



# 2015 Annual Review

**Our Vision** To empower healthcare professionals to practise with confidence and achieve safer, better health care for all Australians.

**Our Mission** To deliver high quality indemnity insurance and support to the healthcare sector across Australia: offering products which are innovative and progressive and which set the benchmark for the industry, represent real value and which are responsive to our clients' needs; providing confidence through our commitment to quality, passion for service, personal care and superior claims and risk management services.





## Farewell from your Chairman

Dear Members and Colleagues

This is my last Annual Report as Chairman of the Boards of MIGA.

In line with good corporate governance, our Boards have a policy that directors must retire after a maximum term, recognising the importance of continual change and renewal to ensure the Boards remain open to new ideas and independent thinking, whilst retaining an appropriate skill mix and adequate expertise. I reached my tenure in September 2015 and hence will be retiring.

You have afforded me the privilege of working on your behalf for the past 17 years and I am most grateful for the trust you have placed in me during this time.

I am pleased to leave the Group in such a strong position financially, with an excellent reputation and a growing national presence.

I am proud to have been part of a company that works so hard to protect and care for the interests of its members and policyholders.

I am confident that your new Chairman and Deputy together with the Group's Boards, Management and Staff will continue to provide you with the excellent care and services that have become the hallmark of this organisation.

My best wishes to you all.

A handwritten signature in black ink, appearing to read 'John O'Loughlin', with a long horizontal flourish extending to the right.

**Dr John O'Loughlin AO**  
Chairman, MDASA and Medical Insurance Australia

## MIGA now and into the future

We are pleased to release MIGA's 2015 Annual Report, which provides an overview of the Group's financial results for the year and a summary of key developments and changes in the business.



We are again reporting an excellent financial result, good national growth and an ongoing strong capital position.

Across the last decade MIGA has grown and changed significantly, now insuring thousands of doctors, medical students, healthcare companies and eligible privately practising midwives nationally.

What has not changed however is our commitment and passion to providing personal care and quality service.

MIGA offers a unique opportunity for the healthcare profession to insure with a provider with two key characteristics:

- We are specialists – we know medical indemnity, it is the core of what we do and we are experts in it
- We care – we provide personal service, we look after our members and clients and we are always there for them.

This year the Group launched a new look and design through which we seek to communicate:

- Our strength and expertise
- Our personal and friendly approach, and
- The protection and security we provide.

Our logo incorporates the word "Always".

"Always" captures our commitment to be there to advise, support, inform and protect our members and policyholders when they need it. It is a statement of quiet confidence, that they can "Always" rely on us and that we will "Always" be here for them.

We hope that our members and policyholders identify with this and that they feel it expresses well who we are as an organisation and our commitment to them.

### We are a people business

MIGA is a very special organisation and our staff really set us apart. They drive MIGA, and their commitment, expertise and loyalty is exceptional.

We would like to sincerely thank them, our Board members and key advisors for their efforts during the last year which have contributed to the growth and success of MIGA.

The loyalty of our members and policyholders is important to us and we acknowledge their continued support of MIGA.

### The future

MIGA is a very strong, financially secure and capable national organisation with a reputation for excellent financial management and providing high quality advice, personal service, transparency and professionalism.

We look to the future with confidence and with an unwavering commitment to our members and policyholders.

**Dr John O'Loughlin AO**  
Chairman, MDASA and Medical Insurance Australia

**Mandy Anderson**  
Chief Executive Officer and Managing Director

## Financial results

### Building confidence and embracing change

#### Overview of 2015

The Group reported a net profit of \$4.647m for the financial year ended 30 June 2015, after providing for income tax. This was 22% in excess of budget.

Surplus net assets increased by 4% to \$112.643m as at 30 June 2015.

Key drivers to the result for the year were:

- Claims costs were slightly above budget as a result of the following offsetting factors:
  - The cost of claims from the 2013/2014 year and prior years being less than budgeted as a result of reserve releases across most years being higher than expected
  - The cost of claims for the 2014/2015 year being less than budgeted reflecting a lower claims frequency than expected partially offset by a higher average claim size
  - Higher claims costs in the 2014/2015 year as a result of an increase in the per claim retention for reinsurance.
- Operating expenses were in line with budget notwithstanding the inclusion of costs associated with the non-merger. Without this, operating costs would have been below budget as the costs of running the business were well contained and carefully managed, notwithstanding the Group's significant growth in recent years.
- Reinsurance for the 2014/2015 year was negotiated at a cost below what was expected, predominantly as a result of an increase in the per claim retention.

#### What does this mean for our members and policyholders?

Managing our financial affairs well, maintaining a strong capital position and delivering stability in premiums are an important part of the Group's strategy.

Our strong asset position and excellent Capital Ratio support MIGA's key aim of offering secure and affordable medical indemnity insurance to our members and policyholders.

