



FAQs

I. GENERAL QUESTIONS:

Q. Is the RRG endorsed or sponsored by any Medical Association?

A. No

Q. What is the cost of capitalization?

A. 10% of the mature claims made premium of physician/surgeon specialty involved and is payable either in full at inception of the program or over two annual installments (Yr. 1: 5% & Yr. 2: 5%)

Q. Will I get my capital back in the event I cancel the policy?

A. JMW has the option to purchase the shares back of a cancelling insured, subject to the financial stability of the RRG and approval of the Board of Directors at the time of cancellation. The value of the shares will be based upon the book value at the time in which the policy is cancelled.

Q. What is the RRG's commitment to risk management?

A. As a risk retention group, JMW strongly advocates risk management, patient safety and practice excellence. Our members expect that JMW will underwrite high quality physicians and once underwritten, will support those providers with risk management products and services that will result in increased safety and satisfaction for their patients and good loss experience for their company. JMW offers a wide range of supporting risk management programs and protocols that can be accessed by physicians/surgeons joining the group.

II. COMPANY STRUCTURE & OPERATIONS

Q. How long has the company been in business?

A. J.M. Woodworth RRG was established in October of 2006.

Q. What state is the RRG domiciled?

A. Nevada

Q. Who are the Board of Directors?

A. The Board of Directors consists of policy holders and other stake holders who have a keen interest in preserving and promoting the underwriting viability and results of the risk retention group. We are looking for committed members who are dedicated to the proposition that a commonality of interest can produce a better malpractice outcome in the states of New York, New Jersey, Pennsylvania & Connecticut.

The current Board of Directors and Officers are:

Chairman of the Board & President:

Seth E. Kronenberg, M.D. CEO of the Internist Association of Central New York, Syracuse, New York.

Vice President and Secretary:

Louis Pleninger, II, Vice President of Paris-Kirwan Associates, Inc., Rochester, New York.

Vice President and Treasurer:

Eric Stickels, Chief Financial Officer of Oneida Savings Bank, Oneida, New York

Directors:

Dr. Michael Harter, Provost of Touro College-Nevada, Henderson, Nevada

Zachary E. Gerut, M.D., Self-Employed Plastic & Reconstructive Surgeon, Hewlett, New York

Jim Olver, Chief Executive Officer of Horizon Medical Group, P.C., Goshen, New York

Q. In what state(s) is the RRG registered to write policies?

A. JMW is currently registered with the Department of Insurance in New York, New Jersey, & Connecticut.

Q. How many physicians are in the program, what are their specialties?

A. As of January 31, 2011, JMW insured 431 physicians/surgeons (with another 150 applications pending). Approximately 29% of the membership is Internal Medicine and Family Practice physicians, 6% is Orthopedic Surgeons and the remaining 65% include a mix of specialties. Currently, JMW will only underwrite Bariatric Surgeons, if part of multi-specialty groups, and comprise less than 10% of the group.

Q. What is the total annual written premium?

A. As of December 31, 2010 JMW had total annual written premium of \$7,429,183

III. FINANCIAL INFORMATION

Q. Who are JMW's financial auditor, CPA and actuary?

**A. Actuary: Deloitte Consulting, LLP
Financial Auditor & CPA: Johnson Lambert & Co., LLP**

Q. What is the ratio of premium to surplus?

A. \$1 of premium to every \$1.5M of capital and surplus

Q. Does the RRG have reinsurance?

A. Yes

Q. Is the reinsurance company rated by A.M. Best or Moody's?

A. JMW policies are reinsured by A.M. Best "A" rated Lloyds of London reinsurers

IV. UNDERWRITING

Q. Does the RRG have underwriting criteria?

A. Yes, as managed by Uni-Ter, extensive underwriting criteria has been developed by experienced medical malpractice insurance professionals that allows for the review and acceptance of applying physicians & surgeons.

Q. What types of policies are written by the RRG?

A. JMW offers Claims Made, Occurrence & Paid Claims policy forms.

Q. Is the policy assessable? Can I be assessed in later years for premium deficits?

A. No, the J.M. Woodworth RRG policy is non-assessable.

Q. In the event my coverage is cancelled or not renewed is there an appeals process?

A. Yes, in some instances this would also involve consultation with the hospital that the physician or surgeon is associated with prior to cancellation or non-renewal.

Q. What factors determine non-renewal or cancellation of a policy?

A. Typically only those physicians or surgeons that demonstrate a repeated propensity for the same errors will be cancelled. It is not the intention of JMW to support those physicians or surgeons who do not take all steps necessary to correct behaviors that produce malpractice claims.

Q. What determines my premium? How are increases determined?

A. The initial premium levels are determined by rates promulgated by JMW's actuaries. Increases are determined based on the performance of the group on a prospective basis.

Q. Do you offer group policies or group discounts?

A. Yes

Q. Will my PC be covered at no additional cost?

A. Yes, the corporation and employees (other than physicians/surgeons and physicians extenders) can share in the Scheduled Physician's/Surgeon's limits at no additional cost.

Q. Will I get separate limits for my PC or LLP, if so is there additional premium cost?

A. Separate limits are available for a physician's PC, LLC, PLLC or LLP, as long JMW insures all physicians/surgeons of the entity (*if applicable*). The charge is based upon 25% of each physician's/surgeon's premium.

Q. Will the RRG provide coverage for physician extenders such as PAs, NPs, CRNAs, and CNWs?

A. NPs, CRNAs, CNWs, & PAs are provided coverage with a separate limit of liability, as long as the supervising physician is also insured with the RRG. The premium based upon 25% of the supervising physician's/surgeon's undebited/uncredited premium.

As mentioned above, all other non-physician/surgeon medical professionals (i.e., "employees") share in the limits with the entity/physician/surgeon.

Q. If yes is a separate policy issued?

A. Physician extenders are endorsed on the supervising physician's/surgeon's policy.

Q. Are administrative actions covered?

A. The policy includes defense for administrative actions brought by the Office of Medical Professional Conduct on a sub-limited basis up to \$100,000 annual aggregate. The availability of the sublimit amount is subject to underwriting review.

Q. Does JMW provide "Tail Coverage"?

A. Yes. An unlimited extended reporting endorsement or "tail coverage" is available and may be accepted upon underwriting review and approval.

V. CLAIMS MANAGEMENT

Q. Can the RRG settle a claim without my consent?

A. No, the policy includes a provision requiring the RRG to have consent to settle from the Insured; however, this is subject to a Hammer Clause.

Q. Who handles claims for the RRG and where are they located?

A. JMW claims are handled by Uni-Ter Claims Management Services and are managed out of Uni-Ter's office in Alpharetta, GA.

Q. What is the process for filing a claim?

A. Claims are reported on a “written demand” basis requiring that a policyholder notify JMW as soon as possible after the date such Claim is made against the Insured, but in no event later than thirty (30) days after the Policy End Date.

Q. Do I get to choose my defense counsel?

A. JMW has the right to select the defense counsel on behalf of its insureds; however, the insured may request a particular law firm to be reviewed by the JMW for suitability to defend the claim.

Q. Is there a maximum hourly rate for defense attorney and expert fees?

A. The hourly rates are negotiable, subject to level of expertise and complexity of the case.