

# 2016 Medical Malpractice Annual Report

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Claims closed from Jan. 1, 2011 through Dec. 31, 2015  
Sept. 1, 2016

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# About this report

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Early in the last decade, 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 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 OIC began publishing [annual reports](#) summarizing the data in 2010.

This is the seventh annual report. It includes a snapshot of the medical malpractice marketplace and summary closed claim and settlement data.

This report has three sections:

1. The current condition of the medical professional liability insurance market.
2. Summarized closed claim data reported by insurers, risk retention groups and self-insurers.<sup>1</sup>
3. Summarized lawsuit-resolution data reported by attorneys.

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<sup>1</sup> For simplicity, we will use the term “insurers” when referring to admitted insurers, surplus lines insurers and risk retention groups.

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# Key statistics

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## About the medical professional liability insurance market

- The pure loss ratio<sup>2</sup> declined by 25.5 percent from 2014 to 2015, returning to a more typical ratio of 43.4 percent. Defense costs climbed slightly higher, reaching 22.6 percent of premium, the highest number since 2002.
- Annual written premiums continued to decline, dropping by \$15 million to \$161 million in 2015.
- Lower claim reserves have fueled profitability since 2007. Insurers have lowered reserves for older claims, leading to lower incurred loss and defense costs in recent years.<sup>3</sup> For example, Physicians Insurance has lowered reserves by \$206 million over its original estimates. Reserves released from prior years translate into profit for the current year.
- Profitability remains strong. From 2011 through 2015, operating ratios for Physicians Insurance, the admitted insurer with the largest market share in Washington, have been between 85 and 90 percent.<sup>4</sup>
- Medical professional liability rates are stable or declining for physicians and surgeons. Medical Protective Co. reduced its rates by 7.6 percent for 2015 policies. Washington Casualty Co. filed a 10.4 percent rate reduction in 2014. Physicians Insurance, Washington's largest provider of medical professional liability insurance for physicians and surgeons, has not changed its rates since 2009, when it reduced rates by 10 percent. The Doctors Co. last revised its rates with a 2.8 percent reduction on April 1, 2013.

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<sup>2</sup> 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.

<sup>3</sup> 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.

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

## About court verdicts

Information submitted by insurers and self-insurers cannot be directly compared to lawsuit data submitted by attorneys. Insurers and self-insurers report data separately for each defendant, while attorneys submit one final settlement report that includes payments made by all defendants. In spite of these differences, some information reported by both groups about lawsuits is comparable.

- From 2011 through 2015:
  - Insurers and self-insurers paid \$25.6 million for plaintiff verdicts or judgments. Judgments and verdicts were few in number. Of the 26 plaintiff verdicts or judgments, 23 had a payment<sup>5</sup> averaging \$1.1 million.
  - Attorneys reported that defendants paid \$17.7 million to plaintiffs when a lawsuit led to a plaintiff verdict or judgment. Judgments and verdicts were few in number, only seven, and resulted in an average payment of \$2.5 million.<sup>6</sup>
- Most claims resolved by the courts end in favor of the defendant. Insurers and self-insurers reported that 213 claims were resolved by the courts in their favor in 2015, compared to 181 per year on average for the previous four years.
- Defending lawsuits is costly to insurers and self-insurers. Both groups spent \$67.9 million defending lawsuits in which they ultimately prevailed—more than twice the total indemnity payments for plaintiff judgments or verdicts.

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<sup>5</sup> In cases where a lawsuit has more than one defendant, some defendants may not be responsible to compensate the claimant.

<sup>6</sup> These data suggest that lawsuits that get to the trial stage often have more than one defendant, and the compensation to the plaintiff is higher than the average indemnity payment reported by insurers and self-insurers.

## About claim data submitted by insurers and self-insurers

**Total claims:** Insurers and self-insurers reported closing 5,589 claims between 2011 and 2015 with an indemnity payment, defense costs, or both types of payments.<sup>7</sup> <sup>8</sup> Commercial insurers reported 3,306 claims, self-insured entities reported 2,038 claims, and risk retention groups reported 245 claims.<sup>9</sup>

**Payments to claimants:** Insurers and self-insurers paid \$627 million on 2,576 claims over the five-year period, or \$243,425 per paid claim.

- Average indemnity payments over the five-year period varied, from a low of \$169,887 in 2012 to a high of \$378,525 in 2015. Median indemnity payments were \$75,000 in 2015, higher than the \$50,000 median for the five-year period.
- Economic loss payments totaled \$340.9 million, an average of \$132,319 per paid claim. On average, insurers and self-insurers attributed 54.4 percent of each claim payment to economic loss.
- Insurers and self-insurers closed 46.1 percent of all claims with an indemnity payment to a claimant. Most, but not all, claims with paid indemnity also had defense and cost containment expenses.
- Of the claims closed with an indemnity payment, 6.8 percent closed with a payment of \$1 million or more. These claims account for 51.4 percent of total paid indemnity over the five-year period.

**Defense costs:** Insurers and self-insurers paid \$244.1 million to defend 5,173 claims, an average of \$47,182 per claim. Average defense costs were higher in 2015 at \$56,962 than in the prior four years, which averaged \$44,754.

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<sup>7</sup> This report includes claims data reported and edited through May 23, 2016.

<sup>8</sup> 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.

<sup>9</sup> Commercial insurers include both admitted and surplus lines insurers.

**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:

- 73.8 percent of claims by negotiation, and these settlements comprised 59.4 percent of the total paid indemnity.
- 19.2 percent of claims by alternative dispute resolution (arbitration, mediation, or private trial). These settlements comprised 35.9 percent of the total paid indemnity over the five-year period.

**Payments by type of medical provider:** The insurer or self-insurer identified the type of medical provider in 81.5 percent of the closed claim reports.<sup>10</sup> Claimants made the remaining claims against an organization, not an individual medical provider.

- Nursing resulted in the most closed claims at 680. Of these claims, 473 resulted in paid indemnity, averaging \$152,282. Median paid indemnity was \$20,000.
- For physician specialties, emergency medicine had the most claims at 345, with 101 resulting in paid indemnity averaging \$289,110. Median paid indemnity was \$87,500. Pediatrics had the highest average paid indemnity of \$976,017, with median paid indemnity of \$200,000.

**Payments and defense costs by age of claim:**

- The amount paid to claimants increased with the age of the claim. Of the 2,576 claims closed with an indemnity payment, the 826 claims closed within one year after report date had average paid indemnity of \$49,517. That figure rose to \$270,809 for 694 claims closed in the second year. The 40 claims with an indemnity payment that closed six or more years after report date had average paid indemnity of \$639,613.
- The amount paid for defense costs also increased with the age of the claim. For the 1,599 claims with defense costs closed within one year after report date, average defense costs were \$5,722. That figure rose to \$31,047 for 1,684 claims that closed in the second year. The 80 claims with defense costs that closed six or more years after report date had average defense costs of \$255,133.

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<sup>10</sup> Physician specialties, dental specialties and other types of medical providers.

**Regional comparisons:** Just under one-third of the claims, or 1,773, were in King County. Of these, 48.6 percent resulted in indemnity payments totaling \$231.3 million, an average of \$268,652 per claim.

**Allegations:**

- Improper performance was the most common allegation, with 1,039 claims and 505 indemnity payments that averaged \$138,025.
- Vicarious liability was the second-most common allegation, with 744 claims and 258 indemnity payments that averaged \$296,711.

## About lawsuits filed and settled by attorneys

If an attorney files a lawsuit to resolve a medical malpractice incident, he or she should report data about the lawsuit to the Office of the Insurance Commissioner (OIC) once the litigation is resolved. For settlements resolved between 2011 and 2015:

**Compensation to claimants:** Attorneys reported that claimants received total compensation of \$297.6 million on 289 claims, just over \$1 million per settlement. Attorney fees were \$104.9 million, an average of \$408,006 per settlement with an indemnity payment. On average, the attorney fees were 35.3 percent of the total compensation paid to the claimant.

**How lawsuits settled:** When an indemnity payment was made, 44.3 percent of lawsuits were settled in mediation. Mediated settlements had an average indemnity payment of \$995,493 and an average legal fee of \$409,185. Only seven lawsuits were reported as resolved by jury verdicts in favor of the plaintiff. These verdicts resulted in total paid indemnity of \$17.7 million, an average of \$2.5 million per case.

**Regional comparisons:** The largest number of lawsuits were filed in King County, with 141 lawsuits, or 47.3 percent of the statewide total. Average paid indemnity in King County was \$997,382. A few extremely large settlements in the North Sound region in 2015 resulted in the highest average paid indemnity for any region of \$2.7 million.

**Settlement by age of claimant:** The most expensive settlements involved patients younger than 11 years old. In cases involving newborns and infants, the average settlement was \$2.2 million and the average legal expense was \$834,369. For patients between one and 10 years old, average paid indemnity was \$2.6 million and the average legal expense was \$1.1 million.

# Introduction

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Under [chapter 48.140 RCW](#), insurers, risk retention groups (collectively “insurers”) and self-insurers must submit a report to the OIC every time they close a medical malpractice claim.<sup>11</sup> 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.<sup>12</sup>

Insurers, self-insurers and attorneys must report claim data for the prior year to the OIC by March 1 of each year.<sup>13</sup> Attorneys’ compliance with the reporting law has been low, and the OIC does not have enforcement mechanisms to improve compliance.<sup>14</sup> As a result, this report provides very few summary exhibits for settlement data reported by attorneys, since the OIC cannot draw conclusions from incomplete data. Most of the exhibits in this report focus on data reported by insurers and self-insurers.<sup>15</sup>

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.

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<sup>11</sup> 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 confidentiality of data, we include them with all other insurers in this report.

<sup>12</sup> [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.

<sup>13</sup> See [RCW 48.140.020\(2\)](#) and [WAC 284-24E-090](#).

<sup>14</sup> 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](#).

<sup>15</sup> [RCW 48.140.050](#) lists information that must be provided by this report.

- Information about medical malpractice rate changes approved last year.
- Information about incurred losses and defense costs for medical professional liability insurance.

## 2) Closed claim statistics reported by insurers, risk retention groups and self-insurers

Insurers and self-insurers report claims they close with an indemnity payment and/or defense costs.<sup>16 17</sup> Each closed claim report is associated with one defendant.<sup>18</sup>

People make medical malpractice claims for a variety of reasons, or allegations. People can make allegations against an organization, such as a hospital, against 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.<sup>19</sup>
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.<sup>20</sup> In a few cases, a court itemized economic damages when it issued a verdict, and these amounts are included in the totals.
3. **Paid indemnity:** The amount the insurer or self-insurer paid to the claimant to resolve the claim.

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<sup>16</sup> [RCW 48.140.010](#)(1) defines a claim.

<sup>17</sup> 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.

<sup>18</sup> [RCW 48.140.010](#)(3) defines a closed claim.

<sup>19</sup> See [WAC 284-24D-020](#)(1), [WAC 284-24D-330](#) and [WAC 284-24D-340](#).

<sup>20</sup> 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](#).

### 3) Lawsuit statistics 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 are incomplete. The OIC cannot draw conclusions from incomplete data, so the section of the report containing data submitted by attorneys is less detailed than the closed claim section.

Attorneys report two primary types of settlement data:

1. **Total paid indemnity:** Total compensation paid by all defendants to the claimant as the result of the lawsuit. Indemnity payments may come from several defendants if a lawsuit named more than one party.<sup>21</sup>
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.<sup>22 23</sup>

#### Closed claim and lawsuit statistics are different

One cannot compare data reported by insurers and self-insurers to the data reported by attorneys because insurers and self-insurers:

- Report all closed claims if the insurer or self-insurer makes payments or incurs expenses to defend the claim. Attorneys report data only if they filed a lawsuit against one or more defendants.
- Report data separately for each defendant. Attorneys submit one final settlement report that includes payments made by all defendants they sued.

*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.*

One final reason the OIC cannot make comparisons: Insurers, self-insurers and risk retention groups have been much more diligent in reporting closed claim data.

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<sup>21</sup> [WAC 284-24E-150](#).

<sup>22</sup> Attorney fees for legal representation are generally contingent fees that are payable if indemnity payments are made by one or more defendants.

<sup>23</sup> [RCW 7.70.140\(2\)\(b\)\(v\)](#).

# Snapshot of the medical professional liability insurance market

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

## Market participants

The medical professional liability insurance market has three primary participants:

- Admitted insurers regulated by the OIC.
- Unregulated surplus lines insurers.
- Risk retention groups regulated by their home state.

In 2000, admitted insurers wrote 95.4 percent of medical professional liability insurance premiums in Washington. Physicians Insurance Group led the market with 52.7 percent of the admitted market share and 50.3 percent of total market share.<sup>24</sup> By 2015, the admitted market wrote only 68.7 percent of premium, and the remainder of the market belonged to surplus lines insurers and risk retention groups. Physicians Insurance still had about half of the admitted market share at 53.3 percent, but its share of the overall market was much lower at 36.7 percent.

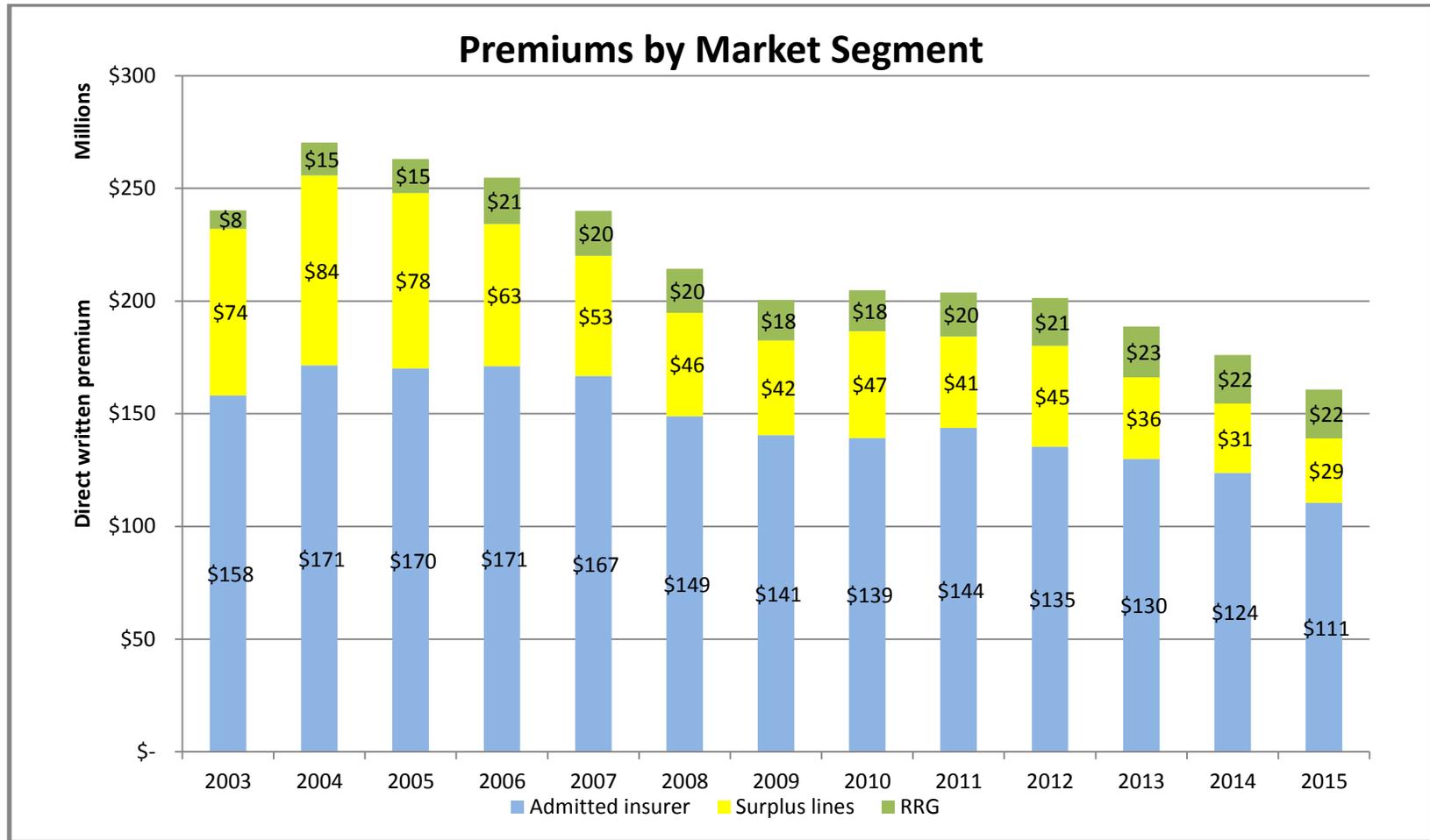
Medical professional liability insurance has been a profitable line of business for insurers in Washington for some time. For example, Physicians Insurance has had an operating ratios under 90 percent for the last 11 years. However, the market is becoming

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<sup>24</sup> 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.

increasingly challenging. While recent profit margins have been good, they have not been as good as in the last half of the last decade. Compare the 2006-2010 operating ratio for Physicians Insurance, 63.9%, with the 87.5% ratio for the 2011-2015 period. Written premiums in the state have fallen steadily and are down 40% since 2004. Though the trend seems to be slowing, physicians, particularly younger physicians, continue to move away from independent practice and seek employment in large groups and hospitals. A shrinking market has led to highly competitive conditions.

This chart shows the distribution of written premiums for each segment of the medical professional liability insurance market. Premiums for admitted insurers and surplus lines insurers have declined significantly since 2004.

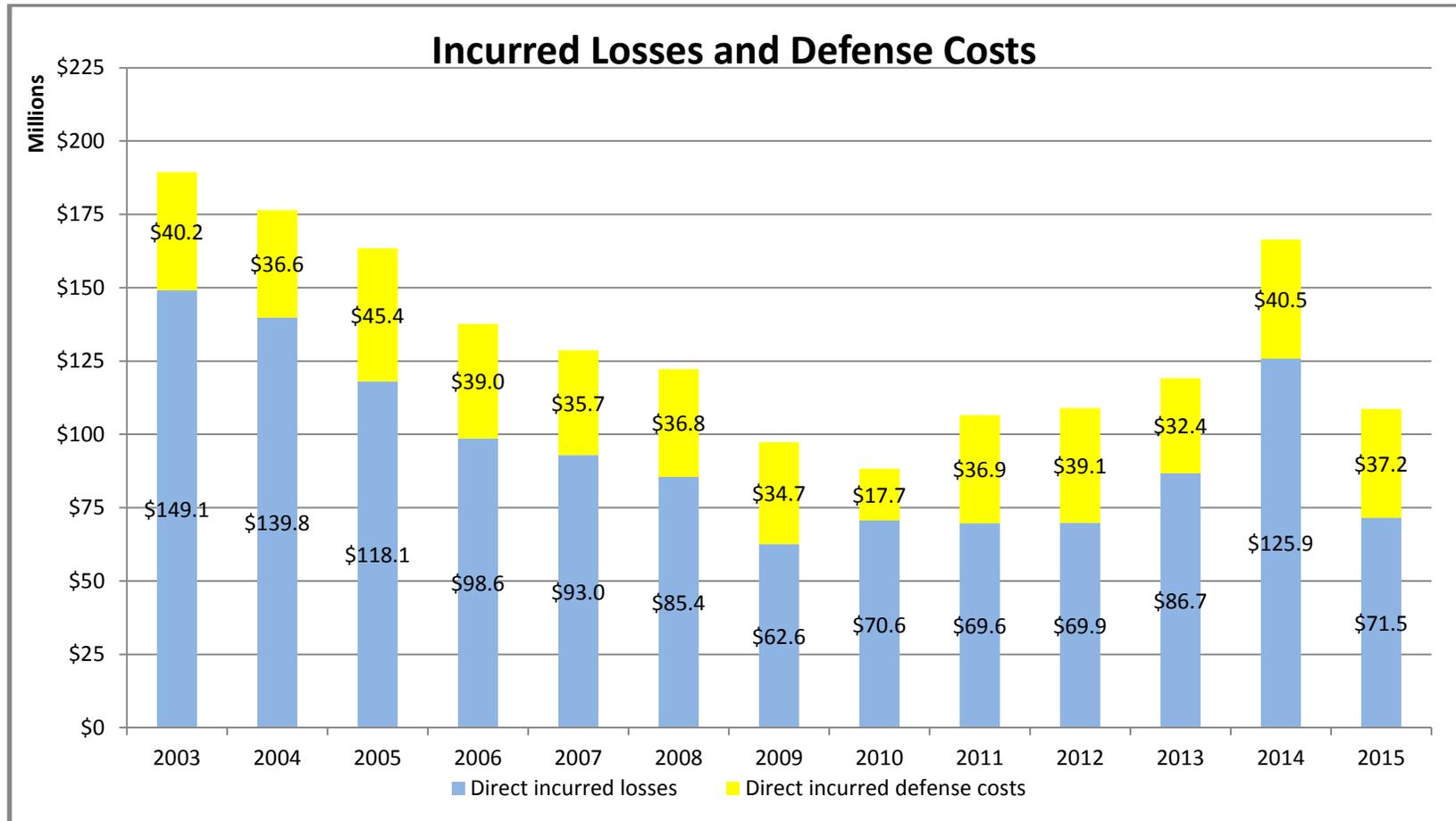


## Loss history

After a dramatic increase in the overall loss and defense cost ratio for medical professional liability insurance in Washington in 2014, the ratio dropped significantly in 2015, albeit to a level that is still higher than any of the other ratios for the last 10 years. The following table shows data for the total market, which includes admitted insurers, surplus lines insurers and risk retention groups.

Year	Direct written premium	Direct earned premiums	Direct incurred losses	Pure loss ratio	Direct incurred defense costs	Incurred losses & defense costs	Incurred loss & defense cost ratio
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%

This chart shows statewide industry incurred losses and defense costs by calendar year. Except for 2010, defense costs have been fairly stable since 2003. By comparison, incurred losses have varied significantly.



## Lower claim reserves

Data reported to the NAIC by Physicians Insurance and The Doctors Co. show generally favorable 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 development means that later estimates of losses and defense costs were lower than the earlier estimates.<sup>25</sup>

Reserves released from prior years translate into profit for the current year, and favorable reserve development generally results in lower insurance rates over time. Appendix C shows a summary of the medical professional liability rate filings filed recently with the OIC. The only recent rate change for a major physicians and surgeons insurance program was a 7.6% decrease for Medical Protective Co. effective Dec. 31, 2014.

The first page of Appendix B shows data from Physicians Insurance's 2015 annual statement.<sup>26</sup> This table shows the change in incurred loss and defense cost reserves over time. Overall, Physicians Insurance has had very favorable incurred loss development. Two-year development was -\$40 million, and cumulative development over the entire period was -\$206 million. Physicians Insurance has returned some of these profits to policyholders in the form of dividends totaling \$40.4 million from 2008 to 2015.

