



## **AVMA PLIT Annual Report of Trustees for the Fiscal Year Ending December 31, 2010**

The AVMA Professional Liability Insurance Trust (PLIT) completed its forty-eighth year of service to AVMA members on December 31, 2010.

### **Professional Liability Insurance**

The number of participants in the PLIT-sponsored Professional Liability Program increased 2.53% in 2010. As of December 31, 2010, 56,370 AVMA member veterinarians purchased professional liability insurance through the program, representing 76.79% of all active AVMA members.

Professional liability coverage responds when veterinarians are accused of malpractice. The program's insurer, Zurich North American Insurance Company, vigorously defends veterinarians and pays the costs that veterinarians are legally responsible for due to allegations of professional negligence.

A four-tiered rating classification system is used so that premium levels relate to the claims incurred by each practice class. The breakdown of participation by practice classification is as follows:

- 4.94% - Equine
- 7.16% - Large/Food Animal
- 10.22% - Mixes/Small Animal
- 77.68% - Small Animal Exclusive

### **Excess Professional Liability (Additional Professional Liability Coverage)**

To be eligible for excess professional liability coverage, a primary liability limit of \$1,000,000 per claim and \$3,000,000 aggregate is required. More than 61% of the program participants were eligible for excess liability in 2010, and 2,205 veterinarians purchased excess liability. Excess liability limits may be purchased in \$1 million increments up to an additional \$5 million in coverage. As a result, veterinarians can purchase limits up to \$6 million per claim and \$8 million annual aggregate. The PLIT emphasizes the need for adequate coverage limits to the membership.

### **Veterinary License Defense Endorsement**

As of December 31, 2010, 37,373 veterinarians had added the veterinary license defense endorsement to their professional liability certificate. The endorsement provides up to \$25,000 in legal defense costs to defend complaints made against veterinary licenses.

### **Extension (Animal Bailee) Endorsement**

The extension (animal bailee) endorsement covers clinic owners for loss or injury to animals in their custody. Covered perils include fire, theft, escape, attack by other animals, flood, and other external causes not related to treatment. Limits are available up to \$1 million per animal. In 2010, 17,122 locations were covered by this endorsement.

Veterinarians purchasing the extension endorsement are also eligible for embryo and semen storage and transportation coverage. As of December 31, 2010, 136 veterinarians purchased this coverage.

### **Student Liability**

Malpractice insurance is available to veterinary students for \$10 per calendar year for part-time and volunteer work, as well as for externships and preceptorships. Once the \$10 fee has been paid each calendar year, the PLIT will pay subsequent student applications during the same calendar year. To be eligible for coverage, students must be a member of the Student AVMA and be sponsored by a veterinarian insured through the PLIT-sponsored Professional Liability Insurance Program. The student is provided the same limits of insurance as his or her sponsoring veterinarian; 379 student liability policies were purchased in 2010.

### **Business Insurance Program**

Travelers Insurance was added as another principal business insurance carrier to help PLIT-sponsored program participants access the most competitive rates in their state. Through Travelers, AVMA members will be offered similar veterinary-specific policy forms as those provided through The Hartford.

## **Workers' Compensation**

The PLIT-sponsored Workers' Compensation Program provides coverage for employee work-related injuries or disease without regard to fault including medical payments, disability, survivor benefits, and rehabilitation expenses. AVMA members have access to risk management resources, educational offerings, and claims-handling expertise. The insurance carriers offer toll-free claims reporting, online reporting, and trained and experienced staff to help members through the claims process. Furthermore, AVMA members can add an optional workers' compensation endorsement to cover volunteers (in some states, the endorsement is automatic). For policies underwritten by The Hartford, the program is structured as a safety group that allows the insurer to pay dividends to policyholders when claims experience is favorable.

The PLIT-sponsored Workers' Compensation Program is not available in monopolistic states: North Dakota, Ohio, Washington, and Wyoming. As of December 31, 2010, there were 5,989 in-force policies placed through the PLIT-sponsored Workers' Compensation Program.

## **Property/Liability**

In 2010, there were 5,312 policies placed through the PLIT-sponsored Practice Owners Package Program. In addition to providing property and general liability coverages, this package policy includes enhanced protection for damage to property off-premises and in transit, perishables such as biologicals, and damage to buildings and contents caused by animals in your care, custody, or control. Through the PLIT-sponsored program, AVMA members have access to mechanical

breakdown and business interruption coverage. Umbrella liability is available in \$1 million increments to enhance protection.

