

2022 Medical Malpractice Annual Report

Claims closed from
Jan. 2017 through Dec. 2021

October 2022

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About this report

Early in the 2000s, a “hard market” emerged nationally for most types of insurance. During this period, medical professional liability insurance became expensive and hard to find for many types of medical providers and facilities.

In 2006, the Washington state Legislature enacted comprehensive health care liability reform legislation ([2SHB 2292](#)) to address a number of concerns, including the cost and availability of medical professional liability insurance. This law also created reporting requirements for medical malpractice claims that are resolved and closed, with the intent to collect data to support policy decisions. The Office of the Insurance Commissioner (OIC) started publishing [annual reports](#) in 2010 that summarize the data.

This report has three sections:

1. The current condition of the medical professional liability insurance market.
2. Summary data for closed claims reported by insurers, risk retention groups and self-insurers.¹
3. Summary data for lawsuits reported by attorneys.

¹ For simplicity, we will use the term “insurers” when referring to admitted insurers, surplus line insurers and risk retention groups.

Key statistics

This section includes premium, loss and defense cost data reported by insurers and self-insurers to the National Association of Insurance Commissioners (NAIC), closed claim data reported by insurers and self-insurers to the Office of the Insurance Commissioner (OIC), and lawsuit data reported by attorneys to the OIC.

About the medical professional liability insurance market

- The pure loss ratio² for 2021 was 51.2%. This represents a significant reduction from the 67.3% pure loss ratio for 2020.
- Defense costs were 14.6% of premium for 2021. This represents a significant reduction from the 18.2% defense cost ratio for 2020.
- Following a slight decrease in 2020, direct written premiums increased by 12.9% to \$210 million in 2021.
- Favorable loss development fueled profitability. Insurers lowered their reserves for older claims, leading to lower incurred loss and defense costs in recent years.³ For example, Physicians Insurance lowered its reserves by \$111 million over its original estimates. Reserves released from prior years translate to profit for the current year.
- Profitability continued declining. The operating ratio for Physicians Insurance, the admitted insurer with the largest market share in Washington, was 105.1% in 2021, compared to 96% for the prior five years.⁴

² "Pure loss ratio" means incurred losses divided by direct earned premium. Incurred losses include paid claims and the change in reserves for pending and unknown claims. A pure loss ratio does not include defense and cost containment expenses, which are a significant part of the cost to resolve claims.

³ Claim reserves are money set aside to meet future payments associated with claims incurred but not settled on a given date. If a claim reserve is too high or an investigation shows there is no legal responsibility to pay the claim, the insurer either lowers the reserve or removes the claim reserve from its books. If an insurer lowers total claim reserves for past years, incurred losses are lower in the current year.

⁴ Operating ratios measure overall profitability from underwriting and investment activities. Operating ratios are calculated using countrywide data.

About claim data submitted by insurers and self-insurers

Total claims

Insurers and self-insurers reported closing 3,507 claims between 2017 and 2021 with indemnity payments, defense costs, or both types of payments.⁵ ⁶ Commercial insurers reported 2,077 claims, self-insured entities reported 1,388 claims, and risk retention groups reported 42 claims.⁷

Payments to claimants

Insurers and self-insurers closed 46.1% of all claims with an indemnity payment to a claimant.

- Indemnity payments totaled \$798 million on 1,617 claims over the five-year period, or \$493,786 per paid claim. The median indemnity payment for the five-year period was \$100,000.
- Economic loss payments totaled \$539 million, an average of \$333,337 per paid claim. On average, insurers and self-insurers attributed 67.5% of each claim payment to economic loss.
- Of the claims closed with an indemnity payment, 13.4% closed with a payment of \$1 million or more. These claims account for 71.2% of the total paid indemnity over the five-year period.

Defense costs

Insurers and self-insurers paid \$229 million to defend 3,080 claims, an average of \$74,325 per claim. Average defense costs decreased by 27.3% as compared to 2020, but the median defense cost increased by 35% over the same period.

Method of settlement

Insurers and self-insurers settled most claims with paid indemnity by negotiation between the claimant and the insurer. For claims with an indemnity payment, insurers and self-insurers settled:

- 66.5% of claims by negotiation, comprising 53.6% of the total paid indemnity.
- 24.7% of claims by alternate dispute resolution – arbitration, mediation or private trial. These settlements comprised 41.2% of the total paid indemnity over the five-year period.

⁵ This report includes claims data reported through May 3, 2022, and audited through Aug. 15, 2022.

⁶ For simplicity, this report substitutes “defense costs” for the technical phrase “defense and cost containment expenses.” Defense and cost containment expenses are expenses allocated to a specific claim to defend an insured, including court costs, fees paid to defense attorneys and fees for expert witnesses. These expenses do not include the internal costs to operate a claims department.

⁷ Commercial insurers include both admitted and surplus line insurers.

Payments by type of medical provider

Insurers and self-insurers identified the type of medical provider in 73.7% of the closed claim reports.⁸ Claimants made the remaining claims against an organization, not an individual medical provider.

- Nursing resulted in the most closed claims at 331. Of these claims, 198 resulted in paid indemnity averaging \$236,405.
- For physician specialties, obstetrics and gynecology accounted for the most claims at 211, with 109 paid claims resulting in paid indemnity averaging \$580,232. Pediatrics had the highest average paid indemnity at \$2.5 million, and the highest average defense cost at \$245,128.

Payments and defense costs by age of claim

- The data shows that the longer a claim takes to be settled, the higher the paid claims tend to be. Claims closed within the first year had average paid indemnity of \$145,717. Claims that took at least three years to settle had average indemnity payments of \$893,787.
- Defense costs also increased with the age of the claim. Claims that took less than one year to close had average defense costs of \$13,033. Claims that took at least three years had average defense costs of \$159,043.

Regional comparisons

- King County had the most closed claims at 1,023.
- Pierce County had the highest average paid indemnity at \$682,153.
- King County had the highest average defense cost at \$94,067.

Allegations

- “Vicarious liability” was the most common allegation, with 764 claims and 300 indemnity payments that averaged \$642,243.
- “Improper performance” was the second-most common allegation, with 576 claims and 219 indemnity payments that averaged \$300,134.
- “Failure to report on patient condition” was the allegation with the highest average paid indemnity at \$2 million.

⁸ Physician specialties, dental specialties and other types of medical providers.

About lawsuits filed and settled by attorneys

If an attorney files a lawsuit to resolve a medical malpractice incident, they should report data about the lawsuit to the Office of the Insurance Commissioner (OIC) once the litigation is resolved. For settlements resolved between 2017 and 2021⁹:

Compensation to claimants

Attorneys reported claimants received \$128 million in total compensation on 102 claims, an average of \$1.3 million per settlement. Attorney fees were \$47 million, an average of \$458,092 per reported settlement. On average, attorney fees were 36.5% of the total compensation paid to the claimant.

How lawsuits settled

Lawsuits resolved by jury verdicts in favor of the plaintiff had the highest average paid indemnity at \$2.2 million per lawsuit.

Gender of claimant

Settlements for male claimants were significantly more costly than settlements for female claimants. Average indemnity payments to male claimants were 84.6% higher than payments to female claimants, and average legal expenses were 106% higher.

Age of claimant

Settlements involving claimants under 21 years old had the highest average paid indemnity at \$1.9 million, and the highest average legal expenses at \$799,379.

Regional comparisons

King County had the largest number of lawsuits filed, with 42 lawsuits or 39.3% of the statewide total. King County also had the highest average indemnity payment at \$1.9 million per settlement.

⁹ This report includes data submitted on or before April 25, 2022, and audited through Aug. 18, 2022.

Introduction

Under chapter 48.140 Revised Code of Washington (RCW), insurers, risk retention groups (collectively “insurers”) and self-insurers must submit a report to the insurance commissioner every time they close a medical malpractice claim.¹⁰ Under RCW 7.70.140, attorneys must report aggregate settlement data from all defendants after they resolve all claims related to a medical malpractice lawsuit. This report includes data submitted by insurers, self-insurers and attorneys in summary form that protects the confidentiality of people and organizations involved in the claim or settlement process.¹¹

Insurers, self-insurers and attorneys must report claim data for the prior year to the Office of the Insurance Commissioner (OIC) by March 1 each year.¹² Attorneys’ compliance with the reporting law has been low, and the Insurance Commissioner does not have enforcement mechanisms to improve compliance.¹³ As a result, this report provides very few summary exhibits for settlement data reported by attorneys, since the data is incomplete. Most of the exhibits in this report focus on data reported by insurers and self-insurers.¹⁴

This report has three sections:

1. Market analysis

This section is an overview of the medical professional liability insurance market in Washington and around the country that includes:

- An analysis of the profitability of the largest authorized medical malpractice insurers in Washington.
- Information about premiums, incurred losses and defense costs for medical professional liability insurance.

¹⁰ A risk retention group (RRG) is an owner-controlled insurance company authorized by the Federal Risk Retention Act of 1986. An RRG provides liability insurance to members who are in similar or related business or activities. The federal act allows one state to charter an RRG and allows the RRG to engage in the business of insurance in all states. The federal act pre-empts state law in many significant ways. See [RCW 49.92.030\(1\)](#). For simplicity, and to protect the confidentiality of data, we include them with all other insurers in this report.

¹¹ [RCW 48.140.040\(3\)](#) says the OIC must take steps to protect the confidentiality of claim data, and [RCW 48.140.060](#) required the OIC to adopt rules to achieve this result.

¹² See [RCW 48.140.020\(2\)](#) and [WAC 284-24E-090](#).

¹³ In 2010, the OIC proposed legislation, which the Legislature did not enact, that would have added enforcement mechanisms to the existing law. These bills were introduced as [SB 6412](#) and [HB 2963](#).

¹⁴ [RCW 48.140.050](#) lists information that must be provided by this report.

2. Summary data for closed claims reported by insurers, risk retention groups and self-insurers

Insurers and self-insurers report claims with an indemnity payment and/or defense costs.^{15 16} Each closed claim report is associated with one defendant.¹⁷ Claims can be made for a variety of allegations. People can make allegations against an organization, a medical provider or both.

Insurers and self-insurers reported three primary types of closed claim data:

1. **Defense costs:** These are expenses paid to defend claims, and include expenses allocated to a specific claim, such as court costs and fees paid to defense attorneys or expert witnesses. They do not include internal costs to settle claims, such as salaries for claims staff or operating overhead for a claims department.¹⁸
2. **Economic damages:** Most of these amounts are estimates of the claimant's economic damages made by the insurer or self-insurer when it makes a payment to settle the claim.¹⁹ In a few cases, a court itemized economic damages when it issued a verdict.
3. **Paid indemnity:** The amount the insurer or self-insurer paid to the claimant to resolve the claim.

3. Summary data for lawsuits reported by attorneys

If an attorney files a lawsuit alleging medical malpractice, the attorney must report data after the lawsuit is resolved. Many attorneys, however, do not comply with RCW 7.70.140, so data in this report is incomplete. Therefore, this section of the report is less detailed than the closed claim section.

Attorneys reported two primary types of settlement data:

1. **Total paid indemnity:** Total compensation paid by all defendants to the claimant. Indemnity payments may come from several defendants if a lawsuit named more than one party.²⁰
2. **Legal expenses:** All sums paid by the claimant to the attorney, including attorney fees, expert witness fees, court costs and all other legal expenses.^{21 22}

¹⁵ [RCW 48.140.010](#)(1) defines a claim.

¹⁶ Under [WAC 284-24D-060](#), if an insurer or self-insurer closes a claim without an indemnity payment or defense costs, it is not required to report the claim to the OIC.

¹⁷ [RCW 48.140.010](#)(3) defines a closed claim.

¹⁸ See [WAC 284-24D-020](#)(1), [WAC 284-24D-330](#) and [WAC 284-24D-340](#).

¹⁹ See [RCW 4.56.250](#)(1)(a), [WAC 284-24D-350](#), [WAC 284-24D-360](#), [WAC 284-24D-362](#), [WAC 284-24D-364](#), and [WAC 284-24D-370](#).

²⁰ [WAC 284-24E-150](#).

²¹ Attorney fees for legal representation are generally contingent fees that are payable if indemnity payments are made by one or more defendants.

²² [RCW 7.70.140](#)(2)(b)(v).

Closed claim and lawsuit statistics are different

One cannot compare data reported by insurers, self-insurers and risk retention groups to the data reported by attorneys because:

- Insurers, self-insurers and risk retention groups report all closed claims in which they make payments or incur expenses to defend the claim. Attorneys report data only if they filed a lawsuit against one or more defendants.
- Insurers, self-insurers and risk retention groups report data separately for each defendant. Attorneys submit one final settlement report that includes payments made by all defendants they sued.
- Insurers, self-insurers and risk retention groups are more diligent in reporting closed claim data.

Example: If an attorney sues several medical providers for their actions related to an incident with a poor medical outcome, some providers may resolve the litigation early, while others may be involved in the dispute resolution process for years. Insurers and self-insurers report claims as they resolve the claims against their customers, while an attorney waits until claims against all defendants are resolved to report the settlement.

Snapshot of the medical professional liability insurance market

This is an overview of the medical malpractice market in Washington primarily using calendar year premium and loss data from the National Association of Insurance Commissioners (NAIC).

Market participants

The medical professional liability insurance market has three primary participants:

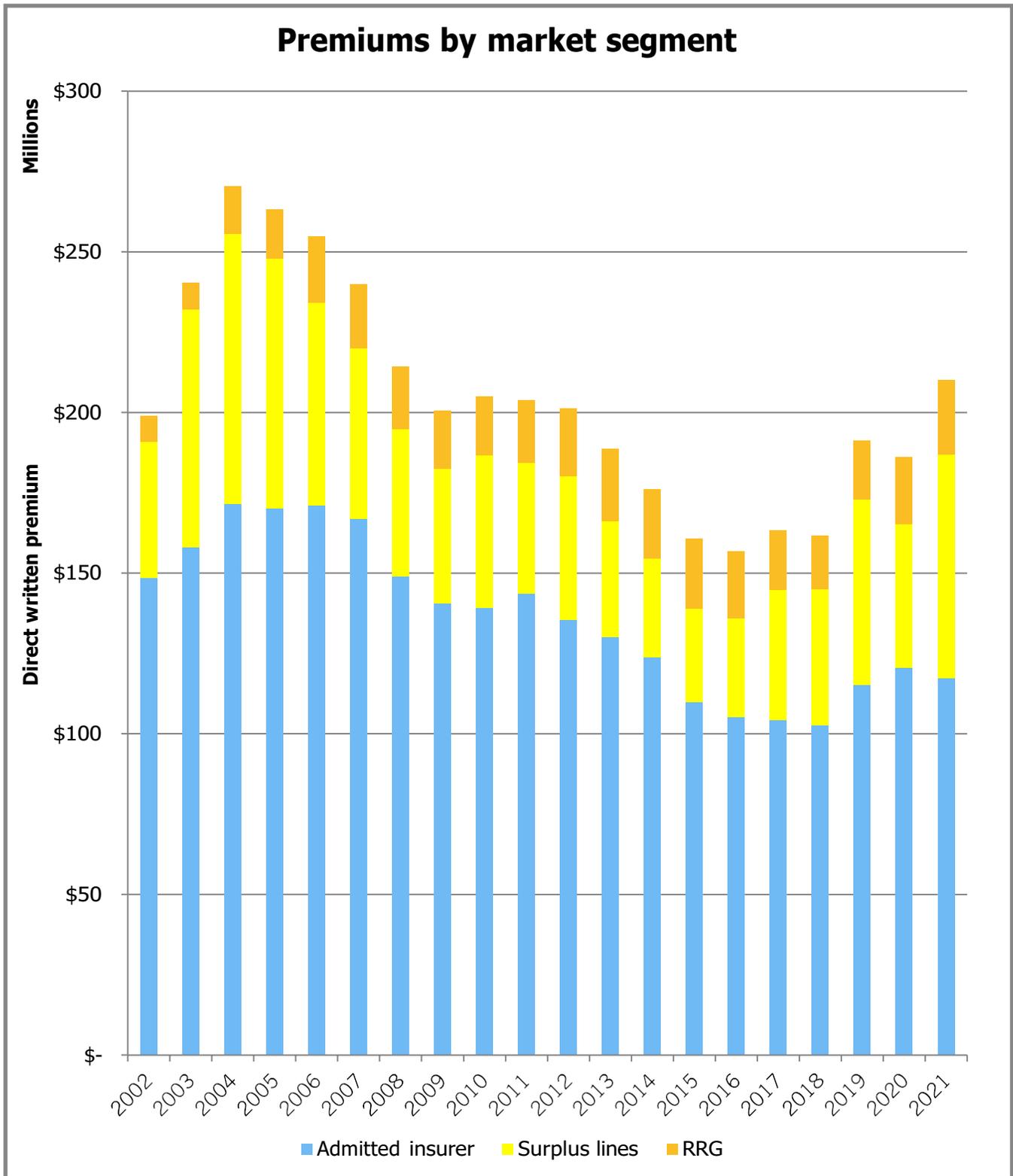
1. Admitted insurers regulated by the insurance commissioner.
2. Unregulated surplus lines insurers.
3. Risk retention groups regulated by their home state.

In 2000, admitted insurers wrote 95.4% of medical professional liability insurance premiums in Washington state. Physicians Insurance Group led the market with 52.7% of the admitted market share and 50.3% of total market share.²³ In 2021, admitted insurers wrote only 55.8% of premium, and the remainder of the market was written by surplus line insurers and risk retention groups. Physicians Insurance still had more than half of the admitted market share at 60.6%, but its share of the overall market was much lower, at 33.8%.

Medical professional liability insurance has been a profitable line of business for insurers in Washington, but profits have declined in recent years. For Physicians Insurance, the operating ratio for 2012-2016 was 88.4%, compared to its 2017-2021 ratio of 98.1%. As shown in Appendix C, Physicians Insurance recently addressed this deterioration by filing a rate increase effective Jan. 1, 2022.

²³ In 2000, Physicians Insurance Group sold insurance through three companies: Physicians Insurance, A Mutual Company; Western Professional Insurance Company; and Northwest Dentists Insurance Company. Western Professional Insurance Company is no longer actively writing insurance, and a group including the ODS Companies and the Washington State Dental Association purchased Northwest Dentists Insurance Company in 2007.

This chart shows the distribution of written premiums for each segment of the medical professional liability insurance market.