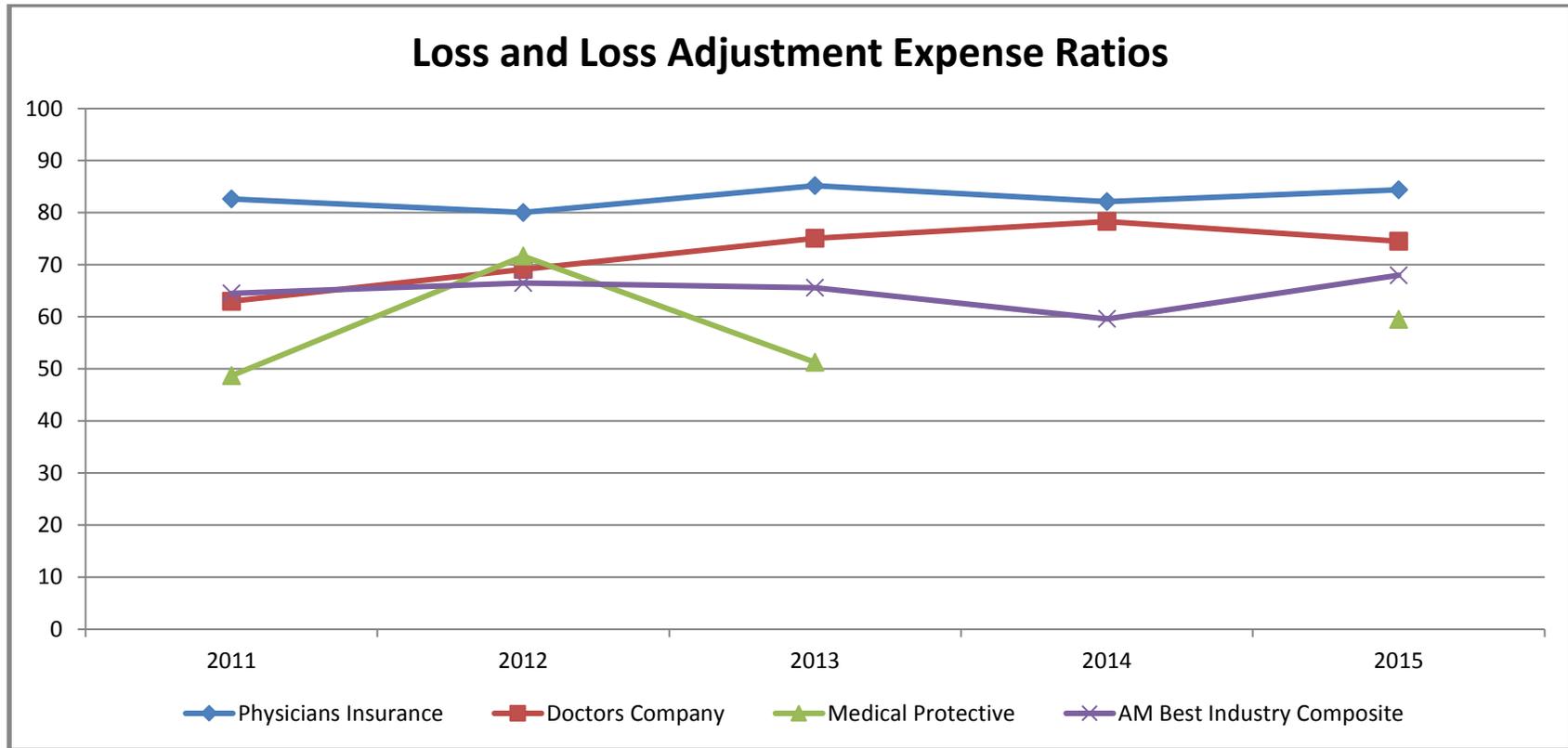
Appendix B also shows development for The Doctors Co., which is one of the top writers of medical professional liability insurance in the United States, with \$654.5 million in direct written premium in 2015. Loss development has been generally favorable for The Doctors Co., though the one-year development for 2014 losses was a decrease of less than 0.1 percent of the original estimate. Total development over the entire period was highly favorable at -\$752 million. Only 2.3 percent of The Doctors Co. written premiums come from Washington state, so much of the reserve development is the result of lower estimates in other states.

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<sup>25</sup> 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.

<sup>26</sup> Consolidated data from Schedule P, part 2, sections 1 and 2 for medical professional liability occurrence and claims made policies. These data are for policies written in all states. Washington-specific data are not available.

This chart compares loss and defense cost ratios for Physicians Insurance, The Doctors Co. and Medical Protective<sup>27</sup> to industry-wide data obtained from A.M. Best.<sup>28</sup> Loss ratios for Physicians Insurance continue to be higher than for the market overall.



<sup>27</sup> The 2014 data point is missing for Medical Protective Company because net premium and loss data for the company were distorted in 2014 by loss portfolio transfer agreements between Medical Protective and its affiliates.

<sup>28</sup> Best's Special Report – U.S. Medical Professional Liability Segment Review, May 9, 2016.

## Washington state market in 2015

Physicians Insurance Co. dominates the admitted medical professional liability insurance market in Washington. The Doctors Co. and Medical Protective are important participants in the market due both to premium volume and their strong position in the national medical professional liability marketplace. Results for Physicians Insurance are the best indicator of the profitability of medical professional liability insurance sold to physicians in this state. Data from the Doctors Co. and Medical Protective provide a snapshot of the overall profitability of medical professional liability insurance nationwide.

<u>Insurer</u>	2015 direct written premiums (millions)		
	Washington	Nationwide	WA % of nationwide
Physicians Insurance	\$58.9	\$71.5	82.4%
The Doctors Co.	\$14.9	\$654.5	2.3%
Washington Casualty Co.	\$6.2	\$9.9	62.6%
Medical Protective Co.	\$7.6	\$570.5	1.3%

<u>Admitted insurer</u>	Washington direct written premiums (millions)	Admitted market share
Physicians Insurance	\$58.9	53.3%
The Doctors Co.	\$14.9	13.5%
Washington Casualty Co.	\$6.2	5.6%
Medical Protective Co.	\$7.6	6.9%
Northwest Dentists Insurance Co.	\$5.0	4.5%
American Casualty Co. of Reading, PA	\$4.1	3.7%
NCMIC Insurance Co.	\$2.5	2.2%
Continental Casualty Co.	\$2.2	2.0%
All other admitted insurers	\$9.1	8.2%
<b>Total</b>	<b>\$110.5</b>	<b>100.0%</b>

## The national market in 2015

Appendix A shows the profitability for these insurers for the 10-year period ending December 31, 2015 using two ratios:

- The operating ratio, which is the combined ratio minus the net investment income ratio.<sup>29 30</sup>
- The combined ratio, which is the sum of the expense ratio, loss ratio, and dividend ratio.<sup>31 32 33</sup>

This table summarizes overall profitability by operating ratios.<sup>34</sup> Operating ratios for Physicians Insurance were very low from 2007 through 2010, but increased to higher but still profitable levels in the last five years. The higher operating ratio for The Doctors Co. in 2014 was due in large part to losses in the company's portfolio of common stock of its affiliates.

Year	Operating ratio		
	Physicians Insurance	Doctors Co.	Medical Protective
2006	74.9%	66.7%	71.6%
2007	48.5%	62.0%	79.2%
2008	53.3%	49.1%	68.8%
2009	69.3%	67.4%	65.8%
2010	74.1%	52.5%	51.9%
2011	86.2%	61.6%	41.9%
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%

<sup>29</sup> 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.

<sup>30</sup> The net investment income ratio is calculated by dividing net investment income by net earned premiums.

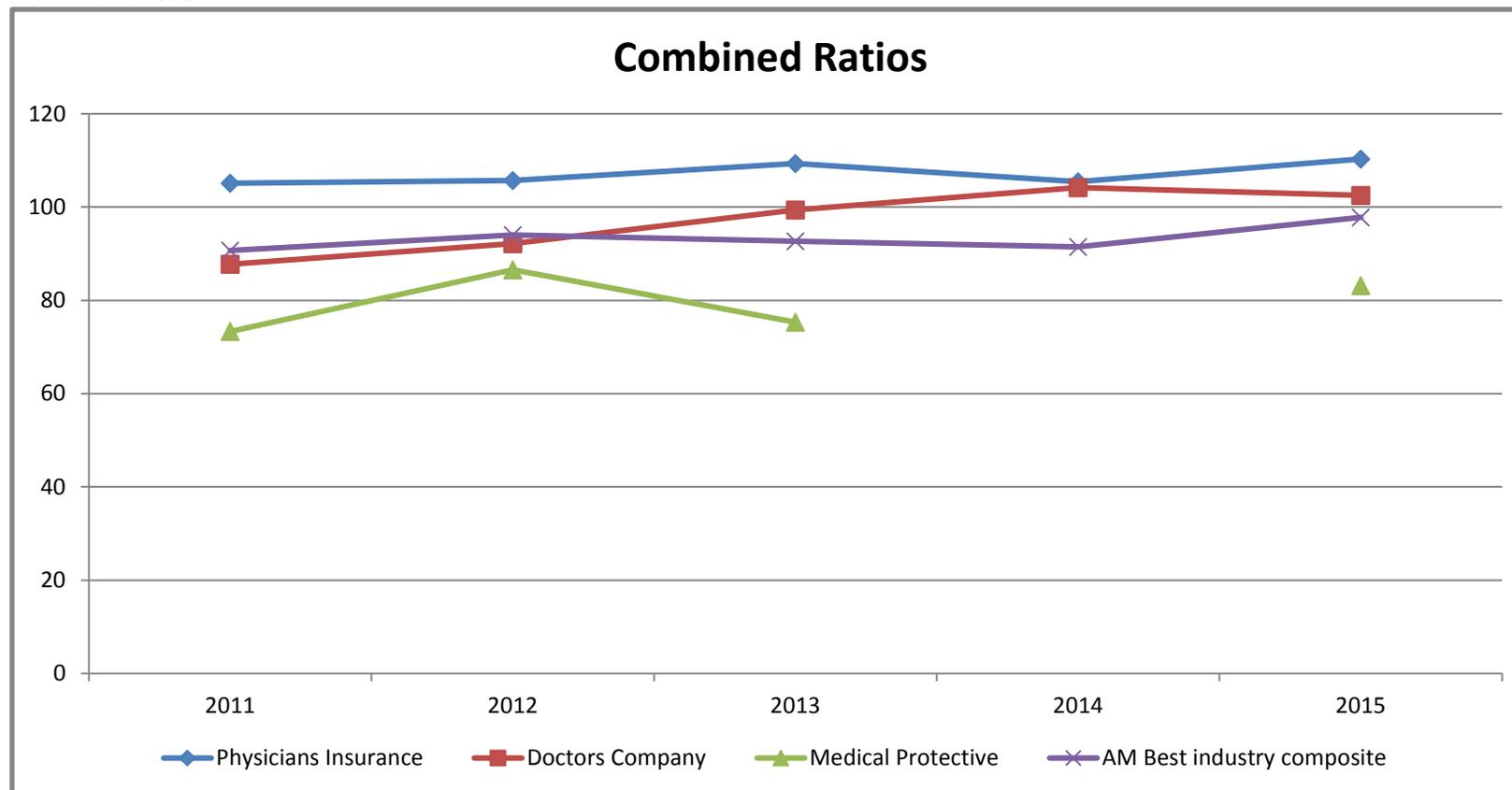
<sup>31</sup> The expense ratio is calculated by dividing incurred underwriting expenses by net written premiums.

<sup>32</sup> The loss ratio is calculated by dividing losses and defense costs by net earned premiums.

<sup>33</sup> The dividend ratio is calculated by dividing policyholder dividends by net earned premiums.

<sup>34</sup> 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 Co., and Medical Protective to cumulative data obtained from A.M. Best.<sup>35 36</sup>



<sup>35</sup> Best's Special Report – U.S. Medical Professional Liability Segment Review, May 9, 2016.

<sup>36</sup> The combined ratio measures how well an insurance company is performing in its daily operations. A ratio below 100 percent 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

	Year closed					Five-year total
	2011	2012	2013	2014	2015	
Total claims closed	1,207	1,183	1,131	1,039	1,029	<b>5,589</b>
Number of indemnity payments	536	613	547	468	412	<b>2,576</b>
Total paid indemnity	\$115,317,580	\$104,140,627	\$126,396,308	\$125,257,297	\$155,952,164	<b>\$627,063,976</b>
Average indemnity payment	\$215,145	\$169,887	\$231,072	\$267,644	\$378,525	<b>\$243,425</b>
Median indemnity payment	\$50,000	\$27,600	\$50,000	\$73,794	\$75,000	<b>\$50,000</b>
Total economic loss	\$52,411,868	\$55,176,465	\$70,065,091	\$79,043,041	\$84,156,304	<b>\$340,852,769</b>
Average economic loss	\$97,783	\$90,011	\$128,090	\$168,895	\$204,263	<b>\$132,319</b>
Median economic loss	\$25,000	\$22,500	\$25,000	\$25,846	\$32,000	<b>\$25,000</b>
Number of claims with defense costs	1,066	908	1,131	1,039	1,029	<b>5,173</b>
Total defense costs	\$43,385,352	\$45,173,651	\$45,282,079	\$51,618,342	\$58,613,392	<b>\$244,072,816</b>
Average defense cost	\$40,699	\$49,751	\$40,037	\$49,681	\$56,962	<b>\$47,182</b>
Median defense cost	\$9,109	\$12,625	\$12,511	\$15,589	\$14,344	<b>\$12,453</b>

## Payments to claimants

Over the five-year period, insurers and self-insurers paid \$627 million on 2,576 claims, or \$243,425 per paid claim.<sup>37</sup> Both the average indemnity payment and median indemnity payment were higher in 2015 than in the prior four years.<sup>38</sup>

Over the five-year period, total economic loss was \$340.9 million, or an average of \$132,319 per paid claim. On average, insurers and self-insurers attributed 54.4 percent of indemnity payments to economic loss. Median economic loss was \$25,000.

<sup>37</sup> These data 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.

<sup>38</sup> The median is the number in the middle of a set of numbers (half the numbers have values greater than the median, and half have values that are less).

## **Defense costs**

Insurers and self-insurers paid \$244.1 million to defend 5,173 claims, or an average of \$47,182 per claim with defense costs. Total defense costs increased 13.6 percent in 2015 compared to 2014. Claims reported by insurers and self-insurers included defense costs 92.6 percent of the time.

## **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 his or her injury and the insurer or self-insurer covers both parties. For incidents that occurred between 2008 and 2015, 18.7 percent of individual claim reports were part of a multiclaim incident. About half of the 836 reported incidents resulted in indemnity payments. The aggregate average indemnity payment per incident was \$503,883, which is 2.1 times the average per claim indemnity payment of \$238,022 for the eight-year period.<sup>39</sup>

Often, not all of the individual claims related to a given incident are resolved at the same time, 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 that average indemnity payments at the incident level will increase over time as additional claims related to previously reported incidents are resolved.

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<sup>39</sup> 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 2011 and 2015.

## Lawsuit summary

This table summarizes litigation data.<sup>40</sup>

	<b>Five-year period ending December 31, 2015</b>						
	Total number of claims	Claims with paid indemnity	Total paid indemnity	Average paid indemnity	Claims with defense costs	Total defense costs	Average defense cost
No lawsuit filed	2,729	1,378	\$115,455,916	\$83,785	2,330	\$14,215,511	\$6,101
Lawsuit filed	2,860	1,198	\$511,608,060	\$427,052	2,843	\$229,857,305	\$80,850
<b>Total</b>	<b>5,589</b>	<b>2,576</b>	<b>\$627,063,976</b>	<b>\$243,425</b>	<b>5,173</b>	<b>\$244,072,816</b>	<b>\$47,182</b>

Of the 5,589 claims reported, claimants filed lawsuits 51.2 percent of the time. Insurers and self-insurers incurred defense costs in 99.4 percent of the claims in which the plaintiff filed a lawsuit, averaging \$80,850. Lawsuits resulted in indemnity payments 41.9 percent of the time, averaging \$427,052. For claims without litigation, claimants were compensated 50.5 percent of the time, with an average indemnity payment of \$83,785.

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<sup>40</sup> These data are not comparable to lawsuit settlement data reported by attorneys. Insurers and self-insurers report data separately for each defendant. Attorneys submit one settlement report that includes payments made by all defendants named in the lawsuit.

## Method of settlement

This table shows that insurers and self-insurers most often settled claims by negotiation, comprising 38 percent of the reported claims and 59.4 percent of total paid indemnity.

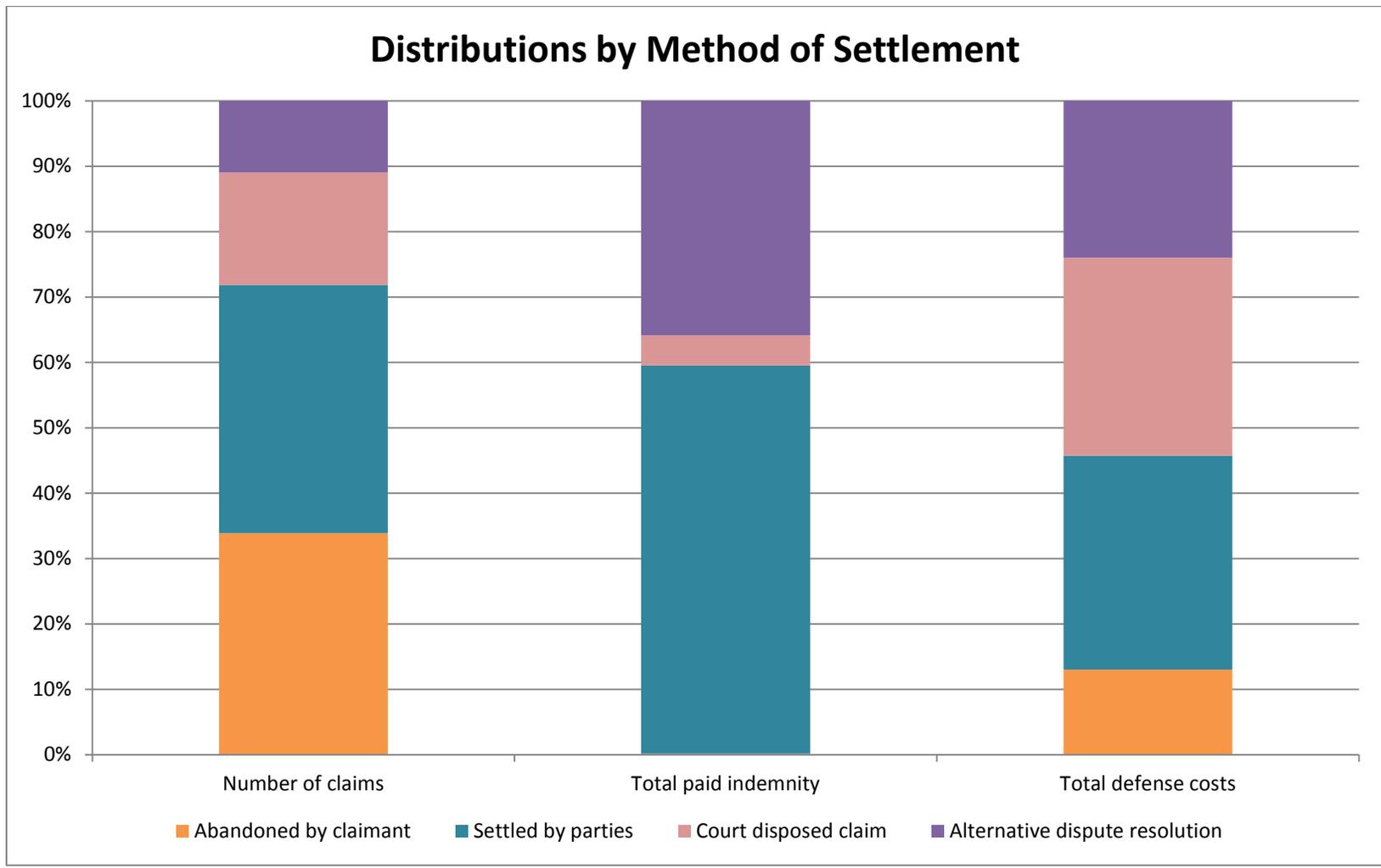
<b>Five-year period ending December 31, 2015</b>									
<u>Method of claim resolution</u>	Total number of claims	Claims with paid indemnity	Total paid indemnity	Average paid indemnity	Median paid indemnity	Claims with defense costs	Total defense costs	Average defense costs	Median defense costs
Abandoned by claimant	1,893	146	\$828,057	\$5,672	\$963	1,871	\$31,738,349	\$16,963	\$3,061
Settled by parties	2,123	1,902	\$372,335,327	\$195,760	\$35,000	1,733	\$79,898,670	\$46,104	\$20,489
Court disposed claim	961	33	\$28,979,122	\$878,155	\$250,000	960	\$73,856,908	\$76,934	\$24,010
Alternative dispute resolution	612	495	\$224,921,470	\$454,387	\$220,000	609	\$58,578,889	\$96,189	\$57,972
<b>Total</b>	<b>5,589</b>	<b>2,576</b>	<b>\$627,063,976</b>	<b>\$243,425</b>	<b>\$50,000</b>	<b>5,173</b>	<b>\$244,072,816</b>	<b>\$47,182</b>	<b>\$12,453</b>

Plaintiff verdicts or judgments were few in number. Insurers and self-insurers reported 26 claims resolved by plaintiff verdict or judgment, of which 23 claims resulted in an indemnity payment averaging \$1.1 million.<sup>41</sup> These claims comprised 0.5 percent of total claims and 2.7 percent all claims resolved by the courts. The courts ruled in favor of defendants in the vast majority of cases.

Of the 2,123 claims settled by the parties, insurers and self-insurers resolved most through informal negotiation. These settlements occurred before either party requested arbitration, mediation, or a private trial 45.2 percent of the time, and only 2.6 percent of claims settled after the start of a trial or hearing.

Of the 1,893 claims abandoned by the claimant, 98.7 percent of these were abandoned before a trial or hearing.

<sup>41</sup> In cases where a lawsuit has more than one defendant, some defendants may not be responsible to compensate the claimant.



About one-third of claims were abandoned by the claimant. Claims settled by the courts accounted for a small portion of total indemnity payments, but a substantial portion of total defense costs.

