MONITOR

A CEO's Perspective:

The Promise—and Responsibility—of AI in Healthcare

By: Michael M. Beckett, President & CEO

Dear Colleagues and Partners,

Artificial intelligence (AI) is rapidly changing the landscape of healthcare. From diagnosis to documentation, from risk modeling to resource planning, AI has the power to enhance how care is delivered, how providers are supported, and how organizations like ours prepare for the future.

At its best, AI can be a game-changer:

- It helps physicians and APP's make faster, more informed decisions—reducing time spent on documentation and allowing more focus on patient care.
- It enables hospitals to predict patient needs, prevent adverse events, manage staffing, and operate more efficiently.
- It empowers insurance companies to detect fraud, expedite claims, underwrite with more precision, and anticipate emerging risks with data-driven insight.

But with this promise comes real responsibility.

As a company committed to protecting healthcare providers and improving the system in which they work, we believe AI must be approached with diligence, transparency, and integrity. Every tool must be thoroughly researched and validated. We must ask the hard questions: Is it accurate? Is it biased? Is it safe? Does it protect the trust at the heart of the patient-provider relationship?

We cannot afford to treat AI as a shortcut. We must treat it as a tool—and one that must be deployed responsibly.

Michael M. Beckett
President & CEO

At MACM, our focus is on helping physicians, healthcare workers, and healthcare entities thrive in a changing landscape. That includes staying ahead of the curve when it comes to innovation, while always putting safety, ethics, and professional judgment first. Whether AI is used to support diagnosis, assess risk, or streamline operations, our priority remains clear: to ensure it adds value without compromising care.

As we explore how AI fits into our industry, I encourage all of us—providers, executives, and partners alike—to stay curious, stay informed, and stay committed to the values that define great care.

We are here to help navigate this future—together.

NEW MACM EMPLOYEES

Deanna Simkins, Underwriter
Deanna Simkins serves as an Underwriter at MACM. She earned her Bachelor of Music degree with an emphasis in Vocal Performance from Mississippi College and completed partial graduate work in Vocal Pedagogy. After graduation, she worked for eight years in the Office of Institutional Advancement at Mississippi College, supporting the Vice President of Advancement.

Deanna spent 12 years as a paralegal with Milam Law Office, PLLC in Madison before transitioning into the insurance industry. She is a licensed property and casualty insurance agent and has worked as a personal and commercial lines Account Manager at The Nowell Agency and most recently at FBB Insurance in Ridgeland.

Outside of work, Deanna enjoys singing, floral arranging for events, traveling, and spending time with her Goldendoodle, Coda. She lives in Madison with her husband, Russell, a pharmacist with Kroger.

Wanda Smith, Underwriting Assistant
Wanda Smith serves as an Underwriting Assistant at MACM. She holds an associate degree in Paralegal Technology from Hinds Community College. Wanda began her professional journey at WorldCom, where she gained a decade of valuable experience. She then transitioned into the banking industry, working another ten years in collections, foreclosures, and compliance.

Outside of work, Wanda enjoys spending time with her family. She has one son and is the proud grandmother of four—Eli, Lucas, Marianna, and Jeremiah. A devoted member of Hickory Ridge Baptist Church, Wanda also shares her home with a beloved dog and cat.

IDENTIFYING EMERGING RISKS OF ADVANCED PRACTICE REGISTERED NURSES

Did you know that Advanced Practice Registered Nurse (APRNs) are the fastest growing profession in the U.S.? We produce as many APRN graduates each year as there are medical school graduates. APRNs include nurse practitioners, Certificed Registered Nurses Anesthetists (CRNAs), midwives, and clinical nurse specialists. Most APRNs practice in primary care. Between January 2017 and December 2021, Nurses Service Organization (NSO) reported 232 closed claims related to nurse practitioners. Indemnity payments made on these claims verify the cost of claims for nurse practitioners is rising.

Nurse practitioners often practice in clinic and ambulatory care settings. A study of 248 malpractice claims related to Electronic Health Record issues revealed that 58% of those cases occurred in an ambulatory/clinic setting. More than 60% of errors were related to user issues in addition to approximately 55% of systems issues. In some cases, both affected the outcome. These errors caused issues with timely diagnosis of cancers, inappropriate management of conditions, and even death. Lack of training and education on the EHR contributed to some of the problems including inability of the provider to access the chart and inability to locate critical information such as lab results, medication lists and allergies.

