

2023 medical malpractice annual report

Claims closed Jan. 2018 through Dec. 2022

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About this report

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

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

This report has three sections:

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

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

Key statistics

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

About the medical professional liability insurance market

- In Washington state, the incurred loss and defense cost ratio for 2022 was 81.3%. This represents a significant increase from the 65.8% ratio for 2021 but is similar to the 83.9% ratio for the five-year period from 2017 to 2021.
- Defense costs were 20.4% of earned premium for 2022. This represents a significant increase from the 14.6% ratio for 2021 but is similar to the 20.1% ratio for the five-year period from 2017 to 2021.
- Direct written premiums increased 10.5% to \$232 million in 2022. This was the third significant increase in the last four years.
- Favorable loss development fueled profitability. Insurers lowered their reserves for older claims, leading to lower incurred loss and defense costs in recent years.² For example, Physicians Insurance lowered its reserves by \$89 million over its original estimates. Reserves released from prior years translate to profit for the current year.
- Profitability improved. The operating ratio for Physicians Insurance, the admitted insurer with the largest market share in Washington state, was 95.2% in 2022, compared to 105.3% for the prior two years.³

² 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.

³ Operating ratios measure overall profitability from underwriting and investment activities. Operating ratios are calculated using countrywide data.

About claim data submitted by insurers and self-insurers

Total claims

Insurers and self-insurers reported closing 3,286 claims between 2018 and 2022 with indemnity payments, defense costs, or both types of payments.⁴ ⁵ Commercial insurers reported 1,909 claims, self-insured entities reported 1,337 claims, and risk retention groups reported 40 claims.⁶

Payments to claimants

Insurers and self-insurers closed 47.7% of all claims with an indemnity payment to a claimant.

- Indemnity payments totaled \$949 million on 1,567 claims over the five-year period, or \$605,382 per paid claim. For claims closed in 2022, the average indemnity payment increased to \$861,467 per paid claim.
- Economic loss payments totaled \$617 million, an average of \$393,767 per paid claim. On average, insurers and self-insurers attributed 65% of each claim payment to economic loss.
- Of the claims closed with an indemnity payment, 16.7% closed with a payment of \$1 million or more. These claims account for 74.5% of the total paid indemnity over the five-year period.

Defense costs

Insurers and self-insurers paid \$252 million to defend 2,941 claims, an average of \$85,712 per claim. The average defense cost increased 65% from 2021 to 2022, while the median defense cost increased 34.2% over the same period.

Method of settlement

Insurers and self-insurers settled most claims with paid indemnity by negotiation between the claimant and the insurer. Of the claims with an indemnity payment, insurers and self-insurers settled 66% by negotiation and 26.5% by alternate dispute resolution.⁷ Negotiations comprised 53% of the total paid indemnity, while alternate dispute resolution comprised 42.7%.

⁴ This report includes claims data reported through June 8, 2023, and audited through Sept. 6, 2023.

⁵ 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.

⁶ Commercial insurers include both admitted and surplus line insurers.

⁷ Alternate dispute resolutions include arbitration, mediation and private trials.

Payments by type of medical provider

Insurers and self-insurers identified the type of medical provider in 71.9% of the closed claim reports.⁸ Claimants made the remaining claims against an organization, not an individual medical provider.

- Nursing resulted in the most closed claims at 277. Of these claims, 168 resulted in paid indemnity averaging \$365,052.
- For physician specialties, obstetrics and gynecology accounted for the most claims at 211, with 117 paid claims resulting in paid indemnity averaging \$779,291.
- Pediatrics had the highest average paid indemnity at \$2.4 million.
- Podiatry the highest average defense cost at \$318,381.

Payments and defense costs by age of claim

- The data shows that the longer a claim takes to be settled, the higher the paid claims tend to be. Claims closed within the first year had average paid indemnity of \$153,355. Claims that took at least three years to settle had average indemnity payments of \$1.1 million.
- Defense costs also increased with the age of the claim. Claims that took less than one year to close had average defense costs of \$11,462. Claims that took at least three years had average defense costs of \$186,290.

Regional comparisons

- King County had the most closed claims (924), the highest average paid indemnity (\$763,326), and the highest average defense cost (\$119,246).
- Snohomish County had the highest average economic loss at \$569,983 per paid claim.

Allegations

- "Vicarious liability" was the most common allegation, with 774 claims and 311 indemnity payments that averaged \$724,456.
- "Improper performance" was the second-most common allegation, with 466 claims and 202 indemnity payments that averaged \$429,235.
- "Failure to identify fetal distress" was the allegation with the highest average paid indemnity at \$2.8 million.

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

About lawsuits filed and settled by attorneys

If an attorney files a lawsuit to resolve a medical malpractice incident, they should report data about the lawsuit to the OIC once the litigation is resolved.

