



Medical Assurance Company of Mississippi

MONITOR

September 2014



Michael D. Houpt

MESSAGE FROM THE PRESIDENT

As you probably know by now, I shall officially retire from MACM on January 1, 2015; however, Rob Jones, having already assumed the duties of Chief Executive Officer on April 1, will begin serving as President on October 1. So, this will be my final President's Report, though I shall remain available to assist Rob until the end of the year as he transitions into his new dual role.

I recently asked the Underwriting Department to provide a list of all current insureds who paid a membership fee in 1977. To my amazement, I discovered that there are still 64 insured by MACM. I suppose one could say that we have all "grown old together;" however, I do not feel old and apparently neither do they, since they are still practicing medicine. I wish to thank them for putting their trust and faith in a young, startup medical liability company led by a relatively young former claims adjuster with very little experience in medical liability. We

were very fortunate that there were some physicians involved in the development of the Company in those early days that were determined to make that little "bedpan mutual" succeed. They gave of their time and energy, while still maintaining full-time medical practices. As you can imagine, I was doing a lot more learning than leading back then, and two of those physicians who helped keep my mistakes to a minimum were Faser Triplett, MD and C.G. "Tanny" Sutherland, MD.

Dr. Triplett was the dynamic force that all new companies must have to get started properly. He convinced a lot of physicians to invest their time and money in an effort to go head-to-head with the largest medical company in the country. Listening to him, they were convinced that he would not let the Company fail. And, largely because of him, it did not.

Dr. Sutherland was more involved in the day-to-day operation of the Company from the very beginning. He served as the Chairman of what later became the Claims Committee, and he also became the Company's first Medical Director. He was also my unofficial mentor. Advice that he gave to me then and things that I heard him say to others helped shape many of the decisions that I made throughout my career. If a company can truly take on the persona of an individual, then MACM is, at least in my mind, Dr. Tanny Sutherland. He had a lot of little sayings, and I still find myself repeating some of them from time to time; but, the one that stands out the most is "MACM was created to protect the doctor and the patient!" He truly believed that, if a patient was injured as a result of an avoidable error on the part of the physician, that patient was entitled to reasonable compensation. He believed just as adamantly that a lawsuit filed against

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*Michael D. Houpt
President and CEO*

MICHAEL D. HOUPT SET TO RETIRE BY YEAR END 36 YEARS LATER, HOUPT BEGINS ANOTHER PHASE OF LIFE

Your Board of Directors is in the process of soliciting and interviewing applicants to serve as the Society's General Manager. Based on recommendations of the Society's insurance consultants, a person with several years of casualty claims and administrative experience is being sought. If you know of anyone, ask them to forward a resume.

February 1978
Mississippi Medical Fraternal and
Educational Society newsletter

On December 31 of this year, MACM President and CEO Mike Houpt will retire from the only job he has known for 36 years. During his time at MACM, the Company has grown exponentially into the financially strong organization that it is now – from the end of 1978, with assets of \$2.2 million and surplus of \$948,645, to today, with assets of \$340 million and surplus of almost \$250 million.

In 1978, Houpt was an adjuster working for USF&G, handling claims from the Jackson office with a territory that included Leake, Madison and Yazoo Coun-

ties. For some of his legal work, he used a law firm located in Canton – Case, Montgomery & Smith-Vaniz. Unbeknownst to him, his contact with lawyers Milton Case and Bob Montgomery would eventually lead him down the road toward a long career at MACM.

Case was a member of the Mississippi House of Representatives in the mid-1970s when Mississippi was experiencing a medical malpractice crisis. Working with members of the Mississippi State Medical Association (MSMA), Case and Montgomery helped draft the legislative statute under which MACM was originally formed and still operates

today. Case used his influence in the Mississippi House to get the statute passed and the Mississippi Medical Fraternal and Educational Society (MACM's original corporate name) was established and began operations in November 1977. The young company's purpose was to provide medical professional liability insurance to physicians living and practicing in Mississippi.

As the company was being organized and a consulting firm was processing the first applications for coverage, Charlie Mathews, Executive Secretary of the MSMA, and R. Faser Triplett, MD, the first President of MACM, began to search for someone to manage the organization full time. Board Members wanted a manager for the company who had many years in the insurance business. They thought the General Manager should be someone from another insurance company – an older, mature person with lots of experience, such as a senior executive.

But, Mathews and Dr. Triplett felt differently. They wanted a solid insurance man that was young and hungry to work and learn, instead of an older insurance executive close to retirement who was looking for an easy ride until he could finish his career. Having worked with Houpt at USF&G and knowing he fit perfectly the description that the young company needed, Case and Montgomery approached Houpt to see if he was interested and then recommended him for the position to Mathews and Dr. Triplett. At 30 years old, Mike Houpt started work for MACM on June 10, 1978.

