

Keane Insurance Group Hires More Staff

OPENS NEW OFFICE IN ILLINOIS

The Keane Insurance Group is pleased to announce the hiring of several new staff members to accommodate the growing needs of our clientele.

- Robert Koons, Illinois Marketing Coordinator
- Jeff Hebenstreit, Professional Liability Consultant
- Todd Herman, Professional Liability Consultant
- Theresa Bono, Client Service Assistant
- Karynda Duncan, Receptionist

In addition, we have opened a new office in Belleville to better serve the growing number of Keane clients in Illinois.

The new address is 521 W. Main Street, Suite 201A, Belleville, IL 62220. The office can be reached by calling 618.257.1820

Employee Spotlight

Jeff Hebenstreit
Professional Liability Consultant



In some ways, you could say Jeff Hebenstreit has viewed the malpractice industry from both sides of the street.

Jeff, who recently joined the Keane Insurance Group as a Professional Liability Consultant, spent many years in the physician services sector, most recently as Vice President (Central Region) for Saint Louis Management Group, a national health care consulting firm.

"John Keane and I have enjoyed a friendship and business relationship for a long-time," says Jeff, "and I was able to see how hard the people at Keane work on behalf of their clients."

Jeff says he worked side-by-side the folks at Keane for the mutual benefit of his clients in the consulting world.

Finally, he decided he wanted to join Keane. "I've always been impressed with their professionalism and commitment to excellence," he says, adding that "the company also demonstrates a commitment to quality of life that is important to me."

Enjoying life outside of work is made easier, Jeff says, by "my beautiful wife Nancy and three wonderful boys, ages 6, 5, and 11 weeks."

"My Three Sons" is how he depicts free time with his boys, including bicycling, hockey and fishing. "I spend a lot of time baiting hooks, but that is what it's all about."

Please welcome Jeff to the Keane Insurance Group family.

The Keane INSURANCE REPORT

Volume 8, Issue 2
Summer 2004

News and Information for
Medical Professionals
Concerned About the Rising
Costs of Malpractice Insurance

SUMMER 2004

Letter from
Our Leader



Welcome to another edition of the Keane Insurance Newsletter. It's been a hectic and critical time for our industry and the Keane Insurance Group.

Missouri Physicians Mutual continues to grow at an astounding rate. The company now insures roughly 2,000 physicians throughout the state.

In Illinois, there's a new carrier that began writing coverage in June. The Professional Liability Insurance Company of America has already written dozens of new doctors in Illinois, and we are pleased to be an authorized broker.

We're also working with another company that is planning on writing new coverage in Illinois sometime very soon. It's always great to see more options for physicians in such a competitive malpractice marketplace.

We recently introduced the Keane Advantage Program (KAP), a new physician buying group that's designed to help medical groups lower their spending on office and medical supplies. It's another effort on our part to help physicians lower their overall expenses and help alleviate the rising cost of malpractice coverage.

Finally, as an agency, we plan to support those candidates in the upcoming state and federal elections who support tort reform and other legislative measures to address the malpractice crisis. We strongly encourage you to participate in the process as well. The election results will play a crucial role in what progress can be made in the next two years.

As always, we remain grateful for your business. Please call me directly with any problems, issues or concerns.

Warm regards,

John Keane

MISSOURI PHYSICIANS MUTUAL Company Continues Remarkable Growth

Missouri Physicians Mutual, the largest and most successful physician-owned professional liability company in the state, continues to grow at a remarkable pace.

"MPM has allowed Missouri physicians to obtain quality, reasonably priced coverage at a time when many carriers were leaving the state," says John Lorei, an emergency room doctor with Metro Emergency Physicians in Kansas City, MO. "Without MPM, one-third of our physicians would have stopped practicing in Missouri."

Added Lorei: "Being with MPM has kept our doctors in Missouri, accessible to Missouri citizens, and allowed us to pay competitive wages to our doctors."

The company now provides medical liability coverage to more than 2,000 physicians located throughout Missouri. MPM has written in excess of \$40 million in premiums and has garnered reinsurance by the world's most prestigious providers.

“Being with MPM has kept our doctors in Missouri, accessible to Missouri citizens, and allowed us to pay competitive wages to our doctors.”

"Together, MPM and our member insureds are making a difference and giving back to physician's

control of their own destiny," says Timothy H. Trout, Sr., MPM managing director. "It gives us great satisfaction to deliver these results to our physician-owners while positioning MPM to serve the long-term practice needs of Missouri physicians."

Trout points to the company's effective and reliable cost control system as another reason MPM can offer competitive malpractice rates. The company recently began offering a program to provide a fully-integrated risk management program for MPM-insureds.

"As a not-for-profit company," adds Trout, "we have no stockholders to subsidize, and the savings accrue to those we insure."

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THE PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA

NEW CARRIER IN ILLINOIS

The Professional Liability Insurance Company Of America (PLICA), a fully admitted licensed insurer in Illinois, now offers physicians in the Illinois malpractice market a professional liability insurance product that has been developed and designed to insulate Illinois Physicians from exposure to frivolous claims.

Among other measures, the company plans aggressive defense against such frivolous claims while quickly disposing those claims that show merit.

"PLICA understands the current availability and affordability medical malpractice crisis confronting Illinois physicians and desires to work in partnership with our insureds to afford quality products and services at competitive pricing" said Howard B. Nathans, PLICA President and CEO.