Insurers and self-insurers used alternative dispute resolution to settle 612 claims. Mediation was used to resolve 89.1 percent of these claims. Mediation led to the second-highest average paid indemnity at \$464,367. Median paid indemnity for claims settled by mediation was \$225,000 and median defense costs were \$54,784. Private trials were the most costly form of alternative dispute resolution for both average paid indemnity and average defense costs.<sup>42</sup>

<b>Five-year period ending December 31, 2015</b>							
<u>Method of alternative dispute resolution</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
Arbitration award for plaintiff	22	22	\$3,638,911	\$165,405	22	\$2,003,997	\$91,091
Arbitration decision for defense	17	0	\$0	-	17	\$2,540,520	\$149,442
Mediation	545	457	\$212,215,668	\$464,367	543	\$49,146,279	\$90,509
Private trial	28	16	\$9,066,891	\$566,681	27	\$4,888,093	\$181,040
<b>Total</b>	<b>612</b>	<b>495</b>	<b>\$224,921,470</b>	<b>\$454,387</b>	<b>609</b>	<b>\$58,578,889</b>	<b>\$96,189</b>

<sup>42</sup> A private trial most closely resembles an actual court trial and the procedures used are almost identical. The main difference is that the parties must agree to an individual, usually a retired judge, to sit as a "judge pro tempore" (temporary judge) and render a decision. As its title suggests, the trial is held in private and may be confidential.

## Size of indemnity payments

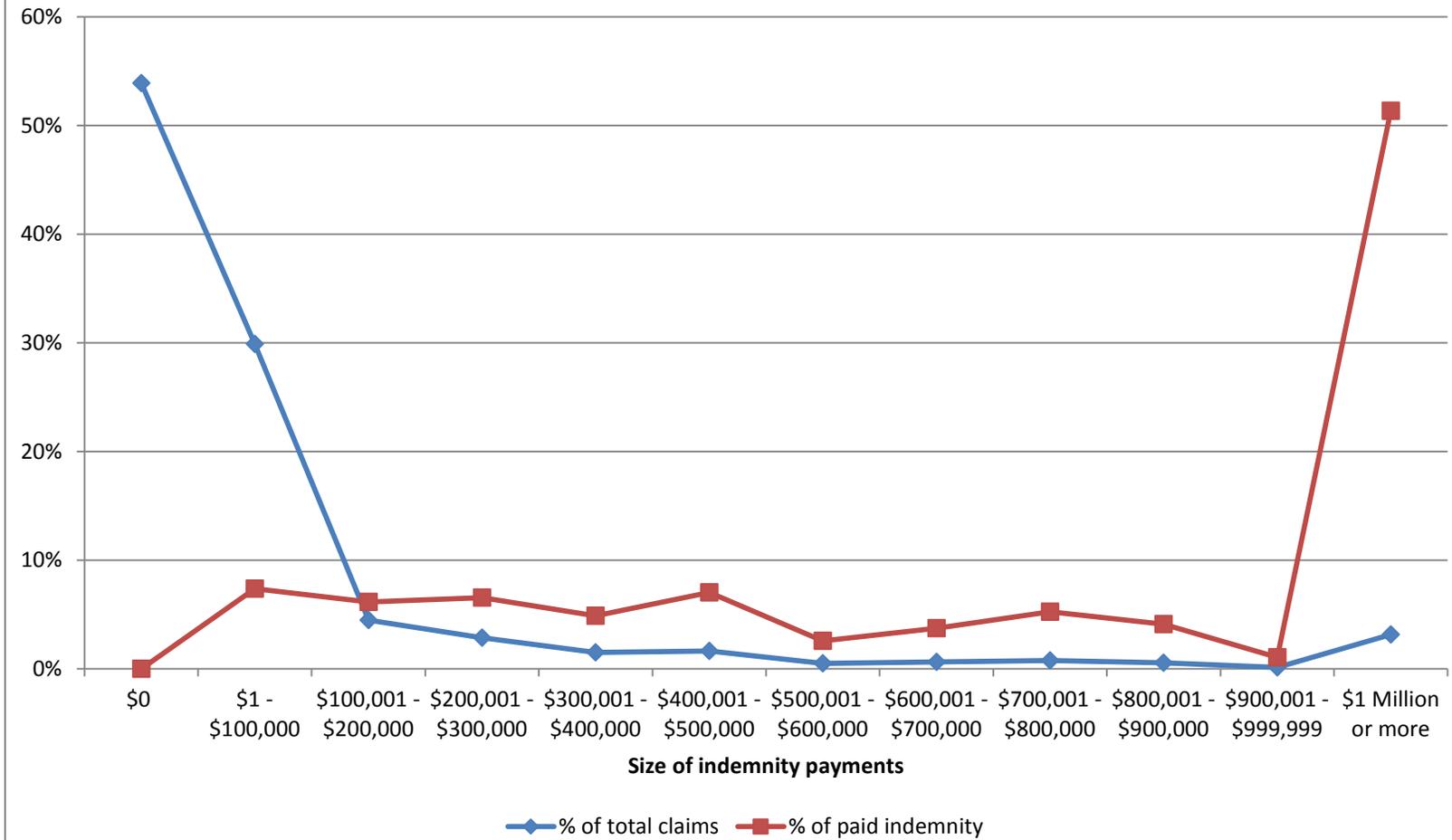
This table shows that insurers and self-insurers settled just over half of all claims without making an indemnity payment, and two-thirds of the remaining claims had indemnity payments of \$100,000 or less. The average indemnity payment in this range was \$27,605.

There were 176 claims settled for \$1 million or more, and those claims produced 51.4 percent of the total paid indemnity, an average of \$1.8 million per claim.

Six extremely large claims were closed in 2015, with indemnity payments in excess of \$5 million. By comparison, there were only three claims that large closed from 2011-2014. None of these claims related to incidents that happened in 2015. On average, the lag between the time of the medical incident leading to the claim and the time the claim was closed by the insurer was 58 months for these large claims.

<b>Five-year period ending December 31, 2015</b>					
<u>Range of paid indemnity</u>	Total number of claims	% of claims	Total paid indemnity	% of paid indemnity	Average paid indemnity
\$0	3,013	53.9%			
\$1 - \$100,000	1,671	29.9%	\$46,127,168	7.4%	\$27,605
\$100,001 - \$200,000	250	4.5%	\$38,592,371	6.2%	\$154,369
\$200,001 - \$300,000	160	2.9%	\$40,980,708	6.5%	\$256,129
\$300,001 - \$400,000	84	1.5%	\$30,591,941	4.9%	\$364,190
\$400,001 - \$500,000	92	1.6%	\$44,003,376	7.0%	\$478,298
\$500,001 - \$600,000	28	0.5%	\$16,020,890	2.6%	\$572,175
\$600,001 - \$700,000	35	0.6%	\$23,457,688	3.7%	\$670,220
\$700,001 - \$800,000	43	0.8%	\$32,935,834	5.3%	\$765,950
\$800,001 - \$900,000	30	0.5%	\$25,688,521	4.1%	\$856,284
\$900,001 - \$999,999	7	0.1%	\$6,623,792	1.1%	\$946,256
\$1 million or more	176	3.1%	\$322,041,687	51.4%	\$1,829,782
<b>Total</b>	<b>5,589</b>	<b>100.0%</b>	<b>\$627,063,976</b>	<b>100.0%</b>	<b>\$243,425</b>

## Indemnity Payment Distribution



## Claims with paid indemnity less than and more than \$500,000

Most claims were resolved with an indemnity payment of \$500,000 or less; the median paid indemnity for these claims was \$33,333. Insurers and self-insurers paid much more money to settle claims higher than \$500,000, and median paid indemnity for these claims was \$1 million. Many physicians carry malpractice insurance with a policy limit of \$1 million per incident, so many claims were settled for exactly \$1 million.

Five-year period ending December 31, 2015						
<u>Range of paid indemnity</u>	Total number of claims	% of claims with paid indemnity	Total paid indemnity	% of total paid indemnity	Average paid indemnity	Median paid indemnity
\$500,000 or less	2,257	87.6%	\$200,295,564	31.9%	\$88,744	\$33,333
Over \$500,000	319	12.4%	\$426,768,412	68.1%	\$1,337,832	\$1,000,000
<b>Total</b>	<b>2,576</b>	<b>100.0%</b>	<b>\$627,063,976</b>	<b>100.0%</b>	<b>\$243,425</b>	<b>\$50,000</b>

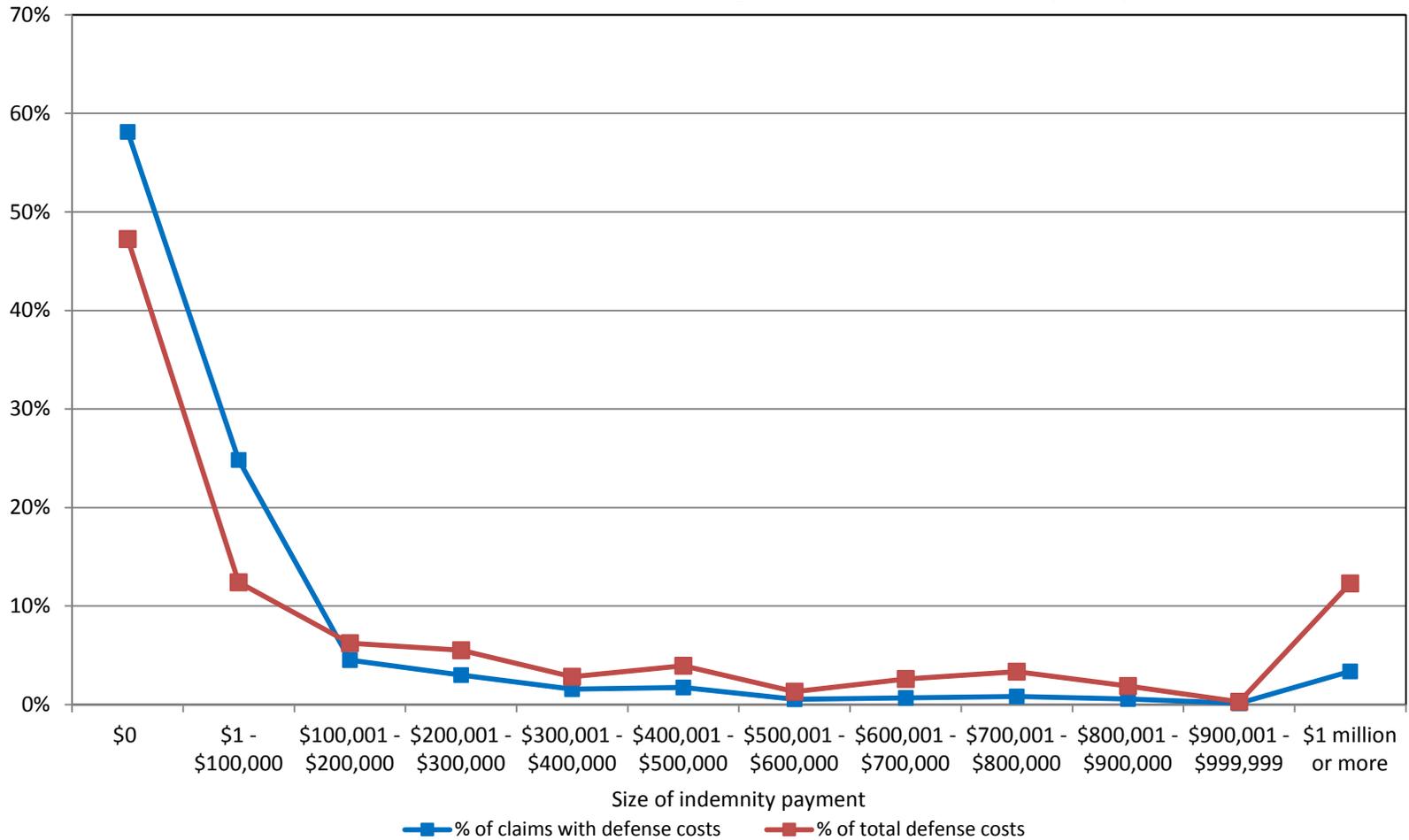
## Defense costs by size of indemnity payment

This table shows how defense costs are related to the size of the indemnity payment. Insurers and self-insurers did not make an indemnity payment for 58.1 percent of claims with defense costs, yet these claims accounted for 47.2 percent of all defense costs. Average defense costs for these claims were \$38,347.

There were 175 claims with defense costs that settled for \$1 million or more, and those claims produced 12.3 percent of the total defense costs, or an average of \$171,727 per claim.

<u>Range of paid indemnity</u>	<u>Five-year period ending December 31, 2015</u>				
	Number of claims with defense costs	% of claims with defense costs	Total defense costs	% of total defense costs	Average defense cost
\$0	3,007	58.1%	\$115,308,627	47.2%	\$38,347
\$1 - \$100,000	1,285	24.8%	\$30,332,054	12.4%	\$23,605
\$100,001 - \$200,000	234	4.5%	\$15,234,436	6.2%	\$65,104
\$200,001 - \$300,000	156	3.0%	\$13,452,099	5.5%	\$86,231
\$300,001 - \$400,000	82	1.6%	\$6,945,017	2.8%	\$84,695
\$400,001 - \$500,000	91	1.8%	\$9,643,496	4.0%	\$105,972
\$500,001 - \$600,000	28	0.5%	\$3,211,964	1.3%	\$114,713
\$600,001 - \$700,000	35	0.7%	\$6,376,529	2.6%	\$182,187
\$700,001 - \$800,000	43	0.8%	\$8,171,904	3.3%	\$190,044
\$800,001 - \$900,000	30	0.6%	\$4,636,837	1.9%	\$154,561
\$900,001 - \$999,999	7	0.1%	\$707,605	0.3%	\$101,086
\$1 million or more	175	3.4%	\$30,052,248	12.3%	\$171,727
<b>Total</b>	<b>5,173</b>	<b>100.0%</b>	<b>\$244,072,816</b>	<b>100.0%</b>	<b>\$47,182</b>

## Distribution of Defense Costs by Size of Indemnity Payment



## Defense costs for claims with paid indemnity less than and more than \$500,000

Most claims with defense costs and the majority of total defense costs were for claims with paid indemnity up to \$500,000 range. Median defense costs for claims up to \$500,000 were \$10,634, versus \$105,802 for claims settled for more than \$500,000. Many medical malpractice claims have relatively small amounts paid for defense costs.

Five-year period ending December 31, 2015						
<u>Range of paid indemnity</u>	Number of claims with defense costs	% of claims with defense costs	Total defense costs	% of total defense costs	Average defense cost	Median defense cost
\$0 to \$500,000	4,855	93.9%	\$190,915,729	78.2%	\$39,324	\$10,634
Over \$500,000	318	6.1%	\$53,157,087	21.8%	\$167,161	\$105,802
<b>Total</b>	<b>5,173</b>	<b>100.0%</b>	<b>\$244,072,816</b>	<b>100.0%</b>	<b>\$47,182</b>	<b>\$12,453</b>

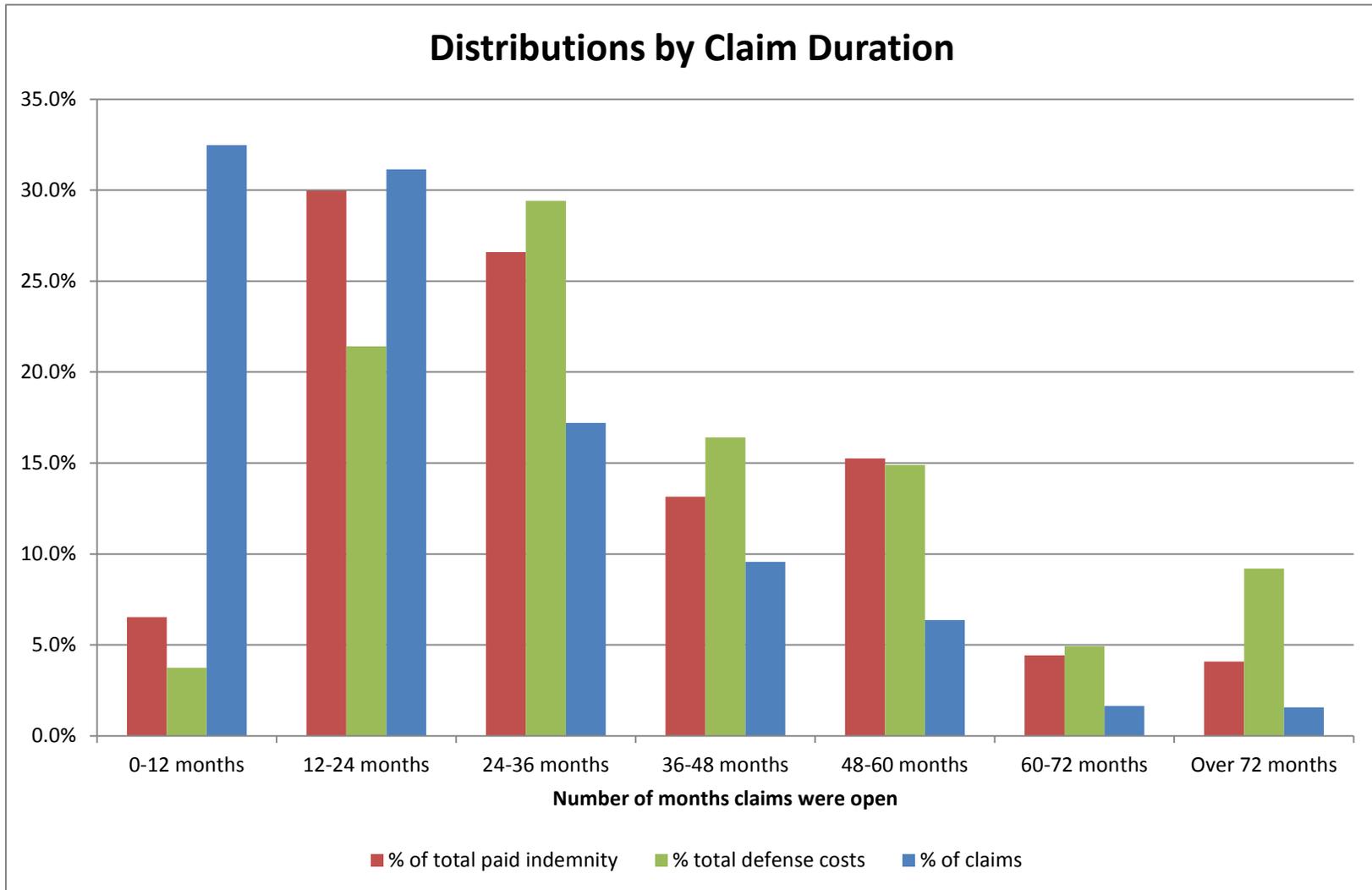
## Paid indemnity and defense costs by age of claim

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

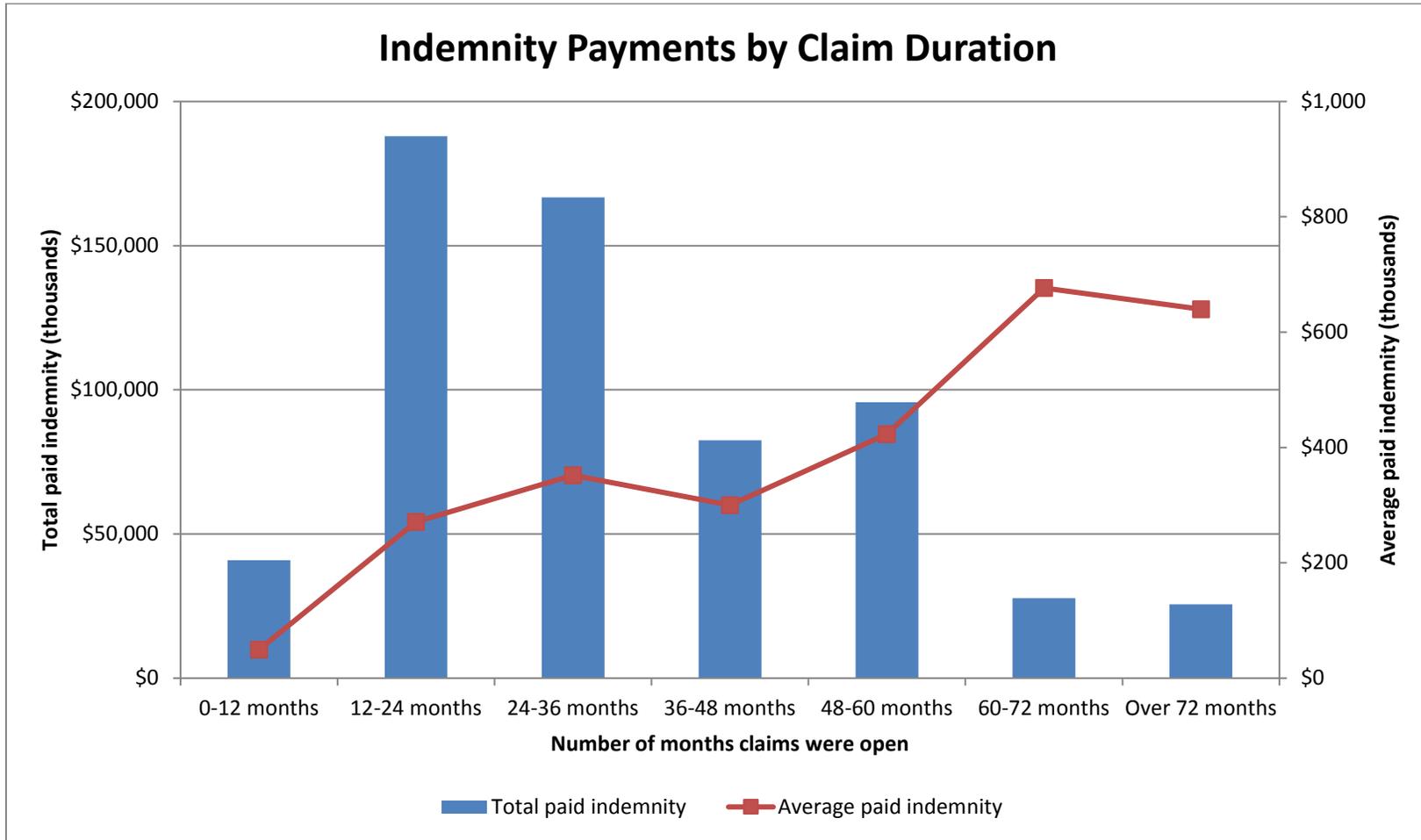
Five-year period ending December 31, 2015								
Notice date to closed date	Total number of claims	% of claims	Claims with paid indemnity	Total paid indemnity	Average paid indemnity	Claims with defense costs	Total defense costs	Average defense costs
0-12 months	1,815	32.5%	826	40,900,993	\$49,517	1,599	9,149,191	\$5,722
12-24 months	1,741	31.2%	694	187,941,414	\$270,809	1,684	52,282,346	\$31,047
24-36 months	962	17.2%	474	166,742,802	\$351,778	942	71,769,167	\$76,188
36-48 months	535	9.6%	275	82,483,131	\$299,939	497	40,032,887	\$80,549
48-60 months	356	6.4%	226	95,674,185	\$423,337	274	36,347,412	\$132,655
60-72 months	92	1.6%	41	27,736,942	\$676,511	89	12,040,072	\$135,282
Over 72 months	88	1.6%	40	25,584,509	\$639,613	88	22,451,741	\$255,133
<b>Total</b>	<b>5,589</b>	<b>100.0%</b>	<b>2,576</b>	<b>\$627,063,976</b>	<b>\$243,425</b>	<b>5,173</b>	<b>\$244,072,816</b>	<b>\$47,182</b>

Claims closed within the first 12 months after the insurer was first notified represented 32.5 percent of total claims and had the lowest average defense costs and average paid indemnity. For the entire group of 5,589 claims, the average length of time between notice date and date closed was 22.9 months and the median length of time was 18.4 months. Insurers and self-insurers closed 80.8 percent of all claims within 36 months after they received notice of the claim. Overall, claims closed within 36 months account for 63.1 percent of total paid indemnity and 54.6 percent of total defense costs.