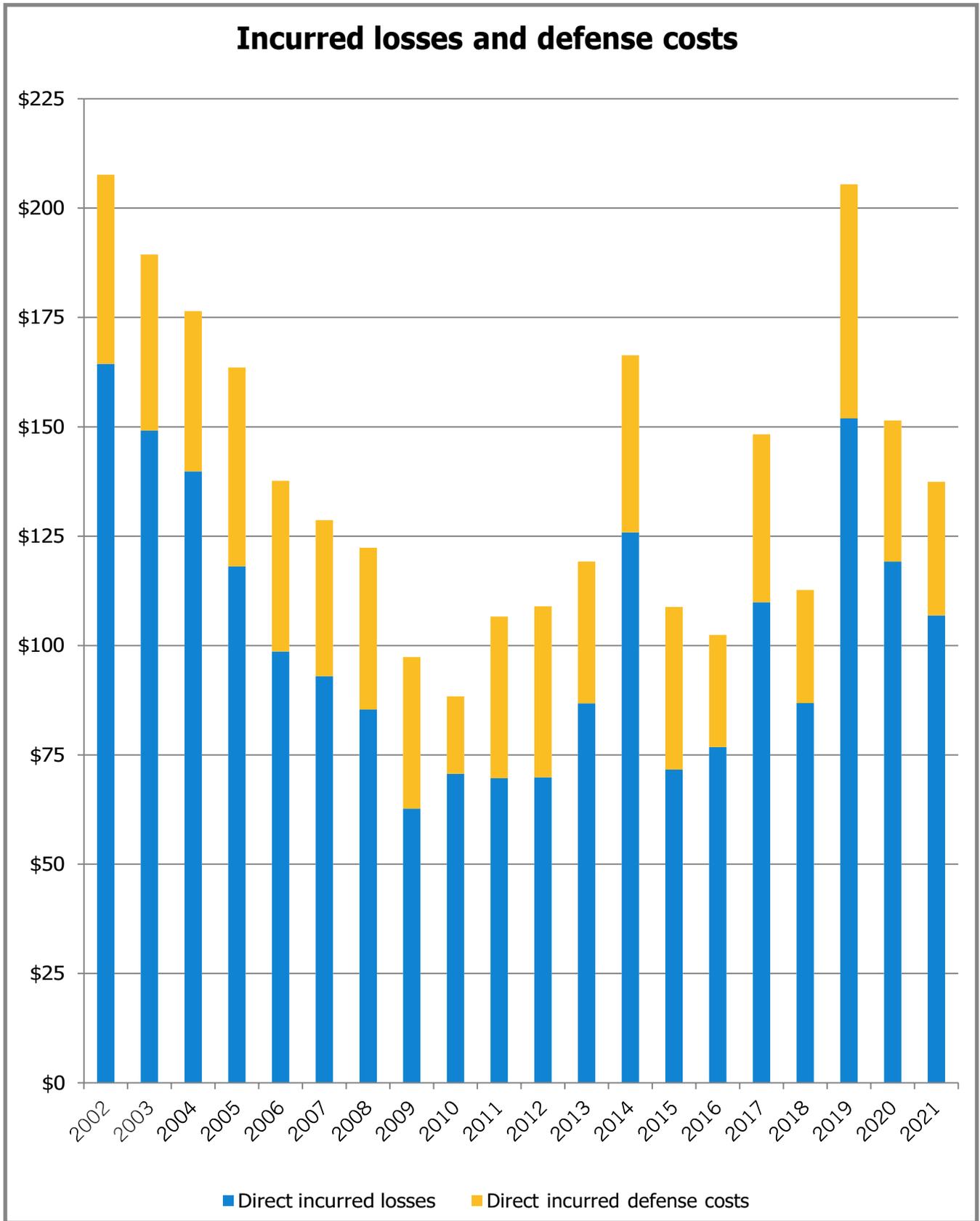


Loss history

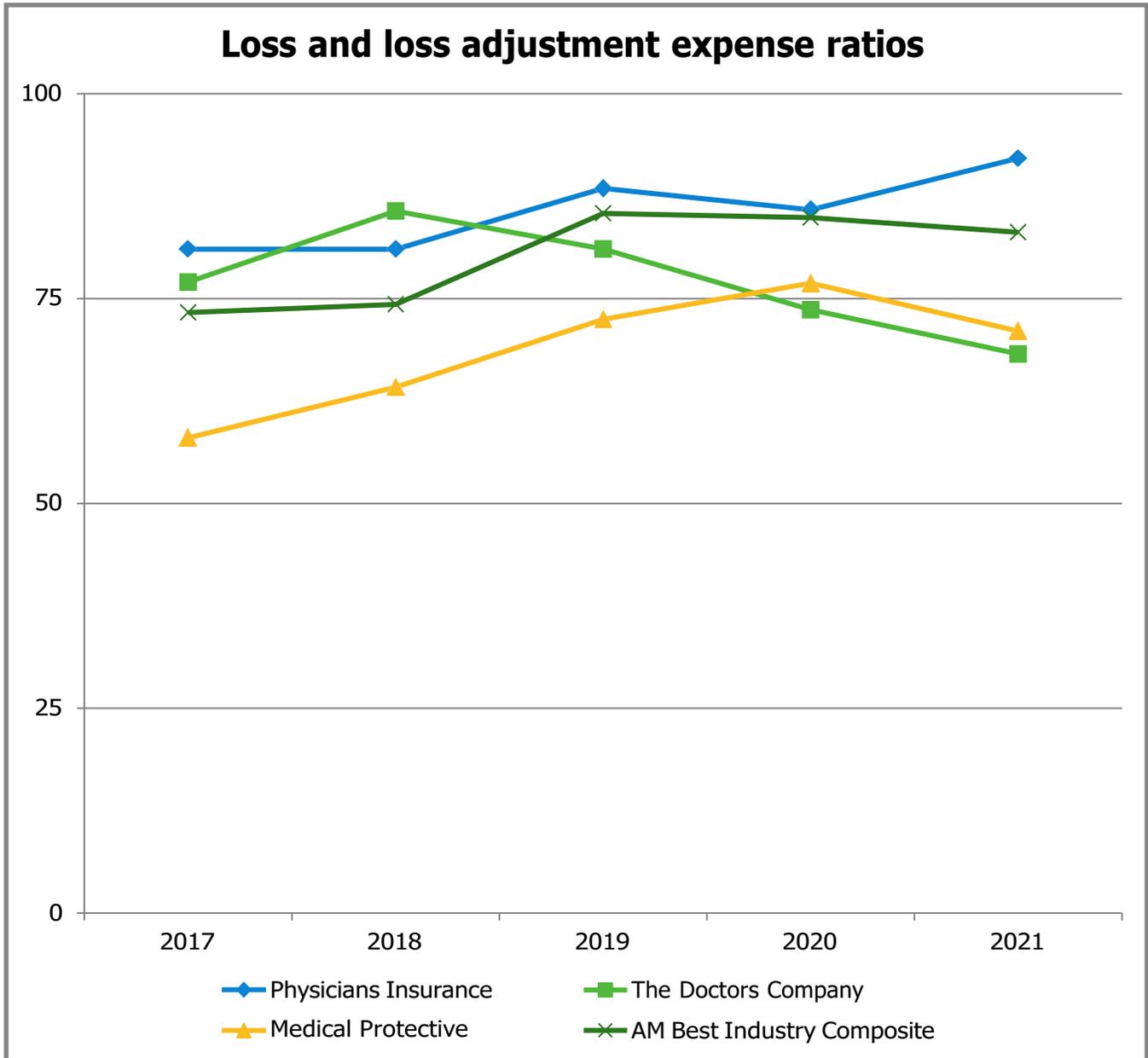
The following table shows data for the total market, which includes admitted insurers, surplus line insurers and risk retention groups. The overall incurred loss and defense cost ratio for medical professional liability insurance in Washington decreased to 65.8% in 2021, the lowest ratio since 2016.

Year	Direct written premium	Direct earned premium	Direct incurred losses	Pure loss ratio	Direct incurred defense costs	Incurred losses & defense costs	Incurred loss & defense cost ratio
2002	\$198,969,671	\$181,843,628	\$164,372,251	90.4%	\$43,275,166	\$207,647,417	114.2%
2003	\$240,251,605	\$234,439,488	\$149,126,311	63.6%	\$40,242,563	\$189,368,874	80.8%
2004	\$270,352,631	\$258,075,781	\$139,822,747	54.2%	\$36,610,655	\$176,433,402	68.4%
2005	\$263,090,674	\$258,403,214	\$118,070,079	45.7%	\$45,446,560	\$163,516,639	63.3%
2006	\$254,759,071	\$253,104,467	\$98,628,303	39.0%	\$39,005,295	\$137,633,598	54.4%
2007	\$239,959,432	\$241,654,054	\$92,960,987	38.5%	\$35,676,308	\$128,637,295	53.2%
2008	\$214,357,164	\$218,726,595	\$85,445,904	39.1%	\$36,841,513	\$122,287,417	55.9%
2009	\$200,445,437	\$202,466,303	\$62,633,183	30.9%	\$34,721,641	\$97,354,824	48.1%
2010	\$204,786,151	\$199,165,328	\$70,634,175	35.5%	\$17,701,695	\$88,335,870	44.4%
2011	\$203,869,400	\$201,195,699	\$69,646,648	34.6%	\$36,923,847	\$106,570,495	53.0%
2012	\$201,288,240	\$193,926,182	\$69,871,999	36.0%	\$39,070,682	\$108,942,681	56.2%
2013	\$188,761,301	\$187,007,042	\$86,745,683	46.4%	\$32,432,507	\$119,178,190	63.7%
2014	\$176,091,879	\$182,705,913	\$125,854,675	68.9%	\$40,501,079	\$166,355,754	91.1%
2015	\$160,752,756	\$164,616,659	\$71,518,739	43.4%	\$37,195,911	\$108,714,650	66.0%
2016	\$156,825,836	\$158,126,354	\$76,761,700	48.5%	\$25,678,427	\$102,440,127	64.8%
2017	\$163,187,482	\$157,522,013	\$109,863,807	69.7%	\$38,378,783	\$148,242,590	94.1%
2018	\$161,729,173	\$164,622,766	\$86,829,983	52.7%	\$25,837,252	\$112,667,235	68.4%
2019	\$191,108,177	\$192,612,461	\$151,898,275	78.9%	\$53,535,200	\$205,433,475	106.7%
2020	\$186,040,296	\$176,978,799	\$119,193,320	67.3%	\$32,261,953	\$151,455,273	85.6%
2021	\$210,111,147	\$208,682,922	\$106,849,943	51.2%	\$30,563,144	\$137,413,087	65.8%
Total	\$4,086,737,523	\$4,035,875,668	\$2,056,728,712	51.0%	\$721,900,181	\$2,778,628,893	68.8%

This chart shows statewide industry incurred losses and defense costs by calendar year.



This chart compares loss and defense cost ratios for Physicians Insurance, The Doctors Company and Medical Protective Company to industrywide data obtained from A.M. Best.²⁴ The Doctors Company and Medical Protective Company are two of the largest writers of medical professional liability insurance in the United States. The loss and defense cost ratio for Physicians Insurance continues to be higher than for the market overall.



²⁴ Best's Market Segment Report – Difficult Environment for US Medical Professional Liability (May 4, 2022)

Claim reserves

Incurred losses and defense costs reported to the NAIC by Physicians Insurance, The Doctors Company, and The Medical Protective Company show generally worsening loss development trends. Loss development is the change in the estimated cost of a particular group of claims between the beginning and end of a period in time. Favorable loss development means losses and defense costs decreased from the beginning to the end of the period.²⁵ Reserves released from prior years translate into profit for the current year.

Appendix B shows data from the 2021 annual statement for Physicians Insurance.²⁶ This table shows the change in incurred loss and defense cost reserves over time. Overall, Physicians Insurance had favorable incurred loss development and returned some of its profits to policyholders in the form of dividends totaling \$45 million from 2012 to 2020. However, in 2021, loss development was less favorable and no dividends were paid.

Appendix B also shows loss development for The Doctors Company and Medical Protective Company. As compared to Physicians Insurance, loss development has been more favorable for both of these companies.

²⁵ Insurers compile the first estimate of incurred losses three months after the end of the year. Medical malpractice claims often take a long time to resolve and the first estimate of incurred losses may be very inaccurate and subject to revisions in later years. There will be changes to total incurred losses from one period to the next, as more claims are paid and the insurer revises reserves for other claims using new information. "Loss development" is the technical term for the change in incurred losses from period to period.

²⁶ Consolidated data from Schedule P, part 2, sections 1 and 2 for medical professional liability occurrence and claims made policies written in all states. Washington-specific information is not available.

Washington state market in 2021

Physicians Insurance dominates the admitted medical professional liability insurance market in Washington. The Doctors Company and Medical Protective are also important participants in the market due to both their premium volume and their strong position in the national medical professional liability marketplace. Premiums written by Physicians Insurance best indicate the profitability of this type of insurance in Washington state, whereas premiums written by The Doctors Company and Medical Protective Company indicate profitability nationwide.

2021 direct written premiums (millions)			
<u>Insurer</u>	Washington	Nationwide	WA % of nationwide
Physicians Insurance	\$71.1	\$91.8	77.4%
The Doctors Company	\$9.8	\$699.3	1.4%
Medical Protective Company	\$7.4	\$683.5	1.1%

This table shows the 10 largest admitted insurers in Washington in 2021.

<u>Admitted insurer</u>	Washington direct written premiums (millions)	Admitted market share
Physicians Ins A Mut Co	\$71.1	60.6%
Doctors Co An Interins Exch	\$9.8	8.4%
Medical Protective Co	\$7.4	6.3%
Proselect Ins Co	\$5.3	4.5%
American Cas Co Of Reading PA	\$5.1	4.3%
Dentists Ins Co	\$4.9	4.2%
NCMIC Ins Co	\$2.9	2.4%
Aspen Amer Ins Co	\$2.1	1.8%
ProAssurance Ins Co of Amer	\$1.7	1.4%
Liberty Ins Underwriters Inc	\$1.4	1.2%
All other admitted insurers	\$5.6	4.8%
Total	\$117.3	100.0%

National market in 2021

Appendix A shows the profitability for Physicians Insurance, The Doctors Company and Medical Protective Company for the 10-year period ending Dec. 31, 2021, using two ratios:

- The operating ratio, which is the combined ratio minus the net investment income ratio.^{27 28}
- The combined ratio, which is the sum of the expense ratio, loss ratio and dividend ratio.^{29 30 31}

This table summarizes overall profitability by operating ratios.³² The operating ratio for Physicians Insurance was over 100% for the second consecutive year in 2021, while The Doctors Company posted its lowest operating ratio since 2013. Of the three companies, Medical Protective Company continues to have the lowest operating ratio.

Year	Operating ratio		
	Physicians Insurance	Doctors Company	Medical Protective
2012	86.2%	76.8%	65.8%
2013	89.7%	83.8%	42.6%
2014	85.7%	102.7%	128.5%
2015	89.5%	98.1%	37.2%
2016	90.6%	101.6%	49.3%
2017	88.7%	93.6%	46.7%
2018	90.8%	95.7%	47.9%
2019	96.0%	99.3%	48.8%
2020	105.5%	94.1%	60.9%
2021	105.1%	89.9%	57.3%

²⁷ The operating ratio measures a company's overall operational profitability from underwriting and investment activities. If an operating ratio is below 100%, the company is making a profit from its underwriting and investment activities.

²⁸ The net investment income ratio is calculated by dividing net investment income by net earned premiums.

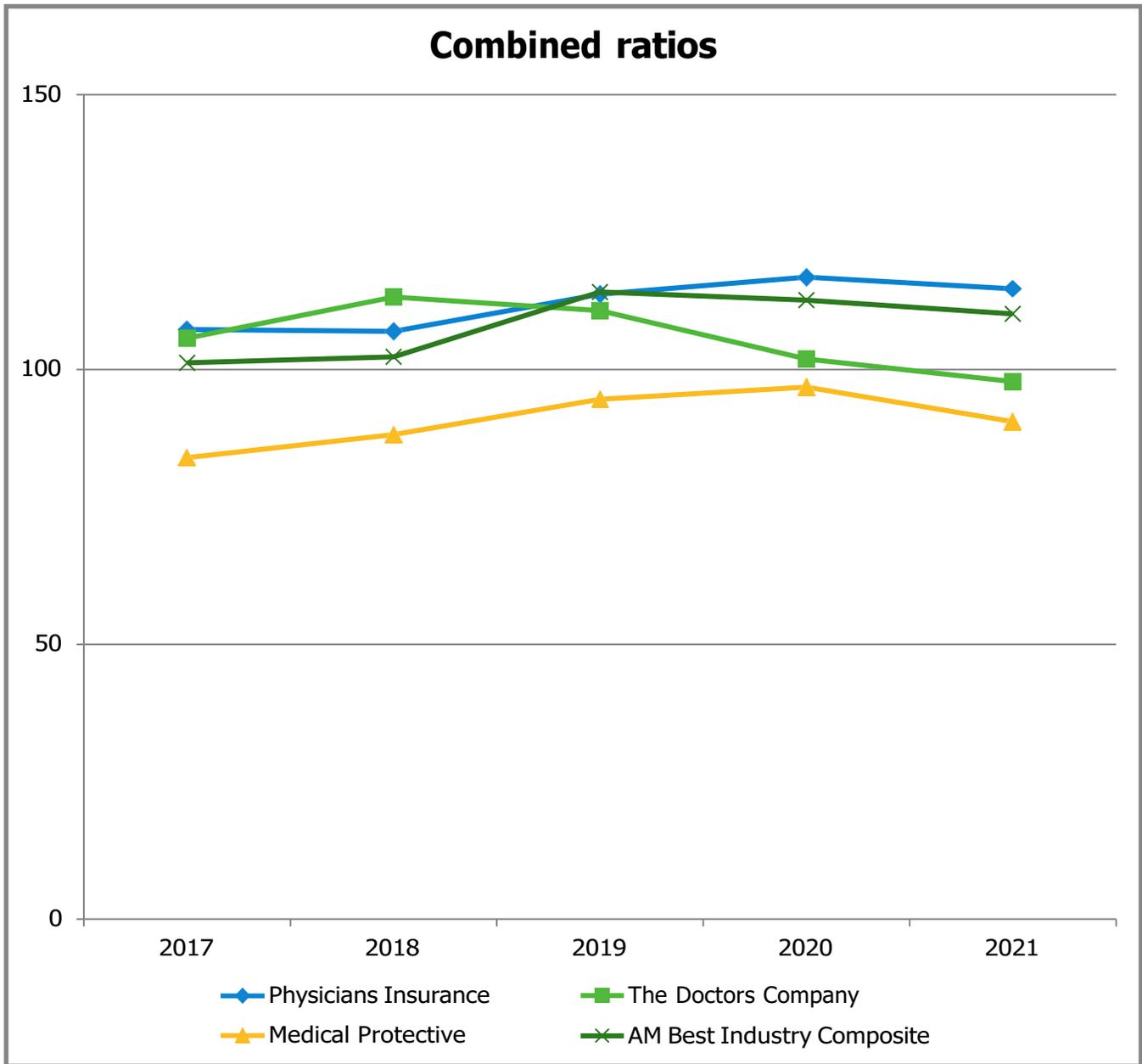
²⁹ The expense ratio is calculated by dividing incurred underwriting expenses by net written premiums.

³⁰ The loss ratio is calculated by dividing losses and defense costs by net earned premiums.

³¹ The dividend ratio is calculated by dividing policyholder dividends by net earned premiums.

³² Loss portfolio transfers between Medical Protective and its affiliates distorted its operating ratios in 2012, 2014 and 2015.

This chart compares combined ratios from Physicians Insurance, The Doctors Company and Medical Protective Company to cumulative data obtained from A.M. Best.^{33 34}



³³ Best's Market Segment Report – Difficult Environment for US Medical Professional Liability (May 4, 2022)

³⁴ The combined ratio measures how well an insurance company is performing in its daily operations. A ratio below 100% means the company is making an underwriting profit. A company can make an operating profit if the combined ratio is above 100%, because the ratio does not include investment income.

Information about medical malpractice claims

	<u>Year closed</u>				
	2017	2018	2019	2020	2021
Claims closed	814	831	677	626	559
Number of indemnity payments	361	414	303	266	273
Paid indemnity	\$119,624,942	\$188,379,498	\$187,608,420	\$156,831,379	\$146,007,178
Average indemnity payment	\$331,371	\$455,023	\$619,170	\$589,592	\$534,825
Median indemnity payment	\$35,000	\$100,000	\$125,000	\$125,000	\$160,000
Economic loss	\$84,214,632	\$110,899,936	\$153,690,350	\$100,996,578	\$89,204,971
Average economic loss	\$233,282	\$267,874	\$507,229	\$379,686	\$326,758
Median economic loss	\$20,000	\$44,600	\$85,000	\$75,000	\$95,000
Number of claims with defense costs	681	717	607	577	498
Defense costs	\$42,198,930	\$51,800,642	\$45,191,974	\$55,121,758	\$34,606,222
Average defense cost	\$61,966	\$72,246	\$74,451	\$95,532	\$69,490
Median defense cost	\$14,108	\$15,449	\$22,017	\$16,942	\$22,868

From 2017 to 2021, insurers and self-insurers paid \$798 million on 1,617 claims, or \$493,786 per paid claim.³⁵ The total economic loss was \$539 million, or \$333,337 per paid claim. On average, insurers and self-insurers attributed 67.5% of indemnity payments to economic loss.