Brent Cassity, a member of the ownership

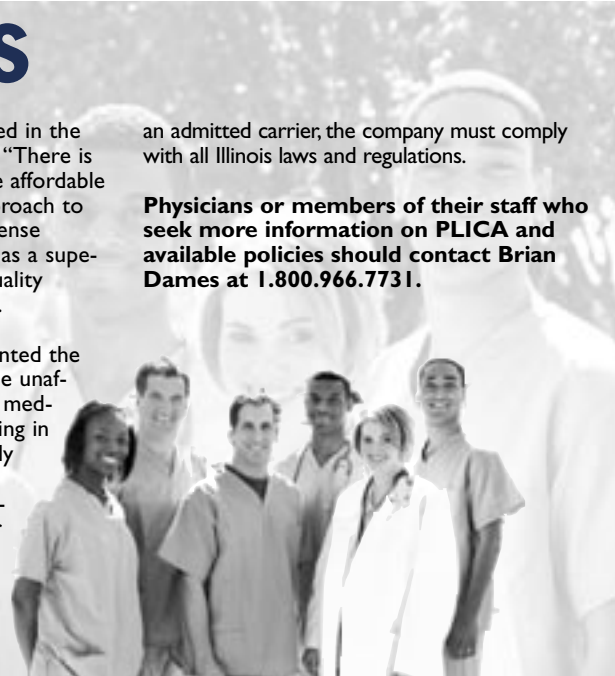
group, said his family has been involved in the insurance business for over 25 years. "There is now a unique opportunity to provide affordable coverage to doctors with a fresh approach to holding down overhead and legal defense expenses," explains Cassity, "PLICA has a superior legal team in place to provide quality defense and monitor legal expenses".

Headlines in recent weeks have lamented the loss of physicians as they have fled the unaffordable rates being quoted by many medical professional liability carriers writing in Illinois. The losses have been especially acute in Cook, Madison, St. Clair and Will Counties. PLICA intends to consider all of the medical specialties for coverage throughout the state.

PLICA's capital and surplus exceeds regulatory capital and surplus requirements in Illinois, and because PLICA is

an admitted carrier, the company must comply with all Illinois laws and regulations.

Physicians or members of their staff who seek more information on PLICA and available policies should contact Brian Dames at 1.800.966.7731.



KEANE ADVANTAGE PROGRAM

Another Way to Save Money

The Keane Insurance Group is pleased to announce the formation of a new subsidiary designed to help physicians dramatically reduce the cost of medical and office supplies.

detailed listing of recent supply purchases and the amount currently paid by the physician. The KAP representative will evaluate those charges and estimates the savings the physicians will

or office supplies, the program can net back an estimated \$7,500 a year.

"We are constantly looking for ways for physicians to save money, not only on their malpractice premiums, but other parts of their practice as well," says John Keane. "We believe KAP will be a great program of physicians."

If you're interested in KAP, please contact your Keane producer or call 1.800.966.7731.

Officially named the **Keane Advantage Program, or KAP**, the new subsidiary encourages physicians to join forces and buy products as part of a larger group, and thus incur significant savings on each purchase.

KEANE Advantage Program

A KEANE INSURANCE GROUP AFFILIATE

experience if they join the larger KAP buying group.

The process is simple: a KAP representative will meet with physicians or their medical managers and request a

In most cases, the savings can be quite large, up to 15 percent. So, if a physician is spending \$50,000 a year on medical

RISK MANAGEMENT CORNER

Focus on Prescriptions: Eenie, Meenie, Miny, Moe

You probably don't use this old song lyric and children's rhyme to choose medications for your patients, but is your process more scientific? And even more important, will your patients think it is more scientific?

New drugs and new versions of old drugs overwhelm the learning process of even the most careful physicians. And many of the compounds work differently than their close cousins, or can be harmful to patients in ways the trials never identified, leading to patient injury or frustration. Patients, crushed by medication costs, anxiously question you about less expensive alternatives, while the drug companies sell you on their patented cash cows.

In the midst of this cyclone of information and worries, researchers from Wake Forest looked at the influence of drug company "freebies" on physician

prescribing behavior. They found a couple of scary things.

First, many of the attending physicians and residents had little or no knowledge of the AMA's 2001 "Ethical Guidelines for Gifts to Physicians from Industry," which limit give-aways and specifically ban any gift based on volume of business. Second, the physicians, especially residents, lacked significant knowledge of research about the substantial influence of gifts (direct or indirect) on decision-making.

Wake Forest initiated a program to teach its residents about these issues, with the first program focused on the existing patient perceptions of conflict of interest.

Do you derive income from clinical trials? Does a drug representative regularly provide lunch for you and your staff? Do you attend seminars in exotic places subsidized by drug

companies? Even if you don't violate the AMA's ethical standard on conflict, could you convince your patient or a jury that you only make the best choices for your patients?

Can you point to independent sources for your education about pharmaceuticals? Do you ever look for ways to steer business to the people giving you these things, even for a minute? Do you discuss various medication choices with your patient if more than one might make sense? In short, regardless of your certainty of your own independence, how will it look on the outside?

Risk Management content provided by Physician Risk Services, Inc.

Watkins et al. Acad Med. 2004;79(5):432-437, reviewed by Tokarski, Cathy, Medscape, May 10, 2004. www.ama-assn.org/ama/pub/article/4001-7922.html

Professional Liability Specialists

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We are one of the single largest providers of Healthcare Professional Liability Insurance in the Midwest, with over 3,000 medical-related clients. Our staff members - all dedicated and experienced insurance professionals - are experts in finding the most cost-effective and secure solutions to your specific insurance needs. Visit our web site and take a moment to learn more about The Keane Insurance Group and our wide variety of insurance products specifically-tailored to meet the growing demands of healthcare professionals.

www.keanegroup.com

