**) – 2007
23. Oklahoma Academy of Ophthalmology (**OAO**) – 2001
24. Pennsylvania Academy of Ophthalmology (**PAO**) – 2008
25. Tennessee Academy of Ophthalmology (**TNAO**) – 2007
26. Texas Ophthalmological Association (**TOA**) – 2000
27. Utah Ophthalmology Society (**UOS**) – 2008
28. Virginia Society of Ophthalmology (**VSO**) – 2006
29. Washington Academy of Eye Physicians and Surgeons (**WAEPS**) – 2002
30. Washington DC Metropolitan Ophthalmological Society (**WDCMOS**) – 2007
31. West Virginia Academy of Ophthalmology (**WVAO**) – 2008
32. Women In Ophthalmology (**WIO**) – 2000

*Underlined are subspecialty societies and special interest groups