As a not for profit mutual, financial performance is measured each year against a budget which is developed having regard to the capital position of the Group. Once the target capital level is reached (or exceeded), the Group only needs to generate a level of profit which sustains the capital level each year. It does not need to generate a consistent year on year profit to pay dividends to shareholders.

Each year the net profit generated therefore helps to sustain MIGA's capital base to ensure the Group maintains a level of financial strength and security that surpasses the amount of capital we are required to hold as prescribed by the Australian Prudential Regulation Authority (APRA). Above this, we are able to deliver premium stability and affordable medical indemnity insurance to our policyholders.

#### Profit and net assets

MIGA's results include both MDASA and Medical Insurance Australia.

The growth in the Group's net asset position since 2008 is shown overleaf.

#### Investment portfolio

MIGA holds significant funds that are invested in accordance with the terms of a comprehensive and carefully managed Investment Strategy.

The last decade has demonstrated how important it is for insurance companies to manage very carefully their investments. Taking too much risk can have a direct impact on what we charge in premium and possibly on the long-term security of the company.

Funds invested as at June 2015 were as shown overleaf.



David Edwards Finance Manager



Natasha Haitana Senior Accountant

#### Total assets and liabilities

Over the last 8 years, MIGA's total assets and liabilities have grown as shown overleaf.

#### The capital adequacy of MIGA's insurer

APRA is responsible for the prudential supervision of general insurers.

APRA requires that general insurers have sufficient capital to enable their insurance obligations to be met under a wide range of circumstances allowing for a range of risk factors that may threaten an insurer's capital base.

Beyond the requirements of APRA, it is the responsibility of an insurance company's Board and management to ensure that the company has an appropriate level of capital having regard to the size and complexity of the business. The Board of Medical Insurance Australia has set a target Capital Ratio taking into account the complexity and long tail nature of medical indemnity insurance.

Medical Insurance Australia's Capital Ratio as at 30 June 2015 is 2.83. This is in excess of the Group's target Capital Ratio and well ahead of APRA's Prudential Capital Requirement.

#### Reinsurance

Reinsurance is important to the Group and we have strong support from the worldwide reinsurance market.

The Group's reinsurance program is placed with a spread of highly rated medical indemnity reinsurers with balanced support from the Australian, European and American reinsurance markets. It is structured to protect MIGA against large and catastrophic losses and to assist with managing our year on year claims exposures.

For MIGA, reinsurance is truly a partnership and we place enormous value on the strength of our reinsurance program, the quality of our panel of reinsurers and the relationships we have developed and maintained with them over a long period of time.

## Highlights of 2015

Legal advice forms the backbone of our business. Our experience in dealing with complicated issues efficiently and effectively directly affects our financial success and therefore our future.



## Financial results

### Building confidence and embracing change

#### Overview of 2015

The Group reported a net profit for the financial year ended 30 June 2015 after providing for income tax in excess of budget.

Surplus net assets increased by \$112.643m as at 30 June 2015.

Key drivers to the result for the year were:

- Claims costs were slightly above budget as a result of the following offsets:
  - The cost of claims from the year and prior years being less than budgeted as a result of reserve releases being higher than expected.
  - The cost of claims for the year being less than budgeted as a result of claims frequency than expected being offset by a higher average settlement rate.
  - Higher claims costs in the year as a result of an increase in retention for reinsurance.
- Operating expenses were in excess of budget notwithstanding the inclusion of costs associated with the non-medical claims. Operating costs would have been below budget as the costs of running the business were well contained and controlled notwithstanding the Group's growth in recent years.
- Reinsurance for the 2014/2015 year was negotiated at a cost below budget, predominantly as a result of an increase in the per claim retention.

#### What does this mean for our members and policyholders

Managing our financial affairs to maintain a strong capital position and to ensure that our premiums are an important part of our Group's strategy.

Our strong asset position and a high Ratio support MIGA's key aim of providing a strong and affordable medical indemnity for our members and policyholders.

As a not for profit mutual, financial performance is measured each year against the target set by our members and policyholders. We have developed having regard to the interests of the Group. Once the target is reached (or exceeded), the Group generates a level of profit which is used to maintain our capital level each year. It does not generate a consistent year on year dividend to shareholders.

#### Always just a phone call away

"When the unthinkable happens our Claims team are the first line of defence for our clients. We understand what they are going through and use our knowledge and experience to guide and advise them. It's important to me to help them when they need it, both personally and professionally, and I place great importance on being available and supportive, at what can be a very difficult time."

#### Anthony Mennillo

Manager, Claims and Legal Services

## Highlights of 2015

Legal advice forms the backbone of our business. Our experience in dealing with complicated issues efficiently and effectively directly affects our financial success and therefore our future.