Claims reported by insurers and self-insurers included defense costs 87.8% of the time. Insurers and self-insurers paid \$229 million to defend 3,080 claims, or an average defense cost of \$74,325 per claim. The table above shows the annual average defense cost decreased by 27.3% from 2020 to 2021. However, the median defense cost increased by 35% from 2020 to 2021.

³⁵ These amounts differ from what we reported in prior reports, because reporting entities can edit their data. For example, a reporting entity can re-open a claim, make additional payments, and edit the report to show it closed a year later than earlier reported.

Related claims

Insurers and self-insurers identified medical incidents for which they defended more than one claim. This happens if a claimant alleges more than one medical provider or facility is responsible for their injury and the insurer covers both parties. About half of the 1,456 reported multiclaim incidents resulted in indemnity payments. From 2008³⁶ to 2021, the aggregate average indemnity payment per incident was \$660,085, which is 2.1 times the average per-claim indemnity payment for the same period.

Often, related claims from a single incident are resolved at different times, so there can be a lag between the insurer's or self-insurer's first claim report related to an incident and its final report that closes the series of related claims. This means average indemnity payments at the incident level will increase over time as additional claims related to previously reported incidents are resolved.

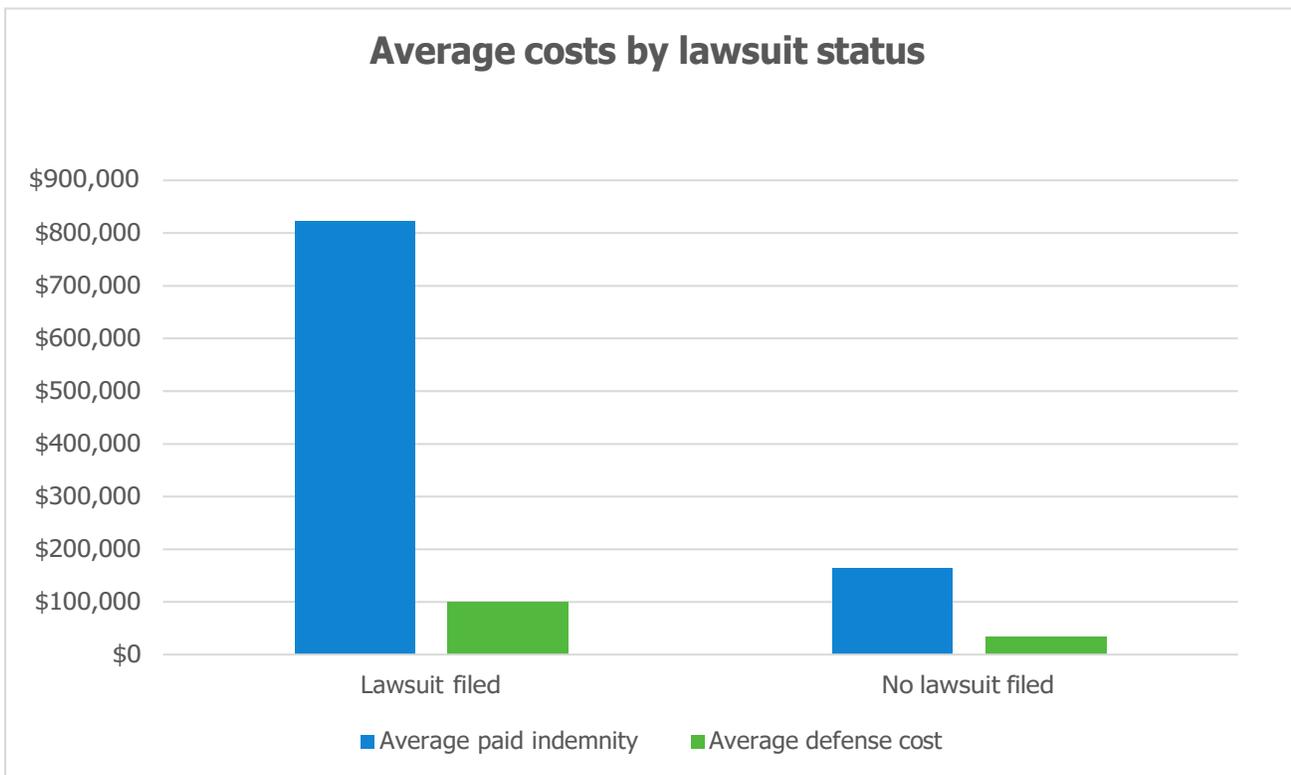
³⁶ Because claims related to the same incident can be closed on different dates, this discussion of incident-level information uses all available closed claim data, which insurers started reporting to the OIC in 2008. The remainder of our analysis of closed claim data uses information related to claims closed between 2017 and 2021.

Lawsuit status

This table summarizes litigation data.³⁷

Five year period ending December 31, 2021							
Lawsuit status	Number of claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Claims with defense costs	Defense costs	Average defense cost
Lawsuit filed	1,922	811	\$667,253,979	\$822,755	1,902	\$189,858,527	\$99,820
No lawsuit filed	1,585	806	\$131,197,438	\$162,776	1,178	\$39,060,999	\$33,159
Total	3,507	1,617	\$798,451,417	\$493,786	3,080	\$228,919,526	\$74,325

Of the 3,507 claims reported, claimants filed lawsuits 54.8% of the time. Insurers and self-insurers incurred defense costs in 99% of the claims in which the plaintiff filed a lawsuit. Lawsuits resulted in indemnity payments 42.2% of the time, whereas 50.9% of claims without litigation resulted in indemnity payments.

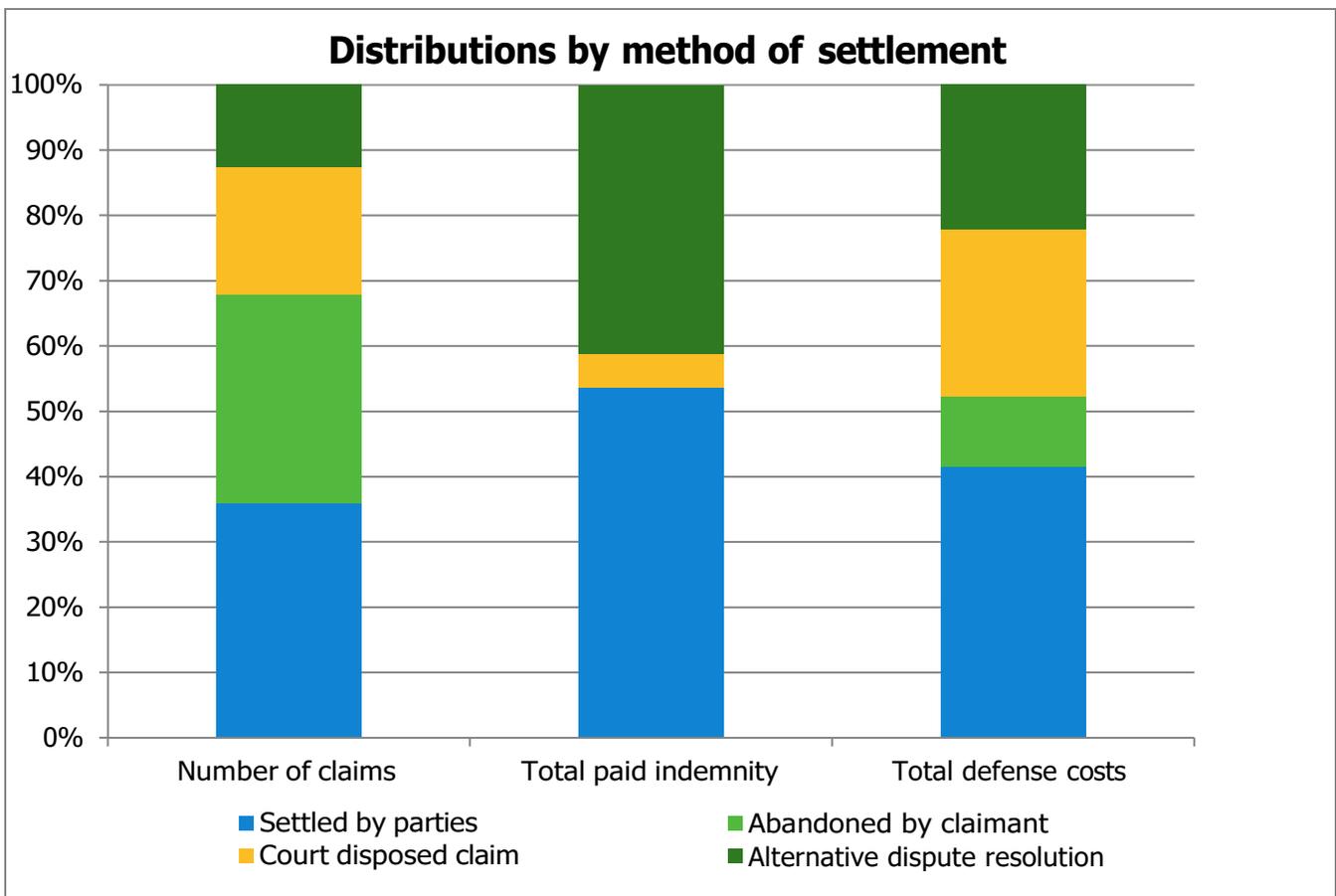


³⁷ These amounts are not comparable to lawsuit settlement data reported by attorneys. Insurers and self-insurers report data for each defendant. Attorneys submit one settlement report that includes payments made by all defendants named in the lawsuit.

Method of settlement

Five year period ending December 31, 2021							
Method of claim resolution	Number of claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Claims with defense costs	Defense costs	Average defense costs
Settled by parties	1,258	1,075	\$427,654,920	\$397,819	939	\$95,063,651	\$101,239
Abandoned by claimant	1,123	123	\$639,133	\$5,196	1,025	\$24,532,817	\$23,934
Court disposed claim	685	19	\$41,362,444	\$2,176,971	685	\$58,472,171	\$85,361
Alternative dispute resolution	441	400	\$328,794,920	\$821,987	431	\$50,850,887	\$117,983
Total	3,507	1,617	\$798,451,417	\$493,786	3,080	\$228,919,526	\$74,325

Plaintiff verdicts were few. Insurers and self-insurers reported 19 claims resolved by plaintiff verdict or judgment, 17 of which resulted in an indemnity payment averaging \$2.4 million.³⁸ The courts ruled in favor of defendants in the vast majority of cases.



³⁸ In cases where a lawsuit has more than one defendant, some defendants may not be responsible to compensate the claimant.

Size of indemnity payments

This table shows that insurers and self-insurers settled 53.9% of claims without making an indemnity payment, and 51.5% of the remaining claims had indemnity payments of \$100,000 or less.

Five year period ending December 31, 2021					
Range of paid indemnity	Number of claims	% of claims	Paid Indemnity	% of paid	Average paid indemnity
\$0	1,890	53.9%			
\$1 \$100,000	833	23.8%	\$24,214,863	3.0%	\$29,069
\$100,001 \$200,000	184	5.2%	\$28,549,541	3.6%	\$155,161
\$200,001 \$300,000	120	3.4%	\$30,417,502	3.8%	\$253,479
\$300,001 \$400,000	69	2.0%	\$25,392,591	3.2%	\$368,009
\$400,001 \$500,000	77	2.2%	\$37,177,499	4.7%	\$482,825
\$500,001 \$600,000	32	0.9%	\$18,439,756	2.3%	\$576,242
\$600,001 \$700,000	27	0.8%	\$17,795,000	2.2%	\$659,074
\$700,001 \$800,000	29	0.8%	\$22,030,510	2.8%	\$759,673
\$800,001 \$900,000	21	0.6%	\$18,066,771	2.3%	\$860,322
\$900,001 \$999,999	8	0.2%	\$7,640,000	1.0%	\$955,000
\$1 Million or more	217	6.2%	\$568,727,384	71.2%	\$2,620,864
	3,507	100.0%	\$798,451,417	100.0%	\$493,786

This next table shows how defense costs are related to the size of the indemnity payment.

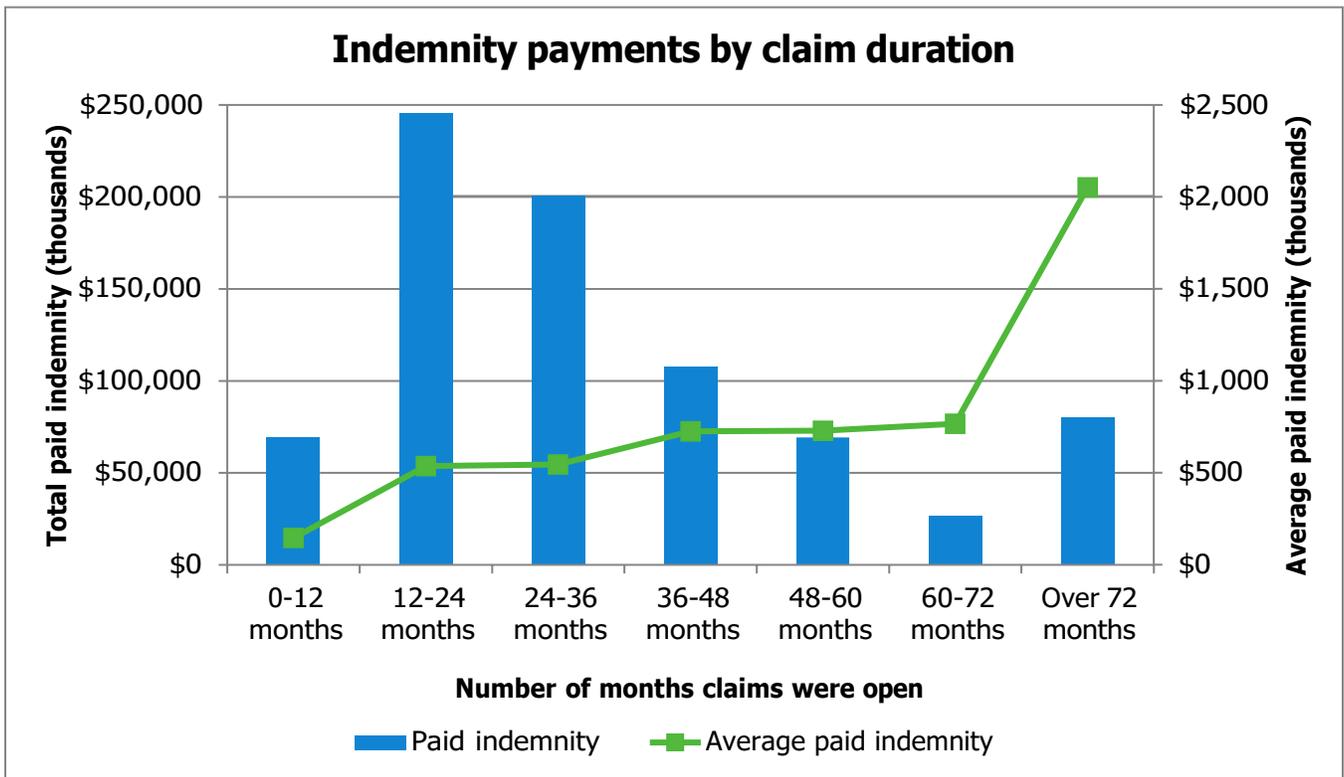
Five year period ending December 31, 2021					
Range of paid indemnity	Number of claims with defense costs	% of total claims with defense costs	Defense costs	% of total defense costs	Average defense cost
\$0	1,889	61.3%	\$85,844,871	37.5%	\$45,445
\$1 \$100,000	445	14.4%	\$18,847,414	8.2%	\$42,354
\$100,001 \$200,000	167	5.4%	\$12,188,319	5.3%	\$72,984
\$200,001 \$300,000	117	3.8%	\$10,584,667	4.6%	\$90,467
\$300,001 \$400,000	67	2.2%	\$7,928,065	3.5%	\$118,329
\$400,001 \$500,000	71	2.3%	\$9,309,809	4.1%	\$131,124
\$500,001 \$600,000	32	1.0%	\$6,495,659	2.8%	\$202,989
\$600,001 \$700,000	26	0.8%	\$2,867,979	1.3%	\$110,307
\$700,001 \$800,000	28	0.9%	\$2,896,352	1.3%	\$103,441
\$800,001 \$900,000	20	0.6%	\$2,284,471	1.0%	\$114,224
\$900,001 \$999,999	8	0.3%	\$870,513	0.4%	\$108,814
\$1 million or more	210	6.8%	\$68,801,407	30.1%	\$327,626
Total	3,080	100.0%	\$228,919,526	100.0%	\$74,325

Claim duration

This table shows claims by age on the date they were closed. Average indemnity payments and average defense costs tend to increase with the age of the claim.

