AVMA PLIT 2014 Annual Report

This report showcases examples of how we are focused on member service and value, moving the AVMA PLIT forward in 2015, building on our learnings and accomplishments from 2014, and enhancing AVMA members’ appreciation of the comprehensive insurance programs and educational resources available to them.

Through our efforts large and small, you will see how the AVMA PLIT team continually strengthens and delivers on our promise to provide the most complete and supportive professional insurance program available to veterinarians.

2014 Executive Overview

The AVMA PLIT program is thriving and financially stable. Key highlights include:

- The AVMA PLIT completed its fifty-second year of dedicated member service to AVMA members on December 31, 2014.
- Advocates worked continuously on behalf of AVMA members as a team so that program insureds can always be confident that they have everything needed to remain protected. The team included the PLIT Trustees and PLIT staff and our key strategic insurance partners and advisors.
- Rates for professional liability primary and excess malpractice limits remained unchanged from the prior year. In fact, today’s rates are lower than 2005 rates.
- The Trust Veterinarians reviewed 2,794 professional liability claims reported by certificate holders. They also spoke with numerous clients facing license complaints and allegations of malpractice and provided guidance during a very stressful time. Additionally, 769 veterinary license defense claims were handled by the program.
- $371,000 in scholarships to veterinary schools and sponsorships of student programs that further advance veterinary medicine were awarded.
- The Hartford surveyed business insurance clients throughout the claims process utilizing the Net Promoter® calculation methodology, the worldwide standard for organizations to measure, understand, and improve their customer experience.
  - The Hartford has a claims loyalty index (CLI) score of 76 for PLIT clients.
  - As a comparison, the 2014 Satmetrix US Consumer Study reported these Net Promoter® scores for other high-performing brands: Apple 72, Southwest Airlines 62, and Walgreens 42.
- The AVMA PLIT unveiled a comprehensive refreshed brand initiative, emphasizing our unique professional knowledge, expertise, and comprehensive programs.
- Phase 1 of the new avmaplit.com website launched focusing on strengthening the user experience to support the 2015 renewal season. Users can review coverage options and make policy changes, submit payments, and report claims online.
2014 Program Activity

<table>
<thead>
<tr>
<th>Professional Liability</th>
<th>Professional liability</th>
<th>60,721 certificates</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Veterinary license defense</td>
<td>44,785 endorsements</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Business Insurance</th>
<th>Workers’ compensation</th>
<th>6,636 policies</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Package (property/liability)</td>
<td>6,052 policies</td>
</tr>
<tr>
<td></td>
<td>Commercial automobile</td>
<td>859 policies</td>
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<tr>
<td></td>
<td>Employment practices liability</td>
<td>1,444 policies</td>
</tr>
<tr>
<td></td>
<td>Other business lines</td>
<td>967 policies</td>
</tr>
</tbody>
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| Personal Insurance     | Auto, homeowners, renters | 1,827 policies |

The PLIT has an excellent business partner relationship with its broker, HUB International Midwest Limited, as well as with its key insurance carriers: Zurich, The Hartford, Travelers, CNA, and Liberty Mutual.

Branding

The new AVMA PLIT brand was launched in January of 2015 following the AVMA Executive Board’s approval at the fall meeting in November of 2014. PLIT CEO Dr. Janet Donlin unveiled the new brand during the opening session of the 2015 Veterinary Leadership Conference. The public launch followed shortly thereafter, starting with the PLIT presence at the North American Veterinary Conference. The PLIT also launched a microsite, youravmaplit.com, which tells the story of the new brand along with research findings, visual examples, and downloadable logo assets.

The new PLIT brand is now being integrated into the member experience through various communications and conference materials. As part of the rebranding process 88 Brand Partners conducted several photo shoots to create a custom library of images that the PLIT will exclusively own. The complete library will be put into use starting summer of 2015.

avmaplit.com

Phase 1 of the new website launched focusing on strengthening the user experience to support the 2015 renewal season. These functional enhancements allow users to:

- View, download, or print policy documents
- Review coverage options and make policy changes
- Submit their payments online
- Submit claims and check on claim status
- Secure or increase new professional liability coverage
• Register as a practice manager and link to doctors (and make online payments)

An education center was also added to the site, which includes the PLIT library of articles and newsletters, safety and employee training, and additional risk management resources. More than 34,000 members registered on the new site, and 36.76% of the renewal payments were submitted online.