When he first began at MACM, the entire staff consisted of Houpt and a secretary working from an office in the old Mississippi State Medical Association building on Riverside Drive in Jackson. The two were responsible for all of the operations that had previously been handled by a North Carolina consulting firm – primarily underwriting and marketing.

Fast forward 36 years and MACM is the leading provider of medical professional liability insurance for Mississippi physicians. Today, the Company has assets in excess of \$340 million and surplus of almost \$250 million. MACM owns an office building in Ridgeland and employs 36 dedicated and professional individuals.

“There have been a lot of changes during my time at MACM, but the one thing that has not changed is our commitment to the original charter,” Houpt said. “We want to make sure that physicians practicing in Mississippi have access to medical liability coverage.”

Houpt believes that his greatest responsibility to MACM insureds over the years has been to ensure the Company remained financially viable. At times this may have meant imposing large rate increases or declining or non-renewing coverage for physicians that appeared to be uninsurable risks. The strength of the financial stability of the Company was also considered when MACM had to settle some claims that, even though it was believed an insured had not committed a negligent act, for various reasons, the likelihood of winning

at trial was slim.

“Obviously, I did not make all of the decisions in those instances by myself, but it was my responsibility to be certain that the individuals who did make those decisions were competent to do so and always had the best interest of the Company in mind,” Houpt said.

“I doubt that anyone had any idea back then that MACM would become the success that it is today,” Houpt said. “In the beginning, we were simply trying to give physicians in Mississippi an option to St. Paul, which was basically the only company writing in the state at the time.”

At the end of 1978, MACM had assets of \$2.2 million and surplus of \$948,645.



MACM's Management Team during the mid-1990s

Front Row (L to R): J. Walter Gilmer CPA, Controller; F. Earl Fyke, Jr., MD, Medical Director; and Michael D. Houpt, Chief Executive Officer.

Back Row (L to R): Maryann Wee, RN, Loss Prevention Manager; Cathy Pendleton, Marketing Representative; Betsy Robbins, MIS Manager; Lisa H. Noble, Underwriting Manager.

Not pictured: Charles M. Dunn, III, Chief Operating Officer and Vice President, Claims.

Since Mike has been at MACM, there have been 119 employees, 46 Committee Members, and 35 members of the Board of Directors.



On November 18, 1999, ground was broken to begin construction of MACM's new office building on Highland Colony Parkway in Ridgeland. Shown are (L to R) Linda Thigpen, Ridgeland Chamber of Commerce; State Senator Walter Michel; CEO Mike Houpt, Madison County Supervisor David Richardson, MACM President R. Faser Triplett, MD, Ridgeland Mayor Gene McGee, MACM Board Member George Ball, MD, and Ridgeland Alderman Ann Brame.



MACM CFO Walter Gilmer, CEO Michael D. Houpt, and General Counsel Bob Montgomery prepare to testify before the House Judiciary Subcommittee on Civil Justice Reform.

A claims adjuster for USF&G in Gulfport and Jackson from May 1970 to June 1978, Mike joined MACM as General Manager on June 10, 1978. He was 30 years old and the second employee hired.

During Houpt's time at MACM, there have been 119 employees; 46 Committee Members; and 35 members of the Board of Directors that he has worked alongside.

"Like most successful companies, what makes MACM strong is its staff," Houpt said. "Every single person is devoted to the Company, to each other, and to our insureds. At the same time, what sets MACM apart from other companies doing business in Mississippi is the involvement of our insureds."

Over the years, management at MACM has relied heavily on two Claims Committees, a Risk Management Committee, an Investment Committee, and a Young Physician Advisory Council – all composed entirely of MACM policyholders. The Board of Directors is made up exclusively of MACM insureds. Ad Hoc Committees that have been needed for special projects and decisions have also been teams of insureds working together.

In the early 2000s, the battle for the passage of Tort Reform legislation consumed Houpt's thoughts and actions each day. MACM insureds were facing tremendous rate increases and physicians were leaving Mississippi. Other medical malpractice companies abandoned the state and MACM tried to help the physicians that they left behind. The atmosphere in the office was stressful and worrisome. Eventually, Houpt testified at a hearing on January 20, 2002 before the Mississippi House Judiciary Subcommittee on Civil Justice Reform to offer evidence of the deterioration of the medical/legal environment in Mississippi. This testimony led to two other appearances by Houpt and MACM representatives before various committees and subcommittees of the Mississippi Legislature.

In 2004, the Mississippi Legislature passed what was then known as the most comprehensive Tort Reform legislation in the country at the time.

Looking ahead, it is almost impossible to imagine where MACM will be 10, 20 or 30 years from now, but Houpt has much confidence in the continued success of the people at MACM.