Nurse practitioners play an integral role in communication with, and on behalf of, their patients. This often occurs via documentation. Further, good documentation should reflect the communication that occurred with the patients and other providers. Therefore, documentation, or the lack of it, can make a difference in a malpractice case. A keen plaintiff attorney looks for inadequate documentation to make a case and uses poor quality notes to discredit the defendant. Here are some common findings in poor quality documentation:

1. Missing documentation: informed consent discussion; discussions with patients acting against medical advice; peer to peer consultations with specialists; communication with the patient about when to return for care or post-visit care; referral to the ED or other specialists for a higher level of care.
2. Inaccurate documentation: using inaccurate templates; copying and pasting from previous notes; documentation of conflicting information.
3. Transcription errors: enunciation errors; deletions; insertions. Studies show an average of 7 errors per 100 words in transcribed materials.
4. Judgmental language: inaccurate documentation about substance use; using quotes to capture the patient's spoken language creating an unnecessary mocking tone; any irrelevant reference to patient's appearance, religion, or political party that could create a bias in the encounter; documentation of negative details that could create bias for other providers involved in patient care.
5. Alteration of documentation: changing documentation from previous visits to hide or add information after a negative outcome occurs. Alterations can easily be proven by reviewing the metadata.

Nurse practitioners are generally thought to be good communicators and typically build a trust relationship with their patients. This may play a role in nurse practitioners historically having a low risk of malpractice claims. Patients often contact attorneys because providers will not answer their questions. There is a correlation between adverse outcomes and poor communication skills. Poor relationships and lack of communication with patients directly affect the frequency of claims. When providers do not disclose adverse outcomes or medication errors, it is unprofessional and demonstrates a lack of respect between the provider and the patient. Take time to build a positive relationship with your patients. Having a good rapport with your patients, and keeping them informed, even when disclosures are made, does not increase the risk for litigation.

As the number of APRNs increase, the risk of litigation will increase. You can keep the risk of litigation to a minimum by following these steps:

1. Use your EHR to its full functionality. Learn how to use the features and encourage your team to follow the protocols established by your practice.
2. Develop a relationship with your patients and maintain rapport.
3. Communicate with your patients. Communicate with your staff. Communicate with your peers. Document your communication.
4. Develop a plan for disclosing adverse outcomes and medication errors. MACM's Risk Management Consultants and Claims Representatives can assist you with these issues.

Citations:
Alderman, W. (2025). Identifying Emerging Risks of Advanced Practice Registered Nurses [Webinar]. American Society for Health Care Risk Management. [https://aha-org.zoom.us/j/85386516167?pwd=ubr7aacOUQiuHvrSQSoco03b956pGz.1

MARK YOUR CALENDARS FOR 2026!

A NEW DIAGNOSIS: CIED INFECTION

By: Gerry Ann Houston, MD, Medical Director

CASE STUDY

A 64-year-old male was followed by an insured family medicine physician for 15 years for obesity, hypertension, hyperlipidemia, coronary artery disease, ischemic cardiomyopathy, and atrial fibrillation, along with anxiety, depression, and chronic neck and back pain. Twenty years previously, he had a coronary artery bypass graft, and 12 years earlier, an implantable cardioverter-defibrillator (ICD) had been placed.

Over a 2-month period, the patient was seen on 4 occasions with various complaints such as low-grade fever, joint aches, cough, weakness, and back and neck pain. On the first 3 visits, he was afebrile and normotensive but had lost 10 pounds by the time of his third visit. (He reported he was trying to lose weight.) Chest x-ray and EKG were normal. On his fourth visit, BP was 102/57, pulse 102, temp 98.9. The patient reported having temps every afternoon greater than 100 and feeling weak and tired. Concerned that he was having a cardiac-related problem, he was referred back to his cardiologist.

The following day, his cardiologist drew blood cultures and did an echocardiogram, which was of poor quality but showed mild aortic insufficiency and no evidence of vegetations. It was not until 5 days later that blood cultures were reported to be growing *Enterococcus faecalis*.

The day after the blood cultures were reported positive, he was admitted to the hospital and started on vancomycin. Transesophageal echo showed severe aortic regurgitation, EF of 40-45%, and vegetations on the aortic and tricuspid valves plus the right ventricular lead of the ICD. After a set of blood cultures was negative, he was discharged home on penicillin and Rocephin with plans to see cardiology for possible ICD lead removal.

Three days after discharge, he was admitted to another hospital in respiratory distress. The following day, he died of septic shock.

A year later a lawsuit was filed against our insured physician alleging that he had deviated from the standard of care in failing to recognize the classic symptoms of endocarditis and that he failed to order the appropriate tests, specifically blood cultures, which would have resulted in a timely diagnosis of subacute bacterial endocarditis and more than likely led to the patient's survival.

THE CASE WAS TAKEN TO TRIAL, RESULTING IN A 12-0 DEFENSE VERDICT.

