

FOR IMMEDIATE RELEASE:

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ISMIE Mutual Updates Rates for 2012-2013

Risk experience leads to several specialty, county rate adjustments.

\$17 million in new dividends distributed, pushing lifetime dividend total past \$91 million.

Chicago, IL – ISMIE Mutual Insurance Company today announced a series of rating adjustments for the 2012-2013 policy year beginning October 1. This year's adjustments in risk factors for certain medical specialties and four Illinois counties will produce premium changes for policyholders.

"ISMIE is rebalancing its risk relativities based on Illinois' medical liability trends," explained ISMIE Mutual Chairman Harold L. Jensen, M.D. "A physician's specialty and practice location contribute heavily to the likelihood of facing a lawsuit and potential payouts. We closely analyze these factors during our rate review process and identified some areas requiring adjustment."

Most physicians will experience about a one percent change from current premiums. Seven specialties will see their premiums reduced by five percent or more, and two specialties will experience increases of just over nine percent. One county moves to a lower risk rating tier and three shift into higher risk rating categories. These changes offset one another; the net result is *no change* to ISMIE's total charged premiums. The attached chart outlines these relativity changes.

In addition to specialty and region, a number of factors determine individual policyholder premiums. Claims history, experience, participation in ISMIE's *Managing Risk* program, and dividend program eligibility are also components of premium calculation. Since the 2005-2006 policy year, our policyholders have enjoyed \$91 million in dividends, including a \$17 million disbursement this year.

In 2011, 6,471 policyholders earned discounts through participation in ISMIE's *Managing Risk* program, with more than half earning the maximum 15 percent premium reduction. "ISMIE policyholders experience *Managing Risk* program benefits beyond the discounts," Dr. Jensen pointed out. "Those who participate at the highest level experience a substantially reduced likelihood of facing a lawsuit."

Looking forward to the coming policy year, Dr. Jensen added, "ISMIE's partnership with our policyholders remains strong during times of major change in Illinois' health care delivery system. Like our policyholders, ISMIE is eager to successfully address these challenges, changes and new opportunities."

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www.ismie.com

ISMIE Mutual Insurance Company is the leading provider of medical liability insurance to approximately 12,000 Illinois physicians.

Established in 1976 by the Illinois State Medical Society, the company is completely physician-owned-and-operated.

ISMIE Chairman Harold L. Jensen, M.D. is a specialist in internal medicine from Frankfort, Illinois.

SPECIALTY AND COUNTY ADJUSTMENTS

Effective October 1, 2012

Specialties experiencing a decrease*

Emergency Medicine – with major surgery (-5.56%)

Gynecological Surgery (-5.56%)

Head and Neck Surgery (-5.56%)

Hand Surgery (-5.56%)

Neonatology (-3.70%)

Otolaryngology – with elective cosmetic head and neck surgery procedures (-5.56%)

Otolaryngology – with elective cosmetic procedures other than the head and neck (-3.70%)

Orthopedic Surgery – no spine procedures (-6.90%)

Pediatrics – no major risk procedures or surgery (-8.33%)

Plastic Surgery (-3.70%)

County experiencing a decrease

Lake County (-5.88%)

Specialties experiencing an increase

Geriatrics (+9.09%)

Rheumatology (+9.09%)

Counties experiencing an increase

Grundy (+8.33%)

Kankakee (+6.67%)

Madison (+5.00%)

* Some medical specialties have multiple rating categories. Certain procedures are deemed a higher liability risk than others. Whether a physician performs certain procedures determines which specialty category applies to him or her. Certain, but not all distinctions are noted above.