This chart shows the distribution of claims, indemnity payments and defense costs in relation to the time between the date the claim was made and the date it was settled.



This chart shows total and average paid indemnity by age of claim.

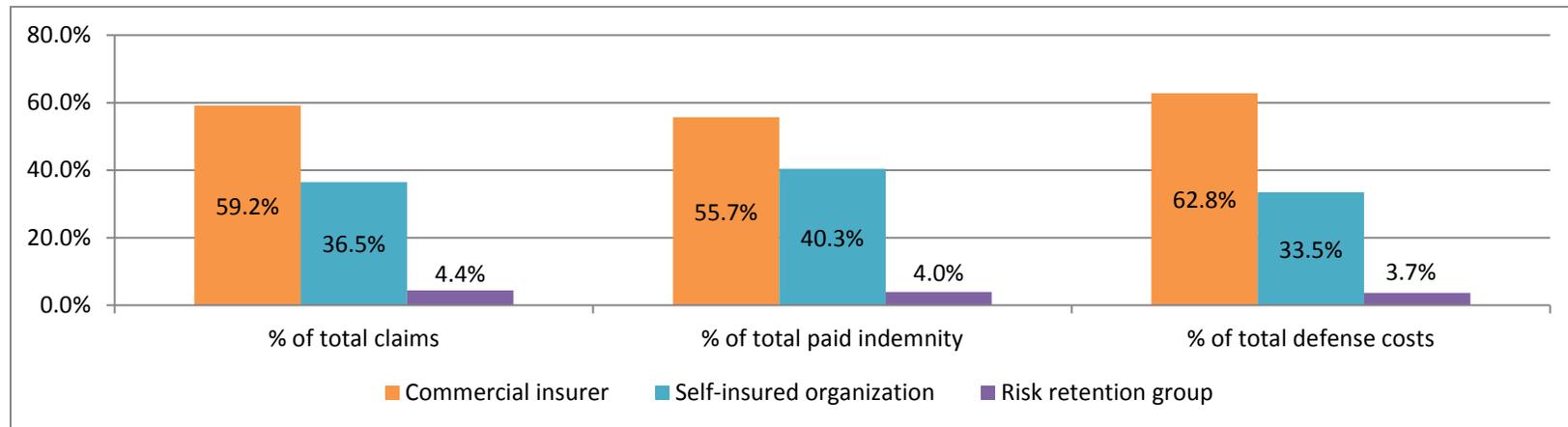


## Type of insuring entity

Commercial insurers reported the highest number of claims and had the highest average defense costs.<sup>43</sup> Self-insured organizations reported the second-highest number of claims.

<b>Five-year period ending December 31, 2015</b>							
<b>Reporting entity</b>	Total number of claims	Claims with paid indemnity	Total paid indemnity	Average paid indemnity	Claims with defense costs	Total defense costs	Average defense costs
Commercial insurer	3,306	1,358	\$349,280,614	\$257,202	3,075	\$153,351,059	\$49,870
Self-insured organization	2,038	1,093	\$252,918,190	\$231,398	1,880	\$81,729,978	\$43,473
Risk retention group	245	125	\$24,865,172	\$198,921	218	\$8,991,779	\$41,247
<b>Total</b>	<b>5,589</b>	<b>2,576</b>	<b>\$627,063,976</b>	<b>\$243,425</b>	<b>5,173</b>	<b>\$244,072,816</b>	<b>\$47,182</b>

This chart shows the distribution of claims, indemnity payments and defense costs for each type of reporting entity.



<sup>43</sup> Commercial insurers include admitted (licensed) and surplus lines insurers.

## Severity of injury

This table shows compensation by severity of injury.<sup>44</sup> Insurers and self-insurers most often classified injuries as minor and temporary. Minor temporary injuries comprised 29.7 percent of total claims, 7.3 percent of total paid indemnity and 11.6 percent of defense costs.

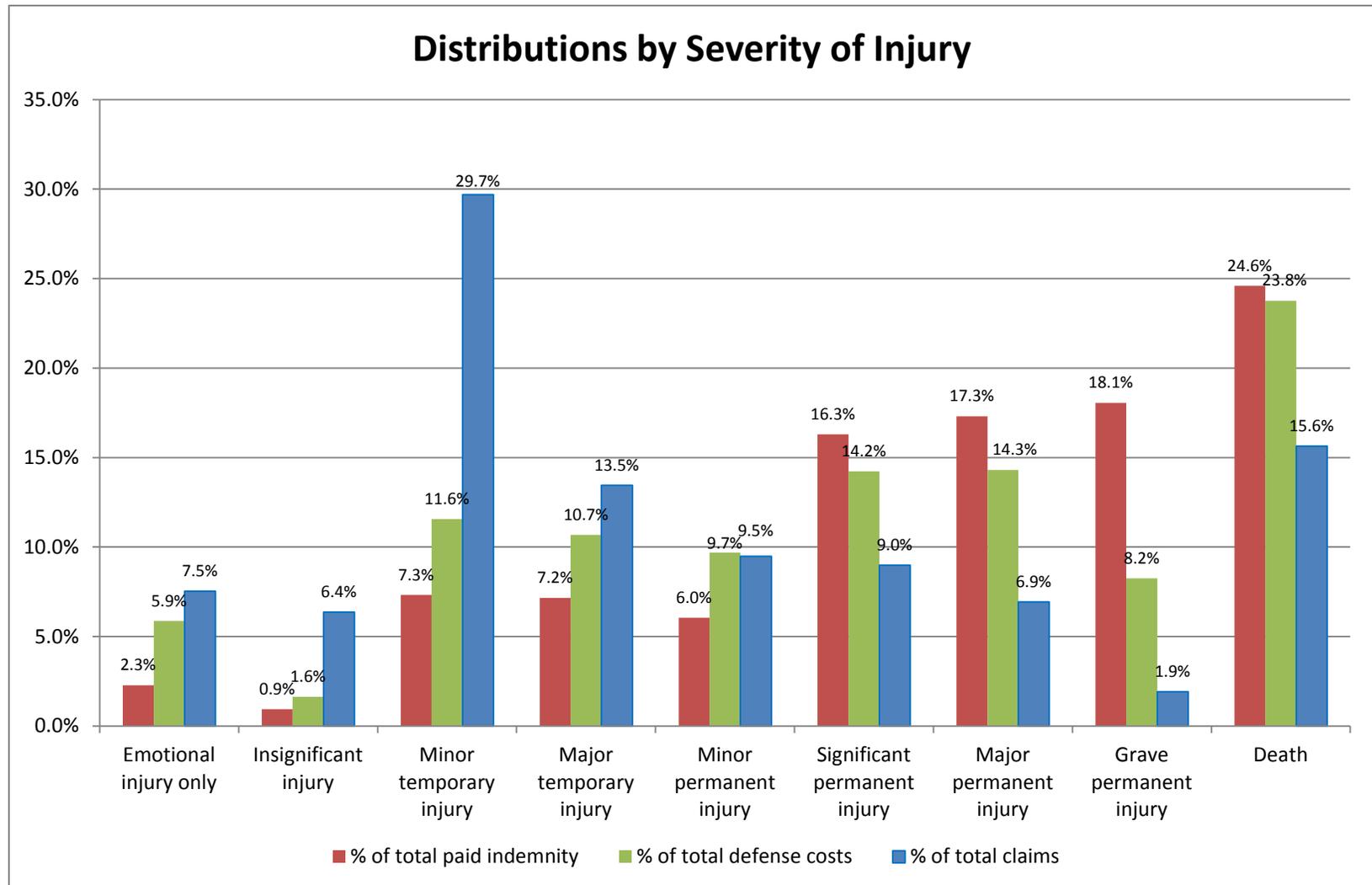
Five-year period ending December 31, 2015									
Injury outcome	Number of claims	Claims with paid indemnity	Paid indemnity	Average paid indemnity	Median paid indemnity	Claims		Average defense costs	Median defense costs
						with defense costs	Defense costs		
Emotional injury only	421	145	\$14,253,320	\$98,299	\$25,000	406	\$14,330,891	\$35,298	\$7,469
Insignificant injury	356	174	\$5,899,797	\$33,907	\$1,500	305	\$3,998,196	\$13,109	\$2,954
Minor temporary injury	1,659	847	\$45,926,610	\$54,223	\$12,500	1,417	\$28,236,518	\$19,927	\$4,180
Major temporary injury	752	358	\$44,866,074	\$125,324	\$50,000	702	\$26,084,190	\$37,157	\$9,463
Minor permanent injury	530	244	\$37,918,573	\$155,404	\$70,000	485	\$23,646,543	\$48,756	\$15,210
Significant permanent injury	502	222	\$102,246,009	\$460,568	\$250,000	499	\$34,717,170	\$69,573	\$32,898
Major permanent injury	388	190	\$108,534,517	\$571,234	\$500,000	386	\$34,927,009	\$90,484	\$41,503
Grave permanent injury	107	55	\$113,205,571	\$2,058,283	\$1,000,000	105	\$20,132,627	\$191,739	\$82,698
Death	874	341	\$154,213,505	\$452,239	\$250,000	868	\$57,999,672	\$66,820	\$25,974
<b>Total</b>	<b>5,589</b>	<b>2,576</b>	<b>\$627,063,976</b>	<b>\$243,425</b>	<b>\$50,000</b>	<b>5,173</b>	<b>\$244,072,816</b>	<b>\$47,182</b>	<b>\$12,453</b>

Grave permanent injuries had the highest average paid indemnity at \$2.1 million and median paid indemnity at \$1 million.<sup>45</sup> Major permanent injuries had the second-highest average paid indemnity at \$571,234 and median paid indemnity at \$500,000. Death of the patient had the fourth-highest average paid indemnity at \$452,239 and median paid indemnity at \$250,000.

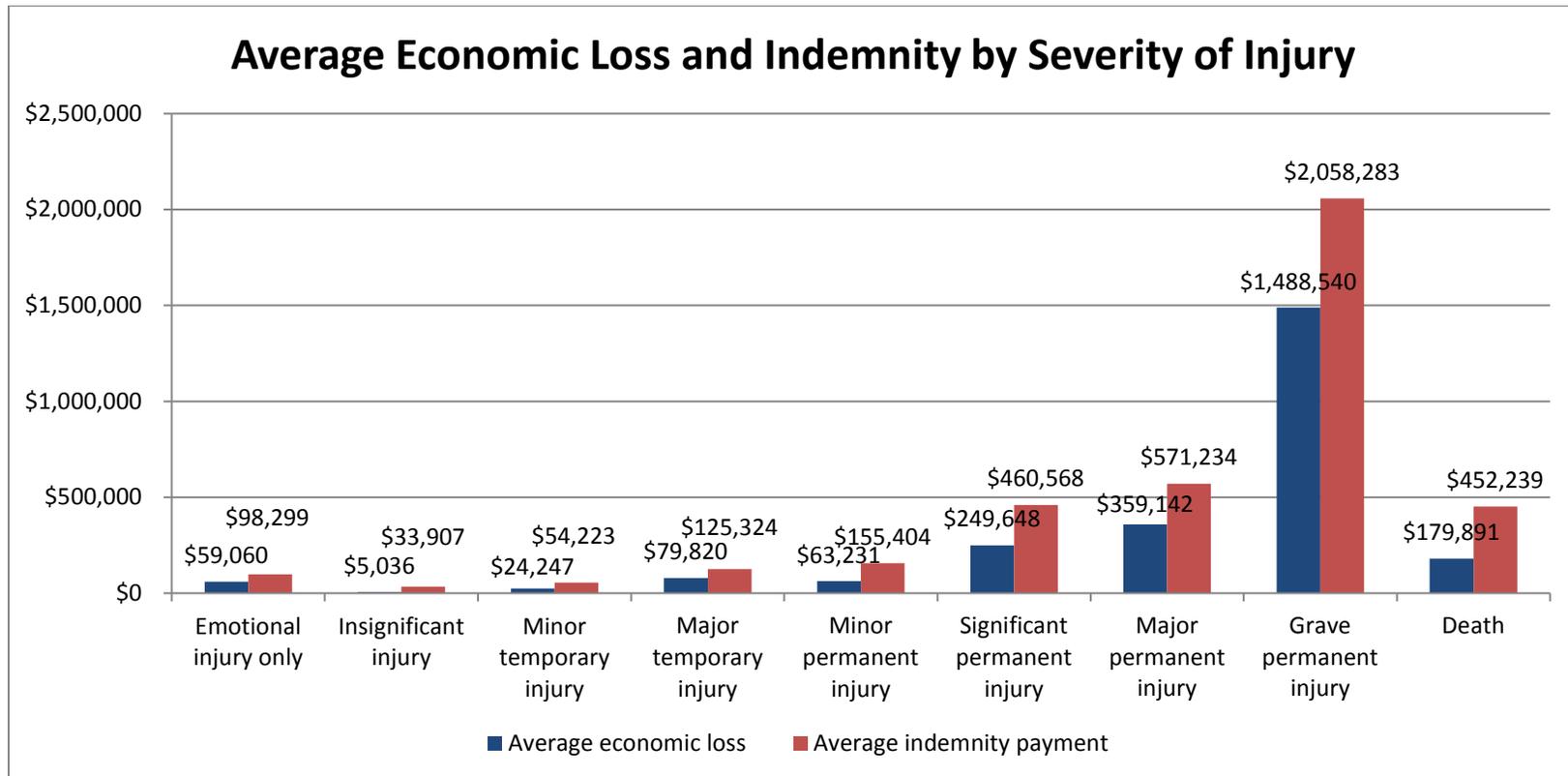
<sup>44</sup> For a description of each type of injury outcome, see [WAC 284-24D-220](#).

<sup>45</sup> Grave permanent injuries include quadriplegia and severe brain damage, requiring lifelong dependent care.

This chart shows distributions of claims, indemnity payments and defense costs by severity of injury.



If they made an indemnity payment, insurers and self-insurers reported the economic loss related to the injury.<sup>46</sup> The insurer or self-insurer either estimated the economic losses or reported the amount of economic loss awarded by a court. Claims involving death of the patient had lower average paid indemnity and average economic loss than claims for major permanent injury, grave permanent injury, or significant permanent injury. If a person dies, compensation for economic loss is largely calculated based on lost income and services the deceased would have provided. This chart shows the relationship between injury outcome, average paid indemnity and average economic loss.



<sup>46</sup> 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

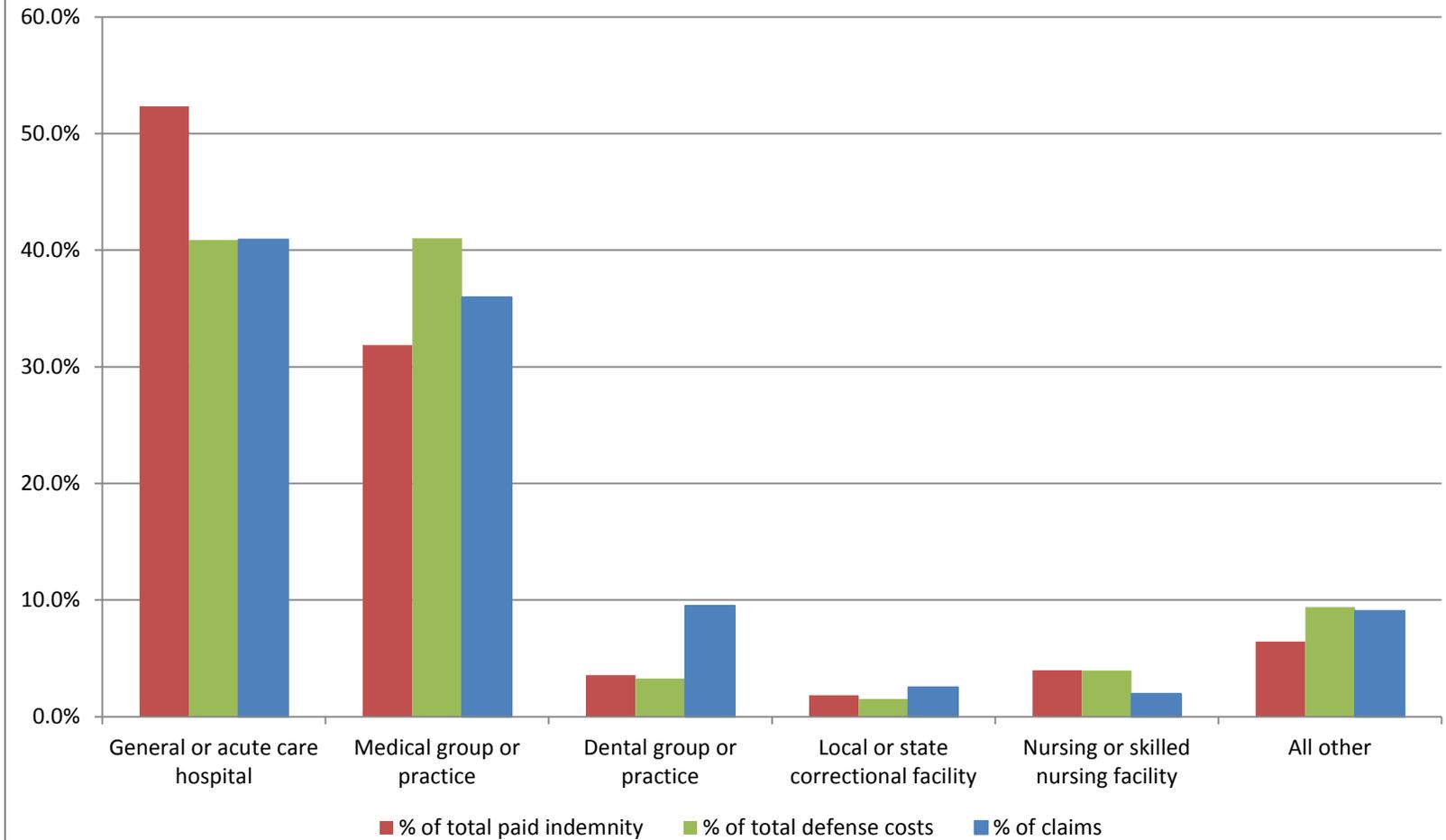
This exhibit shows data segmented by the type of health care organization or provider group.<sup>47</sup>

<b>Five-year period ending December 31, 2015</b>										
<u>Health care organization</u>	Total number of claims	Claims with paid indemnity	Total paid indemnity	% of total paid indemnity	Average paid indemnity	Median paid indemnity	Claims with defense costs	Total defense costs	% of total defense costs	Average defense costs
General or acute care hospital	2,287	1,030	\$328,130,863	52.3%	\$318,574	\$50,000	2,151	\$99,726,056	40.9%	\$46,363
Medical group or practice	2,011	830	\$199,730,509	31.9%	\$240,639	\$79,012	1,922	\$100,100,635	41.0%	\$52,081
Dental group or practice	532	358	\$22,321,487	3.6%	\$62,351	\$20,000	374	\$7,959,880	3.3%	\$21,283
Local or state correctional facility	142	34	\$11,513,073	1.8%	\$338,620	\$35,000	136	\$3,733,144	1.5%	\$27,450
Nursing or skilled nursing facility	110	80	\$24,971,419	4.0%	\$312,143	\$148,717	107	\$9,644,878	4.0%	\$90,139
Chiropractic group or practice	71	30	\$5,018,854	0.8%	\$167,295	\$55,000	71	\$4,061,068	1.7%	\$57,198
Ambulatory clinic or center	60	31	\$3,858,418	0.6%	\$124,465	\$9,000	51	\$945,042	0.4%	\$18,530
Podiatric group or practice	40	12	\$1,399,500	0.2%	\$116,625	\$58,750	40	\$1,323,306	0.5%	\$33,083
Physical/occupational therapy	30	16	\$1,274,816	0.2%	\$79,676	\$37,500	29	\$783,647	0.3%	\$27,022
Health center	25	12	\$1,486,647	0.2%	\$123,887	\$16,250	22	\$457,859	0.2%	\$20,812
Pharmacy	24	21	\$544,984	0.1%	\$25,952	\$10,000	18	\$227,631	0.1%	\$12,646
All other organizations	257	122	26,813,406	4.3%	\$219,782		252	15,109,670	6.2%	\$59,959
<b>Total</b>	<b>5,589</b>	<b>2,576</b>	<b>\$627,063,976</b>	<b>100.0%</b>	<b>\$243,425</b>	<b>\$50,000</b>	<b>5,173</b>	<b>\$244,072,816</b>	<b>100.0%</b>	<b>\$47,182</b>

General or acute-care hospitals had the largest number of total claims and claims with indemnity payments. Correctional facilities had the highest average paid indemnity at \$338,620. Nursing and skilled nursing facilities had the highest median paid indemnity at \$148,717 and the highest average defense costs at \$90,139.

<sup>47</sup> Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), the 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.