Today, the diagnosis of the patient just presented would be that of a cardiac implantable electronic device (CIED) infection, as he had an infection associated with his implantable defibrillator. This "new" diagnosis is going to continue to increase as the number of patients requiring placement of devices such as ICDs, pacemakers, and cardiac resynchronization therapy devices has increased considerably over the past 10 years. Various studies show that from 0.5% to 2.4% of patients may experience an infection associated with the generator pocket site or an infection involving the device leads or heart valves.

An infection at the pocket site is usually easy to diagnose as fluctuance, purulent drainage, or erosion of the device through the skin can be seen. However, the classic triad of fever, anemia, and murmur is often not present with

systemic CIED infections. Murmurs are found in less than half of the patients, and fever is absent in up to 20%. Anemia is found in the majority. More often, the symptoms are nonspecific and may lead the physician to an incorrect diagnosis.

As more devices are placed, more non-cardiologists (e.g., primary care providers, emergency physicians) will be seeing these patients who may present with nonspecific complaints. Recognizing that the patient has a CIED in place is essential to ensure a CIED infection is at the top of the differential diagnosis list.

Early diagnosis is imperative so that appropriate treatment can be initiated. Antibiotic therapy alone is not an effective treatment. Prompt removal of all hardware is the standard of care, with antibiotics continued after removal. Studies have shown that removal is associated with a lower risk of death as compared to not removing the device. And the earlier the removal is after diagnosis, the lower the mortality risk.

When evaluating a patient with a CIED and nonspecific symptoms, blood cultures and a transthoracic echocardiogram, plus cardiology and infectious disease input, are necessary to make the proper diagnosis, which should be followed by prompt removal of the CIED and associated hardware.

RENEWAL REMINDER

Once again, MACM will not require physician policy holders to complete a renewal application for the 2026 policy year, but you must notify us in writing of any practice changes that might affect your coverage. For clinic/entity policies, we will continue to require renewal applications; an email with a link to the application will be sent by September 1, 2025, to the contact person.

If you have not already done so, please notify us of any of the following:

- New practice address or email address
- Payment method changes (Members Login at MACM.NET, under the forms tab)
- New procedures or changes in procedures already offered
- New advanced practice providers/allied health professionals or departure of those previously covered
- Newly formed corporations
- Recent approval by the Mississippi Department of Health to certify patients for medical marijuana (coverage is excluded if not specifically approved by MACM)
- Disciplinary or staff privileges actions
- New contract with Mississippi Physician Health Program
- Charges/Indictments for a violation of law
- Any medical or psychiatric illness or injury that impaired your ability to practice

If we do not hear from you, we will use the information we have on file to renew your policy 30 days in advance of your renewal date. However, once you receive your policy, review it carefully and contact us with any changes or questions.

If you are aware of any changes to your practice, email details of these changes to **underwriting@macm.net** by October 1. Please understand that it is your responsibility to notify us of any changes that might impact coverage. If you fail to do so and a claim later develops, MACM may have the right to disclaim coverage.

For any questions, contact the Underwriting Department at (800) 325-4172.

DO YOU HAVE CYBER COVERAGE?

MACM is pleased to be able to continue to provide limited cyber liability protection at no charge to you through Tokio Marine HCC-Cyber & Professional Lines Group.

Coverage Details:

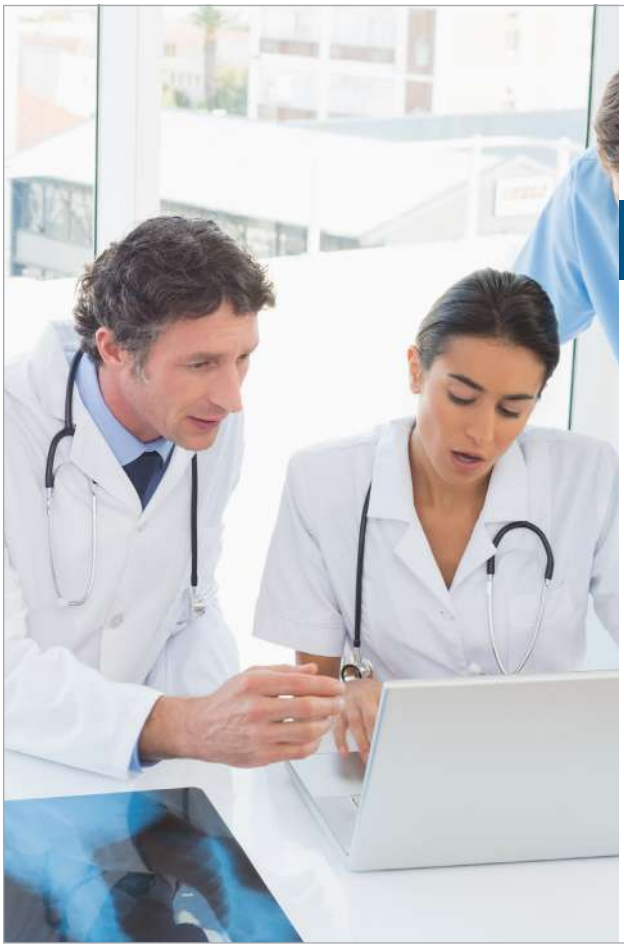
- Limits of Liability: $100,000 per claim / $100,000 aggregate (per insured)
- Policy Annual Aggregate: $2,000,000 (the maximum MACM's Master Policy will pay for all claims for all MACM insureds in 2025)