For settlements resolved between 2018 and 2022⁹:

Compensation to claimants

Attorneys reported claimants received \$117 million in total compensation on 83 claims, an average of \$1.4 million per paid settlement. Attorney fees were \$42 million, an average of \$507,722 per paid settlement. On average, attorney fees were 35.9% of the total compensation paid to the claimant.

How lawsuits settled

Lawsuits resolved by jury verdicts in favor of the plaintiff had the highest average paid indemnity at \$2.1 million per lawsuit.

Gender of claimant

Settlements for male claimants were significantly more costly than settlements for female claimants. Average indemnity payments to male claimants were 29.7% higher than payments to female claimants, and average legal expenses were 51.3% higher.

Age of claimant

Settlements involving claimants under 21 years old had the highest average paid indemnity at \$2.6 million, and the highest average legal expenses at \$963,540.

Regional comparisons

King County had the largest number of lawsuits filed, with 30 lawsuits or 34.5% of the statewide total. King County also had the highest average indemnity payment at \$2.1 million per paid settlement and the highest average legal expense at \$885,230.

⁹ This report includes data submitted on or before June 2, 2023, and audited through June 14, 2023.

Introduction

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

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

This report has three sections:

1. Market analysis
2. Summary data for closed claims reported by insurers and self-insurers
3. Summary data for lawsuits reported by attorneys

Market analysis

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

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

¹⁰ A risk retention group (RRG) is an owner-controlled insurance company authorized by the Federal Risk Retention Act of 1986. An RRG provides liability insurance to members who are in similar or related business or activities. The federal act allows one state to charter an RRG and allows the RRG to engage in the business of insurance in all states. The federal act pre-empts state law in many significant ways. See [RCW 48.92.030](#)(1). For simplicity, and to protect the confidentiality of data, we include them with all other insurers in this report.

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

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

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

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

Summary data for closed claims reported by insurers and self-insurers

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

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

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

Summary data for lawsuits reported by attorneys

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

Attorneys reported two primary types of settlement data:

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

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

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

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

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

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

²⁰ [WAC 284-24E-150](#).

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

²² [RCW 7.70.140](#)(2)(b)(v).

Closed claim and lawsuit statistics are different

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

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

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

Market analysis

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

Market participants

The medical professional liability insurance market has three primary participants:

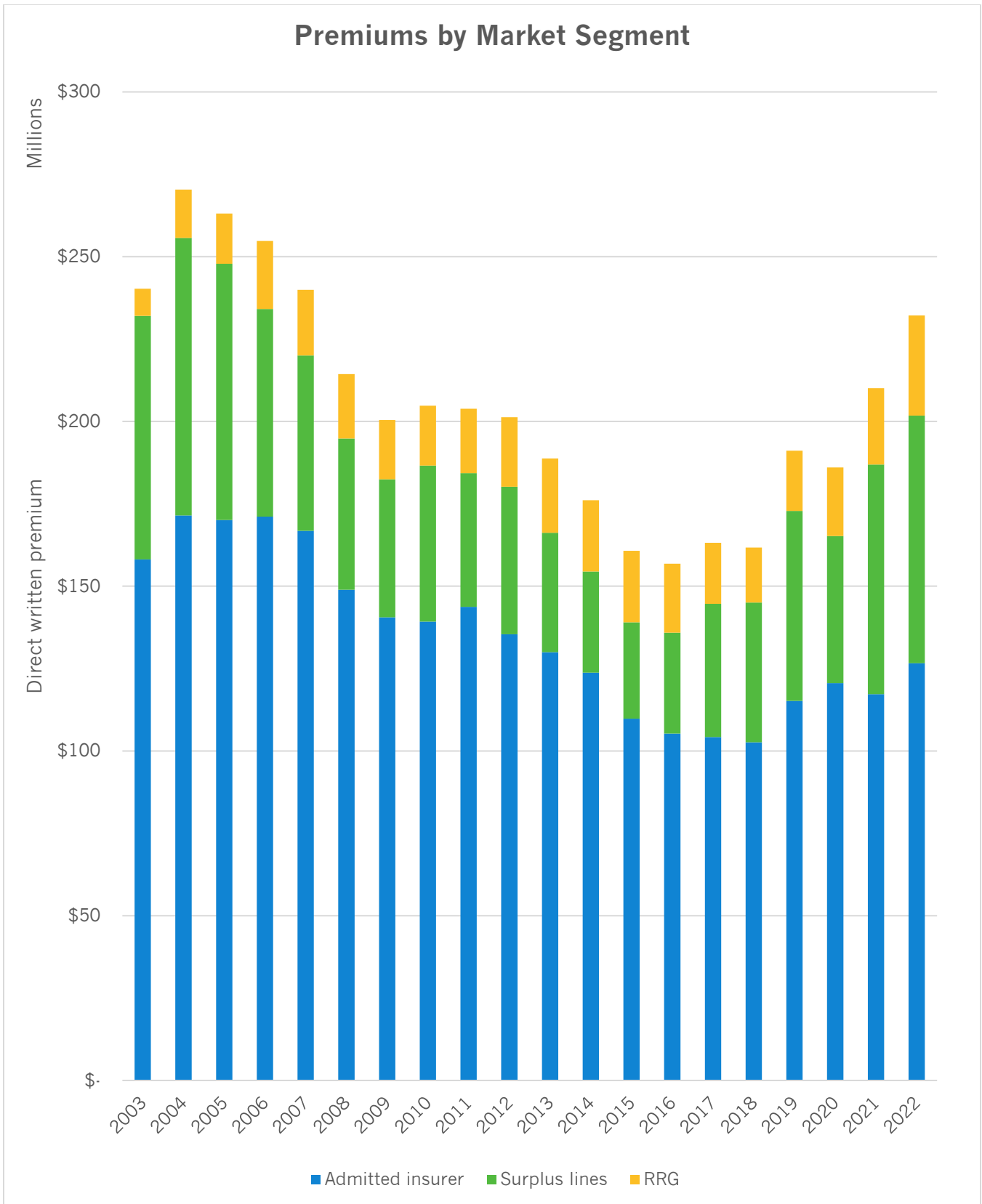
1. Admitted insurers regulated by the insurance commissioner.
2. Unregulated surplus lines insurers.
3. Risk retention groups regulated by their home state.