### Key outcomes

**\$4.647m**

Net profit (after tax)

**\$112.643m**

Net assets

Growth of 4% over 2014

**2.83**

Capital adequacy

In excess of the Group's Capital Target and APRA's requirements

**28,970**

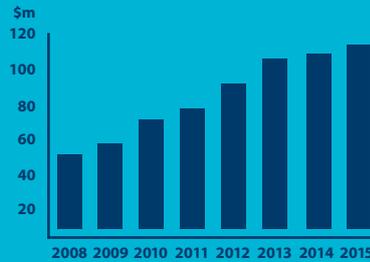
Total membership

10.2% increase since 2014

**\$224m**

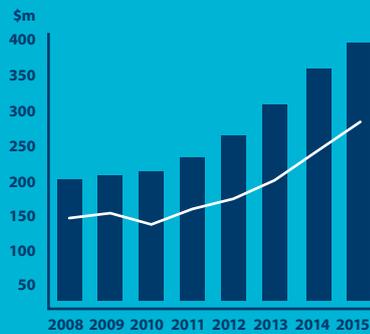
Funds under investment

The Group's Investment Strategy is conservative - we protect our members' funds well



**Profit and net assets**

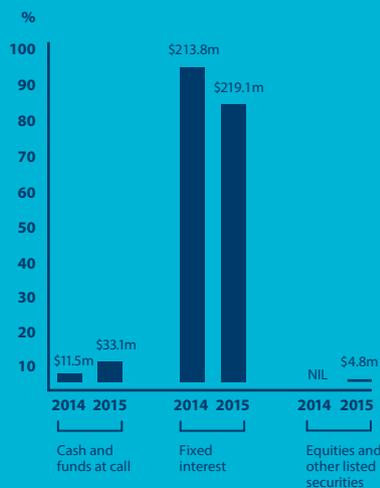
MIGA net assets \$112.643 million



**Total assets and liabilities**

as at June each year

■ Total assets — Total liabilities



**Investment portfolio**

as at June 2015

## National growth

### Strength for the years ahead

#### MIGA's strategy

The key objectives of MIGA's Strategic Plan are to:

- Achieve growth and maintain our high rate of retention of existing clients in order to strengthen our position; by covering a greater share of the national medical indemnity insurance market
- Grow income through diversifying our client base by extending it to other healthcare professionals.

The Group's growth strategy is comprehensive and incorporates a requirement to maintain a balanced portfolio with a good spread of risk. As we grow across Australia, we know it is extremely important that we maintain our ability to offer the level of service and commitment to quality

#### Diversification

Diversification of the Group's business is a key component of its Strategic Plan, and offering professional indemnity cover to other healthcare professionals is an important element of MIGA's growth strategy.

The Group anticipates tangible benefits and economies by being a provider of professional indemnity insurance to a growing range of healthcare professionals.

The Group's diversification strategy continues to deliver good outcomes, with growth across the year in both Healthcare Insurance (previously Business Medical Indemnity) and income from insurance for eligible midwives. Income from these sources now represents 4.3% of the Group's total income.

#### Total membership

A key goal of the Group is to increase its market share nationally and extend the services and products offered to meet the needs of members and policyholders. Growth brings economies of scale, benefiting all members and clients and also strengthens the Group's operations.

Total doctor and student membership of MDASA grew by 10.2% in the year with total membership now at its highest level ever at 28,970.

Total membership numbers have increased over the last 8 years (as at June each year), as shown in the graph overleaf.



Jason Currall Business Analyst



Alicia Cocks Senior Business Development Advisor



Chris Ladds Business Development Advisor

and innovation that is a clear differentiator for MIGA and a key component of our vision.

Insurance is complex and can be confusing, and we operate with the expectation that our members and policyholders value an insurer that can reliably guide and advise them in relation to their insurance needs.

#### The Group's insurance products

MIGA provides insurance and a range of services to a growing and diverse client base across Australia which includes:

- Doctors (including those in private practice and those working in the public sector)
- Medical students
- Corporate entities that provide healthcare services
- Privately practising eligible midwives, under the Federal Government's Midwives Insurance Scheme.

Each of these areas of our business have grown in strength and size in the last year.

#### Branch offices and growth across Australia

MIGA's branch office in Sydney offers claims, client services, risk management services, underwriting services and support and our presence in Victoria and Queensland also supports the provision of services across the eastern seaboard. Nationally the Group's network is enhanced by very important agency relationships.

Having staff and a diverse network of service providers across Australia is a key element of MIGA's strategy to expand nationally and supports its commitment to offer high quality and dedicated service to its members and policyholders.

Doctor and medical student membership outside of South Australia (the location of the Group's Head Office) now represents 79.1% of its business.

#### Medical students and young doctors

A key strategy for the Group is to grow nationally the number of medical students and young doctors it insures. These two groups are very important for future growth.

MIGA's communications with these two groups continue to be predominantly IT based with on-line application and renewal capabilities.

The ability to transact electronically with students and young doctors makes it easier for them to do business with MIGA and also supports the Group's commitment to the environment by reducing postage and printing costs.

This capability makes renewal easier and more convenient for these member groups and the savings made on the costs of printing and production of documents will be channelled into improving member and policyholder services.

## National growth

Membership numbers have steadily increased with total membership now at its highest level ever at 28,970.