What This Means for You

While previous losses have not exceeded this limit, the rise in cyber-related incidents worldwide makes it possible that the policy aggregate could be reached. If that happens, no further claims will be covered under MACM's Master Policy for the remainder of the policy year.

Protect Your Practice with Additional Coverage

To ensure your clinic is fully protected, we strongly recommend purchasing a separate cyber liability policy. MACM Insurance Services, Inc., a wholly-owned subsidiary of MACM, offers cyber liability coverage through Tokio Marine HCC-Cyber & Professional Lines Group at significant discounts for our insureds. Many clinics already take advantage of this extra protection. Call Wendy Biggs at 601-707-2309 for a quote.



Don't just be insured– be prepared.

Advantages of purchasing higher limits:

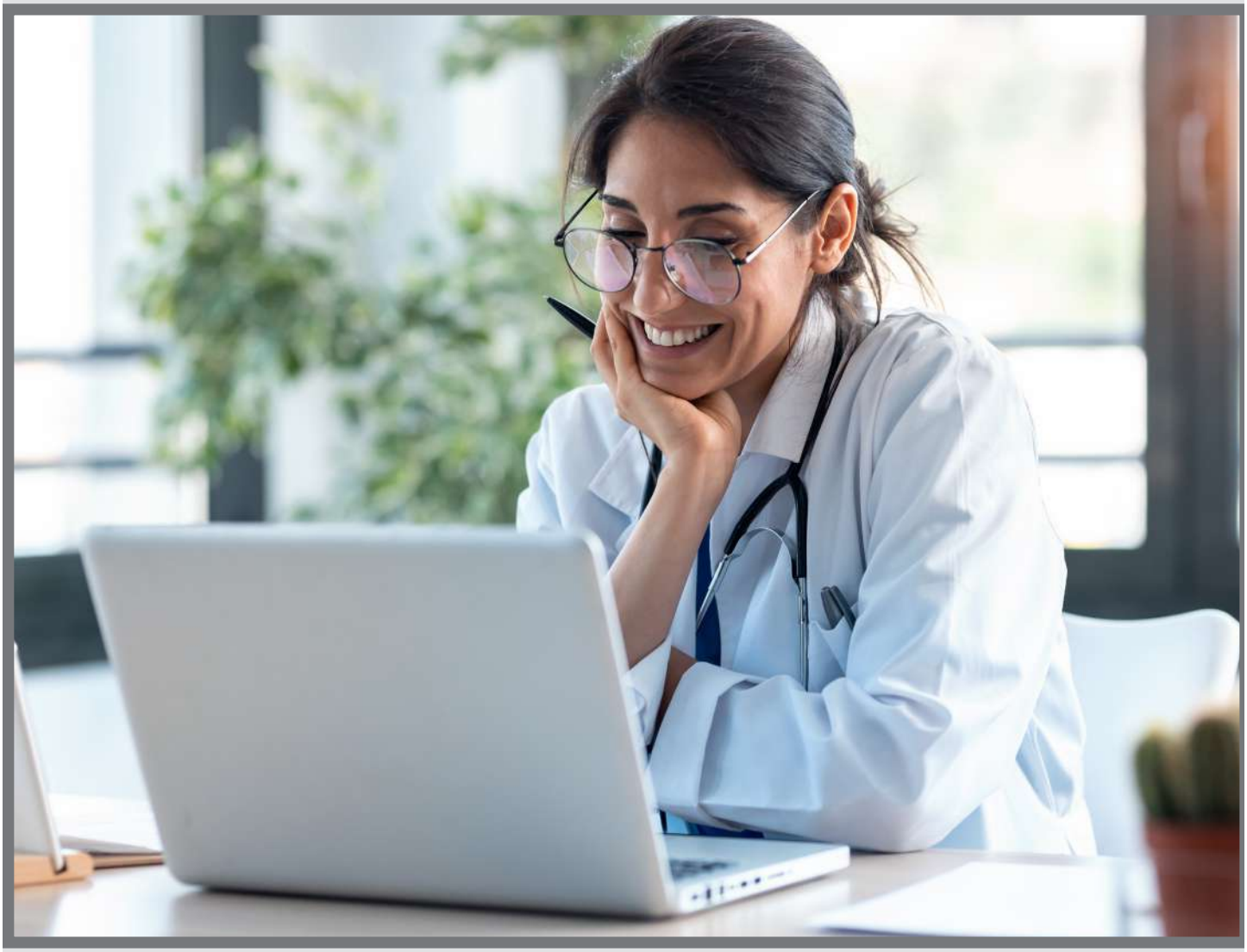
- Cyber Liability(e-MD*) available for up to $5 million per claim and in the aggregate.
- Qualifying insureds receive preferred rates on higher limits of cyber insurance.
- $0 deductible for certain insuring agreements.
- Additional Defense Costs and Separate Breach Event Costs limits available.
- Full Prior Acts coverage available.
- Seamless claims handling when transitioning from embedded coverage to higher limits of coverage.