"I have no doubt that MACM will continue to be successful under Rob Jones' direction, since he has been contributing to that success for more than 20 years already," Houpt said. "He has provided me with advice – both legal and personal – that has helped me probably more than he ever realized.

"Rob and I have very different personalities, but we have both always had the same goal – to make sure that MACM policyholders are protected. I suppose if I were going to give Rob advice, I would remind him that he has great department heads who have developed fantastic staffs and that his most important function is to let them do their jobs."

The decision to retire at this time in his life was not a difficult one, as Houpt believes that he has done all that he can do for MACM and that it is time to move on to something else.

“I am in good health and I want to enjoy this time of my life,” he said. “I like to hunt, fish, play golf and work in my garden; and, most of all, I have four grandchildren who live within two miles of Claudia and me. It doesn’t get any better than this.”



Top
In 1993, former Executive Secretary of the MSMA Charlie Mathews recognized Mike Houpt with a 25 Year Service Award. Shown also is Mike’s wife, Claudia.

Middle
As part of the Company’s philanthropic activities, Mike Houpt began a golf tournament in 2011 to support the work of Make-A-Wish Mississippi. Since the beginning of this tournament, MACM has raised almost \$20,000 for the charity. (L to R): Jane Walsh, Make-A-Wish Mississippi Development Manager; Earl T. Stubblefield, MD, Chairman of the MACM Board of Directors, and President and CEO Mike Houpt.

Bottom
Spending quality time with his grandchildren is on the agenda for Mike’s life after retirement. Mike and Claudia Houpt have four grandchildren including Jake and Emma Kate, children of MACM insured Amanda H. Cook, MD.



Mike was named Chief Executive Officer in June of 1993 and succeeded Dr. Faser Triplett as President in 2005.

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a physician that was without merit and/or frivolous should be resisted with all means available to the Company. That philosophy still guides MACM today.

Of course, there were many other physicians who played major roles in the development of the Company and the young USF&G claims adjuster who ultimately became President and CEO. Drs. Earl Fyke, Rod Jenkins, Richard Riley, Arthur Derrick, Max Pharr, Ralph Dunn, Lamar Weems, John Fair Lucas, Paul Moore, George Ball, and Jim Cooper – just to name a few. They, and so many like them, are the reason MACM became, and remains, the only med-mal company doing business in Mississippi that is truly of physicians, by physicians, and for physicians.

In this issue of the Monitor is a list of the physicians who made capital contributions in 1977 who are still insured by MACM. Without those contributions, and those of almost 700 other physicians, MMFES would not have been able to begin writing insurance, and MACM may well not have been in existence today. If you see any of the physicians on that list, please thank them. For me.

It has truly been an honor and a pleasure to have worked with and for so many wonderful, dedicated physicians for the past 36 years. I thank you for that and for your continued participation in, and support of, Medical Assurance Company of Mississippi.

In 1977, 750 physicians came together to create their own professional liability insurance company. From this group of 750, following is a list of the physicians who are still insured by the Company that they helped to establish.

Ralph E. Abraham, MD	A Jerald Jackson, MD
Robert R. Applewhite, MD	Whitman B. Johnson, Jr., MD
Joseph N. Bailey, III, MD	Covin M. Jordan, MD
Bryan Barksdale, MD	Eric E. Lindstrom, MD
Hoshall S. Barrett, Jr., MD	Ronald R. Lubritz, MD
Victor T. Bazzone, MD	F. Mitchell Massey, MD
Jon M. Beall, MD	Malcolm D. McAuley, MD
Kenneth R. Bennett, MD	Ward T. McCraney, Jr., MD
Williams A. Billups, Jr., MD	Fred L. McMillan, MD
Bruner B. Bosio, Jr., MD	Thomas O. McRaney, MD
Terry K. Brantley, MD	Wilson E. Moak, MD
Michael P. Brooks, MD	Eugene M. Murphey, III, MD
Raymond L. Brown, MD	Cecil Douglas Odom, MD
Robert J. Cater, MD	Terry W. Odom, MD
John C. Clay, MD	Shanti Pandey, MD
James M. Cooper, MD	J. Carl Passman, MD
Walter E. Dawkins, II, MD	William H. Preston, Jr., MD
Robert E. Dilworth, MD	James Steele Robbins, III, MD
William R. Ehlert, MD	Bernard L. Shipp, MD
Charles M. Elliott, MD	J. George Smith, Jr., MD
John M. Estess, MD	Somprasong Songcharoen, MD
S. R. Evans, Jr., MD	Earl T. Stubblefield, MD
H. Alan Flowers, MD	Robert N. Soares, MD
Erwyn E. Freeman, Jr., MD	Billy L. Sullivan, MD
Rodney E. Frothingham, MD	James Thigpen, MD
James D. Gordon, MD	William O. Thompson, MD
William L. Hand, MD	Ancel C. Tipton, Jr., MD
John P. Hey, III, MD	Paul B. Welch, MD
J. Edward Hill, MD	Thomas W. Wesson, Jr., MD
Robert L. Howland, Jr., MD	Louis J. Wise, Jr., MD
Clyde M. Hutchinson, MD	Eugene G. Wood, Jr., MD
Michael Jabaley, MD	Allen R. Yates, MD

Renew Your Professional Liability Policy Online It is Quick, Simple, and Efficient!