## National growth

Strength for the years ahead

### MIGA's strategy

The key objectives of MIGA's Strategy are:

- Achieve growth and maintain retention of existing clients to strengthen our position; by increasing our share of the national medical insurance market
- Grow income through diverse revenue base by extending it to other professional groups.

The Group's growth strategy is to diversify and incorporate a requirement for a balanced portfolio with a good mix of products. As we grow across Australia, we know it's important that we maintain or improve the level of service and comm



Jason Currall Business Analyst

and innovation that is a clear differentiator for MIGA and a key component of our strategy.

Insurance is complex and can be difficult to understand. We operate with the expectation that our members and policyholders will have a relationship with us that can reliably guide and advise them in relation to their insurance needs.

### The Group's insurance products

MIGA provides insurance and financial services to a growing and diverse client base across Australia which includes:

- Doctors (including those in private practice and those working in the public sector)
- Medical students
- Corporate entities that provide health services
- Privately practising eligible medical professionals under the Federal Government's Medical Insurance Scheme.

Each of these areas of our business has shown strength and size in the last

### Always providing advice and guidance

"We understand that the choice of insurer is a significant decision. At MIGA we take the time to explain the issues and provide personal advice that is relevant to our client's situation. It's important to us that our clients feel confident in their decision to insure with MIGA and I take pride in making sure that we provide them with up to date advice and guidance. I feel it's what really differentiates MIGA."

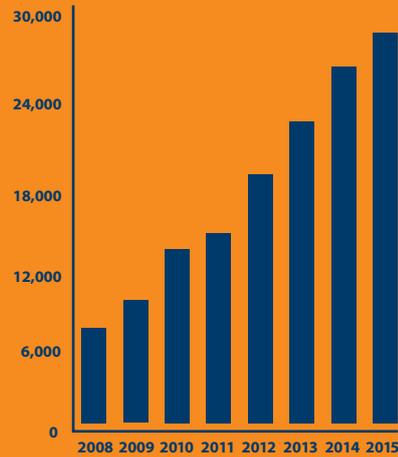
**Ledly Tredrea**  
Business Development Advisor

## National growth

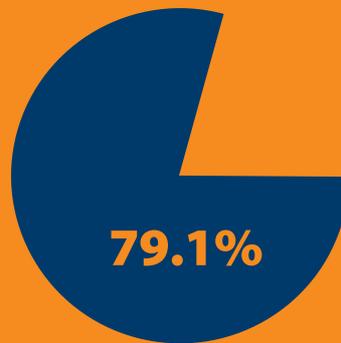
Membership numbers have steadily increased with total membership now at its highest level ever at 28,970.

### Key outcomes

**10.2%**  
Growth in membership



**Total membership numbers**  
Over the last 8 years



**Membership outside South Australia**  
as at June 2015

## Our Boards

MIGA is a very personal company and we are immensely proud of our people whose passion and commitment to the business is exceptional.

The Boards of MDASA and Medical Insurance Australia comprise 10 directors with an excellent diversity of skill and knowledge with an important mix of medical and non-medical expertise together with good representation of our national membership.

Directors as at this Annual Review are as shown below.



Dr John O’Laughlin AO  
Chairman, Obstetrician and Gynaecologist

Dr Martin Altmann  
Deputy Chairman, GP Rural Obstetrics

Ms Amanda Anderson  
CEO and Managing Director

Mr Henry Botha  
Chartered Accountant

Ms Juliet Brown OAM  
Company Director

Assoc Professor Peter Cundy  
Orthopaedic Surgeon

Mr David Henderson  
General Insurance

Dr Andrew Pesce  
Obstetrician and Gynaecologist

Dr Roger Sexton  
GP - Urban and Rural

Professor Owen Ung  
General Surgeon (Breast & Endocrine)

## Our values We are committed to:

### Service

Providing high quality professional service and individual care – we are understanding and caring of our clients and each other.

### Integrity

Being open, honest and fair with each other and ethical, accountable, non-judgmental and transparent in all we do.

### Respect

Acknowledging our differences and respecting the value of individuality – we will treat each other as we expect to be treated, recognise the efforts and achievements of each other and encourage innovation and the sharing of ideas.

### Working together

Working together and supporting each other to achieve our common goals – we value and support a spirit of teamwork, co-operation and encouragement.

### Certainty

Maintaining our strong financial management and honoring our governance and regulatory responsibilities.

### Responsibility

Being accountable for our actions and decisions and leading by example. We will ensure our business practices recognise our social and environmental responsibilities – we will work safely and care for each other’s well-being.

## Executive team

The Group's staff are highly professional and dedicated and are led by an Executive team with significant experience and knowledge of all components of medical and professional indemnity.

The resources of the Group enable us to respond with confidence to the diverse needs of our members and policyholders and to manage the complex regulatory and legislative requirements that apply to our industry.

