

## Background

For more than 44 years, both MIEC and PRF have been working on the same idea: Providing their respective members with the best possible coverage, at the lowest sustainable price, under the governance of practicing physicians. Over the last several months, MIEC and PRF leadership have been working together to establish a relationship that would provide PRF members with the protection and services they currently receive, while providing the flexibility and financial stability offered by a carrier like MIEC.

**The discussions between MIEC and PRF leadership have been successful!** Guided by a shared vision of putting members first, maintaining strong financials, and providing personalized local service, MIEC has created a home for PRF members effective January 1st, 2021. We look forward to demonstrating to PRF members why MIEC is the natural choice to continue to provide your professional liability insurance.

## What happens now?

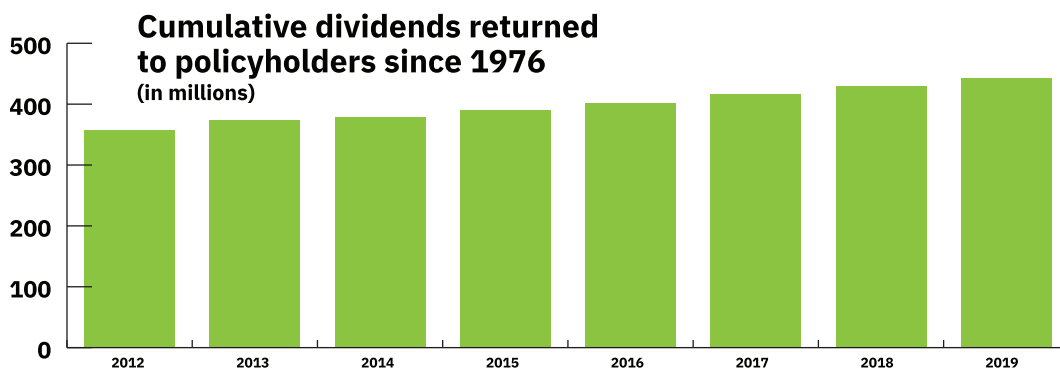
- Effective January 1, 2021, all current PRF policyholders will be eligible to convert to a first-year claims-made policy with MIEC.
- You will not be required to complete a new application. You will only need to sign an MIEC Subscriber Agreement, which will be provided to you.

## Value added benefits:

- **Continuity of Service & Support:** To provide continuity to PRF members, current PRF employees will be engaged by MIEC in both claims and underwriting.
- **Professional Liability Coverage:** MIEC issues “claims-made” coverage, as opposed to the “occurrence” form of your current PRF policy.\* The key points are:
  - Effective 1/1/2021, you will start with MIEC at a first-year claims made premium, which is significantly lower than a mature premium.
  - Claims-made rates mature over the course of five (5) consecutive policy years. Your annual premium will increase over the course of 5 years, until you reach your mature rate.
  - For more information on the difference between claims-made and occurrence coverage, or information on the MIEC Subscriber Agreement, please visit our frequently asked questions page at [miec.com/resources/PRF-FAQs](https://miec.com/resources/PRF-FAQs).
- **Experience Group Rating:** While PRF policyholders practice independently of each other, MIEC will underwrite and price all former PRF policyholders as though they were a single group. This allows for a greater flexibility and range of discounts than would be available on an individual or stand-alone basis for each practice.
- **Retirement Tail Coverage:** As part of the negotiations with PRF, existing PRF policyholders will immediately vest a Death Disability and Retirement tail (DDR) at no additional premium following the transition to MIEC on 1/1/2021, if they remain continuously insured with MIEC.

\* Please refer to MIEC policy for specific language.