Five year period ending December 31, 2021								
Notice date to closed date	Number of claims	% of total claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Claims with defense costs	Defense costs	Average defense costs
0-12 months	1,090	31.1%	474	\$69,069,936	\$145,717	800	\$10,426,718	\$13,033
12-24 months	1,104	31.5%	458	\$245,653,463	\$536,361	1,036	\$48,312,002	\$46,633
24-36 months	661	18.8%	368	\$200,397,399	\$544,558	607	\$68,870,563	\$113,461
36-48 months	299	8.5%	148	\$107,381,342	\$725,550	290	\$36,173,317	\$124,736
48-60 months	188	5.4%	95	\$69,119,006	\$727,568	186	\$21,159,655	\$113,762
60-72 months	83	2.4%	35	\$26,810,562	\$766,016	81	\$16,757,463	\$206,882
Over 72 months	82	2.3%	39	\$80,019,709	\$2,051,787	80	\$27,219,808	\$340,248
Total	3,507	100.0%	1,617	\$798,451,417	\$493,786	3,080	\$228,919,526	\$74,325

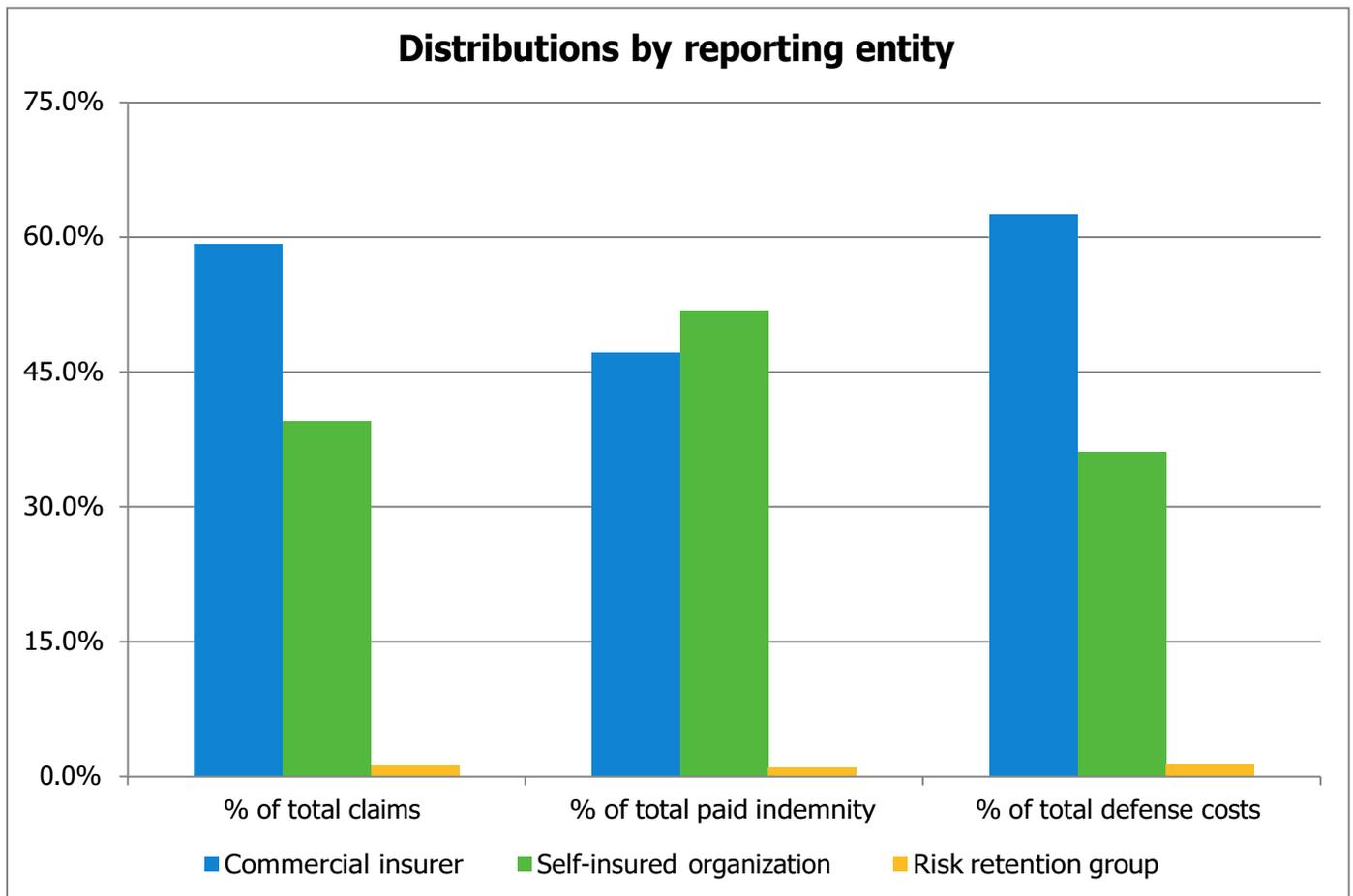
For the 3,507 claims, the average length of time between the notice date and the date closed was 23.4 months, and the median length of time was 18.5 months. Insurers and self-insurers closed 81.4% of all claims within 36 months. Overall, claims closed within 36 months accounted for 64.5% of total paid indemnity and 55.7% of total defense costs.



Type of reporting entity

Commercial insurers reported the highest number of claims and had the highest average paid indemnity.³⁹ Self-insured organizations reported the highest average defense costs.

Five year period ending December 31, 2021							
<u>Reporting entity</u>	Number of claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Claims with defense costs	Defense costs	Average defense costs
Commercial insurer	2,077	754	\$376,254,775	\$499,012	1,969	\$143,201,004	\$72,728
Self insured organization	1,388	843	\$414,142,892	\$491,273	1,072	\$82,720,279	\$77,164
Risk retention group	42	20	\$8,053,750	\$402,688	39	\$2,998,243	\$76,878
Total	3,507	1,617	\$798,451,417	\$493,786	3,080	\$228,919,526	\$74,325

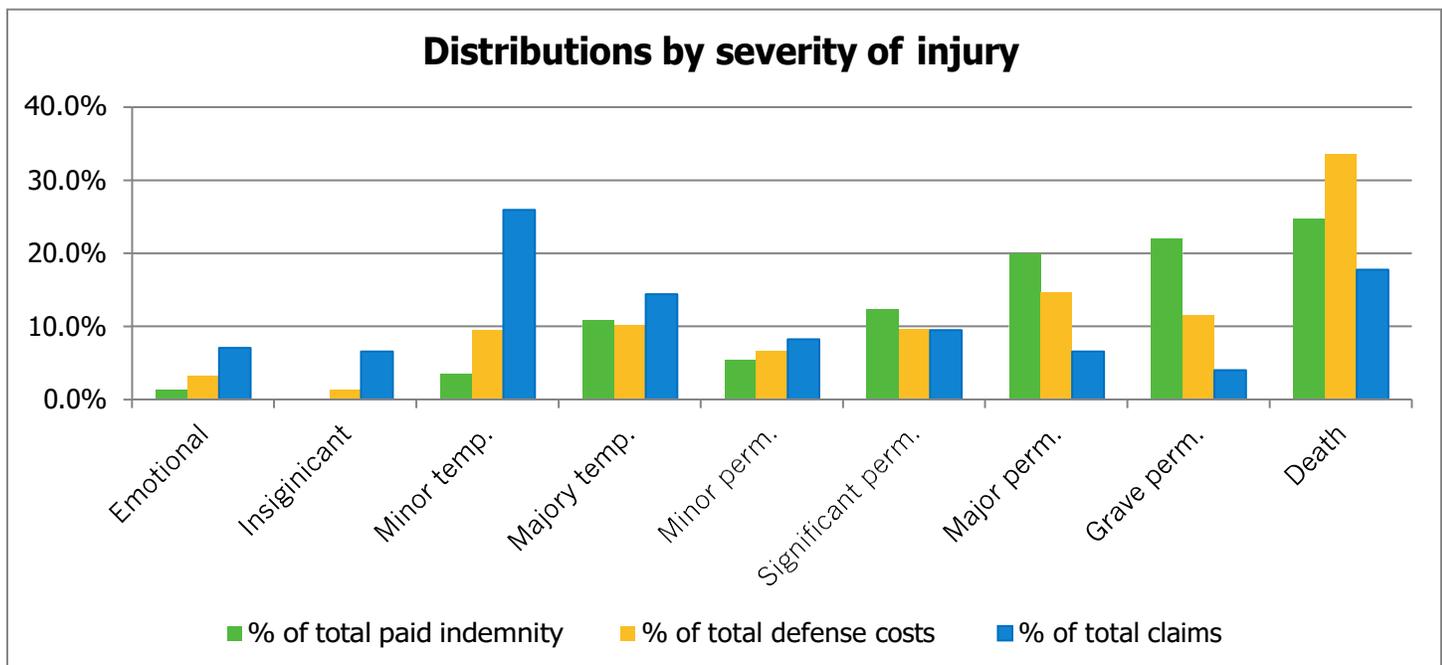


³⁹ Commercial insurers include admitted (licensed) and surplus line insurers.

Injury outcome

This exhibit shows compensation and defense costs by severity of injury.⁴⁰ Injuries were most often classified as minor and temporary, but these claims comprised only 3.4% of total paid indemnity and 9.4% of total defense costs. Grave permanent injuries⁴¹ had the highest average paid indemnity and average defense costs, followed by major permanent injuries in both respects.

Five year period ending December 31, 2021							
Injury outcome	Number of claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Claims with defense costs	Defense costs	Average defense costs
Emotional injury only	247	81	\$10,279,545	\$126,908	212	\$7,291,207	\$34,392
Insignificant injury	230	63	\$818,069	\$12,985	190	\$2,878,604	\$15,151
Minor temporary injury	910	438	\$27,524,348	\$62,841	683	\$21,569,194	\$31,580
Major temporary injury	505	262	\$86,938,127	\$331,825	440	\$23,420,339	\$53,228
Minor permanent injury	288	113	\$43,014,553	\$380,660	266	\$15,074,331	\$56,670
Significant permanent injury	333	150	\$98,363,625	\$655,758	322	\$21,966,958	\$68,220
Major permanent injury	231	130	\$159,451,312	\$1,226,549	223	\$33,534,557	\$150,379
Grave permanent injury	141	77	\$175,296,539	\$2,276,578	138	\$26,455,330	\$191,705
Death	622	303	\$196,765,299	\$649,390	606	\$76,729,006	\$126,616
Total	3,507	1,617	\$798,451,417	\$493,786	3,080	\$228,919,526	\$74,325



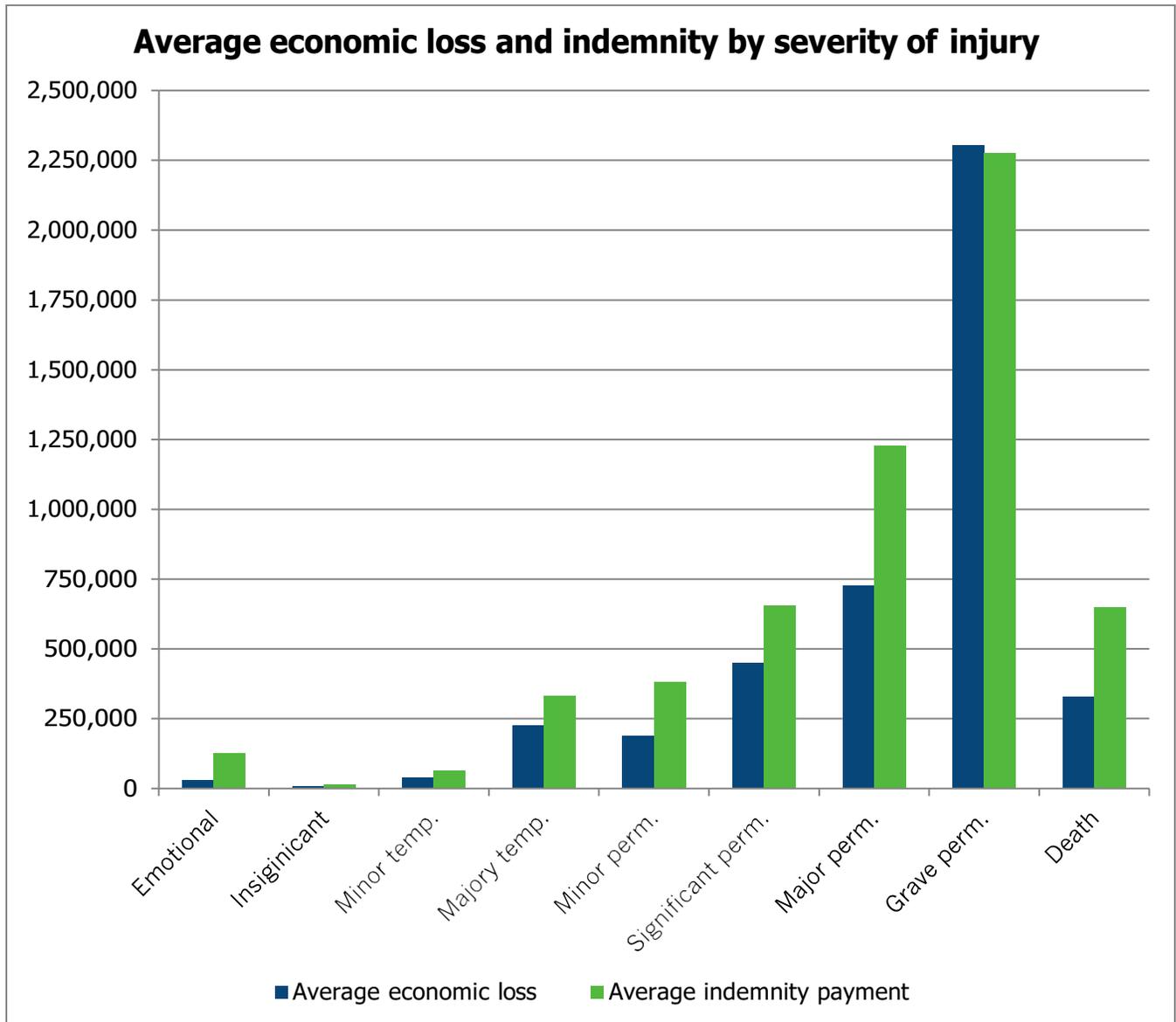
⁴⁰ For a description of each type of injury outcome, see [WAC 284-24D-220](#).

⁴¹ Grave permanent injuries include quadriplegia and severe brain damage, requiring lifelong dependent care.

If they made an indemnity payment, insurers and self-insurers reported the economic loss related to the injury.⁴² The insurer or self-insurer either estimated the economic loss or reported the amount of economic loss awarded by a court.

Patient death claims had a lower average economic loss than claims for significant permanent injury, major permanent injury, or grave permanent injury. If a patient dies, compensation for economic loss is largely calculated based on lost income and services the patient would have provided.

This chart shows the relationship between injury outcome, average paid indemnity and average economic loss.

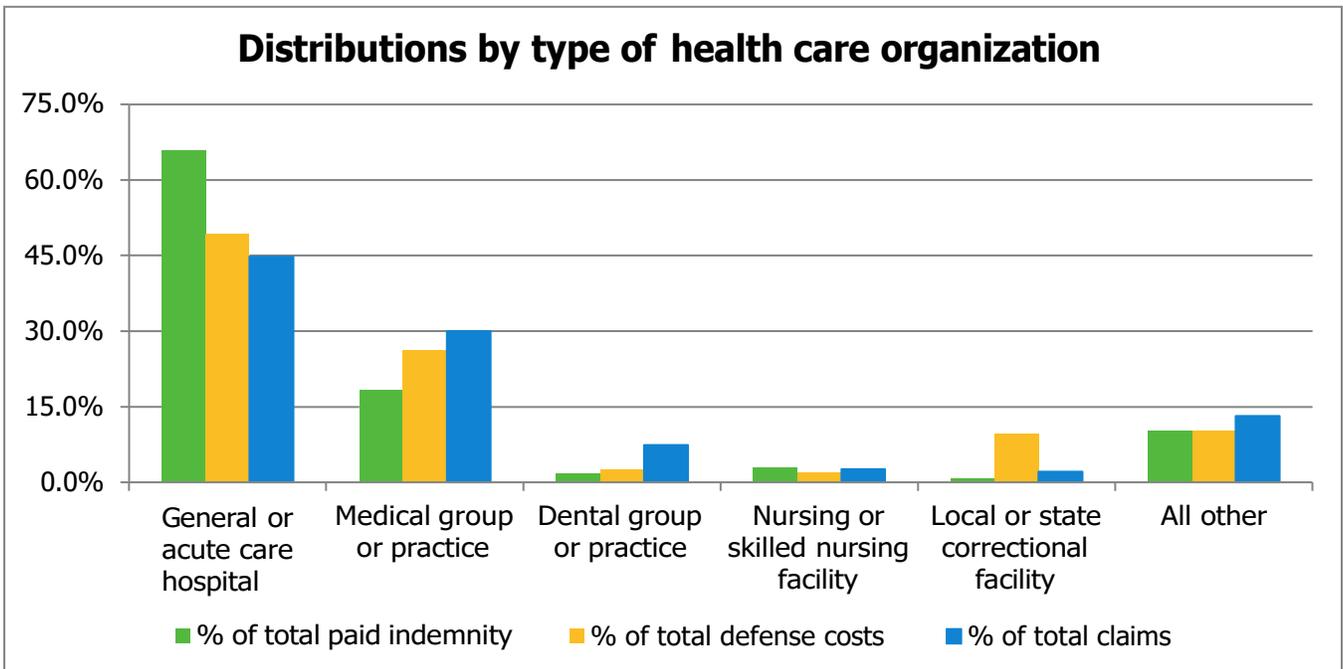


⁴² Economic damages are defined in [RCW 4.56.250](#), and the components of economic losses are described in [WAC 284-24D-360](#).

Type of health care organization

This exhibit shows data segmented by the type of health care organization or provider group.⁴³

Five year period ending December 31, 2021							
Health care organization	Number of claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Claims with defense costs	Defense costs	Average defense costs
General or acute care hospital	1,571	832	\$525,964,596	\$632,169	1,329	\$112,921,334	\$84,967
Medical group or practice	1,051	374	\$146,999,509	\$393,047	981	\$60,127,932	\$61,292
Dental group or practice	259	118	\$13,672,627	\$115,870	209	\$5,954,818	\$28,492
Nursing or skilled nursing facility	91	57	\$24,026,463	\$421,517	83	\$4,423,850	\$53,299
Local or state correctional facility	73	29	\$6,197,289	\$213,700	64	\$22,050,622	\$344,541
Radiology or imaging center	55	12	\$3,898,970	\$324,914	54	\$1,433,519	\$26,547
Ambulatory surgical center	46	14	\$6,045,000	\$431,786	44	\$2,555,559	\$58,081
Chiropractic group or practice	37	21	\$5,320,333	\$253,349	37	\$3,041,237	\$82,196
Podiatric group or practice	36	12	\$3,255,000	\$271,250	36	\$1,794,145	\$49,837
State agency	25	13	\$4,100,450	\$315,419	19	\$1,008,238	\$53,065
All other organizations	263	135	\$58,971,180	\$436,824	224	\$13,608,272	\$60,751
Total	3,507	1,617	\$798,451,417	\$493,786	3,080	\$228,919,526	\$74,325

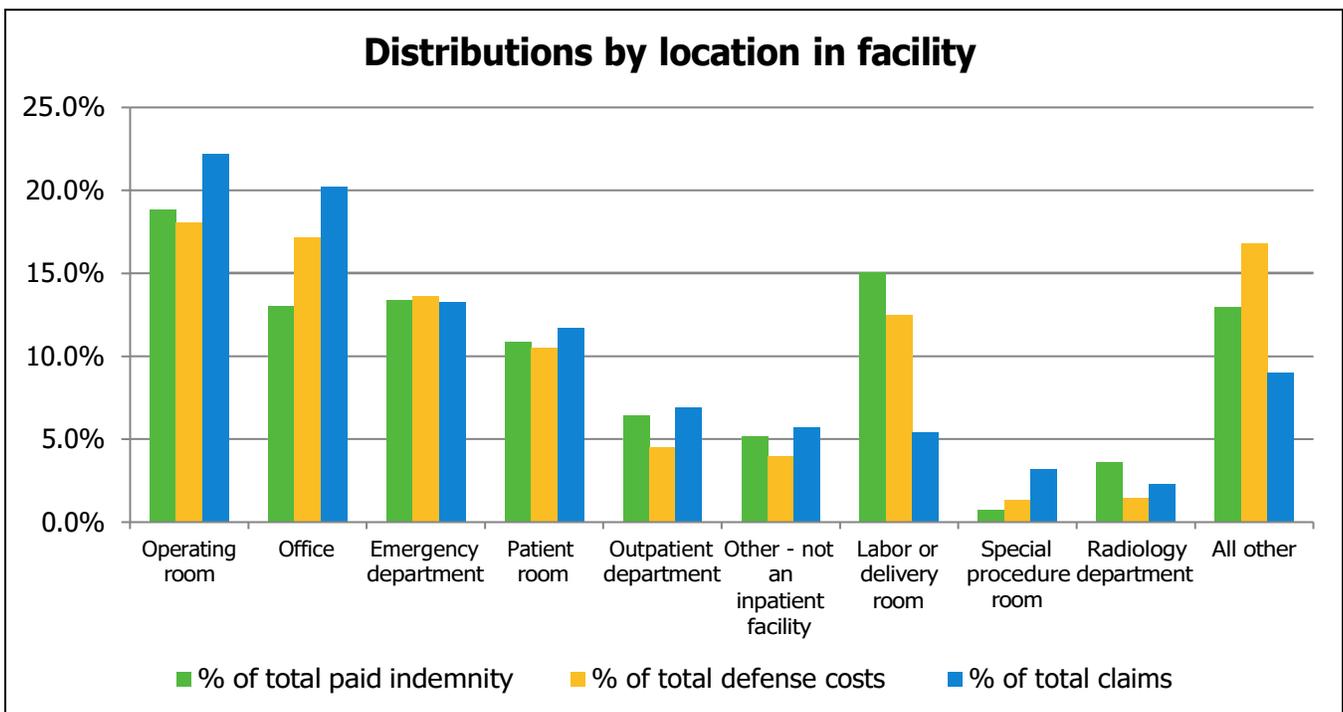


⁴³ Under [RCW 48.140.060](#) and [RCW 42.56.400\(10\)](#), the Insurance Commissioner must protect the identify of each insuring entity, self-insurer, claimant, health care provider, or health care facility involved in a particular claim or collection of claims. For this reason, types of organizations with few claims are grouped together.