### Mandy Anderson

- Leading the strategic direction and key business initiatives for the Group
- Member, policyholder and stakeholder relations
- Oversight of the Group's financial performance
- Leading the Group's staff, oversight of employment and management of staff
- Ensuring the Group complies with all legal and regulatory requirements

### Maurie Corsini

- Underwriting guidelines, policies and procedures and oversight of underwriting practices
- Development of the Group's insurance policies
- Growth and retention of the Healthcare portfolio
- Oversight of the Group's reinsurance program

### Liz Fitzgerald

- Delivery and management of the Group's Risk Management Program for members and clients
- Advice and value added risk management services including practice visits and risk management education
- Development and delivery of Risk Resources

### Carolyn Norris

- Insurance and membership services and advice and management of all renewals
- Growth and retention of the Midwife Insurance Scheme portfolio
- Growth and retention of client group insurance arrangements
- Production of policy documentation, processing and policyholder correspondence

### Jane O'Sullivan

- Delivery of HR services including recruitment, employee development, training, performance management and remuneration
- Provision of HR advice and support to staff

### Cheryl McDonald

- Advice and assistance on medico-legal matters and management, handling and settlement of claims
- 24-hour emergency legal advisory service
- Oversight of the Group's national panel of external solicitors

### Cassandra Schrader

- Sales and business development nationally
- Key stakeholder relations and support

### Natalie Simmons

- Management of financial matters and reporting
- General office support services
- IT and network management



Maurie Corsini  
National Manager – Underwriting



Liz Fitzgerald  
National Manager – Risk Services



Cheryl McDonald  
National Manager – Claims and Legal Services



Carolyn Norris  
National Manager – Client Services



Jane O'Sullivan  
National Manager – Human Resources



Cassandra Schrader  
National Manager – Business Development



Natalie Simmons  
National Manager – Corporate Services

## Services and support

### Responding to the changing healthcare world

#### The Group's commitment

We believe we are different from other medical defence organisations (MDOs) and insurers and we pride ourselves on the effort we put into helping and supporting our clients when they need it.

Our products and commitment to service support our long term strategy to:

- Be a specialised national medical indemnity insurer for the healthcare sector
- Be the insurer of choice for the Australian healthcare indemnity market
- Offer high quality and competitively priced insurance products, differentiating MIGA with a broad range of benefits and services which support our members and policyholders
- Lead the industry in a changing healthcare environment, ahead of all competitors in terms of our professionalism, reputation and commitment to quality.

#### Our claims and advice services

One of the services most valued by our members and clients, and one in which we take great pride, is our provision of medico-legal advice and support.

We respond to in excess of 2,500 calls annually for advice on topics as diverse as practice advertising, contract clauses or provisions from a medico-legal perspective, privacy obligations and patient requests for reimbursement of fees. Our 24 hour emergency telephone service is highly valued and widely used.

Our national claims team do an exceptional job of managing claims and helping our members and policyholders with a vast range of medico-legal advice and enquiries.

When our members and policyholders have a claim or need help or advice, we are there to support, guide and work through the matter with them. We support them with a professional claims management service provided by legal practitioners including high quality and ongoing legal advice, progress updates and comprehensive trial preparation if necessary. We engage with our members and policyholders throughout the process.

This can be a difficult time for them and, to help with this, we provide additional support via our Practitioners' Support Service if needed.

This service is underpinned by an outstanding panel of external solicitors across the nation.

#### Our insurance policies

The Group's insurance policies are underwritten by Medical Insurance Australia Pty Ltd, our insurance subsidiary, which is licensed and regulated by APRA. We are a member of the Insurance Council of Australia which is an industry body established to serve the interests and needs of general insurers in Australia.

Medical Insurance Australia is also a member of the Financial Ombudsman Service (FOS) which has been established to resolve independently and impartially general insurance disputes between insurers and their policyholders.

We place great importance on making sure that our policies meet the needs of our members and policyholders and that they stay ahead of industry trends and the ever-changing healthcare environment. We strive to ensure that our insurance policies lead the market and provide real value for money for our policyholders.



Lynda Slessor Client Relationship Officer



Neil Rankine Business Development Manager

## Services and support

At MIGA we provide a wide range of services and benefits to support our members and policyholders in everything they do as part of their day to day practice. Our services and products are extensive and include:



## Services and support

### Responding to the changing healthcare world

#### The Group's commitment

We believe we are different from defence organisations (MDOs) – we pride ourselves on the efficiency of helping and supporting our clients when they need it.

Our products and commitment support our long term strategy:

- Be a specialised national medical insurer for the healthcare sector
- Be the insurer of choice for the healthcare indemnity market
- Offer high quality and competitive insurance products, differentiated by a broad range of benefits and services to support our members and practitioners
- Lead the industry in a changing environment, ahead of all competitors in terms of our professionalisation and commitment to quality.

#### Our claims and advice service

One of the services most valued by our members and clients, and one of our great points of pride, is our provision of claims and advice and support.