In 2000, admitted insurers wrote 95.4% of medical professional liability insurance premiums in Washington state. Physicians Insurance Group led the market with 52.7% of the admitted market share and 50.3% of total market share.²³ In 2022, admitted insurers wrote only 54.5% of premium, and the remainder of the market was written by surplus line insurers and risk retention groups. Physicians Insurance still had more than half of the admitted market share at 61.9%, but its share of the overall market was much lower, at 33.8%.

Medical professional liability insurance has been a profitable line of business for insurers in Washington state, but profits have declined in recent years. For Physicians Insurance, the operating ratio for 2013-2017 was 88.8%, compared to its 2018-2022 ratio of 98.8%. As shown in Appendix C, Physicians Insurance most recently addressed this deterioration by filing a rate increase effective Jan. 1, 2022.

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

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



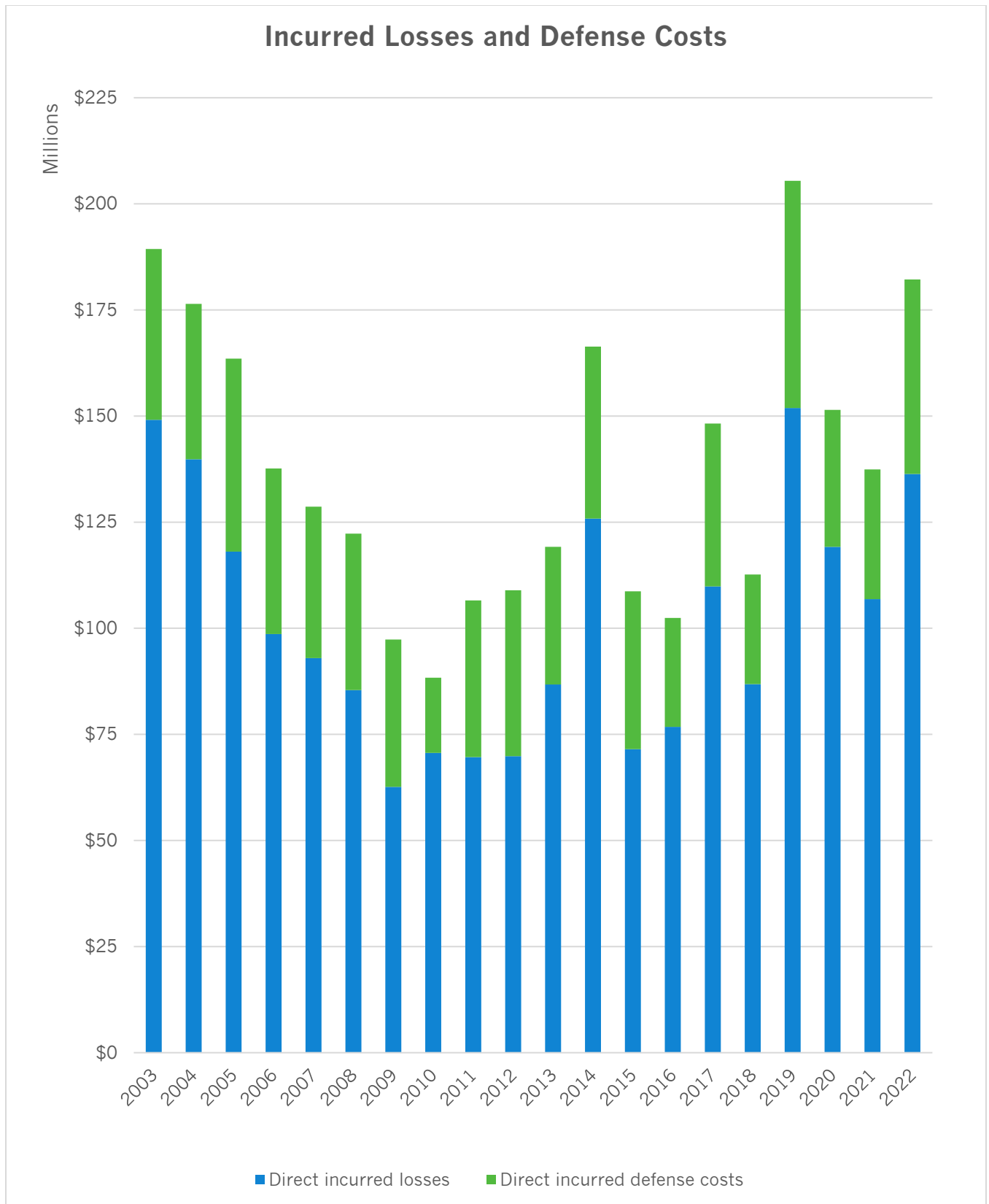
Loss history

The following table shows data for the total Washington state market, which includes admitted insurers, surplus line insurers and risk retention groups. The pure loss ratio is the ratio of direct incurred losses (excluding defense costs) to direct earned premium. The defense cost ratio is the ratio of direct incurred defense costs to direct earned premium.

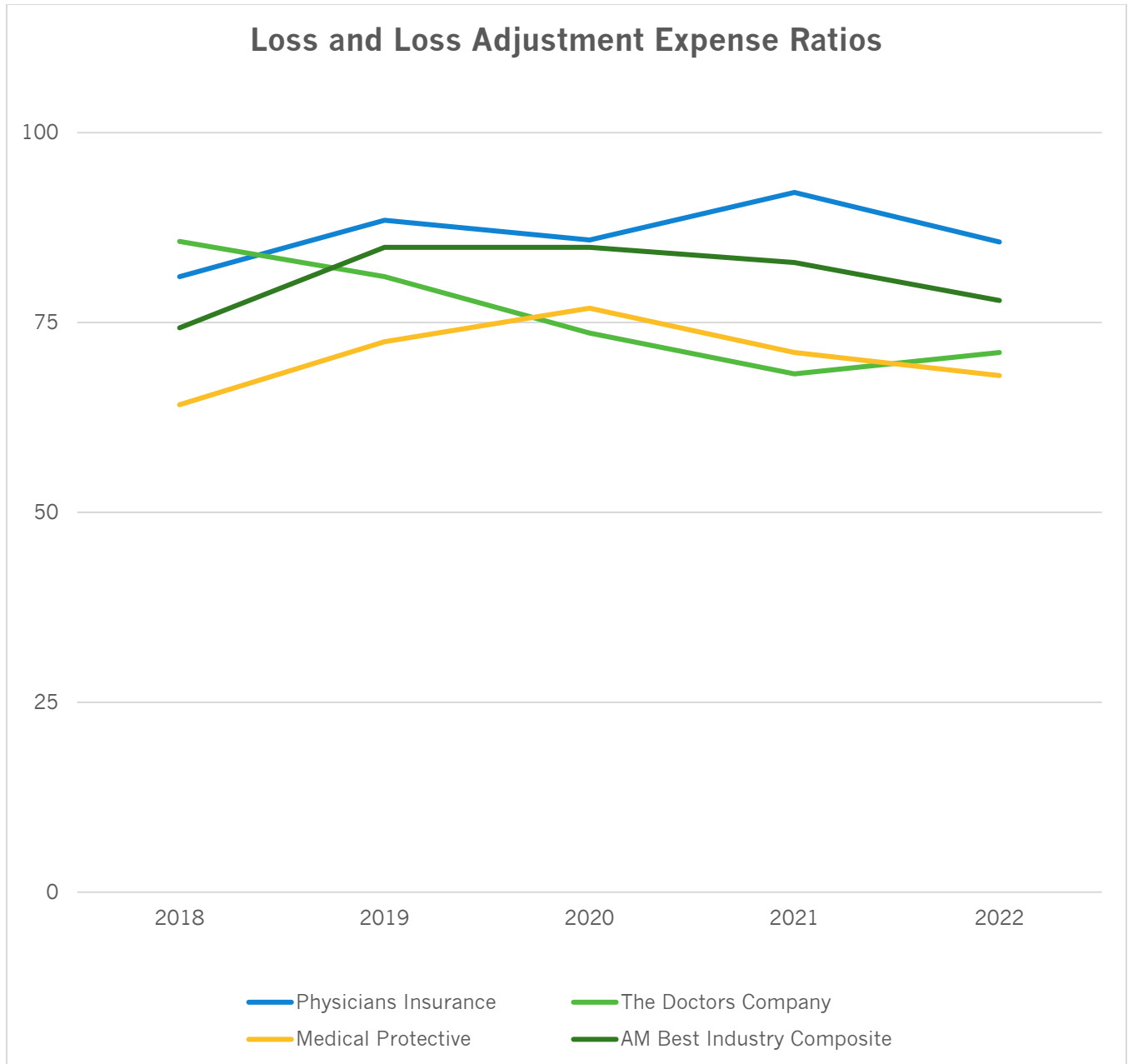
The overall incurred loss and defense cost ratio for medical professional liability insurance in Washington state was 81.3% in 2022, which was similar to recent years. For the five-year period from 2017 to 2021, this ratio was 83.9%.