Location within the facility

This exhibit shows data by location within the facility where the incident leading to the claim occurred.

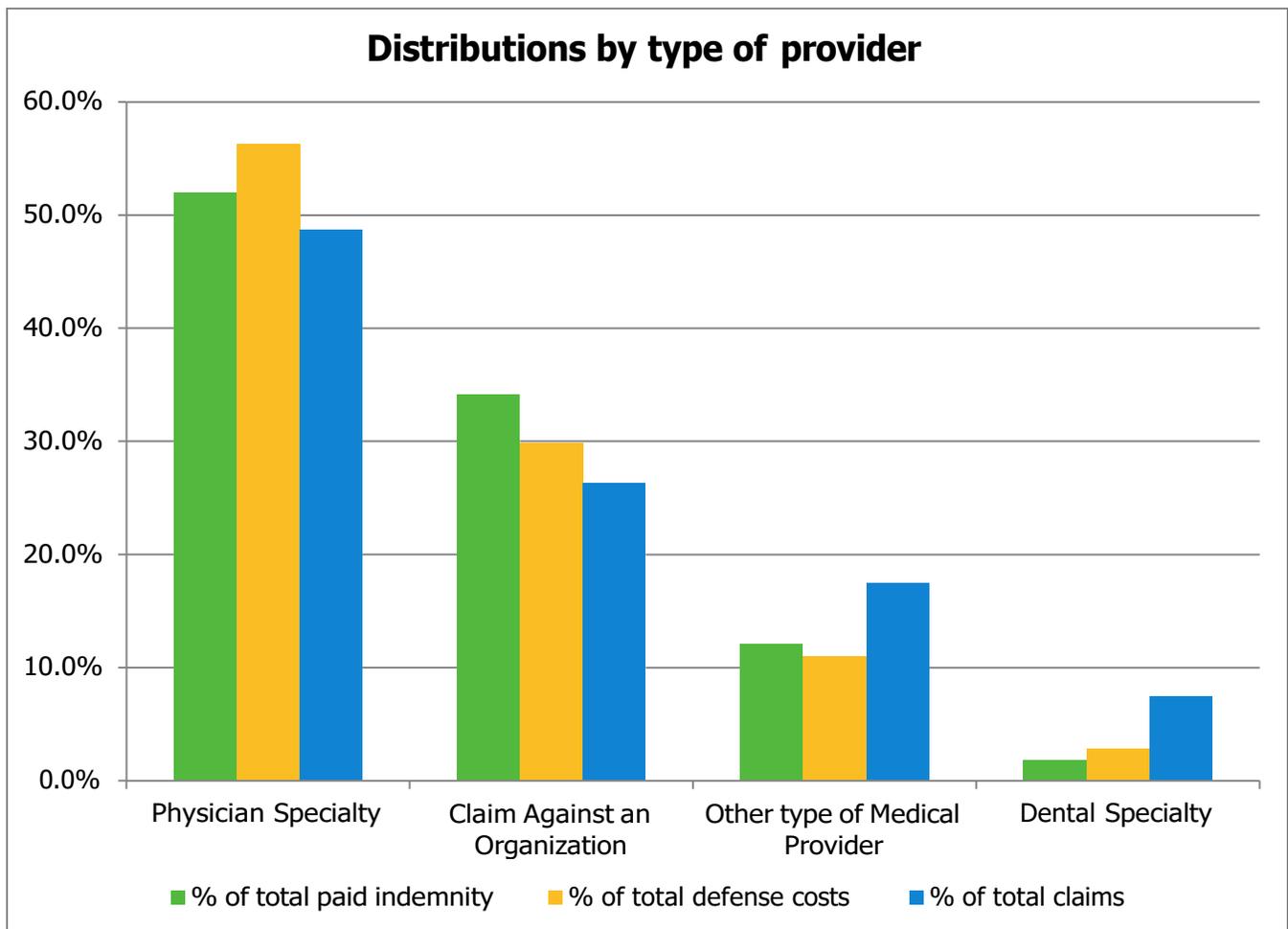
Five year period ending December 31, 2021							
Location within facility	Number of claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Claims with defense costs	Defense costs	Average defense costs
Operating room	779	341	\$150,183,363	\$440,420	689	\$41,357,166	\$60,025
Office	708	231	\$103,890,008	\$449,740	679	\$39,358,657	\$57,966
Emergency department	465	204	\$107,015,685	\$524,587	423	\$31,229,720	\$73,829
Patient room	410	226	\$87,015,272	\$385,023	353	\$24,052,330	\$68,137
Outpatient department	242	143	\$51,127,354	\$357,534	182	\$10,277,303	\$56,469
Other not an inpatient facility	201	88	\$41,399,558	\$470,450	182	\$9,132,232	\$50,177
Labor or delivery room	191	107	\$120,073,511	\$1,122,182	176	\$28,603,346	\$162,519
Special procedure room	113	73	\$5,849,498	\$80,130	62	\$3,068,655	\$49,494
Radiology department	81	40	\$28,582,730	\$714,568	66	\$3,384,121	\$51,275
Walk in clinic	63	30	\$8,595,394	\$286,513	54	\$2,599,181	\$48,133
Laboratory	40	30	\$34,343,364	\$1,144,779	30	\$1,892,355	\$63,079
Rehabilitation center	32	15	\$4,526,580	\$301,772	29	\$20,443,636	\$704,953
Critical care unit	32	18	\$18,768,392	\$1,042,688	26	\$2,939,535	\$113,059
All other locations	150	71	\$37,080,708	\$522,263	129	\$10,581,289	\$82,025
Total	3,507	1,617	\$798,451,417	\$493,786	3,080	\$228,919,526	\$74,325



Type of medical provider

This exhibit shows data by type of medical provider. The “physician specialty” category includes surgeons, general practice physicians, radiologists, neurologists, psychiatrists, and many more. The “other type of medical provider” category includes nursing, physician assistants, technicians, pharmacy, podiatry and psychology, among others.

Five year period ending December 31, 2021							
Provider type	Number of claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Claims with defense costs	Defense costs	Average defense cost
Physician specialty	1,709	742	\$414,863,051	\$559,115	1,566	\$128,895,339	\$82,309
Claim against an organization	922	413	\$272,461,137	\$659,712	809	\$68,332,959	\$84,466
Other type of medical provider	613	341	\$96,318,582	\$282,459	491	\$25,175,266	\$51,273
Dental specialty	263	121	\$14,808,647	\$122,386	214	\$6,515,962	\$30,448
Total	3,507	1,617	\$798,451,417	\$493,786	3,080	\$228,919,526	\$74,325



This table shows claim data for physician specialties that had the largest number of claims.⁴⁴

Five year period ending December 31, 2021							
<u>Provider specialty</u>	Number of claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Claims with defense costs	Defense costs	Average defense cost
Obstetrics and gynecology	211	109	\$63,245,308	\$580,232	197	\$22,905,838	\$116,273
Family practice	204	90	\$37,887,922	\$420,977	178	\$14,859,019	\$83,478
Emergency medicine	189	76	\$31,388,482	\$413,006	172	\$11,921,650	\$69,312
General surgery	168	69	\$23,517,803	\$340,838	153	\$11,015,926	\$72,000
Orthopedic surgery	155	65	\$20,812,614	\$320,194	144	\$8,586,735	\$59,630
Radiology	117	45	\$34,013,920	\$755,865	113	\$7,431,777	\$65,768
Internal medicine	89	29	\$15,754,981	\$543,275	82	\$5,111,505	\$62,335
Anesthesiology	87	57	\$15,497,134	\$271,880	59	\$5,665,650	\$96,028
Neurological surgery	71	31	\$54,588,261	\$1,760,912	70	\$7,217,411	\$103,106
Cardiovascular diseases	50	25	\$16,911,809	\$676,472	47	\$4,249,313	\$90,411
Gastroenterology	46	13	\$4,795,708	\$368,901	42	\$2,836,199	\$67,529
Hospitalist	38	14	\$8,250,000	\$589,286	38	\$2,857,153	\$75,188
Pediatrics	38	15	\$37,479,312	\$2,498,621	34	\$8,334,360	\$245,128
Urological surgery	36	16	\$7,310,495	\$456,906	34	\$1,427,481	\$41,985
Otolaryngology	23	12	\$4,341,500	\$361,792	23	\$2,578,475	\$112,108
Neurology	20	11	\$6,635,275	\$603,207	20	\$2,285,318	\$114,266
Diagnostic radiology	16	11	\$5,138,426	\$467,130	15	\$730,231	\$48,682
All other physician types	151	54	\$27,294,101	\$505,446	145	\$8,881,298	\$61,250
Total	1,709	742	\$414,863,051	\$559,115	1,566	\$128,895,339	\$82,309

The largest number of claims against physician specialties were for obstetrics and gynecology. The most common allegation against obstetrics and gynecology were “improper performance” with 35 claims, “improper management” with 23 claims, and “failure to diagnose” with 18 claims.

Pediatrics ranked highest amongst specialties in average paid indemnity and average defense costs. The most common allegation against pediatrics was “failure to diagnose” with eight claims.

⁴⁴ Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), some specialties are grouped together to maintain confidentiality.

This table shows claim data for other types of medical providers.⁴⁵ Nursing staff accounted for the majority of these claims. The most common allegation against nursing staff was “failure to ensure patient safety” with 52 claims, followed by “improper technique” with 31 claims and “failure to monitor” with 29 claims. Physician assistants had the second-highest number of claims, and the most common allegation against this type was “failure to diagnose” with 21 claims.

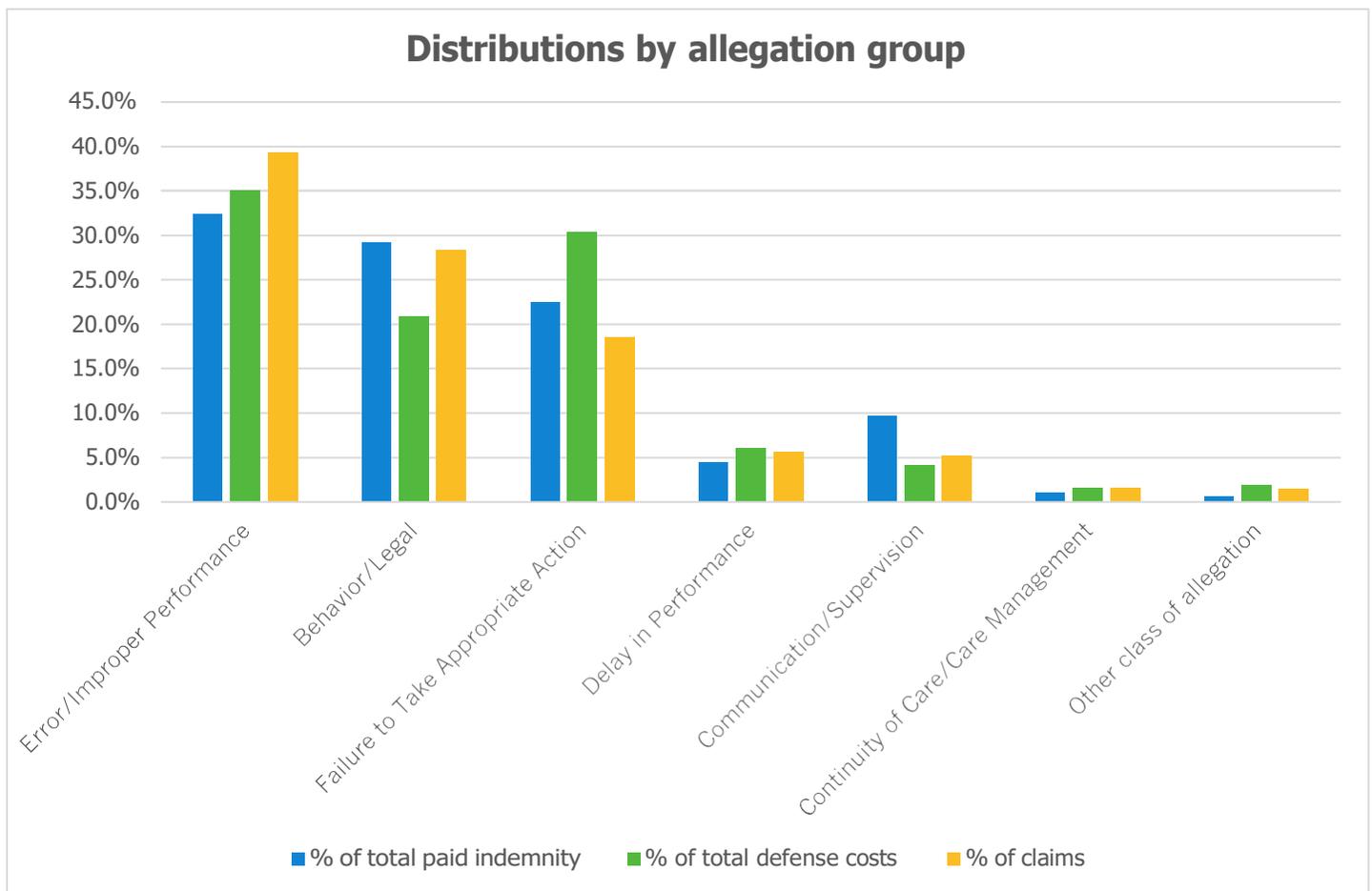
Five year period ending December 31, 2021							
<u>Provider type</u>	Number of claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Claims with defense costs	Defense costs	Average defense cost
Nursing	331	198	\$46,808,124	\$236,405	253	\$12,442,027	\$49,178
Physician assistant	83	38	\$13,119,880	\$345,260	69	\$3,802,576	\$55,110
Podiatry	46	16	\$4,467,500	\$279,219	46	\$2,393,728	\$52,038
Chiropractic	36	19	\$4,452,000	\$234,316	36	\$2,655,713	\$73,770
Emergency medicine	20	10	\$3,704,686	\$370,469	13	\$353,273	\$27,175
All other types	97	60	\$23,766,392	\$396,107	74	\$3,527,949	\$47,675
Total	613	341	\$96,318,582	\$282,459	491	\$25,175,266	\$51,273

⁴⁵ Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), some types of providers are grouped together to maintain confidentiality.

Claim allegations

Insurers and self-insurers identified the primary complaint that led to the medical malpractice claim. This table shows the most common classes of allegations.

Five year period ending December 31, 2021							
Allegation group	Number of claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Claims with defense costs	Defense costs	Average defense cost
Error / improper performance	1,379	639	\$258,889,022	\$405,147	1,195	\$80,219,784	\$67,130
Behavior / legal	993	428	\$233,509,178	\$545,582	868	\$47,719,825	\$54,977
Failure to take appropriate action	649	303	\$179,672,295	\$592,978	604	\$69,576,305	\$115,193
Delay in performance	198	94	\$35,696,637	\$379,751	170	\$13,882,248	\$81,660
Communication / supervision	184	107	\$77,241,332	\$721,882	155	\$9,474,853	\$61,128
Continuity of care / care management	54	23	\$8,403,625	\$365,375	44	\$3,596,710	\$81,743
Other class of allegation	50	23	\$5,039,328	\$219,101	44	\$4,449,801	\$101,132
Total	3,507	1,617	\$798,451,417	\$493,786	3,080	\$228,919,526	\$74,325



This table shows the most common specific allegations for each major class of allegation.

Five year period ending December 31, 2021							
	Total number of claims	Claims with paid indemnity	Total paid indemnity	Average paid indemnity	Claims with defense costs	Total defense costs	Average defense cost
<u>Error / improper performance</u>							
Improper performance	576	219	\$65,729,352	\$300,134	533	\$29,466,834	\$55,285
Improper technique	197	123	\$40,787,367	\$331,605	139	\$7,024,362	\$50,535
Improper management	188	78	\$56,418,803	\$723,318	171	\$17,123,282	\$100,136
Patient history, exam or workup problem	68	22	\$9,556,000	\$434,364	63	\$3,241,003	\$51,444
Surgical or other foreign body retained	40	27	\$6,038,450	\$223,646	35	\$1,692,036	\$48,344
Wrong diagnosis or misdiagnosis	28	16	\$12,844,773	\$802,798	24	\$2,118,009	\$88,250
Equipment utilization problem	26	17	\$5,519,838	\$324,696	22	\$982,200	\$44,645
Patient monitoring problem	21	14	\$5,150,960	\$367,926	19	\$1,325,192	\$69,747
Wrong dosage administered	19	10	\$13,410,768	\$1,341,077	19	\$2,554,577	\$134,451
Intubation problem	18	12	\$12,375,679	\$1,031,307	14	\$2,779,227	\$198,516
<u>Behavior / legal</u>							
Vicarious Liability	764	300	\$192,672,824	\$642,243	672	\$38,044,185	\$56,613
Failure to ensure patient safety	121	89	\$26,055,971	\$292,764	98	\$5,538,007	\$56,510
<u>Failure to take appropriate action</u>							
Failure to diagnose	375	177	\$91,415,566	\$516,472	353	\$28,328,351	\$80,250
Failure to treat	80	28	\$8,420,564	\$300,734	76	\$5,936,697	\$78,114
Failure to monitor	64	36	\$16,286,532	\$452,404	56	\$24,671,937	\$440,570
Failure to order appropriate test	31	13	\$10,301,393	\$792,415	28	\$1,639,774	\$58,563
Failure to recognize a complication	28	15	\$21,412,871	\$1,427,525	25	\$1,447,778	\$57,911
Failure to identify fetal distress	16	10	\$19,704,313	\$1,970,431	16	\$3,796,834	\$237,302
<u>Delay in performance</u>							
Delay in diagnosis	103	44	\$19,632,457	\$446,192	97	\$7,730,649	\$79,697
Delay in treatment	68	39	\$9,995,010	\$256,282	48	\$2,744,790	\$57,183
<u>Communication / supervision</u>							
Failure to instruct or communicate w/patient	74	38	\$27,839,405	\$732,616	57	\$2,728,768	\$47,873
Communication problem between practitioners	37	24	\$14,849,136	\$618,714	29	\$1,633,470	\$56,327
Improper supervision	30	19	\$11,361,444	\$597,971	29	\$2,154,936	\$74,308
Failure to supervise	20	12	\$2,306,347	\$192,196	19	\$927,913	\$48,838
Failure to report on patient condition	15	10	\$19,897,500	\$1,989,750	15	\$1,720,336	\$114,689

This table shows the most common allegations against physician specialties.