- **Enhanced Limits of Coverage:** MIEC provides claims-made limits to each provider based on the reported incident. Therefore, if a claim is reported that involves multiple MIEC insureds, each insured would be entitled to a separate limit. Your current PRF coverage provides one limit per occurrence in most circumstances.
- **MIEC Claims Experience:** MIEC prides itself on claims handling. MIEC has handled more than 40,000 medical professional liability claims with 91% being closed without indemnity payment.
- **PRF “Code Green” & MIEC “Restore” Program:** Similar to that of the PRF Code Green program, MIEC offers early intervention and resolution through the Restore program. We expect to combine the best of these programs to the benefit of all MIEC policyholders.
- **Arbitration:** Former PRF policyholders will have the option to continue to use arbitration to settle disputes.
- **MIEC Dividend:** Because we have no external shareholders or owners, we return the proceeds of better than expected operating results in the form of dividends, which are applied as renewal credits, reducing your annual premium. We put money back in our members’ pockets and minimize taxes on retained profits. Since starting dividend distributions we have declared more than \$442 million in dividend credits to MIEC policyholders.



Data represented above reflects cumulative dividends dispersed since 1976, and reflects accumulation from 2012 to 2019. Future dividends cannot be guaranteed & individual policyholder dividends vary.

## Additional Information

For more information about this transition, please contact::

**Physicians Retirement Fund, Inc.**

**Tel:** 415.332.3041

**Email:** info@prfrrg.com

**MIEC Underwriting**

**Tel:** 800.227.4527

**Email:** info@miec.com

## About MIEC

For more than 4 decades MIEC has been putting members first. MIEC was founded in 1975 in Oakland, California by local physicians in collaboration with state and local medical societies. During that time MIEC has expanded to insure physicians in four western states, and now insures more than 7,400 physicians and other healthcare professionals. MIEC is now the largest insurer of physicians in Hawaii, Alaska, and Idaho, and continue to be a dominant insurer in Northern California.

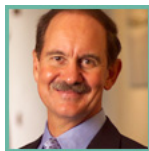
Through strong physician leadership and governance, unwavering claims defense, and operating on a not for profit basis, MIEC has built a foundation that has stood the test of time. We have provided members with safety and security with stable rates and unmatched financial stewardship. These practices have allowed us to maintain strong financial resources, and to keep profits where they belong— with our members.

## 2019 Financial Highlights



## Local Leadership

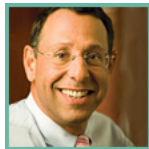
**Insurance by Physicians, for Physicians** is more than just a slogan at MIEC—it’s a philosophy. Like PRF, MIEC is an insurer founded, owned, and governed by physicians. We set MIEC apart with our commitment to our doctors, and leadership is no different. MIEC has an elected board of up to 15 physicians representing a broad spectrum of specialties & territories who oversee and approve everything from operational issues to rates & underwriting rules. Many MIEC board members are local to the San Francisco Bay Area:



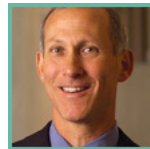
**Lamont Paxton, MD**  
*Vice Chairman*  
San Leandro, CA  
Vascular Surgery



**Toni Brayer, MD, FACP**  
*Secretary & Treasurer*  
San Francisco  
Internal Medicine



**Robert Margolin, MD**  
*Director*  
San Francisco, CA  
Internal Medicine



**Scott Hoffinger, MD**  
*Director*  
Moraga, CA  
Pediatric Orthopedic Surgery



**Vin Sawhney, MD**  
*Director*  
San Leandro, CA  
Internist & Specialist  
in Gastroenterology



**Cheryl Tanasovich, MD**  
*Director*  
Greenbrae, CA  
Dermatology



**Steven Una, MD**  
*Director*  
San Leandro, CA  
Internal Medicine/  
Infectious Diseases



**Ann Vercoutere, MD**  
*Director*  
Greenbrae, CA  
General, Thoracic & Vascular Surgery

## From MIEC’s Chairman

“We are extremely excited to welcome PRF policyholders into the MIEC family. This relationship is a reflection of the similar vision shared by both MIEC and PRF. I am not sure you could find a better fit, and we are proud of the program we have developed. We believe MIEC is the very best company to carry forward the legacy of PRF.”



—**Ron Dorn, MD** – Chairman, MIEC Board of Governors