Year	Direct written premium	Direct earned premium	Pure loss ratio	Defense cost ratio	Incurred loss & defense cost ratio
2003	\$240,251,605	\$234,439,488	63.6%	17.2%	80.8%
2004	\$270,352,631	\$258,075,781	54.2%	14.2%	68.4%
2005	\$263,090,674	\$258,403,214	45.7%	17.6%	63.3%
2006	\$254,759,071	\$253,104,467	39.0%	15.4%	54.4%
2007	\$239,959,432	\$241,654,054	38.5%	14.8%	53.2%
2008	\$214,357,164	\$218,726,595	39.1%	16.8%	55.9%
2009	\$200,445,437	\$202,466,303	30.9%	17.1%	48.1%
2010	\$204,786,151	\$199,165,328	35.5%	8.9%	44.4%
2011	\$203,869,400	\$201,195,699	34.6%	18.4%	53.0%
2012	\$201,288,240	\$193,926,182	36.0%	20.1%	56.2%
2013	\$188,761,301	\$187,007,042	46.4%	17.3%	63.7%
2014	\$176,091,879	\$182,705,913	68.9%	22.2%	91.1%
2015	\$160,752,756	\$164,616,659	43.4%	22.6%	66.0%
2016	\$156,825,836	\$158,126,354	48.5%	16.2%	64.8%
2017	\$163,187,482	\$157,522,013	69.7%	24.4%	94.1%
2018	\$161,729,173	\$164,622,766	52.7%	15.7%	68.4%
2019	\$191,108,177	\$192,612,461	78.9%	27.8%	106.7%
2020	\$186,040,296	\$176,978,799	67.3%	18.2%	85.6%
2021	\$210,111,147	\$208,682,922	51.2%	14.6%	65.8%
2022	\$232,144,024	\$224,149,078	60.8%	20.4%	81.3%
Total	\$4,119,911,876	\$4,078,181,118	49.7%	17.8%	67.5%

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



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



²⁴ Best's Market Segment Report – Difficult Environment for US Medical Professional Liability Insurers (May 8, 2023)

Claim reserves

Loss development is the change in the estimated cost of a particular group of claims between the beginning and end of a period in time. Favorable loss development means losses and defense costs decreased from the beginning to the end of the period.²⁵ Reserves released from prior years translate into profit for the current year.

Appendix B shows data from the 2022 annual statement for Physicians Insurance.²⁶ The first table shows the change in incurred loss and defense cost reserves over time. The second table shows the cumulative loss development for different time periods. Overall, Physicians Insurance had favorable incurred loss development and returned some of its profits to policyholders in the form of dividends totaling \$40 million from 2013 to 2020. However, since then, loss development has been less favorable, and no dividends have been paid.

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

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

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

Washington state market in 2022

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

The following table shows direct written premiums for these companies in 2022, both in Washington state and nationwide.

Insurer	Washington direct written premium	Nationwide direct written premium	WA % of Nationwide
Physicians Ins A Mutual Co	\$78,415,533	\$99,666,444	78.7%
Doctors Co An Interins Exch	\$11,480,364	\$728,775,219	1.6%
Medical Protective Co	\$7,867,121	\$682,723,011	1.2%

This table shows the 10 largest admitted writers in Washington state in 2022.

Admitted insurer	Washington direct written premium	Admitted market share
Physicians Ins A Mut Co	\$78,415,533	61.9%
Doctors Co An Interins Exch	\$11,480,364	9.1%
Medical Protective Co	\$7,867,121	6.2%
American Cas Co Of Reading PA	\$5,537,897	4.4%
Proselect Ins Co	\$4,847,861	3.8%
Dentists Ins Co	\$4,714,010	3.7%
NCMIC Ins Co	\$2,318,132	1.8%
Aspen Amer Ins Co	\$2,287,153	1.8%
ProAssurance Ins Co of Amer	\$1,677,393	1.3%
Liberty Ins Underwriters Inc	\$1,490,325	1.2%
All other admitted insurers	\$5,978,323	4.7%
Total	\$126,614,112	100.0%

National market in 2022

Appendix A shows the profitability for Physicians Insurance, The Doctors Company and Medical Protective Company for the 10-year period ending Dec. 31, 2022, using two ratios:

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

The following table summarizes overall profitability by operating ratios.³² Following two consecutive years over 100%, the operating ratio for Physicians Insurance decreased significantly to 95.2% in 2022. Meanwhile, The Doctors Company posted an operating ratio under 100% for the sixth consecutive year. Of the three companies, Medical Protective Company continues to have the lowest operating ratio.