## Distributions by Type of Health Care Organization



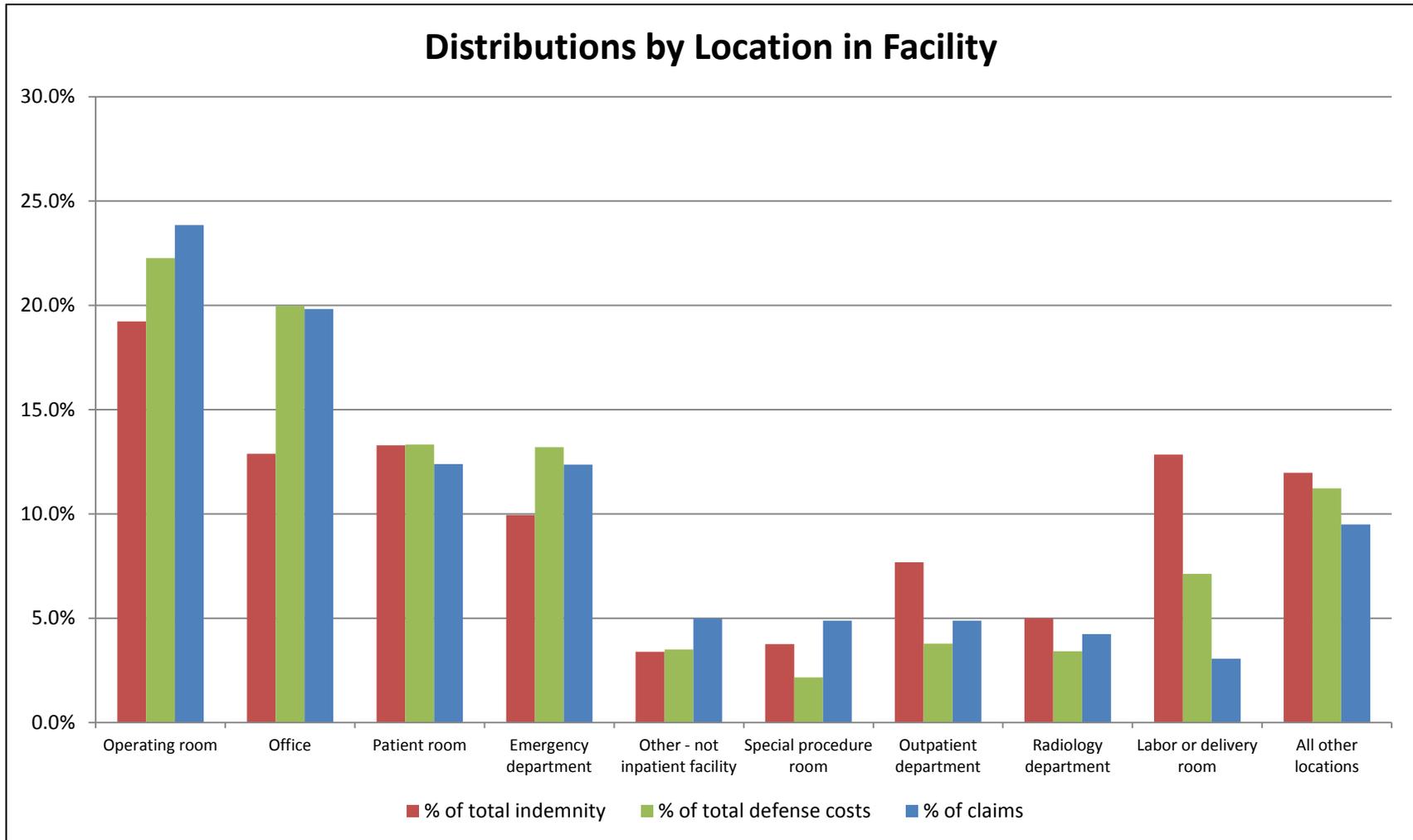
## Location in the facility

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

<u>Location within facility</u>	<u>Five-year period ending December 31, 2015</u>										
	Total number of claims	% of total claims	Claims with paid indemnity	Total paid indemnity	% of total paid indemnity	Average paid indemnity	Median paid indemnity	Claims with defense costs	Total defense costs	% of total defense costs	Average defense costs
Operating room	1,333	23.9%	528	\$120,565,186	19.2%	\$228,343	\$52,500	1,268	\$54,353,878	22.3%	\$42,866
Office	1,108	19.8%	536	\$80,802,270	12.9%	\$150,751	\$34,000	965	\$48,760,901	20.0%	\$50,529
Patient room	693	12.4%	369	\$83,316,334	13.3%	\$225,790	\$54,448	645	\$32,529,062	13.3%	\$50,433
Emergency department	691	12.4%	240	\$62,379,471	9.9%	\$259,914	\$88,750	671	\$32,221,218	13.2%	\$48,020
Other - not inpatient facility	279	5.0%	76	\$21,295,757	3.4%	\$280,207	\$50,000	270	\$8,556,867	3.5%	\$31,692
Special procedure room	273	4.9%	170	\$23,542,143	3.8%	\$138,483	\$38,750	222	\$5,296,238	2.2%	\$23,857
Outpatient department	273	4.9%	157	\$48,179,916	7.7%	\$306,878	\$14,868	252	\$9,226,084	3.8%	\$36,611
Radiology department	237	4.2%	114	\$31,352,478	5.0%	\$275,022	\$40,038	227	\$8,331,342	3.4%	\$36,702
Labor or delivery room	171	3.1%	71	\$80,554,554	12.8%	\$1,134,571	\$425,000	168	\$17,387,496	7.1%	\$103,497
Walk-in clinic	80	1.4%	41	\$5,958,055	1.0%	\$145,318	\$50,000	73	\$3,292,830	1.3%	\$45,107
Laboratory	60	1.1%	40	\$6,871,475	1.1%	\$171,787	\$6,338	52	\$2,878,925	1.2%	\$55,364
Critical care unit	45	0.8%	21	\$18,179,974	2.9%	\$865,713	\$100,000	42	\$3,834,717	1.6%	\$91,303
Rehabilitation center	38	0.7%	24	\$3,377,528	0.5%	\$140,730	\$90,000	36	\$2,658,341	1.1%	\$73,843
Pharmacy	34	0.6%	30	\$1,969,587	0.3%	\$65,653	\$16,000	26	\$816,157	0.3%	\$31,391
Physical therapy department	34	0.6%	24	\$3,786,074	0.6%	\$157,753	\$26,250	32	\$962,025	0.4%	\$30,063
Facility support areas	31	0.6%	24	\$2,905,057	0.5%	\$121,044	\$29,486	31	\$2,682,619	1.1%	\$86,536
Catheterization lab	29	0.5%	18	\$7,755,122	1.2%	\$430,840	\$160,000	29	\$1,530,395	0.6%	\$52,772
Recovery room	27	0.5%	16	\$5,840,319	0.9%	\$365,020	\$150,000	27	\$1,629,512	0.7%	\$60,352
Nursery	25	0.4%	11	\$3,856,149	0.6%	\$350,559	\$6,192	21	\$1,612,944	0.7%	\$76,807
All other locations	128	2.3%	66	\$14,576,527	2.3%	\$220,856		116	\$5,511,265	2.3%	\$47,511
<b>Total</b>	<b>5,589</b>	<b>100.0%</b>	<b>2,576</b>	<b>\$627,063,976</b>	<b>100.0%</b>	<b>\$243,425</b>	<b>\$50,000</b>	<b>5,173</b>	<b>\$244,072,816</b>	<b>100.0%</b>	<b>\$47,182</b>

The largest numbers of claims resulted from incidents occurring in operating rooms, followed by incidents that occurred in medical professionals' offices. These two locations represented 43.7 percent of reported claims.

This chart shows the distribution of claims, indemnity payments and defense costs by location within the facility for the nine locations with the largest number of claims.

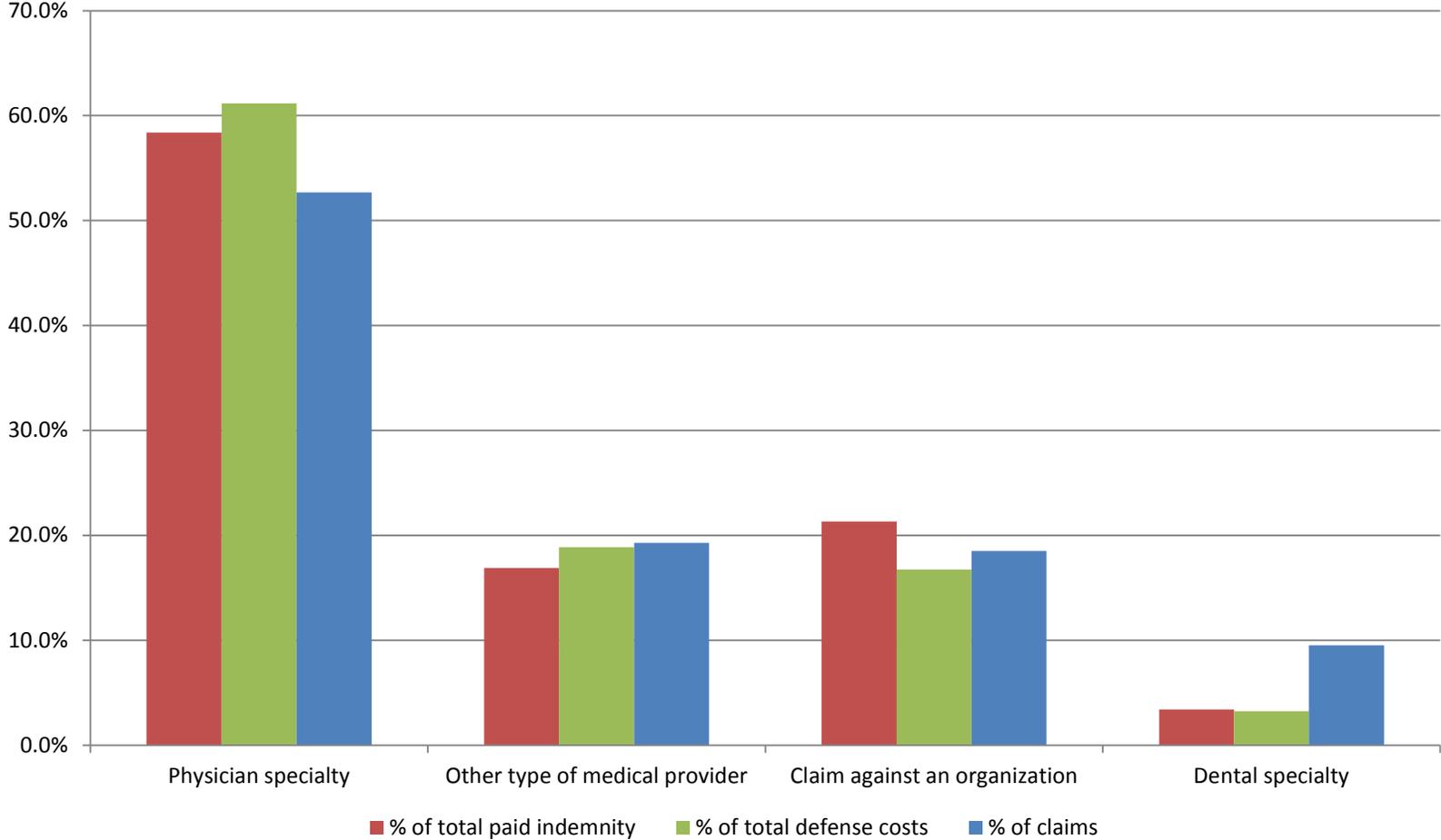


## Type of medical provider

<b>Provider group</b>	<b>Five-year period ending December 31, 2015</b>										
	Total number of claims	Claims with paid indemnity	Total paid indemnity	% of total paid indemnity	Average paid indemnity	Median paid indemnity	Claims with defense costs	Total defense costs	% of total defense costs	Average defense cost	Median defense cost
Physician specialty	2,944	1,073	\$366,203,981	58.4%	\$341,290	\$100,000	2,858	\$149,292,634	61.2%	\$52,237	\$12,646
Other type of medical provider	1,078	676	\$105,901,469	16.9%	\$156,659	\$25,000	956	\$46,017,149	18.9%	\$48,135	\$12,811
Claim against an organization	1,035	468	\$133,654,634	21.3%	\$285,587	\$60,000	985	\$40,856,127	16.7%	\$41,478	\$16,657
Dental specialty	532	359	\$21,303,892	3.4%	\$59,342	\$20,000	374	\$7,906,906	3.2%	\$21,141	\$2,796
<b>Total</b>	<b>5,589</b>	<b>2,576</b>	<b>\$627,063,976</b>	<b>100.0%</b>	<b>\$243,425</b>	<b>\$50,000</b>	<b>5,173</b>	<b>\$244,072,816</b>	<b>100.0%</b>	<b>\$47,182</b>	<b>\$12,453</b>

The type of provider with the highest percentage of claims, 56.4 percent, was physician specialties, which includes surgeons, general-practice physicians, radiologists, neurologists, psychiatrists, and many more. These claims had the highest average defense cost at \$52,237, the highest average indemnity payment at \$341,290 and the highest median indemnity payment at \$100,000. The other type of medical provider category includes nursing, physician assistants, technicians, pharmacy, podiatry, and psychology, among others.

### Distributions by Type of Provider



This table shows claim data for physician specialties that had the largest number of claims.<sup>48</sup>

Five-year period ending December 31, 2015											
<b>Provider specialty</b>	Number of claims	Claims with paid indemnity	Paid indemnity	% of total paid indemnity	Average paid indemnity	Median paid indemnity	Claims with defense costs	Defense costs	% of total defense costs	Average defense cost	Median defense cost
Emergency medicine	345	101	\$29,200,128	8.0%	\$289,110	\$87,500	338	\$14,715,670	9.9%	\$43,537	\$14,073
General surgery	314	136	\$43,721,003	11.9%	\$321,478	\$94,069	298	\$14,764,809	9.9%	\$49,546	\$11,340
Orthopedic surgery	311	100	\$24,388,821	6.7%	\$243,888	\$75,000	305	\$12,478,883	8.4%	\$40,914	\$6,566
General practice-family practice	311	119	\$27,753,146	7.6%	\$233,220	\$100,000	305	\$15,270,474	10.2%	\$50,067	\$10,002
Obstetrics and gynecology	292	119	\$59,545,570	16.3%	\$500,383	\$100,000	285	\$15,419,295	10.3%	\$54,103	\$8,913
Radiology	221	80	\$26,381,612	7.2%	\$329,770	\$85,000	214	\$10,799,638	7.2%	\$50,466	\$18,853
Internal medicine	163	46	\$14,271,210	3.9%	\$310,244	\$187,500	159	\$9,166,285	6.1%	\$57,650	\$16,602
Anesthesiology	119	50	\$6,547,954	1.8%	\$130,959	\$9,034	110	\$4,479,678	3.0%	\$40,724	\$11,060
Cardiovascular diseases	89	30	\$12,675,818	3.5%	\$422,527	\$225,000	88	\$5,713,055	3.8%	\$64,921	\$23,845
Plastic surgery	82	28	\$5,142,396	1.4%	\$183,657	\$50,100	82	\$3,062,563	2.1%	\$37,348	\$5,267
Gastroenterology	78	23	\$4,361,989	1.2%	\$189,652	\$10,000	71	\$3,445,906	2.3%	\$48,534	\$12,299
Otolaryngology	74	33	\$10,281,408	2.8%	\$311,558	\$150,000	70	\$2,820,266	1.9%	\$40,290	\$4,800
Pediatrics	72	39	\$38,064,682	10.4%	\$976,017	\$200,000	70	\$9,593,373	6.4%	\$137,048	\$51,711
Urological surgery	69	23	\$6,485,512	1.8%	\$281,979	\$150,000	67	\$3,589,803	2.4%	\$53,579	\$15,852
Neurological surgery	62	24	\$10,901,626	3.0%	\$454,234	\$225,000	62	\$5,298,693	3.5%	\$85,463	\$46,911
Hospitalist	50	17	\$7,604,504	2.1%	\$447,324	\$300,000	48	\$3,588,322	2.4%	\$74,757	\$37,132
Ophthalmology	43	19	\$7,305,795	2.0%	\$384,516	\$150,000	41	\$1,707,624	1.1%	\$41,649	\$20,589
Dermatology	38	14	\$1,508,783	0.4%	\$107,770	\$20,000	37	\$1,157,322	0.8%	\$31,279	\$5,443
Radiation oncology	28	8	\$2,030,395	0.6%	\$253,799	\$127,684	27	\$1,179,922	0.8%	\$43,701	\$26,548
Neurology	25	10	\$4,393,500	1.2%	\$439,350	\$300,000	24	\$1,316,645	0.9%	\$54,860	\$18,736
Diagnostic radiology	24	8	\$3,340,000	0.9%	\$417,500	\$262,500	24	\$667,219	0.4%	\$27,801	\$10,975
All other physician types	134	46	\$20,298,129	5.5%	\$441,264		133	\$9,057,189	6.1%	\$68,099	
<b>Total</b>	<b>2,944</b>	<b>1,073</b>	<b>\$366,203,981</b>	<b>100.0%</b>	<b>\$341,290</b>	<b>\$100,000</b>	<b>2,858</b>	<b>\$149,292,634</b>	<b>100.0%</b>	<b>\$52,237</b>	<b>\$12,646</b>

<sup>48</sup> Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), some specialties are grouped together to maintain confidentiality.

The largest number of claims reported against physician specialties were for emergency medicine, though general surgery had the most claims with paid indemnity. The most common allegations against emergency medicine physicians were failure to diagnose with 143 claims, delay in diagnosis with 35 claims, and improper performance with 22 claims.

Pediatrics was the specialty ranked highest in average paid indemnity and average defense costs. The most common allegations against this physician specialty were failure to diagnose with 18 claims and failure to monitor with six claims.

This table shows claim data for other types of medical providers.<sup>49</sup> Nursing staff accounted for 680 claims, resulting in 473 indemnity payments averaging \$152,282. The most common allegations against nursing staff were failure to monitor with 92 claims, followed by failure to ensure patient safety with 76 claims and improper performance with 52 claims. Physician assistants had the second-highest number of claims at 76 and the most common allegation against this type of medical provider was failure to diagnose with 16 claims.

<b>Provider type</b>	<b>Five-year period ending December 31, 2015</b>									
	Total number of claims	Claims with paid indemnity	Total paid indemnity	% of total paid indemnity	Average paid indemnity	Median paid indemnity	Claims with defense costs	Total defense costs	% of total defense costs	Average defense cost
Nursing	680	473	\$72,029,157	68.0%	\$152,282	\$20,000	578	\$27,881,008	60.6%	\$48,237
Physician assistant	76	34	\$5,894,097	5.6%	\$173,356	\$70,000	74	\$3,822,755	8.3%	\$51,659
Chiropractic	68	29	\$4,993,854	4.7%	\$172,202	\$60,000	68	\$3,913,838	8.5%	\$57,556
Podiatry	67	20	\$2,596,148	2.5%	\$129,807	\$50,000	66	\$2,112,144	4.6%	\$32,002
Pharmacy	31	27	\$716,656	0.7%	\$26,543	\$10,000	24	\$459,391	1.0%	\$19,141
Physical therapy	27	16	\$2,980,158	2.8%	\$186,260	\$22,000	25	\$777,989	1.7%	\$31,120
Laboratory technician	27	19	\$2,686,761	2.5%	\$141,408	\$9,060	24	\$1,070,095	2.3%	\$44,587
Psychology	17	8	\$1,810,000	1.7%	\$226,250	\$55,000	17	\$1,473,200	3.2%	\$86,659
Midwifery	16	8	\$3,997,873	3.8%	\$499,734	\$375,000	15	\$2,555,520	5.6%	\$170,368
All other types	69	42	\$8,196,765	7.7%	\$195,161		65	\$1,951,209	4.2%	\$30,019
<b>Total</b>	<b>1,078</b>	<b>676</b>	<b>\$105,901,469</b>	<b>100.0%</b>	<b>\$156,659</b>	<b>\$25,000</b>	<b>956</b>	<b>\$46,017,149</b>	<b>100.0%</b>	<b>\$48,135</b>

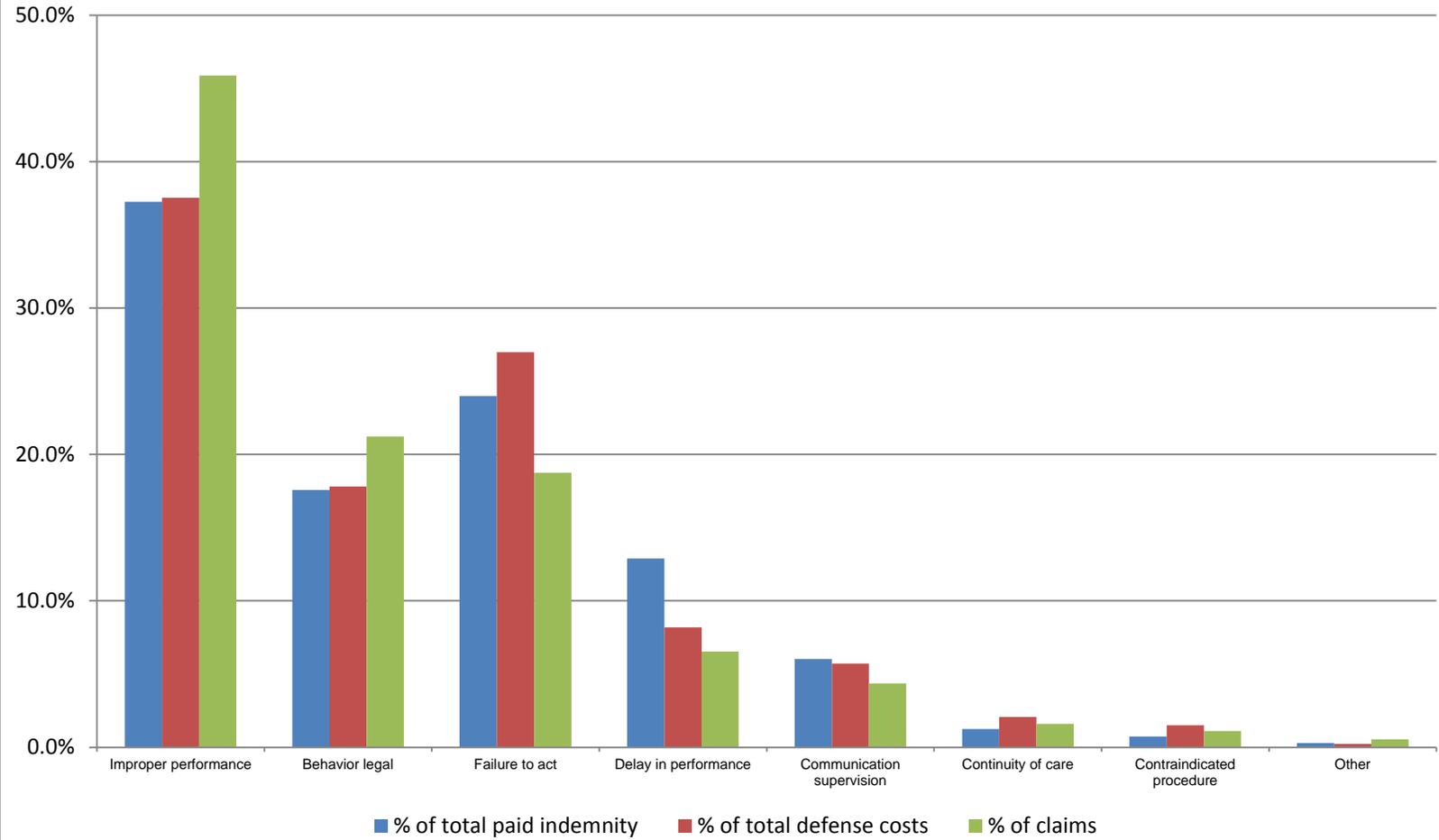
<sup>49</sup> Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), some types of providers are grouped together to maintain confidentiality.