We respond to in excess of 2,500 requests for advice on topics as diverse as advertising, contract clauses of insurance, from a medico-legal perspective, privacy and patient requests for reimbursement. Our 24 hour emergency telephone service is highly valued and widely used.

Our national claims team do a lot of managing claims and helping our members and policyholders with a vast range of legal advice and enquiries.

When our members and policyholders make a claim or need help or advice, we support, guide and work through the process with them. We support them with our claims management service provided by our practitioners including high quality legal advice, progress updates and comprehensive trial preparation. We engage with our members and policyholders throughout the process.

This can be a difficult time for our members and policyholders. With this, we provide additional support through our Practitioners' Support Service.

This service is underpinned by a panel of external solicitors across

#### Always helpful and informative

“MIGA is more than just an insurer. We are a valuable resource for our clients. We are always here to provide insurance advice, medico-legal support and risk management services and education. These services add real value beyond our insurance cover and I work hard to make sure that the advice and service we provide is professional, timely and thorough.”

**Zoe Burton**  
Client Services Officer

## Services and support

At MIGA we provide a wide range of services and benefits to support our members and policyholders in everything they do as part of their day to day practice. Our services and products are extensive and include:

### 24 hour emergency telephone support

Provided by our staff across Australia. We believe emergency support should not be outsourced or staffed by individuals who may not have a thorough understanding of our services and products.

When members and policyholders call us after normal business hours in emergency circumstances they are able to speak directly with one of our senior staff, no matter what time of day. This service is used extensively.

### Bi-monthly Bulletins

Feature articles on risk management and claims advice, case studies, insurance and membership issues, information about MIGA and important medico-legal developments.

### Access to an industry-leading Risk Management Program

MIGA offers a range of risk management education opportunities via our Risk Management Program.

The Program is free to our clients and is accredited by most of the Medical Colleges for reciprocal CPD points.

### Risk Resources

Access via our website to a wide range of on-line risk management materials, information and tools to assist our clients in their day to day healthcare practice.

### Personal advice

Available from our dedicated service staff.

### Practitioners' Support Service

Doctors and midwives who are involved in a claim can access the following services:

- Medical Support Service – provided by one of a group of psychiatrists or psychologists offering professional clinical support
- Peer Support Service – provided by one of a group of medical practitioners offering support and empathy.

### Doctors' Well-being Program

MIGA offers a range of ways to support, encourage and promote the importance of doctors looking after their own health.

The Program includes information and tools to help them identify and manage their personal health risks.

We recognise that doctors' health is becoming an increasingly important issue for the medical profession. There is mounting evidence that a significant proportion of doctors do not have their own GP and that barriers such as embarrassment, fear of notification and confidentiality are contributing to self-investigation and self-treatment.

### On-line services

Includes completion and submission of key forms, lodgement of claims notifications and completion of our risk management activities.

### iPhone App Technology

MIGA supports a free iPhone App offering access to the latest Australian Medicare Benefits Schedule. The MBS Search Application enables doctors and their practices to obtain the latest Australian Medicare Benefits Schedule free on their iPhone.

### First Time in Private Practice Package

We offer an attractive insurance Package which recognises the significant cost and time it takes to establish a private practice for the first time and reflects our support of doctors transitioning to private practice.

### Grants Programs

Our Grants Programs enable us to support the personal growth of medical students and young doctors for the benefit of medicine and the community. Through these Programs we help students experience global health care and assist young doctors to achieve their career goals through additional training. The benefits that flow from the efforts of these individuals are immeasurable and ongoing and we are proud to support them in their endeavours.

### Premium funding

We offer a payment option using a third party funding arrangement to help manage the cost of insurance across the year.

## Risk management services

### For a safer and more confident future

#### Overview

MIGA has significant experience in the development and implementation of risk management services and educational support for the medical and healthcare professions.

We believe that our claims profile is different from industry trends and that this is because of our unique approach to risk management and the number of our members and clients who have undertaken risk management activities over the years.

We believe there is a real correlation between MIGA's improving claims results and our extensive focus on risk management.

#### Risk management services

The Group delivers risk management support and educational services by way of:

- A formal Risk Management Program, which includes access to a wide range of risk management educational services and a premium discount on completion
- A package of on-line Risk Resources offered via our website
- The risk management articles and tips we include in our Bulletins
- The risk management services and advice we offer through our Risk Management Department.

We believe, and our experience supports our view, that risk management is vital to help control the severity and frequency of claims. It also assists our clients manage the potential risks of day to day practice, avoiding the stress of a claim and potential harm to patients.

#### MIGA's Risk Management Program

MIGA offers a formal incentive based Risk Management Program to doctors and in more recent years this has also been available to midwives insured with MIGA.

Through the Program, MIGA offers a range of risk management initiatives that can be completed on-line, as part of a virtual classroom and by attendance at Conferences and Workshops across Australia.