**Student Educational Outreach, Scholarship Awards, and Sponsorships**

Veterinary students are important to the PLIT. The PLIT has developed strong, robust programs that forge a relationship with the next generation of veterinarians. The Trust Veterinarians annually visit and present at all of the US schools, three Caribbean schools, and one Canadian school, educating students on malpractice and business insurance needs for the veterinary profession. The PLIT also has a student ambassador program, which provides support and information on the PLIT program to all classes. Additionally, we provide significant financial support through scholarship awards and sponsorships.

• For the fourth consecutive year, the PLIT donated $96,000 in scholarships to veterinary schools in an effort to assist future veterinarians with the overwhelming concern of student debt. A $3,000 scholarship was awarded to thirty-two veterinary schools that the Trust Veterinarians visit.

• The PLIT also invested $100,000 in ALL for Students (ALL standing for Achieving, Leading, and Learning), which provides up to $7,000 annually at each SCAVMA chapter.

• The PLIT is also a platinum sponsor of the Veterinary Business Management Association (VBMA), with a $100,000 grant for VBMA chapters to use to support their activities.

• And, the PLIT has provided a $75,000 sponsorship for the Veterinary Leadership Experience (VLE) event.

**Professional Liability**

The PLIT program continues to be the top choice of veterinarians. Adding to the PLIT’s long history of stable and competitive rates, the 2015 annual primary professional liability premium rates remained unchanged. Annual rates have either decreased or remained stable in eight of the last ten years. In fact, primary insurance rates today are lower than in 2005.

The PLIT program closed the year with 60,721 certificates and an overall certificate retention count at 92.77%. Participation in the veterinary license defense endorsement was at 73.76%, and 16.37% of those certificates carried the higher $50,000 limit that launched two years prior.

A paperless claims system launched in 2014 within our professional liability client management system (Duck Creek). This efficiency builds a database to analyze claim trends and identifies areas for planning educational initiatives.
Business Insurance

Ending with a strong fourth quarter, **2014 was one of our best new-business years ever for our business lines of insurance.** The business insurance policy count retention continues to perform well at 92.8% for package (property/liability), 92.4% for workers’ compensation, and 91.6% for commercial auto.

The business insurance service unit managed 15,958 individual business policies. This included account servicing needs and incoming calls for renewal consultations, updating policy information, clarifying questions about coverage, and issuing certificates of insurance and auto identification cards.

One of the PLIT’s primary business insurance providers, The Hartford, surveys clients throughout the claims process to ensure that The Hartford is listening and responding to customers’ needs in real time and creating loyal customers. The Hartford utilizes the Net Promoter® calculation methodology, the worldwide standard for organizations to measure, understand, and improve their customer experience.

**The Hartford has a claims loyalty index (CLI) score of 76 for PLIT clients.** As a comparison, the 2014 Satmetrix US Consumer Study reported these Net Promoter® scores for other high-performing brands: Apple 72, Southwest Airlines 62, and Walgreens 42. *(The PLIT program professional liability provider, Zurich, will conduct a Net Promoter® score survey in 2015.)*

**PLIT Trustees and PLIT Staff**

The PLIT Trustees oversee the PLIT program to ensure that members are well served and that coverages evolve with the changing needs of the profession. The Trustees actively drive PLIT’s planning and policy development efforts and oversee the execution. The 2014 board consists of seven Trustees: Dr. Andrew Clark (Chair), Dr. Kent McClure (Vice Chair), Dr. Rosemary LoGiudice (Secretary –Treasurer), Dr. Jim Benefield, Dr. Stuart Brown, and Dr. John Ehrhardt. Additionally, there is one liaison-trustee from the AVMA staff, Dr. David Granstrom.

The PLIT staff consists of CEO Dr. Janet Donlin; three Trust Veterinarians, Dr. Linda Ellis, Dr. Nina Mouledous, and Dr. Karen Wernette; and Trust Assistant, Ms. Ali Shomali. The Trust Veterinarians have many years of practice experience and they **review all reported veterinary malpractice claims** and **speak to veterinarians about potential allegations of malpractice** and provide guidance.

In 2014, **3,667 professional liability and endorsement claims were reported.** Throughout the claims cycle, the Trust Veterinarians provide professional advice to the insurance company and its attorneys and refer the insurance company to qualified veterinary experts to assist in defense. The Trust Veterinarians also attend and make presentations at veterinary conventions and annually present at thirty-four colleges/schools of veterinary medicine on risk management and the importance of good communication skills.