<u>Operating ratios</u>			
Year	Physicians Insurance	Doctors Company	Medical Protective
2013	89.7%	83.8%	42.6%
2014	85.7%	102.7%	128.5%
2015	89.5%	98.1%	37.2%
2016	90.6%	101.6%	49.3%
2017	88.7%	93.6%	46.7%
2018	90.8%	95.7%	47.9%
2019	96.0%	99.3%	48.8%
2020	105.5%	94.1%	60.9%
2021	105.1%	89.9%	57.3%
2022	95.2%	91.0%	56.1%

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

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

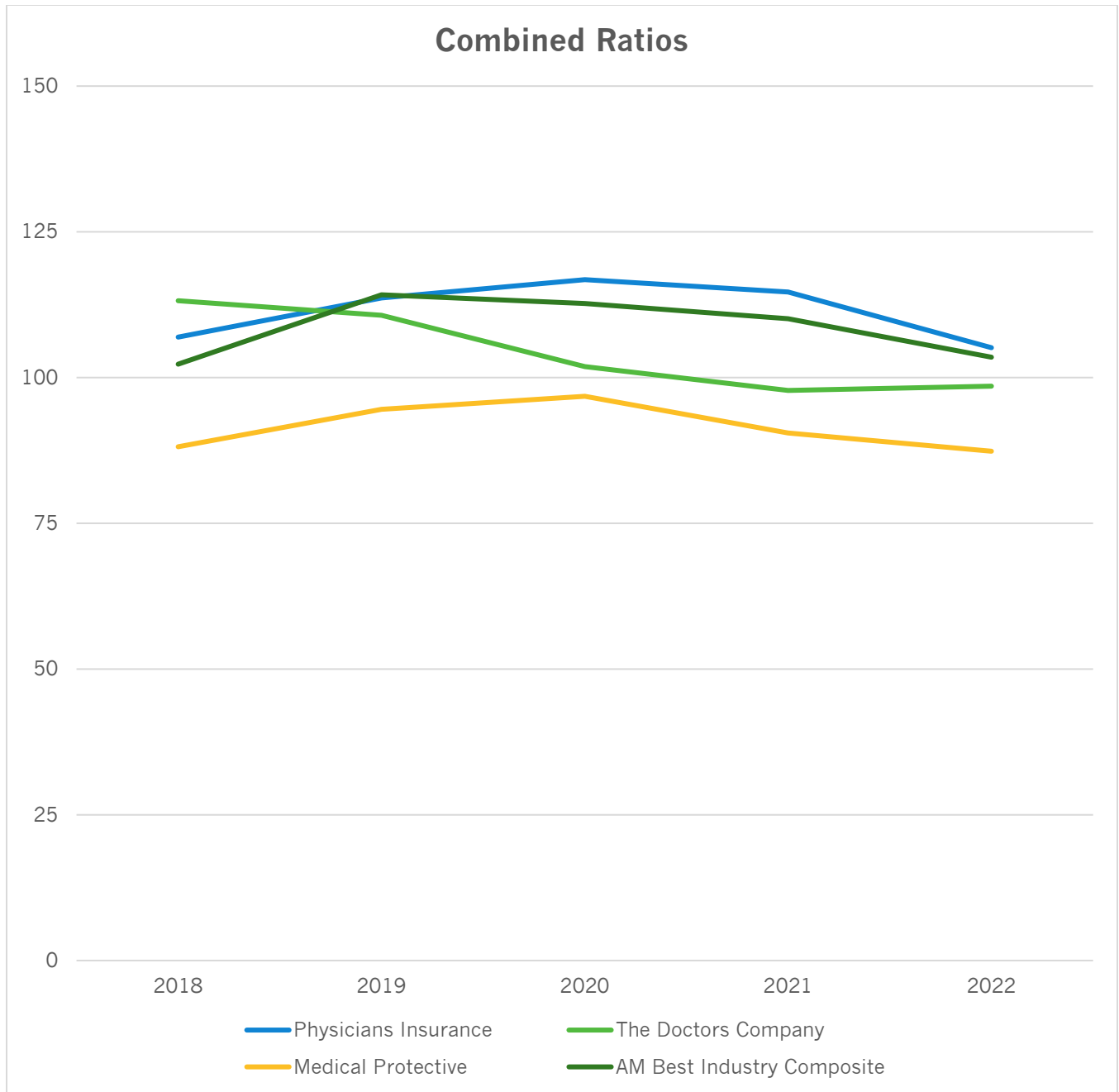
²⁹ The expense ratio is calculated by dividing incurred underwriting expenses by net written premiums.