The key benefits for our clients in completing the Program are:

- Access to education which better equips them to manage risk in their day to day practice
- Access to a premium discount of 10% off next year's premium
- Ability to claim CPD points with most Australian Colleges.

We believe the value of the Risk Management Program is far more than the premium rebate that clients receive on full completion as it also helps them with:

- Improving patient outcomes
- Avoiding the stress and pressure of the claims process
- Expanding knowledge, awareness of and involvement in risk management
- Making improvements in managing risk in their practice
- Reducing exposure or vulnerability to complaints and claims.



Nihal D'Cruz Underwriting & Risk Education Manager



Liz Davison Risk Management Event Coordinator

## Risk management services

We believe there is a strong correlation between our excellent claims results and our focus on risk management.



## Risk management services

For a safer and more confident future

### Overview

MIGA has significant experience in the development and implementation of risk management services and education for the medical and healthcare industry.

We believe that our claims process is influenced by industry trends and that our unique approach to risk management has increased the number of our members who have undertaken risk management over the years.

We believe there is a real correlation between MIGA's improving claims results and our extensive focus on risk management.

### Risk management services

The Group delivers risk management and educational services by way of:

- A formal Risk Management Program which includes access to a wide range of risk management educational services and a premium discount on completion
- A package of on-line Risk Resources available via our website
- The risk management articles included in our Bulletins
- The risk management services offered through our Risk Management Department.

We believe, and our experience shows, that risk management is essential to control the severity and frequency of claims. It also assists our clients manage their day to day practice, avoiding claims and potential harm to patients.

### MIGA's Risk Management Program

MIGA offers a formal Incentive Risk Management Program to doctors. In recent years this has also been extended to midwives insured with MIGA.

Through the Program, MIGA offers a range of risk management initiatives including: education completed on-line, as part of a CPD program and by attendance at Conference Workshops across Australia.

The key benefits for our clients who participate in the Program are:

- Access to education which helps them to manage risk in their practice
- Access to a premium discount on next year's premium
- Ability to claim CPD points towards Australian Colleges.

### Always supporting doctors with education

"I help deliver our extensive range of risk management activities, education and resources. Information can be a powerful change agent and even small changes to day to day practice can dramatically reduce the risk of a claim. It's a great feeling being part of the education process and knowing that you have potentially helped someone to avoid a future claim or complaint."

**Keryn Hendrick**  
Risk Education Manager

## Risk management services

We believe there is a strong correlation between our excellent claims results and our focus on risk management.

### Some key facts

The following demonstrates the level of commitment by MIGA to risk management:

% of insured doctors enrolled in MIGA's Risk Management Program in the last year	65%
% of insured doctors who use it for their CPD points in the last year	84%
Number of doctors who completed MIGA risk management activities in the last year	2,565
Number of doctors who attended half-day Conferences at locations around Australia in the last year	820
Number of Workshop topics available all of which were developed by MIGA	15
Number of on-line risk management educational activities available	6
Number of attendances at Workshops as part of MIGA's Risk Management Program since 2002	29,135

### Feedback

MIGA regularly asks its members and policyholders what they think about the Group's range of risk management initiatives, support and materials.

The feedback tells us that a significant percentage rate the risk management services that MIGA provides as important and valuable.

MIGA offers a half-day Conference in most capital cities and some regional areas. When asked "What is important in making a decision to attend a Risk Management Conference?" the responses were<sup>1</sup>:

How do you rate the importance of the following when making your decision to attend a Conference?	High importance	
	2013	2014
Ongoing risk management education	63%	69%
Premium discount	59%	59%
Getting most of my Points in one day	66%	70%

When asked about the value placed on what MIGA offers in terms of risk management, doctors who responded advised<sup>2</sup>:

What value do you place on	Highly valued	
	2013	2014
The Risk Management Program	45%	46%
Being able to claim CPD for risk management activities	48%	45%
MIGA's general risk management advice and support	60%	60%

<sup>1</sup> MIGA Conference evaluations 2013/2014 and 2014/2015

<sup>2</sup> MIGA Services Evaluations 2013/2014 and 2014/2015

## Corporate social responsibility

One of MIGA's core values is to support the community and the environment, which we do in many different ways.

It is important to us that when funds are used for external activities they are applied to support programs that add real value to the broader community.

### Environmental Policy

We are committed to reducing our environmental impact wherever we can. We acknowledge the impact of the printing process on the environment and we only use printing firms that are committed to protecting the environment both locally and globally. We are also moving more to electronic communications with our members and policyholders to reduce our reliance on printed materials.

We are committed to ensuring that we reduce our impact on the environment and contribute to creating a sustainable environment for future generations.

When we print documents we try to do so in an environmentally sound way.

Along with the green credentials of our primary printer, Finsbury Green, we also use Australian produced Greenhouse Friendly Fresh Zero Carbon Neutral and FSC Mixed Source Paper for the production of our product brochures and regular Bulletins. Through our printing with Finsbury Green and use of the Fresh Zero paper range, during the 2014 to 2015 year, we have been able to save 9.9 tonnes in CO<sub>2</sub> emissions.

