Physician Trends in Group Disability

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RGA
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RGA Analysis of Reinsured Physician Claims

- Increase in the number of reinsured physician LTD claims
- Looked at approx. 500 physician claims with dates of disability between 2008 - 2015
- Why the increase
  - Effect of ACA
  - Aging of physicians
  - M&A of physician practices
  - Liberal disability benefits
Number of Physician Claim By Year of Disability

Physician Claim Counts by Year

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>6.7%</td>
</tr>
<tr>
<td>2009</td>
<td>8.42%</td>
</tr>
<tr>
<td>2010</td>
<td>5.83%</td>
</tr>
<tr>
<td>2011</td>
<td>14.69%</td>
</tr>
<tr>
<td>2012</td>
<td>20.3%</td>
</tr>
<tr>
<td>2013</td>
<td>22.03%</td>
</tr>
<tr>
<td>2014</td>
<td>22.03%</td>
</tr>
</tbody>
</table>
The Physician Foundation Biennial Survey Sept. 2016

- 54% rate their morale as “somewhat or very negative”
- 49% often or always experience feelings of burn-out
- 48% plan to cut back on hours, retire, or take other steps limiting patient access to their practices
- 17% are in solo practice, down from 25% in 2012
- 33% identify as independent practice owners or partners, down from 48.5% in 2012
Merger and Acquisition

Physician Practices M&A

# of Deals

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deals</td>
<td>40</td>
<td>60</td>
<td>120</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>80</td>
</tr>
</tbody>
</table>

PWC publication February 2016 analyzing trends in US Health Services deals
Physicians Aging

Number of Physicians by Age

- 1990
- 2000
- 2013

- 65+
- 55-64
- 45-54
- 35-44
- Under 35

American Hospital Association's Chartbook 2015
Total Claim Liability By Age At Disability

![Graph showing Incurred Physician Claims by Age at DOD](image-url)
Number Of Physician Claims By Specialty

Physician Claim Counts By Specialty

- Anesthesiology: 11.04%
- Cardiology: 2.38%
- Dentistry: 2.38%
- Emergency Medicine: 8.87%
- General Practice: 21%
- Internal Medicine: 7.36%
- OBGYN: 5.84%
- Ophthalmology: 2.16%
- Pediatrics: 3.46%
- Radiology: 5.84%
- Surgeon: 19.26%
Number Of Claims By Diagnosis

Physician Claim Counts by ICD9 Category

- Circulatory Diseases: 7.58%
- Digestive System Diseases: 2.38%
- Injury/Poisoning: 5.41%
- Mental Disorders: 6.28%
- Musculoskeletal: 21.65%
- Neoplasms: 24.03%
- Nervous System Diseases: 16.45%
- Substance Dependencies: 3.68%
Number Of Claims By State

State by Claim Count

Map Key
0-1
2-5
6-10
11-15
16+

MA
RI
CO
KS
CA
NV
NJ
NC
OH
PA
MD/DC
NM
TN
LA
WI
MI
ME
NH
VA
SC
KY
IL
MO
IA
NE
SD
ND
WY
ID
OR
WA
AZ
UT
OK
AR
TX
MS
AL
GA
FL
DE
PR
AK
HI
WV
VI
CT
VT
Bermuda
MT
NY
IN
MN
Liberalization of benefits

- Increase in Own Specialty to age 65 definition of disability
  - More insurance companies willing to offer
- Request for higher maximums
- Return to work offset
- Individual disability insurance?
In Force vs Requested Policy Maximums 20,000-24,999