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

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

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

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



³³ Best's Market Segment Report – Difficult Environment for US Medical Professional Liability Insurers (May 8, 2023)

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

Summary data for closed claims reported by insurers and self-insurers

Summary by year closed					
Item	2018	2019	2020	2021	2022
Claims closed	819	668	604	563	632
Claims with indemnity payments	414	305	265	278	305
Paid indemnity	\$188,006,943	\$188,833,420	\$156,606,379	\$152,439,643	\$262,747,399
Average indemnity payment	\$454,123	\$619,126	\$590,967	\$548,344	\$861,467
Median indemnity payment	\$100,000	\$125,000	\$125,000	\$155,000	\$250,000
Economic loss	\$109,999,936	\$138,240,350	\$93,771,578	\$94,038,842	\$180,982,165
Average economic loss	\$265,700	\$453,247	\$353,855	\$338,269	\$593,384
Median economic loss	\$20,000	\$20,000	\$15,000	\$25,000	\$65,000
Claims with defense costs	705	598	556	501	581
Defense costs	\$51,982,087	\$44,859,693	\$54,929,837	\$34,435,824	\$65,872,575
Average defense cost	\$73,733	\$75,016	\$98,795	\$68,734	\$113,378
Median defense cost	\$16,544	\$23,087	\$17,579	\$22,638	\$30,373

From 2018 to 2022, insurers and self-insurers paid \$949 million on 1,567 claims, or \$605,382 per paid claim.³⁵ After two years of declining indemnity payments, the average payment increased 57.1% from 2021 to 2022. The median indemnity payment continued to trend upward, increasing 61.3% from 2021 to 2022.

The total economic loss was \$617 million, or \$393,767 per paid claim. On average, insurers and self-insurers attributed 65% of indemnity payments to economic loss.

Claims reported by insurers and self-insurers included defense costs 89.5% of the time. Insurers and self-insurers paid \$252 million to defend 2,941 claims, or an average defense cost of \$85,712 per claim. The average defense cost increased 65% from 2021 to 2022, while the median defense cost increased 34.2%.

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

Related claims

Insurers and self-insurers identified medical incidents for which they defended more than one claim. This happens if a claimant alleges more than one medical provider or facility is responsible for their injury and the insurer covers both parties. About half of the 1,546 reported multiclaim incidents resulted in indemnity payments. From 2008³⁶ to 2022, the aggregate average indemnity payment per incident was \$738,993, which is 2.1 times the average per-claim indemnity payment for the same period.

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

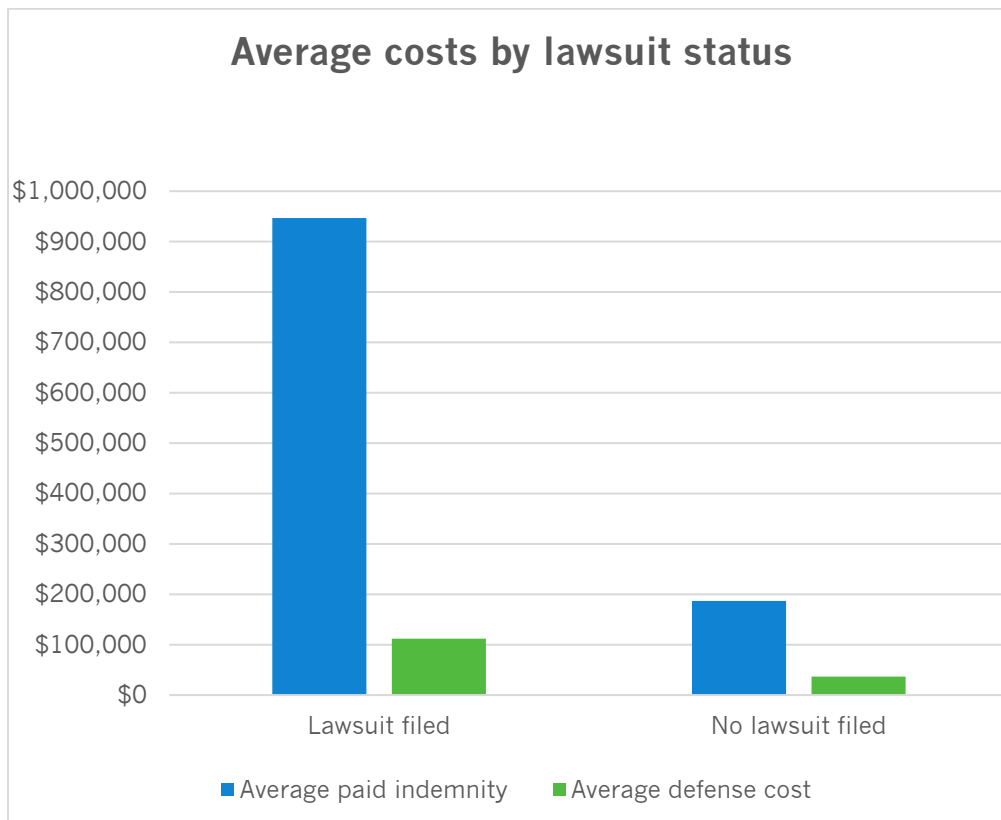
³⁶ Because claims related to the same incident can be closed on different dates, this discussion of incident-level information uses all available closed claim data, which insurers started reporting to the OIC in 2008. The remainder of our analysis of closed claim data uses information related to claims closed between 2018 and 2022.