TOKIO MARINE HCC tmhcc.com/cyber

MEDICAL INTERACTIVE

MACM is working with Medical Interactive, a national provider of risk management and patient safety education, to provide our physician insureds access to free online CME and MOC credits. Medical Interactive has a series of courses that meet the requirements of Mississippi's five hours for prescribing controlled substance education. The Medical Interactive CME courses have been approved by 17 medical boards for MOC points.

OVER 200 FREE ONLINE CME COURSES NOW AVAILABLE TO MACM PHYSICIANS



Medical Interactive has many options available that qualify for the one time eight-hour training requirement for all DEA registered practitioners. You can find several topics related to the treatment and management of patients with opioid or other substance use disorders including the "Controlled Substances Series: Mississippi License Renewals" for a total of 5 hours.

ONLINE LIBRARY TOPICS INCLUDE:

- **DEA/MATE Act Courses**
- Controlled Substances
- Diagnostic Error
- Documentation
- Medical, Legal, & Ethics
- Perinatal
- Practice Management
- Professional Interaction
- Provider Burnout
- Quality Improvement
- Risk & Claims
- Regulatory & Compliance

Steps to access the online CME:

1. Open the MACM website at www.macm.net.
2. Sign in to the Member Log In section of the website using your email address and password currently on file with MACM.
3. Once you have signed in to Member Log In and your personalized home page is open, click on the "Education" tab and then click on the "Mandatory and Continuing Medical Education."
4. Click on the "Medical Interactive CME" button. Doing this will allow you to leave the MACM Member Log In section of the MACM website and open a new browser for the Medical Interactive site.
5. **PLEASE NOTE!** The first time you attempt to use the Medical Interactive site, you must create a separate user name and password. The information you use to log in to the MACM Member Log In will not work on the Medical Interactive site.

Should you have any questions or comments, please contact the MACM group administrator: Yevgenia Wilkerson, Senior Administrative Assistant for Risk Management, yevgenia.wilkerson@macm.net | (601) 605-4882 | (800) 362-2912

Dr. Rachel Jones Receives Caldwell Award

Since 1982, MACM has recognized one of the top residents at the University of Mississippi Medical Center with the Robert S. Caldwell, MD Award. It is given each year in memory of the late Dr. Caldwell, a general surgeon from Tupelo, who was instrumental in the founding of MACM. Dr. Caldwell served on MACM's first Board of Directors and was elected the Company's first secretary. This award is presented every year in recognition of excellence in medical care, record keeping, patient relations, and leadership.

(Left) Kim Mathis, Vice President of Sales and Marketing, MACM, and Rachel Jones, M.D., Emergency Medicine. (Right) Jones pictured with husband,Clint Chapman.

Congratulations to Rachel Jones, MD, an Emergency Medicine Resident, on being selected as this year's Caldwell Award recipient. Dr. Jones served as Chief Resident during her final academic year at the University of Mississippi Medical Center (UMMC).

Reflecting on her training, Dr. Jones shared, "I am most proud that I got the opportunity to train at UMMC. I have had an amazing three years, learning from excellent faculty and caring for the sickest patients in Mississippi. It was a privilege to serve my co-residents and become more deeply involved in academic medicine."

This upcoming academic year, Dr. Jones will remain at UMMC to complete a Fellowship in Emergency Medical Services (EMS). She has a strong interest in Wilderness Medicine and providing medical care in resource-limited settings. Her goal is to integrate her EMS training into a career that balances prehospital medicine with work in a high-equity emergency department.

Dr. Jones plans to remain in Mississippi, continuing to serve the state and its communities with passion and purpose.

Robert S. Caldwell, MD Award recognizes and celebrates those individuals who have gone above and beyond in the areas of patient care, documentation, and communication as a senior level resident at the University of Mississippi Medical Center.