## Claim allegations

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

<b>Five-year period ending December 31, 2015</b>									
<b>Allegation group</b>	Total number of claims	Claims with paid indemnity	Total paid indemnity	% of total paid indemnity	Average paid indemnity	Claims with defense costs	Total defense costs	% of total defense costs	Average defense cost
Error/improper performance	2,564	1,302	\$233,539,800	37.2%	\$179,370	2,272	\$91,572,484	37.5%	\$40,305
Behavior/legal	1,186	518	\$110,249,542	17.6%	\$212,837	1,131	\$43,453,504	17.8%	\$38,420
Failure to take appropriate action	1,048	418	\$150,389,918	24.0%	\$359,784	1,010	\$65,850,630	27.0%	\$65,199
Delay in performance	366	137	\$80,823,046	12.9%	\$589,949	363	\$19,960,968	8.2%	\$54,989
Communication/supervision	244	134	\$37,756,486	6.0%	\$281,765	227	\$13,935,011	5.7%	\$61,388
Continuity of care/care management	89	40	\$7,806,242	1.2%	\$195,156	82	\$5,069,694	2.1%	\$61,826
Unnecessary/contraindicated procedure	62	21	\$4,681,942	0.7%	\$222,950	58	\$3,665,252	1.5%	\$63,194
Other class of allegation	30	6	\$1,817,000	0.3%	\$302,833	30	\$565,273	0.2%	\$18,842
<b>Total</b>	<b>5,589</b>	<b>2,576</b>	<b>\$627,063,976</b>	<b>100.0%</b>	<b>\$243,425</b>	<b>5,173</b>	<b>\$244,072,816</b>	<b>100.0%</b>	<b>\$47,182</b>

### Distributions by Allegation Group



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

<b><u>Error/improper performance</u></b>	<b><u>Five-year period ending December 31, 2015</u></b>						
	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	1,039	505	\$69,702,543	\$138,025	883	\$31,645,881	\$35,839
Improper technique	400	184	\$29,356,361	\$159,545	367	\$10,412,262	\$28,371
Improper management	226	85	\$24,949,954	\$293,529	219	\$14,566,581	\$66,514
Surgical or other foreign body retained	108	56	\$4,769,411	\$85,168	103	\$2,449,703	\$23,784
Wrong diagnosis or misdiagnosis (original diagnosis is incorrect)	64	29	\$12,336,928	\$425,411	61	\$4,091,384	\$67,072
Patient monitoring problem	56	38	\$7,603,292	\$200,087	52	\$4,301,935	\$82,730
Equipment utilization problem	55	39	\$8,913,962	\$228,563	51	\$3,008,052	\$58,981
Intubation problem	54	32	\$1,175,317	\$36,729	37	\$1,060,722	\$28,668
Problem with appliance, prostheses, orthotic, restorative, splint or device	47	20	\$2,257,418	\$112,871	46	\$1,011,384	\$21,987
Wrong body part	45	37	\$3,410,782	\$92,183	41	\$1,042,105	\$25,417
Wrong procedure or treatment	45	22	\$2,982,519	\$135,569	43	\$1,775,159	\$41,283
Wrong dosage ordered of correct medication	44	32	\$3,333,636	\$104,176	21	\$492,843	\$23,469
Wrong medication administered	41	25	\$6,673,710	\$266,948	40	\$1,374,177	\$34,354
Wrong medication ordered	41	20	\$20,285,940	\$1,014,297	39	\$3,200,653	\$82,068
Wrong dosage administered	37	21	\$6,695,659	\$318,841	37	\$1,766,444	\$47,742
Radiology or imaging error	29	20	\$5,939,876	\$296,994	28	\$701,372	\$25,049
Wrong medication dispensed	28	21	\$4,516,529	\$215,073	25	\$1,008,458	\$40,338
Patient positioning problem	28	16	\$2,442,252	\$152,641	26	\$1,226,113	\$47,158
Wrong dosage dispensed	24	19	\$2,067,987	\$108,841	19	\$391,960	\$20,629
Improperly performed test	15	10	\$833,674	\$83,367	13	\$914,582	\$70,352
Laboratory error	14	12	\$821,412	\$68,451	9	\$384,478	\$42,720
Pathology error	11	11	\$2,574,755	\$234,069	8	\$320,770	\$40,096

	<b>Five-year period ending December 31, 2015</b>						
	Total number of claims	Claims with paid indemnity	Total paid indemnity	Average paid indemnity	Claims with defense costs	Total defense costs	Average defense cost
<b><u>Communication/supervision</u></b>							
Failure to instruct or communicate with patient or family	91	46	\$8,558,132	\$186,046	84	\$3,748,679	\$44,627
Communication problem between practitioners	47	22	\$12,944,299	\$588,377	45	\$3,348,800	\$74,418
Failure to supervise	36	21	\$2,870,742	\$136,702	32	\$3,281,278	\$102,540
Failure to report on patient condition	27	19	\$9,872,674	\$519,614	26	\$1,840,678	\$70,795
Improper supervision	27	14	\$2,174,482	\$155,320	26	\$1,473,687	\$56,680
Failure to respond to patient	16	12	\$1,336,157	\$111,346	14	\$241,889	\$17,278
<b><u>Failure to take appropriate action</u></b>							
Failure to diagnose	553	187	\$85,702,642	\$458,303	546	\$32,445,957	\$59,425
Failure to monitor	178	109	\$22,784,639	\$209,033	152	\$12,726,810	\$83,729
Failure to treat	93	28	\$10,667,805	\$380,993	92	\$6,389,426	\$69,450
Failure to recognize a complication	60	25	\$12,994,466	\$519,779	60	\$5,220,726	\$87,012
Failure to order appropriate test	41	19	\$6,176,591	\$325,084	40	\$3,143,299	\$78,582
Failure to perform procedure	35	11	\$2,695,417	\$245,038	35	\$1,285,952	\$36,741
Failure to use aseptic technique	31	17	\$2,221,332	\$130,667	29	\$470,349	\$16,219
<b><u>Delay in performance</u></b>							
Delay in diagnosis	224	81	\$41,397,295	\$511,078	221	\$10,541,056	\$47,697
Delay in treatment	92	34	\$10,745,751	\$316,052	92	\$4,870,089	\$52,936
Delay in performance	31	18	\$26,985,000	\$1,499,167	31	\$3,499,186	\$112,877

**Five-year period ending December 31, 2015**

	Total number of claims	Claims with paid indemnity	Total paid indemnity	Average paid indemnity	Claims with defense costs	Total defense costs	Average defense cost
<b><u>Behavior/legal</u></b>							
Vicarious liability	744	258	\$76,551,541	\$296,711	715	\$29,152,316	\$40,772
Failure to ensure patient safety	179	146	\$20,689,655	\$141,710	167	\$3,360,297	\$20,122
Failure to obtain consent or lack of informed consent	49	16	\$1,493,073	\$93,317	47	\$1,866,459	\$39,712
Improper conduct	49	15	\$4,125,472	\$275,031	47	\$3,003,164	\$63,897
Sexual misconduct	48	25	\$3,042,720	\$121,709	47	\$2,374,401	\$50,519
Equipment malfunction	19	14	\$1,558,622	\$111,330	17	\$444,776	\$26,163
Failure to protect a third party	11	10	\$306,661	\$30,666	11	\$400,522	\$36,411
<b><u>Continuity of care/care management</u></b>							
Failure or delay in referral or consultation	54	23	\$6,357,373	\$276,408	53	\$3,348,362	\$63,177
Premature discharge from institution	26	12	\$856,585	\$71,382	22	\$1,165,424	\$52,974

This table shows the most common allegations made against physician specialties.

<b><u>Allegation made against physician specialty</u></b>	<b><u>Five-year period ending December 31, 2015</u></b>						
	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	551	202	\$47,521,570	\$235,255	535	\$21,950,514	\$41,029
Failure to diagnose	493	161	\$69,200,440	\$429,816	486	\$29,446,491	\$60,589
Improper technique	248	89	\$21,532,383	\$241,937	232	\$8,076,820	\$34,814
Delay in diagnosis	182	60	\$35,945,643	\$599,094	179	\$8,073,551	\$45,104
Improper management	171	54	\$18,838,355	\$348,858	170	\$11,928,978	\$70,170
Surgical or other foreign body retained	84	39	\$3,261,827	\$83,637	81	\$1,683,010	\$20,778
Delay in treatment	69	20	\$3,723,001	\$186,150	69	\$2,081,076	\$30,161
Failure to monitor	63	22	\$10,180,019	\$462,728	61	\$4,910,864	\$80,506
Failure to treat	59	12	\$7,044,166	\$587,014	58	\$3,205,542	\$55,268
Failure to instruct or communicate with patient or family	54	22	\$4,018,142	\$182,643	52	\$2,485,888	\$47,806
Wrong diagnosis or misdiagnosis (original diagnosis is incorrect)	53	22	\$10,370,068	\$471,367	51	\$3,718,461	\$72,911
Failure to recognize a complication	43	19	\$11,737,360	\$617,756	43	\$4,305,437	\$100,126
Intubation problem	38	19	\$556,118	\$29,269	30	\$1,005,578	\$33,519
Failure to obtain consent or lack of informed consent	35	11	\$1,382,503	\$125,682	34	\$1,388,066	\$40,825
Failure to order appropriate test	34	15	\$5,621,199	\$374,747	33	\$2,746,552	\$83,229
Communication problem between practitioners	33	12	\$967,083	\$80,590	33	\$2,080,647	\$63,050
Wrong medication ordered	32	14	\$18,348,219	\$1,310,587	31	\$2,420,919	\$78,094
Failure or delay in referral or consultation	32	10	\$3,915,304	\$391,530	31	\$1,991,440	\$64,240
Equipment utilization problem	30	20	\$5,158,222	\$257,911	27	\$2,401,020	\$88,927
Wrong body part	25	21	\$2,946,284	\$140,299	24	\$902,735	\$37,614

This table shows the most common allegations made against dental specialties.

<b>Five-year period ending December 31, 2015</b>							
<b><u>Allegation made against dental provider</u></b>	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	328	243	\$11,831,679	\$48,690	194	\$4,058,653	\$20,921
Improper technique	73	42	\$2,279,849	\$54,282	64	\$652,837	\$10,201
Improper management	19	11	\$410,693	\$37,336	15	\$427,832	\$28,522
Wrong procedure or treatment	14	10	\$505,655	\$50,566	12	\$179,165	\$14,930

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

<b><u>Allegation made against other type of medical provider</u></b>	<b><u>Five-year period ending December 31, 2015</u></b>						
	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	154	55	\$8,844,294	\$160,805	148	\$5,518,322	\$37,286
Failure to monitor	97	73	\$7,520,616	\$103,022	74	\$6,614,866	\$89,390
Failure to ensure patient safety	81	69	\$1,761,978	\$25,536	77	\$478,153	\$6,210
Improper technique	77	51	\$5,084,129	\$99,689	69	\$1,669,374	\$24,194
Failure to diagnose	41	17	\$5,750,541	\$338,267	41	\$2,283,503	\$55,695
Patient monitoring problem	34	26	\$4,286,071	\$164,849	30	\$1,920,457	\$64,015
Improper management	29	15	\$2,586,354	\$172,424	28	\$2,152,631	\$76,880
Failure to treat	29	14	\$3,118,639	\$222,760	29	\$3,004,241	\$103,595
Delay in diagnosis	29	13	\$4,889,653	\$376,127	29	\$2,052,194	\$70,765
Wrong dosage ordered of correct medication	28	25	\$2,047,000	\$81,880	7	\$46,631	\$6,662
Sexual misconduct	25	16	\$1,440,220	\$90,014	24	\$1,032,592	\$43,025
Failure to instruct or communicate with patient or family	23	12	\$1,996,641	\$166,387	20	\$516,804	\$25,840
Equipment utilization problem	22	17	\$2,908,240	\$171,073	21	\$534,983	\$25,475
Wrong medication administered	17	12	\$2,123,545	\$176,962	16	\$502,626	\$31,414
Wrong medication dispensed	16	15	\$2,498,529	\$166,569	14	\$399,398	\$28,528
Intubation problem	16	13	\$619,199	\$47,631	7	\$55,144	\$7,878
Wrong dosage dispensed	15	14	\$1,940,397	\$138,600	10	\$174,992	\$17,499
Surgical or other foreign body retained	15	12	\$1,340,555	\$111,713	14	\$627,006	\$44,786
Patient positioning problem	15	10	\$2,331,702	\$233,170	14	\$660,837	\$47,203
Delay in treatment	14	10	\$5,992,500	\$599,250	14	\$2,700,372	\$192,884

This table shows the most common allegations made against an organization.

<b><u>Allegation made against an organization</u></b>	<b><u>Five-year period ending December 31, 2015</u></b>						
	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	707	249	\$75,455,984	\$303,036	680	\$28,595,014	\$42,051
Failure to ensure patient safety	85	69	\$18,561,602	\$269,009	77	\$2,735,660	\$35,528
Failure to supervise	18	10	\$1,319,773	\$131,977	17	\$1,463,916	\$86,113
Failure to monitor	15	13	\$5,009,004	\$385,308	14	\$980,713	\$70,051
Failure to instruct or communicate with patient or family	11	10	\$2,535,265	\$253,527	10	\$731,490	\$73,149

The most common claim against an organization is vicarious liability. Vicarious liability is secondary liability in which the organization becomes responsible for the acts of an employee or other third party when it had had the right, ability or duty to control those activities.

## County statistics

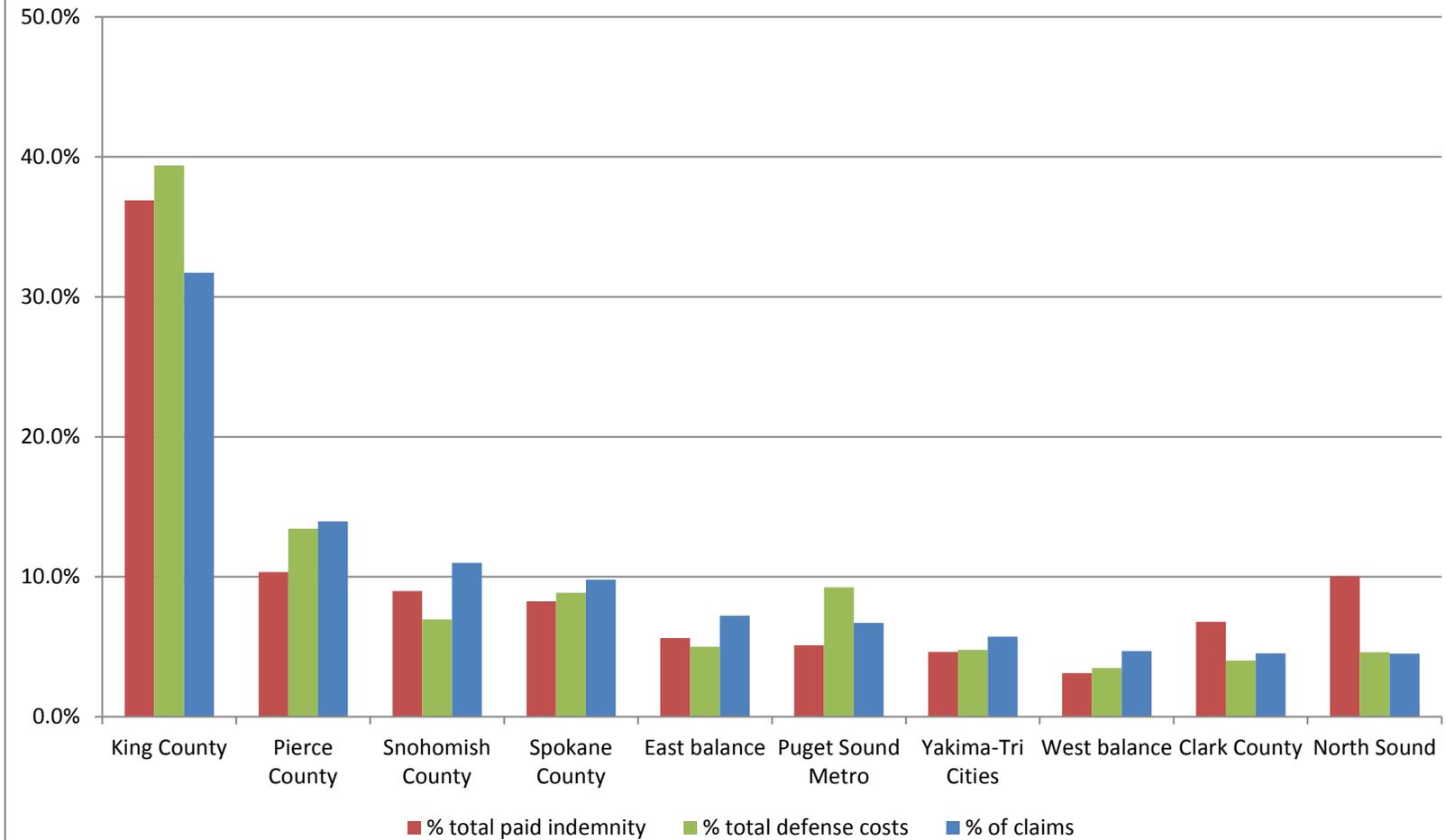
Insurers and self-insurers reported the county where the medical incident occurred.<sup>50</sup> To provide information about differences by location, we divided the state into nine regions.<sup>51</sup> King County had the highest total paid indemnity and total defense costs, while average indemnity payments were highest in the North Sound. A few claims were reported as occurring out of state (not shown).

Five-year period ending December 31, 2015										
Region	Total number of claims	Claims with paid indemnity	Total paid indemnity	Median paid indemnity	Average paid indemnity	Average economic loss	Claims with defense costs	Total defense costs	Average defense costs	Median defense costs
King County	1,773	861	\$231,309,642	\$48,000	\$268,652	\$158,381	1,560	\$96,136,056	\$61,626	\$15,800
Pierce County	780	290	\$64,843,544	\$74,000	\$223,598	\$105,105	753	\$32,780,230	\$43,533	\$13,532
Snohomish County	614	372	\$56,280,558	\$5,201	\$151,292	\$85,520	543	\$16,971,773	\$31,256	\$12,580
Spokane County	548	215	\$51,674,016	\$54,448	\$240,344	\$130,586	538	\$21,598,902	\$40,147	\$8,290
East balance	403	177	\$35,202,945	\$80,000	\$198,887	\$140,194	385	\$12,223,493	\$31,749	\$8,911
Puget Sound Metro	375	182	\$32,019,441	\$75,000	\$175,931	\$86,490	365	\$22,545,126	\$61,767	\$14,696
Yakima-Tri Cities	320	134	\$29,026,035	\$75,000	\$216,612	\$117,479	307	\$11,638,014	\$37,909	\$13,734
West balance	262	107	\$19,582,344	\$50,000	\$183,013	\$74,456	252	\$8,490,447	\$33,692	\$14,666
Clark County	253	129	\$42,545,886	\$52,000	\$329,813	\$180,839	216	\$9,800,219	\$45,371	\$12,812
North Sound	252	105	\$63,004,565	\$75,000	\$600,043	\$244,276	245	\$11,254,819	\$45,938	\$10,569

<sup>50</sup> Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), some counties are grouped together to maintain confidentiality.

<sup>51</sup> **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.

## Distributions by Region

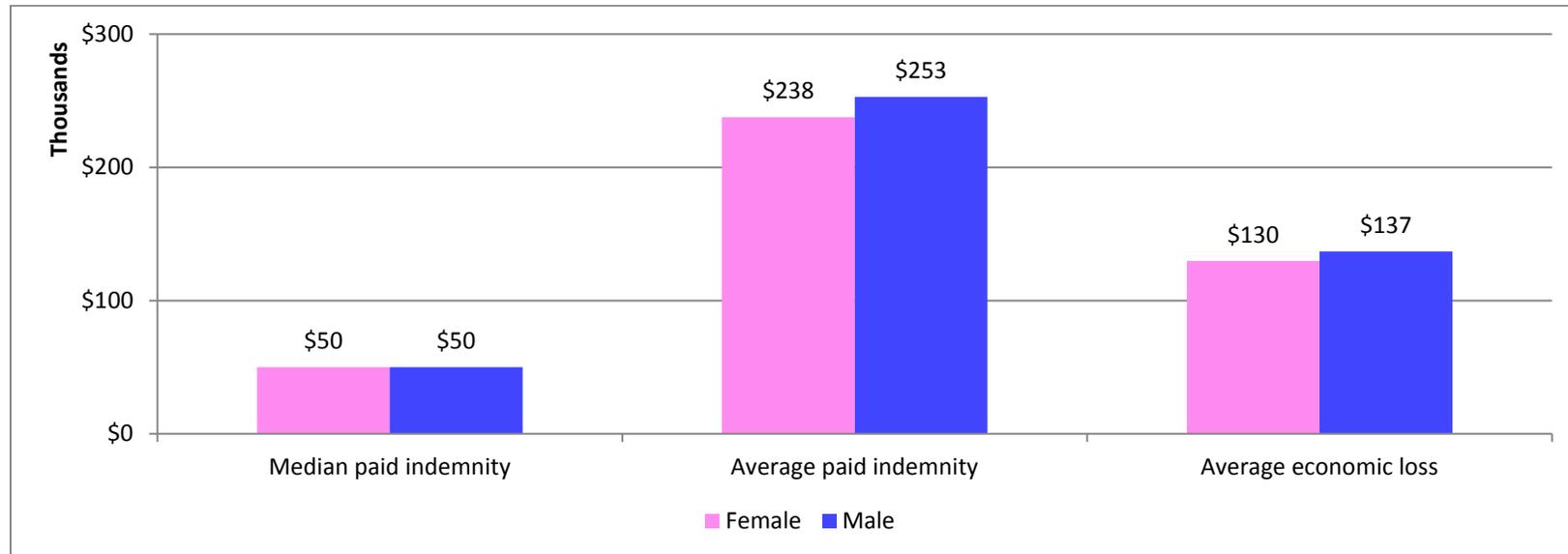


## Gender statistics

Of the 5,589 claims closed, 57.3 percent of the claims reported the injured party was female and 42.5 percent of the claims reported the injured party was male. For a few claims, the gender was reported as unknown (not shown).