### **Commercial Automobile Insurance**

In conjunction with the PLIT-sponsored Practice Owners Package Program, the PLIT sponsors a commercial automobile program. As of December 31, 2010, there were 704 policies placed through the PLIT-sponsored Program.

### **Employment Practices Liability Insurance**

The demand for employment practices liability (EPL) insurance continues to increase. In 2010, 304 new policies were purchased, increasing the in-force policy count to 857. The PLIT-sponsored Program protects employers against allegations such as workplace sexual harassment and discriminatory hiring and firing practices.

AVMA members participating in the program have access to a toll-free employment practices helpline. Professionals with extensive employment practices liability expertise staff this valuable service. The program offers an optional punitive damages sublimit.

### **Directors and Officers Liability**

The PLIT-sponsored program offers directors and officers liability coverage to protect the assets of a veterinary organization as well as the personal assets of the directors and officers who sit on a board for an association, emergency clinic, or other type of veterinary organization.

## **Personal Insurance**

The PLIT-sponsored Personal Lines Program underwritten by Liberty Mutual Insurance Company debuted in July 2003. Coverage is available for personal auto, homeowners, renters, personal umbrella liability, valuable possessions, boats, yachts, seasonal dwellings, and recreational vehicles. As of December 31, 2010, there were 2,083 policies in-force.

## **Education and Promotion**

The PLIT's insurance broker, HUB International Midwest Limited, works with the Trust Representatives and Trustees to manage the extensive education and promotional activities that attract new participants, retain existing members, educate practitioners, and control losses. Additionally, the activities increase the visibility of PLIT-sponsored products and services among AVMA members.

Promotional and educational activities in 2010 included the following:

1. Trust Representatives Dr. Linda Ellis, Dr. Rodney Johnson, Dr. Nina Mouledous, and Dr. Karen Wernette made presentations at each of the U.S. colleges of veterinary medicine, Prince Edward Island, Ross University, St. George's University, and St. Matthew's University. In addition to educating veterinary students on malpractice risk management, the Trust Representatives provided information on PLIT programs, discussed malpractice claims, and distributed PLIT publications.
2. Four issues of the newsletter, *Professional Liability*, were mailed to insured members, veterinary students, and veterinary college libraries. Additionally, one issue was mailed to

non-insured AVMA members. Articles included open and closed malpractice claims, the communications corner, guidelines for veterinary license defense complaints, and ‘Inside the PLIT’ profiles.

3. *Equine Update*, *Production Medicine* and *Companion Animal* (each a yearly publication) were inserted in the *Professional Liability* mailings to insured members.
4. Four issues of *Safety Bulletin* were mailed with the *Professional Liability* newsletter. Topics covered OSHA recordkeeping and reporting, controlling ergonomic exposures in your practice, managing an OSHA inspection, and occupational noise exposures. *Safety Bulletin* addresses important risk management issues related to professional liability, workers’ compensation, and business insurance.
5. A newsletter for the business insurance lines, *Business Insurance Update*, was published three times and mailed to all members with a business insurance policy. The third issue was also distributed to all professional liability program participants. Topics included open and closed claims, EEOC charges, top business insurance mistakes, workers’ compensation for volunteers, and correctly classifying employees on a workers’ compensation policy.
6. Trust Representatives and HUB International Midwest Limited representatives attended and exhibited at thirty conferences and meetings for: AABP, AAEP, AAHA, AASV, AAVSB, ACVIM, AVMA, AVMA Leadership, AVMLA, CVC East, CVC Central, CVC West, GVMA (Georgia), Heartland Veterinary Leadership Conference, ISVMA (Illinois), IVMA

(Iowa), Jackson Hole Veterinary Rendezvous, Midwest Veterinary Conference, Opportunities in Equine Practice Symposium, SAVMA Symposium, Southwest Veterinary Symposium, The North American Veterinary Conference, VESPA, Vet Partners, Veterinary Emergency and Critical Care Symposium, Veterinary Hospital Managers Association Annual Conference, VSA/VMA (SAGE), VSIPP Conference, Western Veterinary Conference, and the Wild West Veterinary Conference.