Congratulations to this year's award recipient!

2025: Rachel Jones, MD–Emergency Medicine

1982: Jack Foster, MD-Cardiology
1983: Martha Brewer, MD-OBGYN
1984: Sam Dennery, JR, MD-Pediatrics
1985: William Coltharp, MD-Cardiothoracic Surgery
1986: Bobby Graham, Jr. MD-Medical Oncology
1987: Sam Newell, MD-Neurology
1988: Marc Aiken, MD-Orthopedic Surgery
1989: W. Richard Rushing, MD-OBGYN
1990: Charles Pigott, MD-General Surgery
1991: R. Glenn Herrington, MD-Ophthalmology
1992: Mark Hausmann, MD-General Surgery
1993: Gary Smith, MD-Anesthesiology
1994: Michael McMullan, MD-Cardiology
1995: Damea Benton, MD-Pediatrics
1996: Jeffery Noblin,MD-Orthopedic Surgery
1997: Scott Harrison, MD-Otolaryngology
1998: David Stuart, MD-Family Medicine
1999: Timothy Murray, MD-General Surgery
2000: Ford Dye, MD-Otolaryngology
2001: Chet Shermer, MD-Emergency Medicine
2002: Demondes Haynes, MD-Pulmonary
2003: Kimberly Crowder,MD-Ophthalmology
2004: Kentrell Liddell, MD-Family Medicine
2005: Christopher Charles, MD-Pediatrics
2006: Matt Runnels, MD-Internal Medicine
2007: David Spencer, MD-Urology
2008: Joy Houston, MD-Psychiatry
2009: Shane Sims, MD-OBGYN
2010: Lee Murray, MD-Neurology
2011: Leslie Mason, MD-OBGYN
2012: Christopher Bean, MD-Urology
2013: Victor Copeland, MD-Ophthalmology
2014: Christina Marks, MD-Radiology
2015: James Moss, MD-Orthopedic Surgery
2016: Rishi Roy, MD-Vascular Surgery
2017: Mike Cosulich, MD-Dermatology
2018: Madison Williams, MD-Internal Medicine
2019: Chelsea Mockbee, MD-Dermatology
2020: Natalie Malcom, MD-Pediatrics
2021: Kimberly Simmons, MD-OBGYN
2022: Kevin Purcell, MD-Orthopedic Surgery
2023: Joshua Trull, DO-Psychiatry
2024: Varsha Prakash, MD-Pathology

PRODUCTS

MACM INSURANCE SERVICES

MACM Insurance Services, Inc. is committed to meeting the evolving insurance needs of healthcare providers, from solo practitioners to large health systems. With growing liability exposures in medical offices and hospitals—ranging from personnel and management issues to Medicare/Medicaid fraud and HIPAA violations—MACM Insurance Services, Inc. offers specialized coverage beyond traditional professional liability. It provides solutions for hospitals and hard-to-place practitioners, and its agents continually evaluate and offer new insurance products tailored to the healthcare industry.

EMPLOYMENT PRACTICE LIABILITY: *Insurance that covers alleged wrongful acts arising from the employment process.*

Like other industries, the healthcare arena must be conscious of risks associated with handling personnel issues. Coverage is provided for the entity when claims are brought by past, present, and potential employees. Third-party coverage is also available. The policy is designed to protect against these common allegations: discrimination in the hiring process, failure to promote, sexual harassment, and wrongful termination.

DIRECTORS & OFFICERS LIABILITY: *Insurance that provides protection for the directors and officers of an organization in case of a claim against them in conjunction with the performance of their duties relative to the organization.*

Individuals who serve on a Board of Directors or as a corporate officer risk their personal assets while attempting to uphold their fiduciary duty to the organization. Both your personal assets and those of the organization can be protected by a Directors and Officers Liability policy, if properly tailored to meet your needs. This claims-made policy includes coverage for allegations of breach of fiduciary duties, negligent credentialing, and employment-related issues.

HOSPITAL PROFESSIONAL & GENERAL LIABILITY: *Insurance purchased by hospitals covering their liability for professional acts, errors, or omissions. Hospital Professional Liability coverage is usually written as a package with Commercial General Liability policies to avoid situations in which coverage could apply under either policy.*

With the limited number of carriers who write hospital professional liability insurance in Mississippi, many hospital administrators are faced with the decision to either pay exorbitant premiums or to self-insure. MACM Insurance Services, Inc. can assist with this decision by approaching 'A' rated companies for either a low-retention program or one that allows the entity to assume more risk with lower fixed costs.

