

2014 Medical Malpractice Statistical Summary

Settlement data submitted by attorneys

Lawsuits with final disposition from Jan. 1, 2010 through Dec. 31, 2014

Rates and Forms Division

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May 2015



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Introduction

In 2006, the Washington State Legislature enacted comprehensive health care liability reform,¹ requiring attorneys to report medical malpractice settlement data to the Office of the Insurance Commissioner (OIC). Each year, the OIC must post summary statistics about medical malpractice lawsuits that are resolved.² [RCW 7.70.140](#) does not have tools for the OIC to use to make attorneys report data. Voluntary compliance has been poor and data in this summary are incomplete. The OIC cannot draw conclusions from incomplete data, so this statistical summary is limited to calendar-year statistics.

There are two primary types of data displayed in this statistical summary:

- **Total paid indemnity:** Total compensation paid by all defendants to the claimant stemming from a lawsuit. Indemnity payments may come from several defendants if a lawsuit named more than one party.³
- **Legal expenses:** All sums paid by the claimant to the attorney to prosecute the claim, including attorney fees, expert witness fees, court costs, and all other legal expenses.⁴

¹ [HB 2292 - 2005-06](#)

² [RCW 48.140.040\(2\)](#). On February 10, 2015, Insurance Commissioner Mike Kreidler notified the legislature that the OIC would post statistical summaries by June 1.

³ [WAC 284-24E-150](#)

⁴ [RCW 7.70.140\(2\)\(b\)\(v\)](#).

Key statistics about medical malpractice lawsuits resolved in 2014:

- Attorneys reported that 51 lawsuits were resolved with paid indemnity in 2014.
- In cases where indemnity payments were made to the claimant, average compensation to the claimant was \$1,383,686.
- Average attorney fees were \$469,130.

Calendar year comparison: Attorneys reported these data for the five-year period ending December 31, 2014.⁵

	-----Calendar year-----				
	2010	2011	2012	2013	2014
Settlements reported by attorneys	90	87	60	58	51
Total legal expenses	\$34,598,555	\$18,891,184	\$18,109,028	\$31,971,142	\$27,091,674
Average legal expense per lawsuit	\$384,428	\$217,140	\$301,817	\$551,227	\$531,209
Number of lawsuits with paid indemnity	85	84	59	57	51
Total paid indemnity	\$85,073,584	\$45,892,345	\$44,247,074	\$72,113,776	\$70,567,961
Average indemnity payment	\$1,000,866	\$546,337	\$749,950	\$1,265,154	\$1,383,686
Number of lawsuits with attorney fees	90	87	60	58	51
Total attorney fees	\$31,188,630	\$15,886,463	\$15,853,136	\$26,706,371	\$23,925,616
Average fee paid to attorney	\$346,540	\$182,603	\$264,219	\$460,455	\$469,130
Average attorney fee ÷ average indemnity payment	34.6%	33.4%	35.2%	36.4%	33.9%

Number of resolved lawsuits: Attorneys submitted 51 reports about medical malpractice lawsuits that were resolved in calendar year 2014, a decrease of 12.1 percent from the prior year.

Indemnity payments to claimants: In 2014, attorneys reported 51 lawsuits in which a claimant received compensation. Payments totaled \$70.6 million, or an average of \$1,383,686 per reported settlement. The trend of fewer lawsuits being reported with larger average payments continued in 2014, suggesting a reduction in the number of small lawsuits resolved or a reduction in the number reported.

Total legal expenses: Claimants must pay fees and costs to file a lawsuit regardless of whether they receive a settlement. In 2014, claimants paid \$27.1 million in legal fees to resolve 51 lawsuits, or an average of \$531,209 per reported lawsuit.

⁵ Data submitted by attorneys as of April 15, 2015.

Attorney fees: Claimants pay attorney fees based on contracts with their attorneys, and these fees are related to the total indemnity paid to the claimant to resolve the lawsuit. For 2014, attorneys reported 51 settlements in which attorney fees were paid, averaging \$469,130.

Reporting compliance: Attorneys reported only a small fraction of the approximately 200 to 350 medical malpractice lawsuits resolved each year. Nearly half of the settlement reports submitted by attorneys were late (reports are due on March 1 of the year following the resolution of the lawsuit). There is no enforcement mechanism in the law, so the OIC expects that attorneys will continue to ignore the law and fail to report settlement data.