Five-year period ending December 31, 2015									
Gender	Total number of claims	Claims with paid indemnity	Total paid indemnity	Median paid indemnity	Average paid indemnity	Average economic loss	Claims with defense costs	Total defense costs	Average defense costs
Female	3,202	1,537	\$365,351,467	\$50,000	\$237,704	\$129,628	2,970	\$135,875,814	\$45,749
Male	2,377	1,033	\$261,320,011	\$50,000	\$252,972	\$136,975	2,194	\$107,717,325	\$49,096

Average payments and defense costs were slightly higher when the injured person was male. The chart below illustrates this comparison.

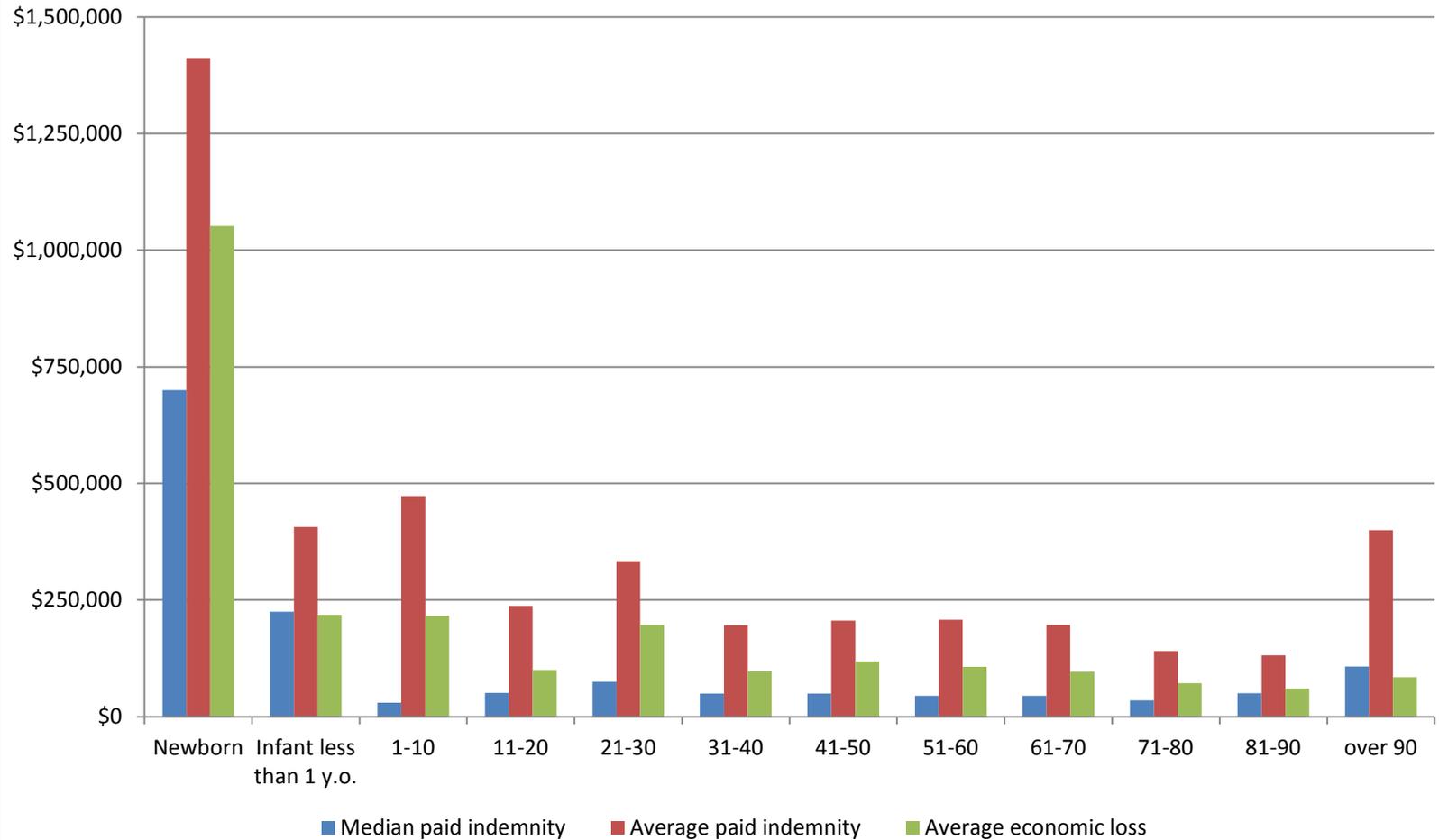


## Age statistics

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

<b>Age group</b>	<b>Five-year period ending December 31, 2015</b>									
	Total number of claims	Claims with paid indemnity	Total paid indemnity	Total economic loss	Average paid indemnity	Average economic loss	Median paid indemnity	Claims with defense costs	Total defense costs	Average defense cost
Newborn	117	53	\$74,822,727	\$55,745,180	\$1,411,750	\$1,051,796	\$700,000	114	\$17,449,431	\$153,065
Infant < 1 year	68	32	\$13,008,234	\$6,986,625	\$406,507	\$218,332	\$225,000	61	\$3,648,951	\$59,819
1-10	134	61	\$28,844,161	\$13,199,067	\$472,855	\$216,378	\$30,024	129	\$5,641,182	\$43,730
11-20	200	96	\$22,800,808	\$9,590,308	\$237,508	\$99,899	\$50,750	193	\$11,273,870	\$58,414
21-30	499	226	\$75,349,529	\$44,427,526	\$333,405	\$196,582	\$75,000	480	\$24,973,967	\$52,029
31-40	749	315	\$61,818,912	\$30,545,870	\$196,251	\$96,971	\$49,650	696	\$31,917,135	\$45,858
41-50	1,184	508	\$104,501,547	\$60,276,192	\$205,712	\$118,654	\$50,000	1,089	\$46,261,077	\$42,480
51-60	1,215	574	\$119,148,625	\$61,388,299	\$207,576	\$106,948	\$45,000	1,098	\$48,881,405	\$44,519
61-70	755	354	\$69,906,734	\$34,083,721	\$197,477	\$96,282	\$45,000	686	\$27,273,329	\$39,757
71-80	419	207	\$29,111,335	\$14,850,404	\$140,634	\$71,741	\$35,000	399	\$14,649,231	\$36,715
81-90	212	120	\$15,749,786	\$7,212,897	\$131,248	\$60,107	\$50,550	197	\$8,289,867	\$42,081
over 90	37	30	\$12,001,578	\$2,546,680	\$400,053	\$84,889	\$107,500	31	\$3,813,371	\$123,012
<b>Total</b>	<b>5,589</b>	<b>2,576</b>	<b>\$627,063,976</b>	<b>\$340,852,769</b>	<b>\$243,425</b>	<b>\$132,319</b>	<b>\$50,000</b>	<b>5,173</b>	<b>\$244,072,816</b>	<b>\$47,182</b>

## Payment Averages by Age Group



## Trends

This chart shows estimates of trends in frequency and severity.<sup>52</sup> Average claim costs and the number of reported claims have been increasing.

<b>Year closed</b>	Average paid indemnity	Average limited indemnity	Average defense costs	Average of limited indemnity + defense costs	Number of claims closed
2008	\$235,067	\$186,013	\$49,307	\$139,607	886
2009	\$244,140	\$179,567	\$43,344	\$124,289	868
2010	\$212,851	\$167,484	\$37,546	\$114,899	929
2011	\$215,145	\$174,386	\$40,699	\$113,385	1,207
2012	\$169,887	\$144,012	\$49,751	\$112,809	1,183
2013	\$231,072	\$179,247	\$40,037	\$126,729	1,131
2014	\$267,644	\$234,865	\$49,681	\$155,472	1,039
2015	\$378,525	\$221,620	\$56,962	\$145,695	1,029
Annual trend	4.6%	3.1%	2.5%	2.1%	3.0%

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.

These trends should not be considered reliable estimates of changes in medical malpractice insurance costs over time for several reasons. For example, since medical malpractice claims can take several years to close, the averages shown for each year closed include data from incidents that occurred over many years. Thus trends estimated using closed-year data can be distorted by changes in claims settlement rates. 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,

<sup>52</sup> 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.

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.

# Statistics from medical malpractice lawsuits

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

	Year settled					Five-year total
	2011	2012	2013	2014	2015	
Settlements reported by attorneys	87	60	58	53	40	<b>298</b>
Number of settlements with paid indemnity	84	59	57	52	37	<b>289</b>
Total paid indemnity	\$45,892,345	\$44,247,074	\$72,113,776	\$70,617,961	\$64,732,000	<b>\$297,603,156</b>
Average payment to claimant	\$546,337	\$749,950	\$1,265,154	\$1,358,038	\$1,749,514	<b>\$1,029,769</b>
Median payment to claimant	\$237,500	\$212,500	\$390,000	\$550,000	\$750,000	<b>\$350,000</b>
Total legal expenses	\$18,891,184	\$18,109,028	\$31,971,142	\$27,209,251	\$25,405,076	<b>\$121,585,681</b>
Total attorney fees	\$15,886,463	\$15,853,136	\$26,706,371	\$23,910,626	\$22,559,853	<b>\$104,916,449</b>
Average legal expense	\$217,140	\$301,817	\$551,227	\$513,382	\$635,127	<b>\$408,006</b>
Average fee paid to attorney	\$189,125	\$268,697	\$468,533	\$459,820	\$609,726	<b>\$363,033</b>

**Indemnity payments to claimants:** Over the five-year period ending December 31, 2015, claimants received total compensation of \$297.6 million on 289 settlements, averaging \$1 million per settlement. Median paid indemnity was \$350,000 over the same period.

Claimants paid \$121.6 million for legal expenses, averaging \$408,006 per lawsuit. Claimants paid \$104.9 million in attorney fees, or an average of \$363,033 per settlement.<sup>53</sup> On average, the attorney fee was 35.3 percent of the total compensation paid to the claimant.

The average indemnity payment per settlement reported by attorneys was 4.2 times 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

<sup>53</sup> Attorneys in this area of litigation typically work on a contingency basis, and receive fees if one or more defendants compensate the claimant.

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.

**Compliance by attorneys:** Based on data from the [Administrative Office of the Courts](#), the level of compliance by attorneys with the law is quite low. For example, between 2009 and 2012 there were 1,179 medical malpractice lawsuits resolved in this state, but attorneys reported data for only 368 of these lawsuits. Since the OIC does not have an enforcement mechanism to improve compliance, the OIC does not expect any significant increase in the number of settlements reported in future years.

## How lawsuits were settled

Settlement agreements between the parties and alternative dispute resolution were each used in just under half of the reported settlements, and paid indemnity for these settlements averaged just under \$1 million. Settlements that were the result of a judgment or verdict were much larger, averaging \$2.5 million each. The average attorney fee for settlements resolved in court was \$1 million, or 39.8 percent of the total judgment or verdict.

<b>Five-year period ending December 31, 2015</b>								
<b><u>Lawsuit settlement method</u></b>	Number of settlements with legal expenses	Total legal expenses	Average legal expense paid by claimant	Number of settlements with paid indemnity	Total paid indemnity	Average paid indemnity to claimant	Total attorney fees	Attorney fees per settlement with indemnity
Verdicts	12	\$8,301,832	\$691,819	7	\$17,722,305	\$2,531,758	\$7,053,262	\$1,007,609
Alternative dispute resolution	146	\$54,601,969	\$373,986	142	\$130,839,701	\$921,406	\$46,596,648	\$328,145
Settled by parties	140	\$58,681,880	\$419,156	140	\$149,041,150	\$1,064,580	\$51,266,539	\$366,190
<b>Total</b>	298	\$121,585,681	\$408,006	289	\$297,603,156	\$1,029,769	\$104,916,449	\$363,033

Of the 146 settlements resolved by alternative dispute resolution, 128 were resolved in mediation, resulting in \$127.4 million in indemnity payments. The average mediated settlement resulted in an indemnity payment of \$1 million. The average attorney fee for settlements resolved in mediation was \$352,001, or 35.4 percent of the total settlement. When other legal expenses are added, such as expert witnesses, claimants paid an average of \$409,185 for total legal expenses – or 41.1 percent of the total mediated settlement.

## Settlements by county

Region	Five-year period ending December 31, 2015						
	Settlements with legal expenses	Total legal expenses	Average legal expense	Settlements with paid indemnity	Total paid indemnity	Average paid indemnity	Median paid indemnity
King County	141	\$55,360,092	\$392,625	137	\$136,641,322	\$997,382	\$350,000
Pierce County	32	\$10,478,967	\$327,468	28	\$24,963,368	\$891,549	\$467,500
Puget Sound Metro	23	\$9,668,969	\$420,390	22	\$22,931,500	\$1,042,341	\$500,000
Clark County	22	\$6,266,364	\$284,835	22	\$14,569,420	\$662,246	\$145,000
Yakima-Tri Cities	20	\$6,482,569	\$324,128	20	\$13,713,363	\$685,668	\$362,500
Snohomish County	16	\$7,479,376	\$467,461	16	\$18,284,000	\$1,142,750	\$325,000
East balance	14	\$3,202,187	\$228,728	14	\$9,075,000	\$648,214	\$212,500
North Sound	12	\$13,478,363	\$1,123,197	12	\$32,843,000	\$2,736,917	\$725,000
Spokane County	12	\$8,120,798	\$676,733	12	\$22,032,183	\$1,836,015	\$214,092
West balance	6	\$1,047,996	\$174,666	6	\$2,550,000	\$425,000	\$142,500
<b>Total</b>	<b>298</b>	<b>\$121,585,681</b>	<b>\$408,006</b>	<b>289</b>	<b>\$297,603,156</b>	<b>\$1,029,769</b>	<b>\$350,000</b>

Attorneys reported settlement data by county where the medical incident occurred. To provide meaningful information regarding differences by location, we divided the state into nine regions.<sup>54</sup> King County had the highest total paid indemnity, but only the fifth-highest average paid indemnity. A few extremely large settlements in 2015 pushed the North Sound region into the top spot for average paid indemnity at \$2.7 million. The North Sound also had the highest median payment at \$725,000.

<sup>54</sup> 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. **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.

## Gender of plaintiff

<u>Gender</u>	<u>Five-year period ending December 31, 2015</u>						
	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	Median paid indemnity
Female	185	\$74,132,622	\$400,717	178	\$175,853,755	\$987,942	\$350,000
Male	113	\$47,453,059	\$419,939	111	\$121,749,401	\$1,096,841	\$350,000
<b>Total</b>	<b>298</b>	<b>\$121,585,681</b>	<b>\$408,006</b>	<b>289</b>	<b>\$297,603,156</b>	<b>\$1,029,769</b>	<b>\$350,000</b>

Significantly more settlements involved female claimants: 62.1 percent compared to 37.9 percent with male claimants.

## Age of plaintiff

Attorneys reported the age group of the claimant. This table shows that the most expensive settlements involved the youngest claimants. The average paid indemnity for claimants younger than 10 years old was \$2.3 million.

<b>Age group</b>	<b>Five-year period ending December 31, 2015</b>						
	Settlements with legal expenses	Total legal expenses	Average legal expenses	Settlements with paid indemnity	Total paid indemnity	Average paid indemnity	Median paid indemnity
Newborn/infant	17	\$14,184,274	\$834,369	17	\$37,966,633	\$2,233,331	\$1,000,000
Ages 1-10	7	\$7,817,975	\$1,116,854	7	\$18,285,262	\$2,612,180	\$147,571
Ages 11-20	13	\$1,371,212	\$105,478	13	\$3,038,000	\$233,692	\$120,000
Ages 21-30	22	\$13,448,152	\$611,280	20	\$31,444,136	\$1,572,207	\$562,500
Ages 31-40	34	\$10,274,716	\$302,198	33	\$25,647,043	\$777,183	\$375,000
Ages 41-50	57	\$20,971,034	\$367,913	56	\$48,890,561	\$873,046	\$300,000
Ages 51-60	62	\$34,372,617	\$554,397	62	\$88,871,268	\$1,433,408	\$262,500
Ages 61-70	44	\$11,538,237	\$262,233	44	\$26,082,890	\$592,793	\$420,000
Ages 71-80	32	\$5,935,830	\$185,495	28	\$13,397,363	\$478,477	\$287,500
Ages 81 and over	10	\$1,671,634	\$167,163.40	9	\$3,980,000	\$442,222	\$250,000
<b>Total</b>	<b>298</b>	<b>\$121,585,681</b>	<b>\$408,006</b>	<b>289</b>	<b>\$297,603,156</b>	<b>\$1,029,769</b>	<b>\$350,000</b>

# Report limitations

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Analysis based on historical closed claim data has limitations:

1. There is a natural mismatch 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 loss 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 ago.
3. This report contains claims that closed during a limited period.
4. The 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 has relied upon data submitted by insurers, self-insurers, and attorneys. Data may contain anomalies. The OIC audits data to improve the accuracy, consistency, and completeness of these data. OIC 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 insurers and self-insurers and attorneys. People who report data may interpret data fields differently or make errors.
6. The OIC has not adjusted these data for economic differences occurring during the report period, such as inflation and the cost of medical care.
7. These data do not distinguish between policies and coverage amounts. 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 keeps inconsistencies and inaccuracies to a minimum by limiting the amount of incomplete reporting by insurers and self-insurers.
9. This report analyzes only closed claims data. 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

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## Appendix A: Profitability

<b>Physicians Insurance, a Mutual Co.</b>												
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Year	Net premium written	Underwriting expenses incurred	Expense ratio [b/a]	Net premiums earned	Losses and loss adjustment expenses	Loss ratio [e/d]	Policyholder dividends	Dividend ratio [g/d]	Combined ratio	Net investment income	Net investment income ratio [j/d]	Operating ratio [i-k]
2006	81,465,385	9,634,830	11.8%	82,215,219	64,090,997	78.0%	0	0.0%	89.8%	12,242,635	14.9%	74.9%
2007	76,987,526	6,909,185	9.0%	78,287,526	44,521,719	56.9%	0	0.0%	65.8%	13,606,817	17.4%	48.5%
2008	71,282,640	10,716,243	15.0%	70,282,640	35,816,649	51.0%	5,048,015	7.2%	73.2%	13,982,185	19.9%	53.3%
2009	71,177,910	10,940,954	15.4%	70,577,910	46,775,240	66.3%	5,055,023	7.2%	88.8%	13,781,265	19.5%	69.3%
2010	69,704,876	11,304,529	16.2%	65,704,876	46,581,041	70.9%	5,064,296	7.7%	94.8%	13,636,915	20.8%	74.1%
2011	73,321,941	11,206,238	15.3%	70,370,781	58,164,474	82.7%	5,050,240	7.2%	105.1%	13,338,762	19.0%	86.2%
2012	67,765,626	12,136,167	17.9%	65,640,184	52,544,310	80.0%	5,069,039	7.7%	105.7%	12,759,941	19.4%	86.2%
2013	72,889,552	12,288,351	16.9%	69,671,138	59,350,315	85.2%	5,066,054	7.3%	109.3%	13,644,483	19.6%	89.7%
2014	76,701,101	12,732,714	16.6%	75,121,138	61,689,384	82.1%	5,070,027	6.7%	105.5%	14,861,343	19.8%	85.7%
2015	76,301,471	14,408,108	18.9%	71,271,073	60,145,162	84.4%	5,013,655	7.0%	110.3%	14,821,719	20.8%	89.5%
<b>Total</b>	<b>737,598,028</b>	<b>112,277,319</b>	<b>15.2%</b>	<b>719,142,485</b>	<b>529,679,291</b>	<b>73.7%</b>	<b>40,436,349</b>	<b>5.6%</b>	<b>94.5%</b>	<b>136,676,065</b>	<b>19.0%</b>	<b>75.5%</b>
<b>Five-year period-to-period results</b>												
2006-2010	370,618,337	49,505,741	13.4%	367,068,171	237,785,646	64.8%	15,167,334	4.1%	82.3%	67,249,817	18.3%	63.9%
2011-2015	366,979,691	62,771,578	17.1%	352,074,314	291,893,645	82.9%	25,269,015	7.2%	107.2%	69,426,248	19.7%	87.5%

**Doctors Co., an Interinsurance Exchange**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Year	Net premium written	Underwriting expenses incurred	Expense ratio [b/a]	Net premiums earned	Losses and loss adjustment expenses	Loss ratio [e/d]	Policyholder dividends	Dividend ratio [g/d]	Combined ratio	Net investment income	Net investment income ratio [j/d]	Operating ratio [i-k]
2006	493,082,275	97,776,987	19.8%	478,224,850	247,969,818	51.9%	21,000,000	4.4%	76.1%	44,970,862	9.4%	66.7%
2007	516,655,334	104,988,328	20.3%	521,729,949	255,575,118	49.0%	23,128,514	4.4%	73.7%	61,504,372	11.8%	62.0%
2008	500,493,524	101,299,086	20.2%	499,926,491	238,949,228	47.8%	121,450	0.0%	68.1%	94,665,140	18.9%	49.1%
2009	555,108,478	110,584,657	19.9%	547,603,861	318,310,083	58.1%	12,976,400	2.4%	80.4%	71,312,564	13.0%	67.4%
2010	527,973,477	118,217,900	22.4%	525,540,006	293,984,096	55.9%	13,838,518	2.6%	81.0%	149,742,807	28.5%	52.5%
2011	564,467,114	120,861,889	21.4%	536,671,691	338,084,016	63.0%	17,898,564	3.3%	87.7%	140,035,865	26.1%	61.6%
2012	596,528,843	118,162,349	19.8%	584,386,263	403,909,176	69.1%	18,824,501	3.2%	92.1%	89,575,627	15.3%	76.8%
2013	675,729,455	142,931,788	21.2%	641,792,914	481,878,612	75.1%	20,186,134	3.1%	99.4%	99,733,738	15.5%	83.8%
2014	644,037,543	148,922,813	23.1%	659,903,069	516,688,550	78.3%	18,211,496	2.8%	104.2%	9,510,008	1.4%	102.7%
2015	622,861,093	150,717,918	24.2%	628,266,492	468,212,747	74.5%	23,709,837	3.8%	102.5%	27,685,904	4.4%	98.1%
<b>Total</b>	<b>5,696,937,136</b>	<b>1,214,463,715</b>	<b>21.3%</b>	<b>5,624,045,586</b>	<b>3,563,561,444</b>	<b>63.4%</b>	<b>169,895,414</b>	<b>3.0%</b>	<b>87.7%</b>	<b>788,736,887</b>	<b>14.0%</b>	<b>73.7%</b>
<b>Five-year period-to-period results</b>												
2006-2010	2,593,313,088	532,866,958	20.5%	2,573,025,157	1,354,788,343	52.7%	71,064,882	2.8%	76.0%	422,195,745	16.4%	59.6%
2011-2015	3,103,624,048	681,596,757	22.0%	3,051,020,429	2,208,773,101	72.4%	98,830,532	3.2%	97.6%	366,541,142	12.0%	85.6%

<b>The Medical Protective Co.</b>												
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Year	Net premium written	Underwriting expenses incurred	Expense ratio [b/a]	Net premiums earned	Losses and loss adjustment expenses	Loss ratio [e/d]	Policyholder dividends	Dividend ratio [g/d]	Combined ratio	Net investment income	Net investment income ratio [j/d]	Operating ratio [i-k]
2006	337,385,540	53,679,435	15.9%	299,621,579	223,126,825	74.5%	0	0.0%	90.4%	56,193,970	18.8%	71.6%
2007	343,121,058	53,155,078	15.5%	345,302,263	277,757,402	80.4%	0	0.0%	95.9%	57,887,667	16.8%	79.2%
2008	343,234,053	53,664,734	15.6%	343,846,447	254,434,736	74.0%	0	0.0%	89.6%	71,516,856	20.8%	68.8%
2009	333,975,622	62,412,706	18.7%	332,499,778	240,630,531	72.4%	0	0.0%	91.1%	83,892,685	25.2%	65.8%
2010	334,684,035	64,039,347	19.1%	322,277,708	190,873,450	59.2%	0	0.0%	78.4%	85,414,752	26.5%	51.9%
2011	327,172,569	80,572,831	24.6%	302,854,289	147,482,689	48.7%	0	0.0%	73.3%	95,314,696	31.5%	41.9%
2012	643,824,861	96,030,575	14.9%	616,894,746	442,008,223	71.7%	0	0.0%	86.6%	128,234,185	20.8%	65.8%
2013	366,900,050	88,271,745	24.1%	371,799,546	190,645,983	51.3%	0	0.0%	75.3%	121,841,200	32.8%	42.6%
2014	-680,001,929	20,854,006	-3.1%	-575,282,426	-658,979,231	114.5%	0	0.0%	111.5%	97,914,323	-17.0%	128.5%
2015	226,451,495	53,586,777	23.7%	214,665,128	127,807,468	59.5%	0	0.0%	83.2%	98,853,894	46.1%	37.2%
<b>Total</b>	<b>2,576,747,354</b>	<b>626,267,234</b>	<b>24.3%</b>	<b>2,574,479,058</b>	<b>1,435,788,076</b>	<b>55.8%</b>	<b>0</b>	<b>0.0%</b>	<b>80.1%</b>	<b>897,064,228</b>	<b>34.8%</b>	<b>45.2%</b>
<b>Five-year period-to-period results</b>												
2006-2010	1,692,400,308	286,951,300	17.0%	1,643,547,775	1,186,822,944	72.2%	0	0.0%	89.2%	354,905,930	21.6%	67.6%
2011-2015	884,347,046	339,315,934	38.4%	930,931,283	248,965,132	26.7%	0	0.0%	65.1%	542,158,298	58.2%	6.9%

Net data for 2012, 2014 and 2015 for Medical Protective were distorted by loss portfolio transfer agreements between Medical Protective and its affiliates.