PHYSICIAN REGULATORY LIABILITY (BILLING ERRORS & OMISSIONS): *Insurance that protects against RAC audits and HIPAA violations.*

Whether it is Medicare billing or HIPAA, enforcement activity for non-compliance is an additional challenge for physician practices. Intentional (and unintentional) over-billing of Medicare and Medicaid is a prime target for federal regulators. Now, rules governing the restricted

use of patient information are in place, creating additional liability exposure for healthcare providers. Our Physician Regulatory Liability Insurance provides protection for unintentional over-billing , and the policy includes coverage for defense costs, auditing fees, and civil fines and penalties.

WORKERS' COMPENSATION: *Insurance that provides financial and medical benefits to employees injured in the course of their employment.*

Regardless of the size of your staff, MACM Insurance Services can offer you a competitive and flexible Workers' Compensation product to protect your employees injured on the job. While coverages vary, our companies work hard to ensure your employees are reimbursed for their medical expenses and lost wages and return to work in a timely manner.

PHYSICIAN PROFESSIONAL LIABILITY: *Insurance that protects physicians against alleged errors or omissions while treating patients.*

Since some physicians require or prefer alternative options for their professional liability needs, MACM Insurance Services has access to over 20 companies currently writing business in Mississippi. We will work with you to determine your needs and propose a solution for you.

BUSINESS OWNERS POLICY (BOP): *Insurance that provides both property and liability coverage for small businesses and clinics.*

The Business Owner's Policy (BOP) combines commercial property, business equipment, and general liability coverage into one package policy. BOP policies are designed to help small businesses and clinics protect against claims involving bodily injury sustained on your premises, stolen or damaged property, personal and advertising injury, and more.

In addition, with a BOP policy, we can combine your commercial auto with the policy to receive a multi-policy discount.

CYBER LIABILITY PROTECTION: *Insurance that covers losses that may occur when a business's electronic activities result in a breach of data.*

The fastest growing liability exposure in the healthcare industry is cyber liability. Our comprehensive solution provides standard coverage for breach response, customer notification, and business interruption. The policy even indemnifies you for any regulatory fines and penalties assessed during an investigation. So, don't let an accidental data breach or a computer hacker close your doors. Allow MACM Insurance Services to help protect you.

(The information contained herein is for general purposes only without any warranties of any kind. This information does not alter or expand any available coverages. If interested in a particular product, you should contact MACM Insurance Services, Inc. to determine whether that product is available and to request a copy of the applicable policy or other documents for a complete description of the product.)

Contact Kevin Fuller or Wendy Biggs at 601-605-4882 for more information.

MACM® | Equity Account

Created in 1991 by the Medical Assurance Company of Mississippi's Board of Directors, the Equity Account was designed as a way to recognize physician members who were committed and faithful to the long-term viability of their professional liability insurance company. Now, more than 30 years later, the Equity Account remains one of the many benefits of coverage by MACM for existing and future members. Through the Equity Account, we can show appreciation for your time invested in MACM.

What is the MACM Equity Account?

The Equity Account for each physician member is a paper account only and serves as a contingent right to receive payment of your interest in the surplus of MACM. The account does not earn interest and cannot be encumbered, transferred, or assigned to anyone else. While this account is held in your name, you cannot withdraw from it or use it for payment of premium.

When am I eligible for a MACM Equity Account?

Once a physician has been insured by MACM for a full calendar year, that physician is eligible for the establishment of an Equity Account.
Thereafter, allocations are directed annually to the paper account of those physician members who pay a full year's premium.

How is the allocation amount calculated?

Each year in March, a change occurs in the Equity Accounts of qualified MACM members. The Company's net income or loss from the previous year is divided equally and allocated to the equity accounts of the physician members.

Does the account grow throughout the year? Is interest earned each quarter?

No. In March each year, there is a one-time allocation to the Equity Account of each physician member. The amount in your Equity Account does not change throughout the year. It changes only at the time of the next year's allocation.

Is the Equity Account taxable?

The Equity Account distribution is taxable as ordinary income and will be reported to the IRS on a 1099-Misc form in the "Other Income" box. This means it should be treated as ordinary income.

Do I have to get the payment in a lump sum or can I get installment payments?

In June 2018, due to the increasing size of Equity Accounts and the fact that proceeds are taxed as ordinary income, your MACM Board Members responded to requests for options in the distribution of the Equity Account balances.

MACM® | Equity Account

Now, in addition to the option of receiving pay out in one lump sum, a physician member can select a disbursement method over a three-year period.

When will I receive my Equity Account distribution? Equity Account funds are payable 180 days after your retirement date and upon MACM's verification that you have not returned to the practice of medicine.