For our 2015 reporting year we have again provided an on-line Annual Report (incorporating the Summary Financial Report) and produced a shorter Annual Review which is distributed both electronically and in printed form. We also communicate and transact renewals and new business more and more on-line.

These initiatives help us minimise our environmental impact, reduce the costs of running our business and assist us with achieving economies and savings in our expenses.

### Grants for medical students and developing communities

MIGA's Elective Grants Program for medical students provides funding to assist medical students meet their costs in completing an elective in a developing community as part of their studies. We also provide a contribution to fund medical or other aid needed by the community they visit.

The Elective Grants Program is a small contribution by MIGA to help developing communities around the world in desperate need of medical expertise.

Since 2004 MIGA has awarded:

- 64 Grants to medical students totalling \$128,000
- 57 Medical Support Grants to developing communities totalling \$85,500.

During the 2015 year students who received Grants provided their valuable medical skills and aid to a range of developing communities which included:

- Institute for Indian Mother and Child – Kolkata, India
- Venus Clinic – Panadura, Sri Lanka
- Amazon Villages and Belen Clinic – Iquitos, Peru
- St John Eye Hospital – The Occupied Palestinian Territories, Israel
- Manipal and Western Regional Hospitals – Pokhara, Nepal
- Vila Central Hospital – Port Vila, Vanuatu.

### Doctors in Training Grants Program

MIGA's Doctors in Training (DIT) Grants Program assists doctors in training whilst pursuing specialist training opportunities in Australia and abroad.

We believe that the Grants Program helps deliver tangible benefits to the community and the profession from the skills and experiences that participating doctors acquire.

Since the inception of the Program in 2008, MIGA has provided support to 30 doctors through Grants totalling \$150,000.

Recipients of Grants in the 2015 year undertook a wide variety of training in key locations around the world which included:

- Master of Medicine in the field of peri-operative medicine
- Fellowship Training Program in neuro-ophthalmology
- Fellowship in oncologic imaging
- Fellowship in vitreoretinal surgery.

### Investment Strategy

MIGA has an extensive investment portfolio guided by an Investment Strategy which incorporates important ethical guidelines. Our decisions about what and where to invest are carefully managed and considered. The ethical guidelines ensure that we avoid investment in businesses engaged in activities that may negatively impact the health of the broader community. The Investment Strategy specifically excludes investments in organisations whose retail sales or manufacturing revenue from the following excluded products or services exceed 10% of the total revenue of the organisation:

- Produce products or provide services known to adversely affect the physical and mental health of individuals
- Produce alcohol or tobacco products
- Are involved in gambling services.

## About MIGA

MIGA is a national provider of medical indemnity insurance products and associated services to the healthcare profession across Australia.

### The Group

With our Head Office in Adelaide, branch offices in Sydney, Melbourne and Brisbane and agency networks across the country, we have been supporting and protecting the medical profession for over 115 years and the broader healthcare profession for close to 10 years.

### Corporate structure

The Group comprises the following two operating companies, which are collectively referred to as MIGA.

#### *Medical Defence Association of South Australia Limited (MDASA)*

- An MDO formed in 1899 which is owned by doctors and provides a range of services and benefits to the Group's policyholders

#### *Medical Insurance Australia Pty Ltd (Medical Insurance Australia)*

- A licensed general insurer which is a wholly owned subsidiary of MDASA, is regulated by APRA and which provides:
  - Medical indemnity insurance to doctors, medical students and corporate entities involved in the provision of healthcare services
  - Professional indemnity insurance to midwives, under the Federal Government's Midwives Insurance Scheme, and
  - Medical indemnity insurance to MDASA, to cover its liabilities where it is required to indemnify its members for prior claims incurred indemnity as per its Constitution.

### The Group's core objectives

The core objectives which underpin the Group's Strategic Plan are that we recognise the need to:

- Achieve growth and maintain our high rate of retention of existing clients in order to strengthen our position; by covering a greater share of the national medical indemnity insurance market
- Grow income by diversifying our client base by extending it to other healthcare professionals
- Invest in our people – retain and attract well-qualified staff through our commitment to their personal and professional development, conditions of work, work-life balance and training
- Invest in technology – with a focus on the smart use of technology, improved processes and innovation.



We look to the future with confidence and with an unwavering commitment to our members and policyholders.



**General Enquiries  
and Client Service**

Free Call 1800 777 156  
Facsimile 1800 839 284

**Claims and Legal Services**

(During Office hrs and 24hr emergency legal support)

Free Call 1800 839 280  
Facsimile 1800 839 281

[miga@miga.com.au](mailto:miga@miga.com.au)  
[www.miga.com.au](http://www.miga.com.au)

**Postal**

GPO Box 2048 Adelaide  
South Australia 5001

**Head Office**

Level 14, 70 Franklin Street  
Adelaide, South Australia 5000

© MIGA September 2015