Five year period ending December 31, 2021							
<u>Allegation made against physician specialty</u>	Total number of claims	Claims with paid indemnity	Total paid indemnity	Average paid indemnity	Claims with defense costs	Total defense costs	Average defense cost
Failure to diagnose	322	154	\$81,205,259	\$527,307	305	\$25,573,214	\$83,847
Improper performance	301	112	\$53,119,070	\$474,277	286	\$20,552,747	\$71,863
Improper technique	141	79	\$34,746,701	\$439,832	106	\$5,226,639	\$49,308
Improper management	127	47	\$48,227,097	\$1,026,108	122	\$13,944,680	\$114,301
Delay in diagnosis	83	33	\$16,304,957	\$494,090	78	\$6,879,153	\$88,194
Patient history, exam or workup problem	57	17	\$7,835,499	\$460,912	54	\$2,906,697	\$53,828
Failure to instruct or communicate w/patient	56	29	\$4,833,454	\$166,671	45	\$2,115,140	\$47,003
Failure to treat	51	16	\$6,448,319	\$403,020	49	\$4,926,236	\$100,535
Surgical or other foreign body retained	34	22	\$5,873,823	\$266,992	31	\$1,664,158	\$53,683
Delay in treatment	33	13	\$6,172,418	\$474,801	31	\$2,283,711	\$73,668
Failure to order appropriate test	25	10	\$8,376,393	\$837,639	23	\$1,367,571	\$59,460
Wrong diagnosis	22	15	\$12,819,773	\$854,652	19	\$2,027,232	\$106,696
Communication problem between practitioners	18	10	\$13,174,803	\$1,317,480	16	\$782,309	\$48,894
Equipment utilization problem	18	12	\$5,209,838	\$434,153	17	\$960,759	\$56,515
Unnecessary procedure	18	11	\$2,755,000	\$250,455	17	\$1,713,094	\$100,770

This table shows the most common allegation against dental specialties.

Five year period ending December 31, 2021							
<u>Allegation made against dental provider</u>	Total number of claims	Claims with paid indemnity	Total paid indemnity	Average paid indemnity	Claims with defense costs	Total defense costs	Average defense cost
Improper performance	183	70	\$7,404,936	\$105,785	163	\$4,935,070	\$30,277

This table shows the most common allegations made against other types of medical providers.

Five year period ending December 31, 2021							
<u>Allegation made against other type of provider</u>	Total number of claims	Claims with paid indemnity	Total paid indemnity	Average paid indemnity	Claims with defense costs	Total defense costs	Average defense cost
Improper performance	92	37	\$5,205,346	\$140,685	84	\$3,979,017	\$47,369
Failure to ensure patient safety	59	42	\$7,585,989	\$180,619	45	\$1,679,442	\$37,321
Failure to diagnose	51	22	\$10,186,557	\$463,025	46	\$2,662,689	\$57,885
Improper technique	47	36	\$1,251,666	\$34,768	25	\$1,364,415	\$54,577
Improper management	34	17	\$2,740,230	\$161,190	31	\$1,263,496	\$40,758
Failure to monitor	32	18	\$9,471,341	\$526,186	28	\$2,912,865	\$104,031
Communication problem between practitioners	16	12	\$1,612,280	\$134,357	11	\$786,099	\$71,464

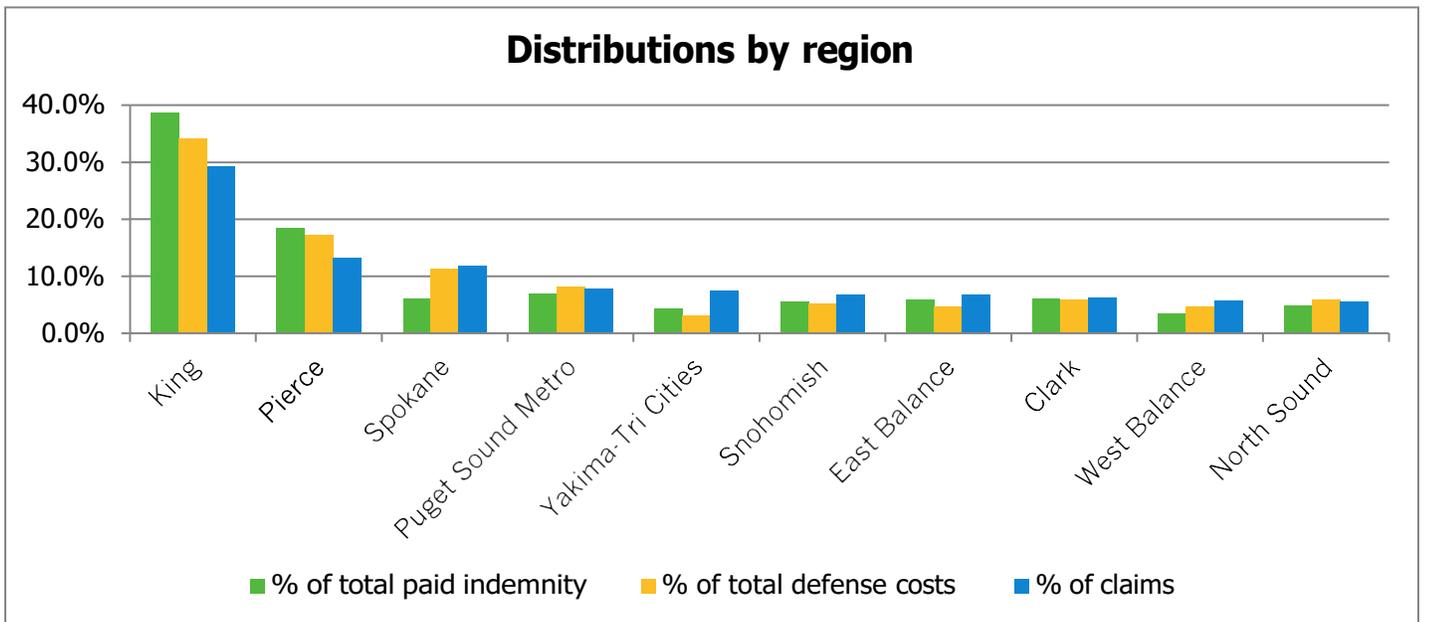
This table shows the most common allegations made against an organization. The most common allegation, "vicarious liability," is secondary liability in which the organization becomes responsible for the acts of an employee or another third party when it had the right, ability or duty to control those actions.

Five year period ending December 31, 2021							
<u>Allegation made against an organization</u>	Total number of claims	Claims with paid indemnity	Total paid indemnity	Average paid indemnity	Claims with defense costs	Total defense costs	Average defense cost
Vicarious liability	722	289	\$189,942,514	\$657,241	632	\$36,591,989	\$57,899
Failure to ensure patient safety	54	42	\$17,991,542	\$428,370	47	\$3,020,305	\$64,262
Improper supervision	21	17	\$10,621,444	\$624,791	20	\$1,645,978	\$82,299
Failure to supervise	16	10	\$2,279,847	\$227,985	15	\$857,665	\$57,178
Failure to monitor	14	10	\$2,365,751	\$236,575	11	\$19,945,480	\$1,813,225

Counties

Insurers and self-insurers reported the county where the medical incident occurred.⁴⁶ To provide information about differences by location, we divided the state into 10 regions.⁴⁷ A few claims were reported as occurring outside of Washington state (not shown).

Five year period ending December 31, 2021								
Region	Number of claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Average economic loss	Claims with defense costs	Defense costs	Average defense costs
King	1,023	525	\$308,028,810	\$586,722	\$393,330	829	\$77,981,842	\$94,067
Pierce	458	216	\$147,344,990	\$682,153	\$406,280	420	\$39,274,233	\$93,510
Spokane	410	165	\$48,541,414	\$294,190	\$237,776	360	\$25,714,665	\$71,430
Puget Sound Metro	270	103	\$54,896,505	\$532,976	\$444,046	252	\$18,534,888	\$73,551
Yakima Tri Cities	257	113	\$34,629,714	\$306,458	\$275,974	239	\$7,214,306	\$30,185
Snohomish	238	94	\$43,452,450	\$462,260	\$406,363	217	\$11,918,617	\$54,925
East balance	235	113	\$46,958,893	\$415,565	\$257,791	207	\$10,527,679	\$50,858
Clark	216	108	\$47,733,666	\$441,978	\$268,090	190	\$13,139,434	\$69,155
West balance	198	89	\$26,694,933	\$299,943	\$124,415	179	\$10,694,626	\$59,747
North Sound	191	86	\$38,579,690	\$448,601	\$232,367	176	\$13,103,813	\$74,453

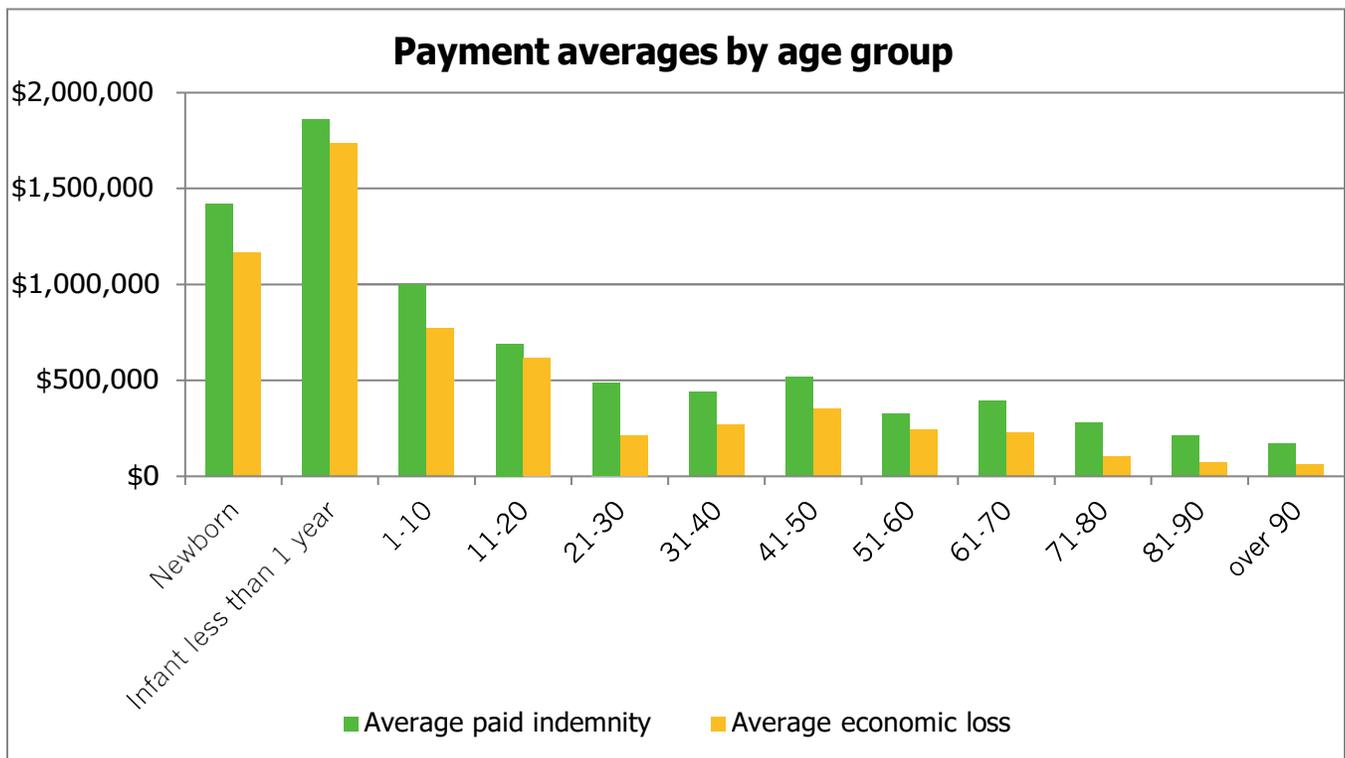


⁴⁶ Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), some counties are grouped together to maintain confidentiality.
⁴⁷ **Yakima-Tri Cities** includes Benton, Franklin and Yakima counties. **East balance** includes Adams, Asotin, Chelan, Columbia, Douglas, Ferry, Garfield, Grant, Kittitas, Lincoln, Okanogan, Pend Oreille, Stevens, Walla Walla and Whitman counties. **Puget Sound Metro** includes Kitsap and Thurston counties. **West balance** includes Clallam, Cowlitz, Grays Harbor, Jefferson, Klickitat, Lewis, Mason, Pacific, Skamania and Wahkiakum counties. **North Sound** includes Island, San Juan, Skagit and Whatcom counties.

Age of claimant

Insurers and self-insurers reported the age group of the claimant.

Five year period ending December 31, 2021						
Age group	Total number of claims	Claims with paid indemnity	Average paid indemnity	Average economic loss	Claims with defense costs	Average defense cost
Newborn	142	75	\$1,422,341	\$1,166,537	133	\$211,413
Infant less than 1 year	51	33	\$1,862,790	\$1,736,760	45	\$134,227
1 10	76	42	\$1,002,014	\$770,931	64	\$73,547
11 20	105	57	\$690,929	\$615,350	79	\$66,673
21 30	290	131	\$485,714	\$211,887	248	\$151,435
31 40	460	194	\$442,933	\$269,552	405	\$69,201
41 50	552	234	\$516,494	\$352,569	496	\$59,922
51 60	800	312	\$328,679	\$243,930	710	\$56,607
61 70	561	285	\$393,424	\$228,867	497	\$54,255
71 80	298	150	\$281,055	\$103,711	263	\$47,460
81 90	142	88	\$214,063	\$72,038	115	\$73,363
over 90	30	16	\$171,843	\$60,521	25	\$56,385
Total	3,507	1,617	\$493,786	\$333,337	3,080	\$74,325



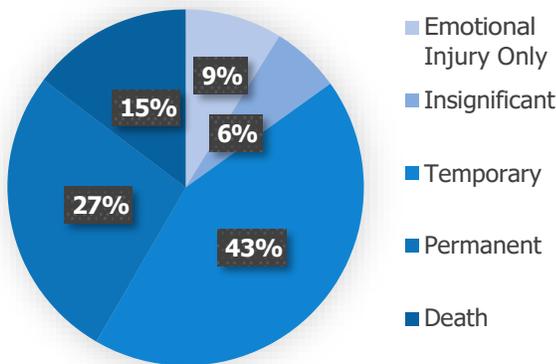
Gender of claimant

This exhibit shows data by gender. For a few claims, the gender was reported as unknown (not shown).

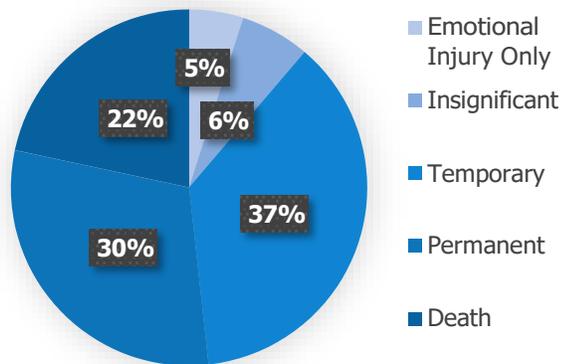
Five year period ending December 31, 2021								
Gender	Total number of claims	Claims with paid indemnity	Total paid indemnity	Average paid indemnity	Average economic loss	Claims with defense costs	Total defense costs	Average defense costs
Female	1,928	905	\$387,638,963	\$428,330	\$256,381	1,673	\$117,226,122	\$70,069
Male	1,567	709	\$406,594,454	\$573,476	\$426,322	1,395	\$110,992,446	\$79,564

The following charts show how injury outcomes⁴⁸ and claimant ages were distributed by gender.

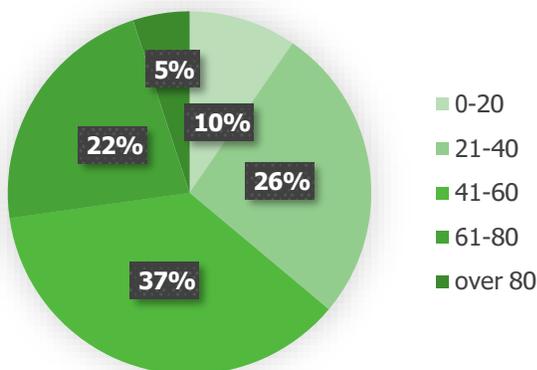
Injury Outcome Females



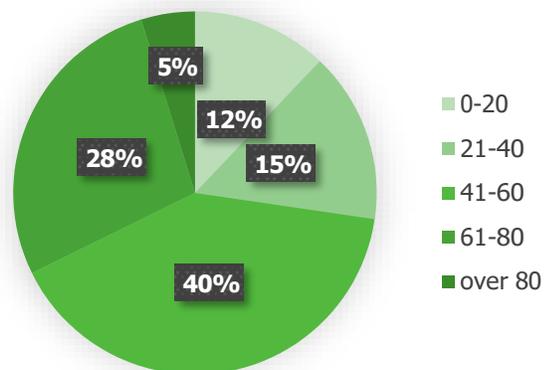
Injury Outcome Males



Age Group Females



Age Group Males



⁴⁸ See page 28 for a more detailed breakdown of the injury outcome categories.

Trends

This chart shows estimates of trends in frequency and severity.⁴⁹

Year closed	Average paid indemnity	Average limited indemnity	Average defense costs	Average of limited indemnity + defense costs	Number of claims closed
2012	\$169,887	\$144,012	\$50,081	\$113,480	1,182
2013	\$231,292	\$179,372	\$47,612	\$127,190	1,126
2014	\$269,353	\$236,575	\$58,177	\$156,593	1,044
2015	\$379,443	\$222,156	\$65,547	\$147,899	1,018
2016	\$281,475	\$219,375	\$65,861	\$154,730	898
2017	\$331,371	\$195,488	\$61,966	\$138,538	814
2018	\$455,023	\$277,182	\$72,246	\$200,426	831
2019	\$619,170	\$288,301	\$74,451	\$195,786	677
2020	\$589,592	\$317,037	\$95,532	\$222,769	626
2021	\$534,825	\$328,618	\$69,490	\$222,794	559
Annual trend	14.1%	8.2%	5.8%	7.5%	-8.0%

Average limited indemnity amounts were calculated by restricting individual claims to a maximum of \$1 million, which is a way to reduce volatility in the trend estimate. The estimated trend in the number of claims closed is low due to late-reported claims; there will likely be more claims than the 559 already reported for 2021.

These trends in medical malpractice insurance costs are not reliable estimates of changes over time for several reasons. Medical malpractice claims can take several years to close and the averages shown for each closed-year include data from incidents that occurred over many years. Thus, trends estimated using closed-year data can be distorted by changes in claim settlement rates. Because of these distortions, the trend in the number of claims closed is a poor estimate of frequency trend. A frequency is calculated as the number of claims per exposure (e.g., per policy or per physician). Since insurers do not report policy counts, physician counts or other exposure data, we cannot calculate a true frequency trend. These trend estimates could also be distorted by changes in data reporting compliance over time.

⁴⁹ An analysis of trends in frequency and severity is required by [RCW 48.140.050\(1\)\(a\)\(i\)](#). Trends shown are based on exponential least squares regression.

Information about medical malpractice lawsuits

This section of the report presents data submitted by plaintiffs' attorneys following the resolution of lawsuits against health care providers and facilities.

	<u>Year settled</u>				
	2017	2018	2019	2020	2021
Settlements reported by attorneys	34	32	18	11	12
Number of settlements with paid indemnity	31	32	16	11	12
Total paid indemnity	\$27,239,000	\$43,422,870	\$15,340,000	\$12,520,000	\$29,619,287
Average payment to claimant	\$878,677	\$1,356,965	\$958,750	\$1,138,182	\$2,468,274
Median payment to claimant	\$475,000	\$725,000	\$700,000	\$650,000	\$1,250,000
Total legal expenses	\$11,347,914	\$18,948,160	\$6,313,494	\$4,818,014	\$11,631,250
Total attorney fees	\$9,520,746	\$16,794,797	\$5,351,851	\$4,321,180	\$10,736,815
Average legal expense	\$333,762	\$592,130	\$350,750	\$438,001	\$969,271
Average fee paid to attorney	\$307,121	\$524,837	\$334,491	\$392,835	\$894,735

From 2017 through 2021, claimants received \$128 million in compensation on 102 settlements, averaging \$1.3 million per settlement.