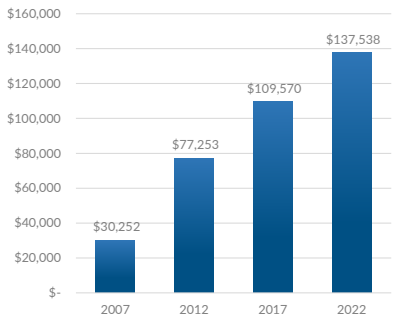
On average, MACM distributes over $10 million annually to those insureds qualifying for a distribution.

Equity accounts are available for distribution only upon termination of membership in the Company due to death, permanent disability, or retirement, as defined in the Company's Bylaws. Termination of your membership for any other reason results in the forfeiture of your account.

Where can I find more information about the MACM Equity Account?
Your current Equity Account balance is always available on the Member Log In section of the MACM website at www.macm.net.

Growing with our Insureds

This chart is an example of the allocations and growth of an equity account for a physician who joined Medical Assurance Company of Mississippi in 2004. This is presented as information only, based on the historical allocations to an insured's equity account, and does not guarantee future allocations.



Rewarding your loyalty and commitment to quality patient care.

MACM® | Medical Assurance Company *of* Mississippi

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WWW.MACM.NET

YOUR MACM
Equity Account
REWARDING COMMITMENT AND
THE SAFE PRACTICE OF MEDICINE

MACM® | Residents & Fellows

DID YOU KNOW?

We offer a **Free Employment Contract Review for Mississippi Residents?**

After years of intense training and education, you've finally received an offer to begin your medical career. It's an exciting moment—but before you sign your employment contract, it's critical to understand exactly what you're agreeing to. From compensation structure to malpractice insurance responsibilities, the fine print matters. That's where we come in.

Medical Assurance Company of Mississippi (MACM) is proud to support physicians starting their careers in our state. We now offer one free employment contract review—**a $500 value**—for any resident who will be practicing medicine in Mississippi.

An experienced healthcare attorney will evaluate your contract and help ensure:

- Compensation terms are clearly defined and competitive
- Your malpractice coverage is accurately outlined
- Responsibilities and obligations are transparent and in your best interest

Hiring an attorney independently can be costly, and this is often an unexpected expense for new physicians. Through MACM's **free contract review program**, you'll receive professional legal insight at no cost to you.

Eligibility:

- You must be a resident physician
- You must be seeking employment as a practicing physician in Mississippi
- Limited to one review per resident

If you've received a contract or are beginning your job search in Mississippi, contact Medical Assurance Company of Mississippi to take advantage of this opportunity. Let us help ensure your first step into practice is a confident one.

DID YOU KNOW?

Educating Residents and Fellows is a passion of ours. We offer free Lunch-in-Learns for residents and fellows during their didactics period. We have many topics to select from that are beneficial as they continue their training and enter the medical field as physicians. Some of these topics include: general information about medical malpractice, contract negotiating, and risk management.

Thank you to the following 2025 contributors! MPPAC

Investing in a fair and balanced legal system and business environment for Mississippi benefits every MACM insured. Thank you to the following contributors of the Mississippi Physicians Political Action Committee. Because of your contributions, MPPAC is recognized as an organization interested in protecting healthcare and the physicians of our state. We appreciate the confidence and trust you have in us.

Lewis Aldred, MD
Hannah Badon MD
Jennifer Bailey, MD
Bryan Batson, MD
Francis Garner Bell, MD
Damea B. Benton, MD
Louis Benton, MD
Todd A. Benton, MD
Lauren Bethea, MD
Brent Bevard, DO
Imad Bitar, MD
George Blair, MD
Kevin Blanchard, MD
William Bowling, MD
Robert Brahan, MD
Charlene Broome, MD
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Noneconomic Damage Caps

The Medical Professional Liability (MPL) Association Data Sharing Project recorded the closure of approximately 22,000 paid claims from 2011 to 2020, resulting in approximately $8 billion paid in indemnity and $4 billion spent on defense expenses. During this period, a review of states with medical liability reforms revealed that 28 states had noneconomic damage caps (with one state implementing caps during that time) and 23 states had no caps (four of those states had caps declared unconstitutional during that time frame). Additionally, states with noneconomic damage caps reported a lower average indemnity payment of $249,556 compared to states without tort reform, which had an average indemnity payment of $388,430.

In states with tort reform, the percentage of claims decreased as the indemnity payment threshold increased, while states without tort reform distributed claims uniformly. The percentage of claims resulting in indemnity payments of at least $1 million more than doubled from 6.5% to 14.2%, when comparing states with tort reforms to those without.

Citation: https://www.mplassociation.org/Web/Publications/Inside_Medical_Liability/Issues/2023/articles/DSP_Noneconomic_Damage_Caps.aspx

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