## Appendix B: Reserve development

<b>Physicians Insurance, a Mutual Co.</b>													
Incurred net losses and defense and cost containment expenses (\$000 omitted)													
Amounts reported at year-end													
Year in which losses occurred	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	One-year development	Two-year development	Cumulative development
Prior	130,578	120,679	101,457	95,235	80,906	71,145	67,285	66,420	66,602	67,515	913	1,095	-63,063
2006	58,655	51,073	47,126	50,657	47,881	44,851	43,507	42,596	40,511	40,095	-416	-2,501	-18,560
2007		51,458	43,568	37,383	35,768	36,921	34,514	33,247	32,838	31,857	-981	-1,390	-19,601
2008			57,137	44,684	38,672	36,794	33,629	30,644	29,637	28,587	-1,050	-2,057	-28,550
2009				55,629	54,621	51,841	50,073	51,595	49,254	48,952	-302	-2,643	-6,677
2010					61,648	52,493	48,490	46,159	45,100	39,208	-5,892	-6,951	-22,440
2011						68,571	61,519	54,457	50,314	48,425	-1,889	-6,032	-20,146
2012							64,479	58,836	60,309	54,902	-5,407	-3,934	-9,577
2013								65,630	56,757	49,966	-6,791	-15,664	-15,664
2014									65,379	63,625	-1,754		-1,754
2015										67,830			
										<b>Total</b>	<b>-23,569</b>	<b>-40,077</b>	<b>-206,032</b>

**Doctors Co. , an Interinsurance Exchange**

Incurred net losses and defense and cost containment expenses (\$000 omitted)

Amounts reported at year-end

Year in which losses occurred	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	One-year development	Two-year development	Cumulative Development
Prior	544,679	492,620	434,599	355,483	341,692	320,309	314,576	320,311	319,710	314,423	-5,287	-5,888	-230,256
2006	285,546	266,290	262,538	226,313	188,137	182,573	182,943	186,763	184,050	185,370	1,320	-1,393	-100,176
2007		309,812	293,210	286,848	221,388	194,708	193,339	192,063	189,798	189,836	38	-2,227	-119,976
2008			282,251	286,591	286,186	294,745	245,867	243,268	241,550	236,329	-5,221	-6,939	-45,922
2009				382,196	359,494	327,778	323,624	288,348	284,449	284,041	-408	-4,307	-98,155
2010					384,936	360,284	358,923	352,613	312,559	303,470	-9,089	-49,143	-81,466
2011						402,382	401,470	401,593	398,810	359,691	-39,119	-41,902	-42,691
2012							437,363	421,491	420,738	407,422	-13,316	-14,069	-29,941
2013								478,868	479,267	475,791	-3,476	-3,077	-3,077
2014									523,776	523,475	-301		-301
2015										499,160			
										<b>Total</b>	<b>-74,859</b>	<b>-128,945</b>	<b>-751,961</b>

**The Medical Protective Co.**

Incurred net losses and defense and cost containment expenses (\$'000 omitted)

Amounts reported at year-end

Year in which losses occurred	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	One-year development	Two-year development	Cumulative Development
Prior	530,963	532,452	521,623	504,077	473,590	448,852	461,802	443,165	396,308	395,182	-1,126	-47,983	-135,781
2006	230,307	219,045	207,190	195,312	157,294	131,346	124,635	111,453	91,730	90,637	-1,093	-20,816	-139,670
2007		278,967	265,104	251,428	237,911	187,241	180,017	164,520	126,922	119,842	-7,080	-44,678	-159,125
2008			285,000	271,527	257,782	244,108	222,419	197,674	145,576	138,356	-7,220	-59,318	-146,644
2009				291,750	278,022	264,576	287,984	253,520	170,649	159,108	-11,541	-94,412	-132,642
2010					293,913	279,180	305,693	293,658	175,727	160,459	-15,268	-133,199	-133,454
2011						282,074	314,451	301,159	169,322	154,949	-14,373	-146,210	-127,125
2012							322,195	315,585	163,486	159,471	-4,015	-156,114	-162,724
2013								322,225	157,295	155,514	-1,781	-166,711	-166,711
2014									174,469	177,627	3,158		3,158
2015										186,030			
										<b>Total</b>	<b>-60,339</b>	<b>-869,441</b>	<b>-1,300,718</b>

## Appendix C: Rate filing information

<b>NAIC Code</b>	<b>Company</b>	<b>Description</b>	<b>Approved change</b>	<b>Effective date</b>
23280	Cincinnati Indemnity Co.	Allied Health	33.0%	9/1/2016
10677	Cincinnati Insurance Co.	Allied Health	28.7%	9/1/2016
10472	Capitol Indemnity Corporation	Oncologists	New program	5/15/2016
20427	American Casualty Co. of Reading, PA	Healthcare Providers Services Organization	5.3%	2/1/2016
20443	Continental Casualty Co.	Dentists	2.5%	11/1/2015
11843	Medical Protective Co.	Multi-Specialty Health Care Providers	-2.2%	10/1/2015
22276	Berkshire Hathaway Specialty Ins. Co.	Human Services	New program	9/2/2015
19917	Liberty Insurance Underwriters, Inc.	Allied Health	4.8%	9/1/2015
22730	Allied World Insurance Co.	Psychiatrists	New program	8/13/2015
22667	Ace American Insurance Co.	Dentists	15.0%	8/1/2015
32417	Northwest Dentists Ins. Co.	Dentists	-0.3%	7/1/2015
25224	Great Divide Insurance Co.	Chiropractors	-3.4%	6/17/2015
26344	Great American Assurance Co.	Social Services and Allied Health	New program	1/6/2015
26832	Great American Alliance Insurance Co.	Social Services and Allied Health	New program	1/6/2015
16691	Great American Insurance Co.	Social Services and Allied Health	New program	1/6/2015
22136	Great American Insurance Co. of New York	Social Services and Allied Health	New program	1/6/2015
32417	Northwest Dentists Ins. Co.	Dentists	1.6%	1/1/2015
11843	Medical Protective Co.	Physicians and Surgeons	-7.6%	12/31/2014

These tables show information from each company's two most recent physicians and surgeons rate filings. None of these companies submitted new rate filings for physicians and surgeons since last year's report.

Physicians Insurance			
Rate filing selections	2008 filing	2009 filing	Difference
Selected frequency:	5.6%	5.2%	-0.4%
Selected severity:	\$82,500	\$80,000	-\$2,500
Selected pure premium:	\$4,300	\$3,980	-\$320
Selected annual trend:	4.0%	4.0%	0.0%

Doctors Co.			
Rate filing selections	2012 filing	2013 filing	Difference
Selected frequency:	6.7%	6.7%	0.0%
Selected severity:	\$113,000	\$115,750	\$2,750
Selected pure premium:	\$7,571	\$7,755	\$184
Selected annual trend:	3.5%	3.5%	0.0%

Medical Protective Co.			
Rate filing selections	2013 filing	2015 filing	Difference
Selected frequency:	n/a	n/a	
Selected severity:	n/a	n/a	
Selected pure premium:	\$6,689	\$5,900	-\$789
Selected annual trend:	4.0%	4.0%	0.0%

<b>Physicians Insurance</b>									
Year	2008 filing	2009 filing	Difference						
1990	\$11,243	\$11,243	\$0						
1991	\$21,466	\$21,466	\$0						
1992	\$23,299	\$24,594	\$1,295						
1993	\$22,281	\$22,281	\$0						
1994	\$25,950	\$25,950	\$0						
1995	\$34,470	\$34,436	-\$34						
1996	\$27,234	\$27,207	-\$27						
1997	\$33,050	\$32,984	-\$66						
1998	\$33,971	\$33,760	-\$211						
1999	\$29,259	\$29,322	\$63						
2000	\$33,791	\$33,331	-\$460						
2001	\$35,098	\$34,715	-\$383						
2002	\$29,413	\$29,891	\$478	<b>The Doctors Co.</b>					
				2012 filing	2013 filing	Difference			
2003	\$27,765	\$26,938	-\$827	\$14,328	\$14,328	\$0	<b>Medical Protective</b>		
2004	\$28,954	\$28,782	-\$172	\$7,955	\$7,954	-\$1	2013 filing	2015 filing	Difference
2005	\$29,498	\$28,706	-\$792	\$8,262	\$8,262	\$0	\$7,569	\$5,204	-\$2,365
2006	\$28,842	\$26,899	-\$1,943	\$10,114	\$9,947	-\$167	\$6,059	\$5,635	-\$424
2007		\$23,987		\$5,670	\$5,685	\$15	\$4,783	\$4,541	-\$242
2008				\$11,700	\$11,550	-\$150	\$1,317	\$1,576	\$259
2009				\$10,500	\$10,150	-\$350	\$4,031	\$4,094	\$63
2010				\$6,850	\$7,900	\$1,050	\$3,374	\$3,644	\$270
2011				\$12,400	\$12,600	\$200	\$3,994	\$2,157	-\$1,837
2012								\$1,808	
Total			-\$3,079			\$597			-\$4,276

These tables show insurer estimates of loss and defense costs by year that claims were reported. For each company, the two estimates shown are from that company's two most recent rate filings. Data are displayed in thousands.

## Appendix D: 2014 NAIC profitability report - medical professional liability insurance

State	Direct premiums earned (000s)	Percent of direct premiums earned										Percent of net worth			
		Losses incurred	Loss adjust expense	General expense	Selling expense	Taxes license fees	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
Alabama	126,314	14.6	21.3	8.1	8.7	1.5	0.8	45.2	12.1	19.0	38.3	40.0	4.2	1.1	18.4
Alaska	22,539	25.8	28.1	8.1	9.6	1.9	15.3	11.3	5.8	5.5	11.6	57.7	4.2	1.1	9.8
Arizona	220,833	29.8	20.1	8.1	11.5	1.7	13.5	15.3	10.0	8.0	17.3	43.2	4.2	1.1	10.6
Arkansas	63,530	28.8	19.3	8.1	12.7	2.5	1.7	27.0	14.4	13.2	28.2	36.2	4.2	1.1	13.3
California	736,327	47.4	34.9	8.1	12.5	2.0	3.7	-8.6	8.7	-0.7	0.9	47.8	4.2	1.1	3.5
Colorado	155,800	23.8	19.8	8.1	9.8	1.3	13.7	23.5	8.1	10.4	21.3	49.5	4.2	1.1	13.6
Connecticut	172,224	59.6	30.2	8.1	11.0	2.9	1.3	-13.0	13.2	-1.1	1.3	38.2	4.2	1.1	3.6
Delaware	35,894	32.8	18.1	8.1	14.3	2.4	0.4	23.9	12.6	11.7	24.8	38.1	4.3	1.1	12.6
District of Columbia	33,925	30.4	16.5	8.1	14.6	2.1	0.7	27.7	13.2	13.2	27.7	38.1	4.2	1.1	13.7
Florida	583,000	47.7	23.6	8.1	13.4	2.3	1.2	3.7	9.2	3.7	9.2	46.7	4.2	1.1	7.4
Georgia	255,861	38.7	20.6	8.1	11.8	3.0	3.0	14.8	12.4	8.4	18.7	39.0	4.2	1.1	10.4
Hawaii	28,829	85.1	24.6	8.1	10.7	2.9	16.2	-47.5	7.8	-14.6	-25.1	50.4	4.2	1.1	-9.6
Idaho	30,684	34.5	33.8	8.1	13.0	1.7	6.8	2.1	9.2	3.2	8.2	46.7	4.2	1.1	6.9
Illinois	540,019	30.5	27.6	8.1	13.8	1.7	5.2	13.2	15.3	8.6	19.8	34.6	4.2	1.1	10.0
Indiana	121,213	22.6	26.6	8.1	10.0	2.0	0.6	30.2	16.1	14.8	31.5	33.7	4.2	1.1	13.7
Iowa	67,356	15.7	13.0	8.1	13.6	1.3	3.2	45.1	9.5	18.3	36.3	46.5	4.2	1.1	20.0
Kansas	61,626	83.7	42.9	8.1	12.8	1.5	2.5	-51.5	11.1	-15.1	-25.3	43.0	4.2	1.1	-7.8
Kentucky	115,003	49.0	35.6	8.1	12.5	2.0	0.9	-8.1	17.6	1.8	7.7	31.6	4.2	1.1	5.6
Louisiana	102,103	12.1	21.3	8.1	11.4	2.9	2.7	41.6	12.4	17.8	36.2	39.9	4.2	1.1	17.6
Maine	41,279	21.8	11.5	8.1	11.4	2.0	8.0	37.3	10.5	15.8	32.0	43.0	4.2	1.1	16.9

State	Direct premiums earned (000s)	Percent of direct premiums earned										Percent of net worth			
		Losses incurred	Loss adjust expense	General expense	Selling expense	Taxes license fees	Dividend to plcyhdr	Underwriting 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
Maryland	271,491	41.5	22.3	8.1	11.2	1.7	14.7	0.5	12.6	3.5	9.6	39.3	4.2	1.1	6.9
Massachusetts	311,444	27.4	21.3	8.1	10.0	2.3	3.9	27.1	18.0	14.2	30.9	31.7	4.2	1.1	12.9
Michigan	192,362	31.2	32.2	8.1	13.4	1.1	0.4	13.6	11.5	7.8	17.3	41.2	4.2	1.1	10.2
Minnesota	79,198	41.5	16.6	8.1	12.6	1.8	2.5	16.9	8.4	8.1	17.2	50.5	4.2	1.1	11.8
Mississippi	53,838	-8.8	9.9	8.1	18.3	2.2	0.9	69.3	11.1	27.2	53.2	41.9	4.3	1.1	25.5
Missouri	145,216	32.0	26.6	8.1	11.6	1.4	9.2	11.2	10.0	6.6	14.7	44.8	4.2	1.1	9.7
Montana	40,112	24.5	29.2	8.1	12.0	1.9	1.2	23.1	8.7	10.4	21.4	49.3	4.2	1.1	13.7
Nebraska	35,015	23.7	27.0	8.1	11.4	1.5	2.4	25.9	10.9	11.9	24.9	42.7	4.2	1.1	13.7
Nevada	76,907	13.0	47.4	8.1	13.7	2.6	1.0	14.2	9.9	7.6	16.5	44.5	4.3	1.1	10.5
New Hampshire	39,598	49.2	29.0	8.1	12.7	1.6	2.3	-2.8	11.7	2.1	6.8	40.7	4.2	1.1	5.9
New Jersey	453,624	52.2	29.5	8.1	14.0	1.1	0.2	-5.1	16.9	2.7	9.2	32.3	4.2	1.1	6.1
New Mexico	53,574	68.7	23.1	8.1	12.7	3.1	0.2	-15.9	12.1	-2.4	-1.4	40.5	4.2	1.1	2.6
New York	1,722,314	52.9	26.0	8.1	7.1	2.8	1.4	1.7	20.2	5.9	16.0	29.0	4.2	1.1	7.7
North Carolina	189,136	25.4	24.9	8.1	12.3	1.8	3.3	24.1	9.9	11.1	23.0	44.8	4.2	1.1	13.4
North Dakota	12,805	38.1	9.6	8.1	15.4	1.8	1.8	25.1	6.4	10.5	21.1	56.4	4.3	1.1	15.0
Ohio	304,122	20.8	21.0	8.1	13.5	1.7	1.6	33.3	14.2	15.4	32.1	36.3	4.2	1.1	14.8
Oklahoma	103,246	37.4	24.9	8.1	13.3	2.0	0.3	14.1	10.9	7.8	17.2	43.1	4.2	1.1	10.5
Oregon	92,771	47.8	26.6	8.1	10.9	1.7	3.9	1.0	9.0	2.7	7.3	47.3	4.2	1.1	6.6
Pennsylvania	624,227	48.9	25.6	8.1	9.3	1.7	1.1	5.3	14.2	5.6	13.9	36.7	4.2	1.1	8.2
Rhode Island	40,546	38.8	28.0	8.1	12.9	2.0	0.2	10.1	25.0	10.1	25.0	24.6	4.2	1.1	9.3
South Carolina	63,918	66.2	33.9	8.1	13.3	3.0	2.5	-26.8	10.7	-6.6	-9.5	42.9	4.3	1.1	-1.0
South Dakota	17,059	34.2	18.8	8.1	15.6	2.7	6.0	14.7	12.2	8.4	18.6	40.3	4.3	1.1	10.6
Tennessee	230,928	34.0	27.3	8.1	8.0	0.8	2.7	19.3	16.3	11.0	24.6	33.4	4.2	1.1	11.3

State	Direct premiums earned (000s)	Percent of direct premiums earned										Percent of net worth			
		Losses incurred	Loss adjust expense	General expense	Selling expense	Taxes license fees	Dividend to plcyhldr	Underwriting 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
Texas	314,610	16.9	20.6	8.1	14.4	1.5	0.4	38.1	9.8	15.9	32.0	45.0	4.2	1.1	17.5
Utah	58,942	25.1	22.9	8.1	9.8	2.4	1.9	29.9	11.5	13.5	27.9	42.2	4.2	1.1	14.9
Vermont	17,709	31.4	17.5	8.1	14.4	3.1	5.6	20.0	14.2	10.7	23.4	35.8	4.3	1.1	11.5
Virginia	201,637	13.1	19.4	8.1	14.1	2.2	3.7	39.5	8.6	16.1	32.0	47.7	4.3	1.1	18.4
<b>Washington</b>	<b>182,706</b>	<b>68.8</b>	<b>30.8</b>	<b>8.1</b>	<b>10.1</b>	<b>1.8</b>	<b>3.5</b>	<b>-23.1</b>	<b>10.5</b>	<b>-5.3</b>	<b>-7.3</b>	<b>44.0</b>	<b>4.2</b>	<b>1.1</b>	<b>-0.1</b>
West Virginia	71,525	44.4	27.4	8.1	12.9	3.2	9.1	-5.0	9.7	0.8	3.9	45.5	4.3	1.1	4.9
Wisconsin	82,173	3.2	11.8	8.1	10.9	1.3	0.8	64.0	13.5	26.0	51.6	37.6	4.2	1.1	22.5
Wyoming	23,976	77.2	25.3	8.1	13.3	2.4	2.7	-28.9	8.0	-8.0	-12.8	50.9	4.2	1.1	-3.4
Guam	784	39.9	22.5	8.1	11.8	2.5	0.1	15.2	2.2	5.9	11.5	77.9	4.2	1.1	12.1
Puerto Rico	68,389	36.0	21.9	8.1	11.7	0.3	0.0	22.0	9.4	10.2	21.3	46.3	4.2	1.1	13.0
U.S. Virgin Islands	214	54.2	53.6	8.1	22.6	2.9	1.3	-42.7	5.2	-13.6	-23.9	58.4	4.4	1.2	-10.7
N Mariana Islands	8	290.6	50.8	8.1	21.4	0.0	0.0	-270.8	5.0	-93.5	-172.3	64.4	4.3	1.1	-107.8
<b>Countrywide</b>	<b>9,690,485</b>	<b>40.0</b>	<b>25.7</b>	<b>8.1</b>	<b>11.2</b>	<b>2.0</b>	<b>3.1</b>	<b>9.9</b>	<b>13.6</b>	<b>7.0</b>	<b>16.5</b>	<b>37.4</b>	<b>4.2</b>	<b>1.1</b>	<b>9.3</b>
<b>Average</b>	<b>176,191</b>	<b>41.4</b>	<b>25.4</b>	<b>8.1</b>	<b>12.6</b>	<b>2.0</b>	<b>3.5</b>	<b>7.1</b>	<b>11.4</b>	<b>5.5</b>	<b>13.0</b>	<b>43.2</b>	<b>4.2</b>	<b>1.1</b>	<b>7.6</b>
<b>Median</b>	<b>79,198</b>	<b>34.2</b>	<b>24.9</b>	<b>8.1</b>	<b>12.6</b>	<b>2.0</b>	<b>2.3</b>	<b>14.7</b>	<b>10.9</b>	<b>8.1</b>	<b>17.3</b>	<b>42.9</b>	<b>4.2</b>	<b>1.1</b>	<b>10.5</b>