7. State associations and specialty organizations received mailings including loss control and coverage information. The PLIT actively supports the state and specialty veterinary associations through advertising, sponsorships, and convention attendance. Newsletters and press releases were sent to state and specialty associations on important issues for the associations and their members.
8. The PLIT website, [www.avmaplit.com](http://www.avmaplit.com), contains information, loss control resources, and applications for all PLIT programs. Additionally, members can access the PLIT articles archives and newsletters. Professional liability program participants can bind coverage, make changes, obtain a claim form, and check their payment status on-line. In 2010, there were 53,179 visits to [avmaplit.com](http://avmaplit.com). The website also features interactive web-based employee training. Designed to assist with veterinary staff training, the programming covers essential safety precautions. Modules cover animal restraint and bite prevention, lifting techniques, hazard communication, personal protective equipment (PPE), and preventing slips and falls. In 2010, 1,253 courses were completed online. Five written safety programs are available

online for emergency action planning, returning-to-work, accident investigation and reporting, hazard communication, and emergency action planning.

9. Two webinars were hosted in 2010. The first on May 11 (“Workplace Accidents: A Hazard to Staff and Profitability”) was open to all clients and prospects, and the second on November 1 (“Top Five New Employee Orientation Tips that You can Learn in 30 Minutes to Avoid Costly Worker Injuries”) was tailored for the needs of larger practices.
  
10. The PLIT veterinary-specific safety manual provides an employee training tool for the veterinary industry. This is available for purchase on CD-ROM and in print. The manual is designed to guide veterinarians and staff members through the risk management process to:
  - a. Identify exposures, hazards, and losses
  - b. Evaluate current controls
  - c. Develop custom solutions
  - d. Implement solutions
  - e. Measure results and evaluate solutions

In 2010, 313 manuals (print plus CD-ROM) and 174 CDs were purchased.

## **Communication Initiative**

The AVMA PLIT’s collaborative agreement with the Institute for Healthcare Communications (IHC) is to provide educational information and presentations related to PLIT objectives. The goal is to improve client compliance and satisfaction as well as to reduce the likelihood of a

malpractice suit or board complaint. The IHC has developed thirteen modules that focus on these key messages.

The PLIT worked with Bayer Animal Health, IHC, the Delaware Veterinary Medical Association, and the Veterinary Specialty Center of Delaware to present a full-day of risk management workshops and educational modules to veterinarians and their staff on October 3, 2010. Sessions included: Building Client Trust: A Communication Workshop for Veterinary Teams, Malpractice and Board Complaints—Let's Communicate, Top 5 Insurance Mistakes, and Keeping Your Staff Safe. The event was also approved for continuing education hours, and the total attendance was ninety-one.

In 2010, the Trust Representative also made presentations at the Annual Lake Erie CE Seminar, the IVMA (Iowa) Annual Conference, the Arboretum View Animal Hospital Event, the AVMA Annual Conference, and the Mobile VMA Conference. Dr. Bonvicini also presented at the Veterinary Surgical Associates Symposium, the GVMA Summer Convention (Georgia), AABP Conference, and the Wild West Veterinary Conference.

## **Trust Representatives**

The PLIT was served by four trust representatives in 2010: Dr. Linda Ellis, Dr. Rodney Johnson, Dr. Nina Mouldous, and Dr. Karen Wernette. The Trust Representatives are veterinarians with many years of practice experience. They are available through the PLIT's toll-free number and they:

1. Review all reported claims.

2. Speak to veterinarians about potential allegations of malpractice and provide guidance.
3. Refer the insurance company to qualified veterinary experts to assist in defense.
4. Provide professional advice to the insurance company and its attorneys.

The Trust Representatives have also completed the Bayer Animal Health Communication Project Faculty Training so that they can also deliver the communications modules at meetings.

### **Administrative Activity**

In addition to routine correspondence and processing, the Trust Representatives and HUB International Midwest Limited handle numerous non-routine items. HUB employees answer inquiries on interpretations of insurance coverage, claims management, coverage advice, and much more. Veterinarians routinely call the AVMA PLIT office for guidance in avoiding situations that may give rise to claims. The Trust Representatives are available to discuss these specific situations with veterinarians as well as the insurance company claim representatives.

HUB International Midwest Limited, program broker, maintains loss control responsibilities, providing enhanced safety information and support for program participants. During 2010, the HUB risk management team traveled to twenty-five practices for onsite safety visits.

The Trust Representatives and HUB Administrative staff can be reached through toll-free telephone and fax lines and by e-mail:

Phone: 800-228-PLIT (7548)

Fax: 888-PLIT-FAX (754-8329)

E-mail: [info@avmaplit.com](mailto:info@avmaplit.com)

Website: [www.avmaplit.com](http://www.avmaplit.com)

## **AVMA PLIT Trustees**

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*Please note any references to coverages are general and for illustration only. Actual coverage is determined by the policy wording.*