We are pleased to announce an easier way to renew your medical professional liability policy for the 2015 policy year.

Earlier this year, we partnered with a company that develops web platforms to collect and process information. This company, Trinisys, has worked with other professional liability organizations, similar to MACM, to create an online renewal process and has now done the same for MACM.

As we began planning for online renewal, our original goal was to provide a simpler and more efficient way to conduct the renewal

process. After working with the Trinisys team, we know this new paperless renewal process will be that for you.

Looking forward, we believe the online renewal process and redesigned Members Only section will only enhance our abilities to communicate with you and provide you with the service that you expect from MACM. We trust that you will quickly recognize the benefits of this web-based renewal process. However, should you experience any problems – no matter how minor – please call us at (800) 325-4172 or (601) 605-4882 so that we may attempt to provide an immediate solution.

GERRY ANN HOUSTON, MD

NAMED AS MACM MEDICAL DIRECTOR

The Board of Directors of Medical Assurance Company of Mississippi is pleased to announce that Gerry Ann Houston, MD has joined the Company as Medical Director and will serve as a liaison for insured physicians. She will assist in the development of medical policies and guidelines, conduct physician interviews, participate in the application process, and consult with Claims, Underwriting, and Risk Management staff members.

Dr. Houston was in private practice until 2008 as an Oncologist with Jackson Oncology Associates. She will continue to serve as the Chief Medical Director for Hospice Ministries. Her undergraduate work was at the University of Mississippi and she is

a graduate of the University of Mississippi School of Medicine. Upon graduation, she continued her training in Internal Medicine and Oncology at the UMC. She is board certified in Internal Medicine, Medical Oncology and Hospice and Palliative Medicine.

As Medical Director, Dr. Houston will attend all MACM Committee and Board of Director meetings, as well as represent the Company to various health care organizations.

“Dr. Houston brings to MACM a wealth of experience that will only help us continue to provide reliable and accessible coverage to Mississippi physicians,” Robert M. Jones,



MACM CEO, said. “We are extremely fortunate to have someone of her caliber in this position and look forward to working with her for many years.”

CHRISTINA G. MARKS, MD

NAMED 2014 ROBERT S. CALDWELL, MD MEMORIAL AWARD WINNER

Christina G. Marks, MD, a senior resident in the Department of Radiology at the University of Mississippi Medical Center, was recognized recently with the Robert S.



Christina G. Marks MD, Caldwell Award recipient, and Earl T. Stubblefield, MD, Chairman of the MACM Board of Directors.

Caldwell, MD Memorial Award. Medical Assurance Company of Mississippi presents this award each year to the “top” resident at UMC.

Nominated by the faculty at UMC for her work, Dr. Marks was recognized for her knowledge of medicine and excellence in care, as well as record documentation and leadership. This award also recognizes those individuals that are considered to be avid teachers of medical students and fellow residents.

“In addition to being an excellent all around diagnostic radiologist Christina has a particular gift for caring for others. She does this with her peers, her staff, technical personnel, and particularly with patients. She tends to go the extra mile to make sure that a finding is addressed or that a patient understands what is going on with a test or

procedure,” Anson Thaggard, MD, Assistant Professor in the Department of Radiology at UMC.

In July, Dr. Marks began a year-long breast imaging fellowship at George Washington University. After completion, she plans to pursue an interventional radiology fellowship and eventually return to practice in Jackson.

This year marks the 32nd awarding of the Robert S. Caldwell, MD memorial award, given each year in memory of the late Dr. Caldwell, a general surgeon from Tupelo who was instrumental in the founding of Medical Assurance Company of Mississippi. Dr. Caldwell served on MACM’s first Board of Directors and was elected the Company’s first secretary.

MEDICAL ASSURANCE COMPANY OF MISSISSIPPI

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In Memoriam

On April 28, 2014, Medical Assurance Company of Mississippi lost a member of its work family when Sharon Pell was killed in the tornado that came through Richland, Mississippi. Sharon had worked for MACM for 26 years, most recently serving as Senior Administrative Assistant in the Risk Management Department.

Sharon is greatly missed by everyone at MACM and by those that she worked with as part of her responsibilities here. We will continue to remember her family during this time.