Claimants paid \$53 million for legal expenses, averaging \$495,877 per lawsuit. Claimants paid \$47 million in attorney fees, or an average of \$458,092 per settlement.⁵⁰ On average, the attorney fee was 36.5% of the total compensation paid to the claimant.

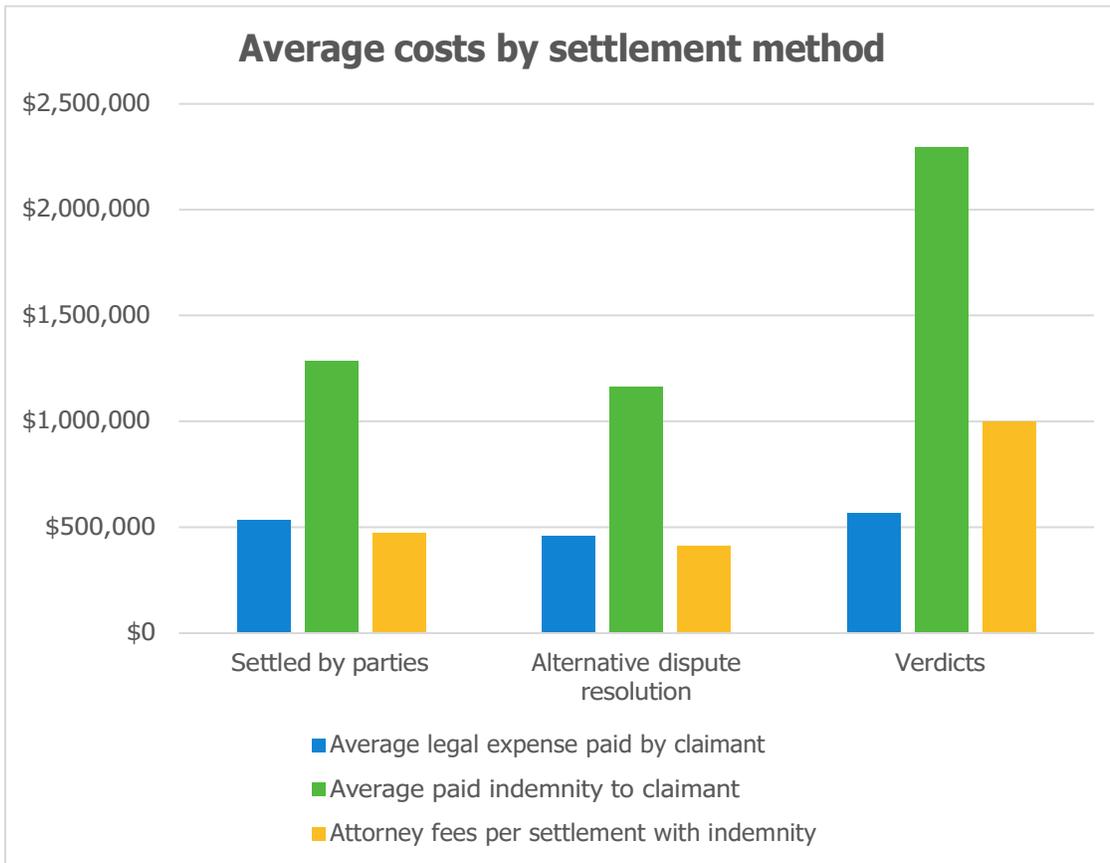
The average indemnity payment per settlement reported by attorneys was much higher than the average indemnity payment reported by insurers on a per-defendant basis. Per-lawsuit averages are expected to be higher than per-defendant averages, since settlements reported by attorneys can involve multiple defendants. Averages reported by attorneys may be biased high; attorneys might be less likely to report data to the OIC for lawsuits resulting in small indemnity payments.

⁵⁰ Attorneys in this area of litigation typically work on a contingency basis and receive fees if one or more defendants compensate the claimant.

Method of settlement

This exhibit shows data segmented by lawsuit settlement method.

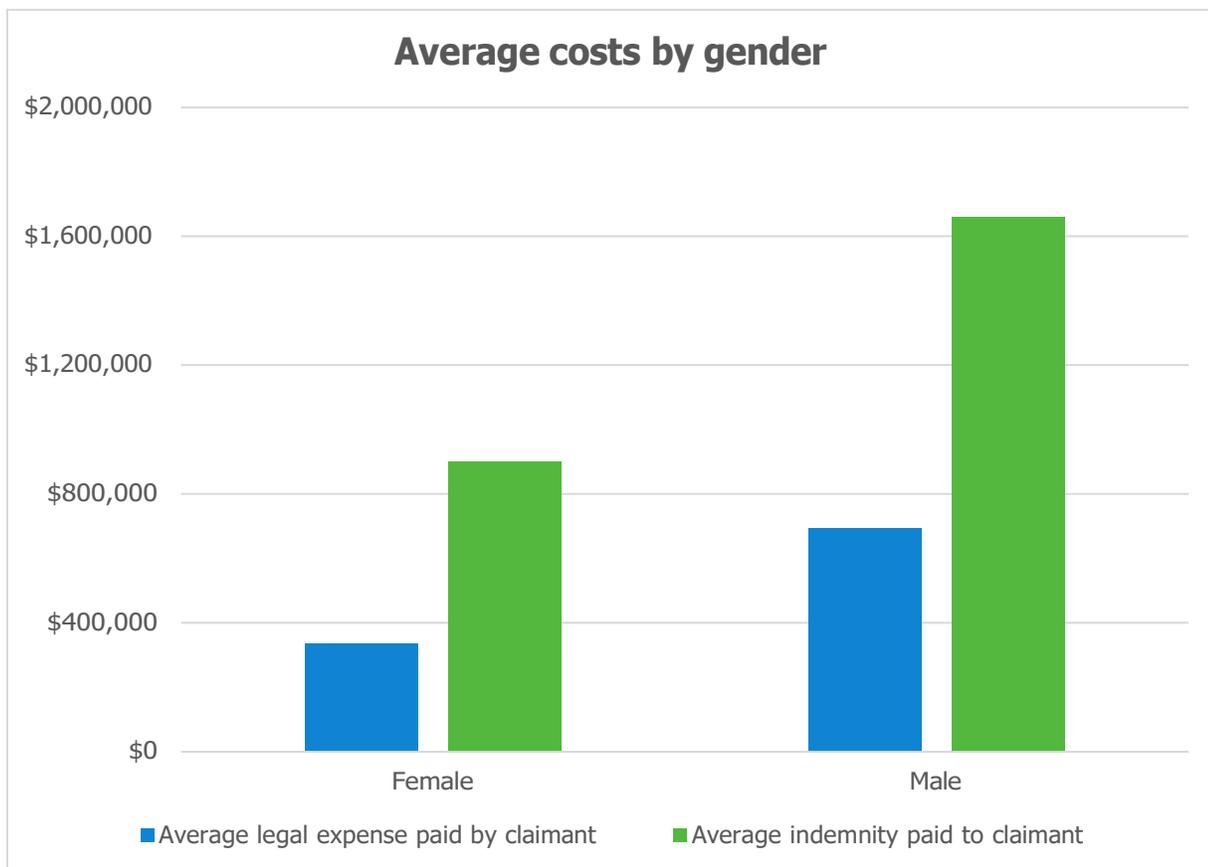
Five year period ending December 31, 2021				
<u>Lawsuit settlement method</u>	Average legal expense paid by claimant	Average paid indemnity to claimant	Attorney fees per settlement with indemnity	Attorney fee as % of indemnity
Settled by parties	\$534,088	\$1,285,837	\$470,548	36.6%
Alternative dispute resolution	\$456,623	\$1,162,551	\$412,219	35.5%
Verdicts	\$566,642	\$2,294,762	\$999,756	43.6%



Gender of claimant

More settlements involved female claimants: 55.1% compared to 44.9% with male claimants.

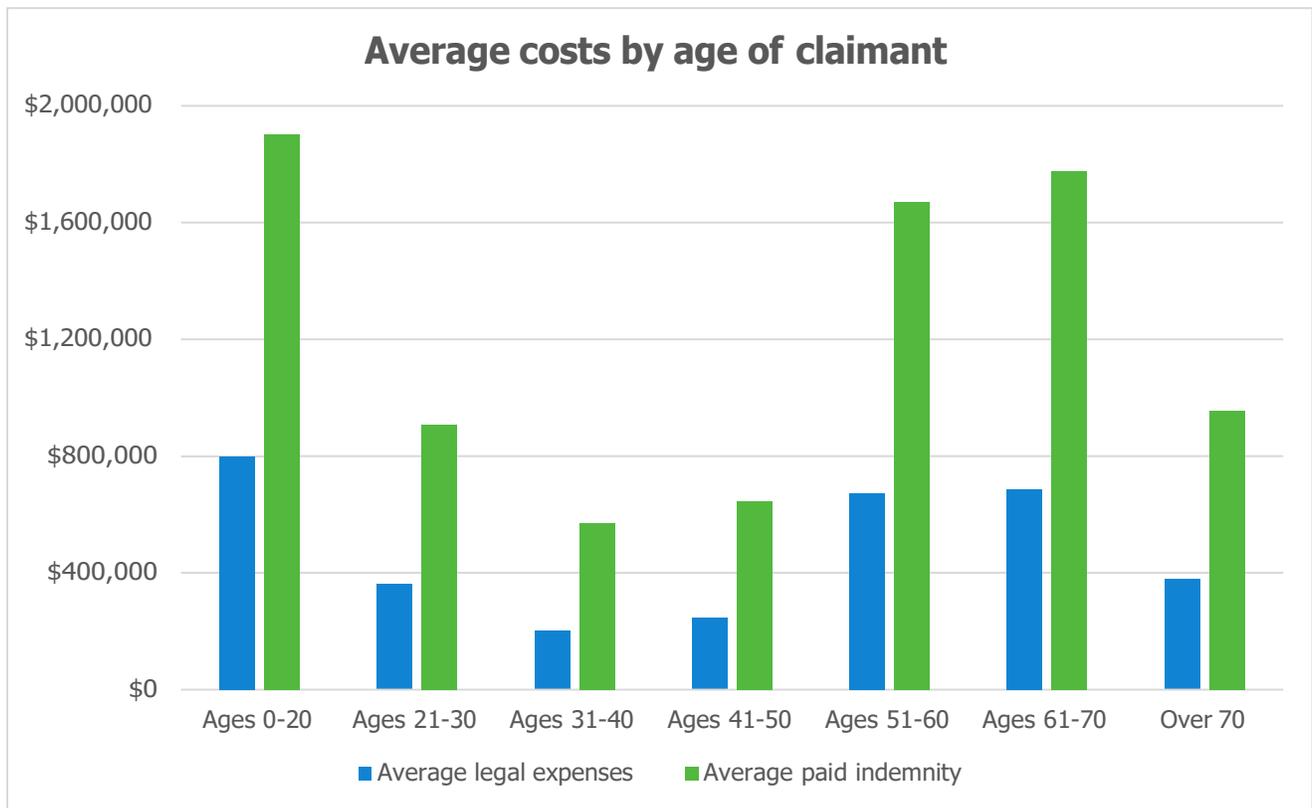
Five year period ending December 31, 2021						
Gender	Settlements with legal fees	Total legal fees	Average legal expense paid by claimant	Settlements with paid indemnity	Total paid indemnity	Average indemnity paid to claimant
Female	59	\$19,826,084	\$336,035	54	\$48,527,870	\$898,664
Male	48	\$33,232,748	\$692,349	48	\$79,613,287	\$1,658,610
Total	107	\$53,058,832	\$495,877	102	\$128,141,157	\$1,256,286



Age of claimant

This data shows data segmented by the age of the claimant.

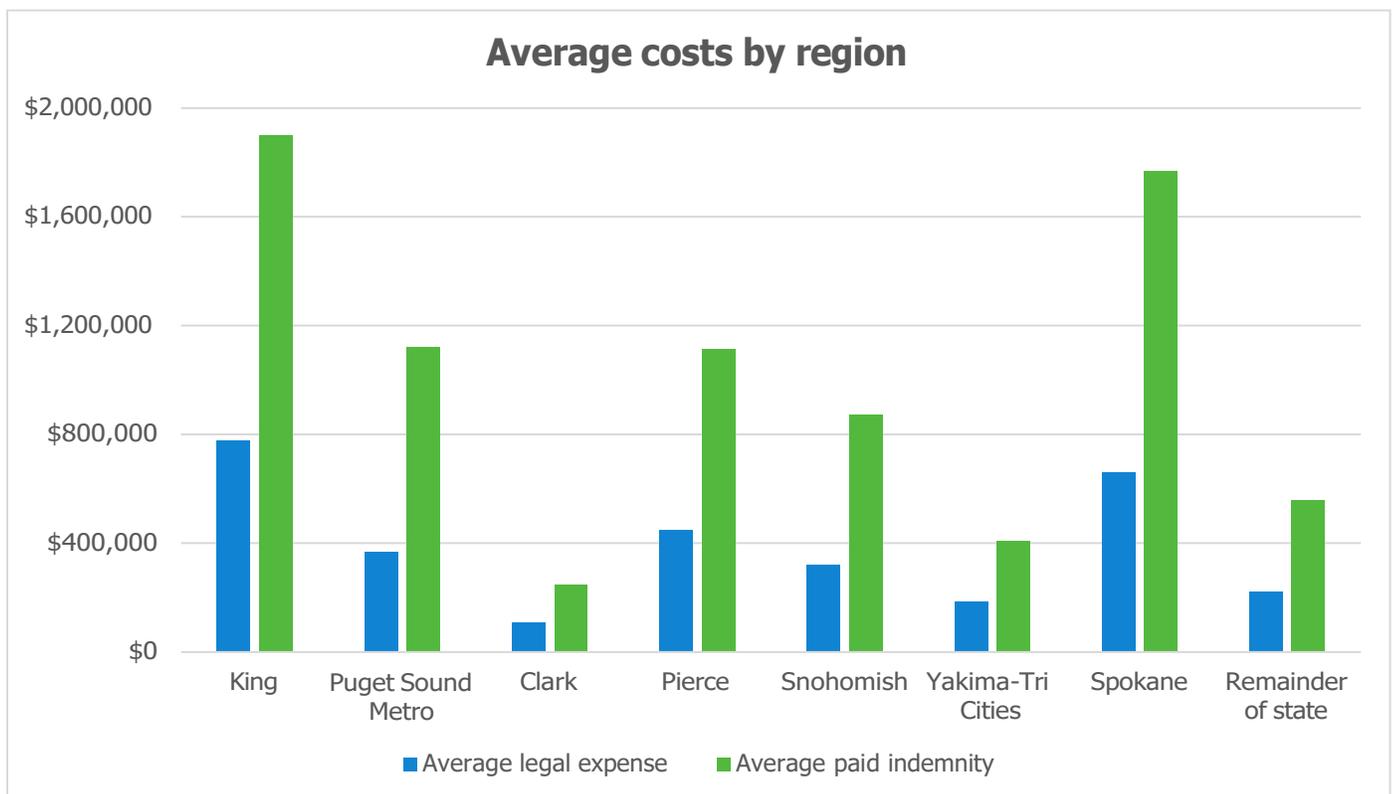
Five year period ending December 31, 2021						
Age group	Settlements with legal expenses	Total legal expenses	Average legal expenses	Settlements with paid indemnity	Total paid indemnity	Average paid indemnity
Ages 0 20	15	\$11,990,688	\$799,379	15	\$28,529,287	\$1,901,952
Ages 21 30	10	\$3,619,865	\$361,986	10	\$9,080,000	\$908,000
Ages 31 40	10	\$2,031,860	\$203,186	10	\$5,705,000	\$570,500
Ages 41 50	16	\$3,964,939	\$247,809	14	\$9,070,000	\$647,857
Ages 51 60	13	\$8,723,717	\$671,055	11	\$18,365,000	\$1,669,545
Ages 61 70	21	\$14,413,338	\$686,349	21	\$37,306,870	\$1,776,518
Over 70	22	\$8,314,425	\$377,928	21	\$20,085,000	\$956,429
Total	107	\$53,058,832	\$495,877	102	\$128,141,157	\$1,256,286



Counties

Attorneys reported settlement data by county where the medical incident occurred. To provide meaningful information regarding differences by location, we divided the state into eight regions.⁵¹

Five year period ending December 31, 2021						
Region	Settlements with legal expenses	Total legal expenses	Average legal expense	Settlements with paid indemnity	Total paid indemnity	Average paid indemnity
King	42	\$32,633,403	\$776,986	40	\$75,926,157	\$1,898,154
Puget Sound Metro	11	\$4,034,397	\$366,763	10	\$11,205,000	\$1,120,500
Clark	10	\$1,064,432	\$106,443	9	\$2,235,000	\$248,333
Pierce	9	\$4,027,178	\$447,464	9	\$10,025,000	\$1,113,889
Snohomish	8	\$2,545,878	\$318,235	8	\$6,975,000	\$871,875
Yakima Tri Cities	8	\$1,465,440	\$183,180	8	\$3,250,000	\$406,250
Spokane	7	\$4,619,385	\$659,912	7	\$12,375,000	\$1,767,857
Remainder of state	12	\$2,668,719	\$222,393	11	\$6,150,000	\$559,091
Total	107	\$53,058,832	\$495,877	102	\$128,141,157	\$1,256,286



⁵¹ Under [RCW 48.140.060](#) and [RCW 42.56.400\(10\)](#), some counties are grouped together to maintain confidentiality. **Yakima-Tri Cities** includes Benton, Franklin and Yakima counties. **Puget Sound Metro** includes Kitsap and Thurston counties.

Report limitations

Analysis based on historical closed claim data has multiple limitations:

1. There is a natural mismatch in timing between premiums and losses used to calculate loss ratios and profitability ratios for commercial insurers. Premiums used for loss ratios are earned during the calendar year, but the amounts booked as incurred losses during the same calendar year are from claims from various accident years. As a result, most losses do not correspond to the same policies that the premium comes from.
2. Claims are reported based on the year in which they reach final resolution. Some arose from recent medical incidents, but many arose from incidents that occurred several years prior.
3. This report contains claims that closed during a limited period.
4. The Office of the Insurance Commissioner (OIC) cannot use data in this report to evaluate past or current medical professional liability insurance rates. Insurers develop medical malpractice rates using an analysis of open and closed claims, and develop rates based on an estimate of expected future claim costs and expenses.
5. In producing this report, the OIC relied upon data submitted by insurers, self-insurers, and attorneys. Data may contain anomalies. The OIC audits data and has adopted administrative rules that contain data definitions and reporting instructions, but the accuracy of the report still depends largely on the accuracy of the data reported by others. People who report data may interpret data fields differently or make errors.
6. The OIC did not adjust the data for economic differences occurring during the report period, such as inflation and the cost of medical care.
7. Insurers and self-insurers do not report policy limits, so the report does not analyze the data by type of policy, whether coverage is primary or excess, limits of coverage, or size of deductibles or retentions to determine if coverage limits affect the frequency or severity of claims.
8. Insurers and self-insurers reported data separately for each defendant. This reporting method may overstate the frequency of "incidents" and understate the severity of an "incident," but it reduces inconsistencies and inaccuracies by limiting the amount of incomplete reporting.
9. This report analyzes only closed claims. Any claims that are still open, such as claims that are in settlement negotiations or on trial, are not included in this study. The analysis of closed claim information is valuable; however, open claims information may be more indicative of the current claims environment. For example, the impact of recent legislation or judicial decisions will not be reflected in a closed claim database.
10. Although insurers and self-insurers report data only after the claim has been closed, they occasionally re-open claims that were previously closed. Amounts reported may not be the true, ultimate amounts.

Appendices

Appendix A: Profitability

Physicians Insurance, a Mutual Company								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Year	Net premium written	Net premium earned	Underwriting expense ratio	Loss and LAE ratio	Dividend ratio	Combined ratio [c+d+e]	Net investment income ratio	Operating ratio [f g]
2012	67,765,626	65,640,184	17.9%	80.0%	7.7%	105.7%	19.4%	86.2%
2013	72,889,552	69,671,138	16.9%	85.2%	7.3%	109.3%	19.6%	89.7%
2014	76,701,101	75,121,138	16.6%	82.1%	6.7%	105.5%	19.8%	85.7%
2015	76,301,471	71,271,073	18.9%	84.4%	7.0%	110.3%	20.8%	89.5%
2016	78,240,313	78,437,989	20.9%	82.2%	6.4%	109.5%	18.8%	90.6%
2017	81,130,272	79,275,075	19.9%	81.0%	6.3%	107.3%	18.5%	88.7%
2018	94,256,910	93,442,936	20.5%	81.0%	5.4%	106.9%	16.1%	90.8%
2019	110,476,767	104,381,324	20.4%	88.5%	4.8%	113.7%	17.6%	96.0%
2020	115,217,227	109,632,385	26.4%	85.9%	4.6%	116.8%	11.3%	105.5%
2021	109,485,335	117,147,815	22.5%	92.1%	0.0%	114.7%	9.6%	105.1%
Total	882,464,574	864,021,057	20.5%	84.8%	5.2%	110.5%	16.5%	94.0%
Five year period to period results								
2012 2016	371,898,063	360,141,522	18.3%	82.8%	7.0%	108.1%	19.7%	88.4%
2017 2021	510,566,511	503,879,535	22.2%	86.2%	4.0%	112.3%	14.2%	98.1%

The Doctors Company, an Interinsurance Exchange

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
<u>Year</u>	Net premium written	Net premium earned	Underwriting expense ratio	Loss and LAE ratio	Dividend ratio	Combined ratio [c+d+e]	Net investment income ratio	Operating ratio [f g]
2012	596,528,843	584,386,263	19.8%	69.1%	3.2%	92.1%	15.3%	76.8%
2013	675,729,455	641,792,914	21.2%	75.1%	3.1%	99.4%	15.5%	83.8%
2014	644,037,543	659,903,069	23.1%	78.3%	2.8%	104.2%	1.4%	102.7%
2015	622,861,093	628,266,492	24.2%	74.5%	3.8%	102.5%	4.4%	98.1%
2016	602,359,134	610,408,597	25.0%	77.7%	4.6%	107.3%	5.7%	101.6%
2017	595,891,924	600,702,260	24.9%	77.0%	3.8%	105.7%	12.0%	93.6%
2018	620,395,036	620,335,603	25.3%	85.7%	2.2%	113.2%	17.5%	95.7%
2019	627,555,678	623,780,051	28.2%	81.0%	1.4%	110.7%	11.3%	99.3%
2020	654,774,790	652,428,039	28.2%	73.6%	0.1%	101.9%	7.8%	94.1%
2021	782,820,035	749,761,353	28.5%	68.2%	1.1%	97.8%	7.9%	89.9%
Total	6,422,953,531	6,371,764,641	24.9%	75.9%	2.6%	103.4%	9.8%	93.6%
Five year period to period results								
2012 2016	3,141,516,068	3,124,757,335	22.7%	75.0%	3.5%	101.2%	8.4%	92.8%
2017 2021	3,281,437,463	3,141,073,332	27.1%	76.7%	1.7%	105.5%	11.1%	94.4%

The Medical Protective Company

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
<u>Year</u>	Net premium written	Net premium earned	Underwriting expense ratio	Loss and LAE ratio	Dividend ratio	Combined ratio [c+d+e]	Net investment income ratio	Operating ratio [f g]
2012	643,824,861	616,894,746	14.9%	71.7%	0.0%	86.6%	20.8%	65.8%
2013	366,900,050	371,799,546	24.1%	51.3%	0.0%	75.3%	32.8%	42.6%
2014	-680,001,929	-575,282,426	-3.1%	114.5%	0.0%	111.5%	-17.0%	128.5%
2015	226,451,495	214,665,128	23.7%	59.5%	0.0%	83.2%	46.1%	37.2%
2016	255,837,377	228,980,322	23.7%	65.0%	0.0%	88.8%	39.5%	49.3%
2017	239,978,122	251,862,659	26.0%	58.0%	0.0%	84.0%	37.2%	46.7%
2018	260,421,768	260,308,096	24.0%	64.2%	0.0%	88.1%	40.2%	47.9%
2019	288,139,624	274,597,913	22.1%	72.5%	0.0%	94.6%	45.7%	48.8%
2020	347,993,367	349,375,371	19.9%	76.9%	0.0%	96.8%	35.9%	60.9%
2021	355,953,566	339,815,409	19.4%	71.1%	0.0%	90.5%	33.2%	57.3%
Total	2,305,498,301	2,333,016,764	28.0%	54.5%	0.0%	82.6%	47.1%	35.5%
Five year period to period results								
2012 2016	813,011,854	857,057,316	39.3%	29.2%	0.0%	68.5%	62.7%	5.8%
2017 2021	1,492,486,447	492,025,229	21.9%	69.3%	0.0%	91.2%	38.1%	53.1%

Appendix B: Reserve development

Physicians Insurance, a Mutual Company												
Incurred net losses and defense and cost containment expenses (\$000 omitted)												
Year in which losses occurred	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	One year dev.	Cumulative dev.
Prior	111,425	97,527	86,665	77,049	76,551	73,114	73,838	72,501	72,570	72,810	240	-38,615
2012	64,479	58,836	60,309	54,902	49,046	48,009	47,525	47,022	46,361	46,271	-90	-18,208
2013		65,630	56,757	49,966	44,418	37,641	36,266	35,511	36,066	36,363	297	-29,267
2014			65,379	63,625	59,703	55,647	49,941	49,884	48,820	47,795	-1,025	-17,584
2015				67,830	64,651	65,694	62,944	64,173	62,406	61,017	-1,389	-6,813
2016					66,696	62,982	53,921	52,100	53,946	54,874	928	-11,822
2017						66,331	68,246	69,232	69,300	70,884	1,584	4,553
2018							72,676	71,001	78,728	81,882	3,154	9,206
2019								77,955	70,307	65,942	-4,365	-12,013
2020									73,508	83,473	9,965	9,965
2021										77,667		
										Total	9,299	-110,598

The Doctors Company, an Interinsurance Exchange												
Incurred net losses and defense and cost containment expenses (\$000 omitted)												
Year in which losses occurred	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	One year dev.	Cumulative dev.
Prior	573,204	537,421	483,390	425,622	412,443	409,379	409,256	399,321	391,089	399,823	8,734	-173,381
2012	437,363	421,491	420,738	407,422	369,422	332,719	327,824	322,939	316,038	319,647	3,609	-117,716
2013		478,868	479,267	475,791	475,791	458,008	457,972	433,614	410,681	408,061	-2,620	-70,807
2014			523,776	523,475	523,475	520,327	519,162	425,875	394,734	395,845	1,111	-127,931
2015				499,160	499,644	498,925	495,904	483,729	461,959	418,049	-43,910	-81,111
2016					467,527	465,811	467,528	499,157	504,310	496,827	-7,483	29,300
2017						466,642	466,886	490,691	490,901	465,749	-25,152	-893
2018							474,260	496,802	503,509	498,148	-5,361	23,888
2019								463,018	470,539	471,095	556	8,077
2020									456,428	456,422	-6	-6
2021										472,809		
										Total	-70,522	-510,580

The Medical Protective Company												
Incurred net losses and defense and cost containment expenses (\$000 omitted)												
Year in which losses occurred	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	One year dev.	Cumulative dev.
Prior	1,141,086	1,009,234	520,319	462,618	426,728	393,969	372,057	363,304	363,555	360,071	-3,484	-781,015
2012	322,195	315,585	163,486	159,471	152,546	135,840	127,642	124,086	124,535	121,593	-2,942	-200,602
2013		322,225	157,295	155,514	149,149	139,670	129,103	122,557	121,004	118,875	-2,129	-203,350
2014			174,469	177,627	172,179	162,275	153,700	140,992	134,612	128,159	-6,453	-46,310
2015				186,030	183,767	175,535	168,667	160,859	152,707	142,509	-10,198	-43,521
2016					185,285	184,199	180,654	175,884	175,177	166,166	-9,011	-19,119
2017						187,661	185,686	182,851	186,928	180,223	-6,705	-7,438
2018							193,274	193,409	197,958	193,708	-4,250	434
2019								199,180	200,850	199,421	-1,429	241
2020									211,449	213,567	2,118	2,118
2021										223,240		
										Total	-44,483	-1,298,562

Appendix C: Rate filing information

<u>Company</u>	<u>Description</u>	<u>Approved Change</u>	<u>Filed Loss & LAE Trend</u>	<u>Effective Date</u>
Ins. Services Office Inc.	Physicians, Surgeons and Dentists	-7.0%	-1.5%	5/1/2022
Dentists Ins. Co.	Dentists	New Program	2.5%	2/22/2022
Doctors Co. An Interins. Exchange	Physicians, Surgeons, Ancillary Healthcare Providers	6.5%	2.0%	1/16/2022
Physicians Ins. A Mutual Co.	Physicians and Surgeons	8.0%	2.0%	1/1/2022
Cincinnati Ins. Co.	Home Health Care and Health Care Facilities	1.8%	2.6%	1/1/2022
Liberty Ins. Underwriters, Inc.	Allied Health	12.0%	4.8%	11/1/2021
Great Divide Ins. Co.	Optometrists	19.5%	3.0%	10/1/2021
Fortress Ins. Co.	Dentists	3.5%	4.5%	10/1/2021
Fair American Ins. And Reins. Co.	Psychiatrists	0.3%	0.0%	10/1/2021
Medical Protective Co.	Podiatrists and Multi-Specialty Health Care	6.8%	2.2%	9/1/2021
Medical Mutual Ins. Co. of N.C.	Physicians and Surgeons	New Program	0.0%	7/1/2021
Physicians Ins. A Mutual Co.	Hospital and Employed Physicians	2.1%	0.0%	7/1/2021
ProSelect Ins. Co.	Hospitals	8.0%	2.4%	7/1/2021
Ins. Services Office Inc.	Hospitals and Physicians, Surgeons and Dentists	-20.0%	-2.0%	5/1/2021
Doctors Co. An Interins. Exchange	Physicians, Surgeons, Ancillary Healthcare Providers	6.1%	2.0%	1/16/2021
Physicians Ins. A Mutual Co.	Physicians and Surgeons	8.0%	1.5%	1/1/2021

Appendix D: 2020 NAIC profitability of medical professional liability insurance

State	Direct premiums earned (000s)	Percent of direct premiums earned								Percent of net worth			
		Losses incurred	Loss adjust expense	Under-writing expense	Dividend to pcyhldr.	Under-writing profit	Invest gain on ins. trans.	Tax on ins. trans.	Profit on ins. trans.	Earned prem. to net worth	Inv. gain on net worth	Tax on inv.gain on net worth	Return on net worth
Alabama	134,605	44.3	31.6	19.2	1.0	4.0	11.4	2.7	12.6	47.1	3.3	0.6	8.7
Alaska	23,663	33.8	22.8	21.1	9.1	13.3	9.5	4.4	18.4	54.1	3.4	0.6	12.8
Arizona	210,067	41.0	24.8	22.0	17.2	-5.0	11.9	0.9	6.0	43.5	3.4	0.6	5.4
Arkansas	64,669	45.4	33.0	25.0	1.3	-4.7	12.8	1.1	7.0	42.8	3.4	0.6	5.8
California	816,073	53.7	33.7	24.4	0.9	-12.7	11.5	-0.8	-0.5	46.3	3.4	0.6	2.6
Colorado	154,678	26.3	15.6	20.5	11.0	26.8	11.0	7.5	30.3	47.8	3.4	0.6	17.3
Connecticut	220,040	73.5	19.4	19.7	1.9	-14.4	12.5	-1.0	-1.0	45.3	3.4	0.6	2.4
Delaware	30,042	70.8	30.9	24.6	0.2	-26.5	12.7	-3.4	-10.3	42.0	3.4	0.6	-1.5
District of Columbia	28,648	33.8	21.7	26.1	0.3	18.3	12.3	5.9	24.7	44.6	3.4	0.6	13.8
Florida	711,007	54.6	26.9	23.6	0.9	-6.0	10.3	0.4	3.8	51.0	3.4	0.6	4.8
Georgia	303,803	93.1	31.1	23.8	2.5	-50.4	14.0	-8.3	-28.2	39.3	3.4	0.6	-8.3
Hawaii	32,026	39.5	20.6	22.0	9.4	8.6	11.2	3.7	16.1	47.5	3.4	0.6	10.5
Idaho	34,628	46.4	23.8	24.2	4.8	0.7	10.7	1.9	9.5	49.7	3.4	0.6	7.5
Illinois	485,513	62.1	31.9	23.4	2.1	-19.5	16.0	-1.4	-2.0	35.5	3.4	0.6	2.1
Indiana	136,240	29.9	38.7	20.3	0.2	10.8	14.7	4.7	20.9	38.4	3.4	0.6	10.8
Iowa	70,526	87.4	27.6	21.7	0.2	-37.0	13.3	-5.6	-18.2	42.0	3.4	0.6	-4.8
Kansas	72,622	82.3	44.5	23.6	0.7	-51.1	12.8	-8.6	-29.6	43.5	3.4	0.6	-10.1
Kentucky	116,408	36.0	14.4	22.9	0.8	26.1	16.2	8.2	34.1	35.4	3.4	0.6	14.9
Louisiana	102,640	5.8	25.1	23.2	1.4	44.6	12.1	11.4	45.3	45.3	3.4	0.6	23.3
Maine	47,392	51.5	14.2	19.1	13.4	1.9	12.0	2.4	11.5	44.6	3.3	0.6	7.9
Maryland	313,832	52.7	24.2	21.3	10.0	-8.1	9.6	-0.1	1.6	54.5	3.4	0.6	3.7
Massachusetts	336,156	58.6	24.1	20.0	2.6	-5.2	15.6	1.5	8.9	37.2	3.4	0.6	6.1
Michigan	205,400	62.7	33.2	22.8	0.3	-19.0	11.9	-2.0	-5.1	45.1	3.4	0.6	0.5
Minnesota	84,308	59.8	9.0	24.2	0.3	6.7	10.1	3.1	13.7	52.8	3.4	0.6	10.0
Mississippi	49,295	42.8	20.2	23.3	0.8	12.9	10.9	4.5	19.3	49.2	3.4	0.6	12.3
Missouri	161,924	59.4	28.6	21.9	9.9	-19.7	11.4	-2.2	-6.1	47.3	3.4	0.6	-0.1
Montana	37,556	67.5	28.7	25.9	0.8	-23.0	12.1	-2.8	-8.1	45.8	3.4	0.6	-0.9
Nebraska	35,487	65.6	40.7	22.9	0.7	-29.8	15.5	-3.7	-10.6	36.3	3.4	0.6	-1.0
Nevada	77,056	55.2	35.0	27.3	0.6	-18.0	11.3	-1.9	-4.8	46.8	3.4	0.6	0.6
New Hampshire	51,708	93.2	29.5	26.1	2.0	-50.8	14.3	-8.3	-28.2	38.9	3.4	0.6	-8.1
New Jersey	425,387	53.6	34.2	23.9	0.1	-11.8	16.6	0.3	4.5	34.3	3.4	0.6	4.4
New Mexico	58,941	119.8	56.8	25.1	1.0	-102.6	15.3	-19.0	-68.3	37.0	3.4	0.6	-22.4
New York	1,567,613	63.1	29.0	19.8	0.0	-11.9	21.1	1.0	8.2	28.1	3.4	0.6	5.1
North Carolina	175,077	44.0	21.5	22.6	1.5	10.4	11.2	4.0	17.5	47.2	3.4	0.6	11.1
North Dakota	11,078	59.3	21.6	25.6	0.2	-6.6	10.2	0.3	3.3	51.1	3.4	0.6	4.5

State	Direct premiums earned (000s)	Percent of direct premiums earned								Percent of net worth			
		Losses incurred	Loss adjust expense	Under-writing expense	Dividend to plcyhdr.	Under-writing profit	Invest gain on ins. trans.	Tax on ins. trans.	Profit on ins. trans.	Earned prem. to net worth	Inv. gain on net worth	Tax on inv. gain on net worth	Return on net worth
Ohio	241,033	22.9	20.9	23.7	1.1	31.3	14.6	9.0	36.9	38.2	3.4	0.6	16.9
Oklahoma	103,366	39.2	32.8	23.8	0.3	3.9	13.1	3.0	14.0	42.0	3.4	0.6	8.7
Oregon	93,321	80.4	29.6	21.5	1.1	-32.5	11.2	-5.0	-16.4	47.6	3.4	0.6	-5.0
Pennsylvania	745,690	58.6	30.5	18.6	0.2	-7.9	13.8	0.6	5.2	41.0	3.4	0.6	4.9
Rhode Island	31,474	74.1	32.3	23.2	0.3	-29.9	21.3	-2.7	-5.9	27.7	3.4	0.6	1.2
South Carolina	79,443	78.5	43.5	25.4	2.5	-49.9	13.8	-8.2	-27.9	39.9	3.4	0.6	-8.3
South Dakota	17,658	78.1	49.4	24.5	0.2	-52.3	10.6	-9.2	-32.4	50.6	3.4	0.6	-13.6
Tennessee	237,728	65.6	42.2	20.2	2.5	-30.4	16.4	-3.7	-10.4	35.0	3.4	0.6	-0.8
Texas	371,644	34.6	22.5	25.2	0.3	17.4	10.7	5.4	22.7	49.1	3.4	0.6	14.0
Utah	55,716	74.8	43.1	22.6	4.3	-44.8	13.6	-7.1	-24.0	41.4	3.4	0.6	-7.1
Vermont	17,317	79.8	18.0	37.9	8.2	-43.9	14.8	-6.8	-22.3	37.0	3.5	0.6	-5.4
Virginia	184,471	44.3	24.7	25.5	1.8	3.8	11.0	2.6	12.1	48.2	3.4	0.6	8.7
Washington	176,979	67.3	25.2	22.9	2.8	-18.3	12.0	-1.8	-4.5	45.5	3.4	0.6	0.8
West Virginia	47,159	90.1	36.7	29.6	0.5	-56.9	16.7	-9.2	-31.0	33.4	3.4	0.6	-7.5
Wisconsin	78,808	47.9	19.5	20.9	0.3	11.3	13.3	4.6	20.0	41.7	3.4	0.6	11.1
Wyoming	19,518	24.4	22.3	25.6	1.5	26.4	10.1	7.2	29.3	51.9	3.4	0.6	18.0
Guam	1,627	41.8	13.6	25.7	0.0	19.0	6.2	5.0	20.1	77.3	3.4	0.6	18.4
Puerto Rico	70,092	40.3	23.7	24.4	0.0	11.6	9.9	4.1	17.4	53.4	3.4	0.6	12.1
U.S. Virgin Islands	443	20.9	15.2	32.4	0.4	31.2	4.6	7.3	28.5	91.3	3.5	0.6	28.9
N Mariana Islands	19	173.9	28.7	29.1	0.0	-131.7	7.7	-26.4	-97.6	67.6	3.4	0.6	-63.2
Countrywide	9,959,614	56.4	28.8	22.3	2.0	-9.5	14.2	0.4	4.3	39.5	3.4	0.6	4.5