Lawsuit status

This table summarizes litigation data.³⁷

Five-year period ending December 31, 2022					
Lawsuit status	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Lawsuit filed	1,938	863	\$946,705	1,921	\$111,817
No lawsuit filed	1,348	704	\$186,971	1,020	\$36,549
Total	3,286	1,567	\$605,382	2,941	\$85,712

Of the 3,286 claims reported, claimants filed lawsuits 59% of the time. Insurers and self-insurers incurred defense costs in 99.1% of the claims in which the plaintiff filed a lawsuit. Lawsuits resulted in indemnity payments 44.5% of the time, whereas 52.2% of claims without litigation resulted in indemnity payments.



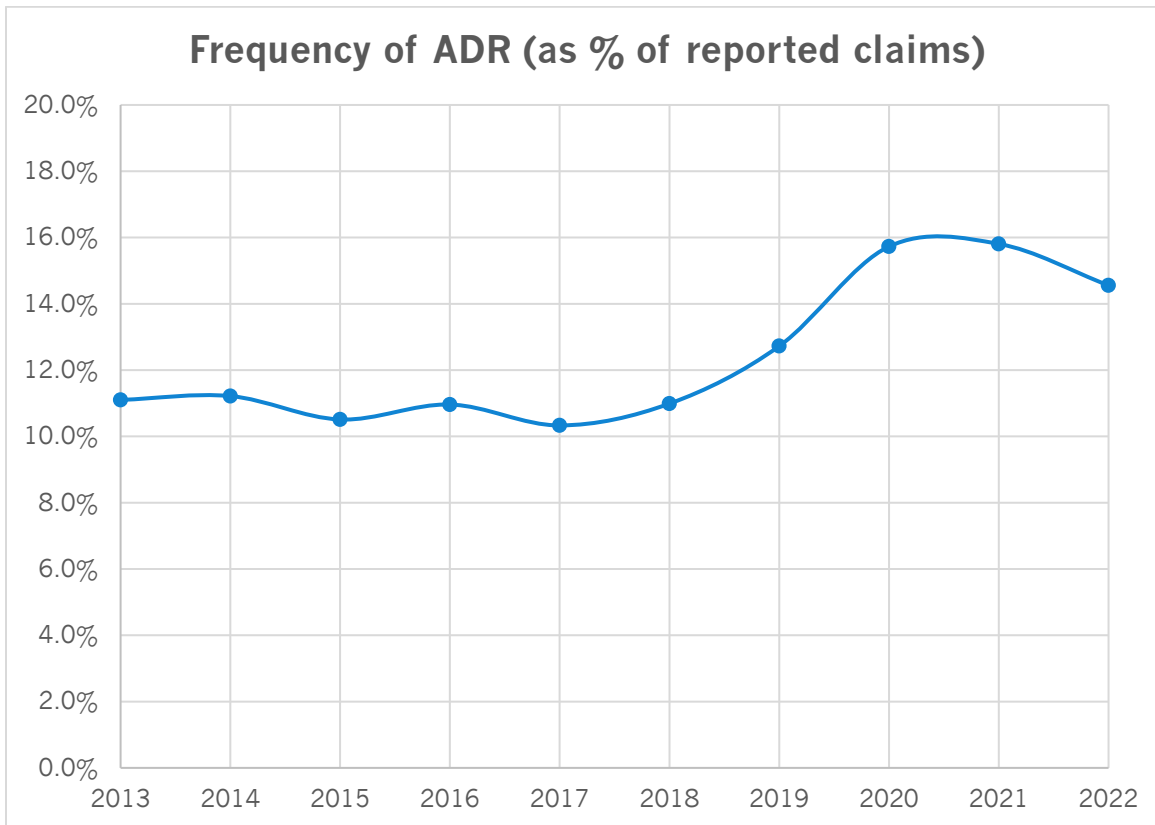
³⁷ These amounts are not comparable to lawsuit settlement data reported by attorneys. Insurers and self-insurers report data for each defendant. Attorneys submit one settlement report that includes payments made by all defendants named in the lawsuit.

Method of settlement

Five-year period ending December 31, 2022					
Method of settlement	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense costs
Settled by parties	1,180	1,035	\$485,367	920	\$112,205
Abandoned by claimant	1,009	97	\$25,474	934	\$23,972
Court disposed claim	646	19	\$2,029,067	646	\$92,987
Alternative dispute resolution	451	416	\$974,172	441	\$150,549
Total	3,286	1,567	\$605,382	2,941	\$85,712

Of the claims settled by alternate dispute resolutions, 92.2% resulted in an indemnity payment, and those payments averaged \$974,172. By comparison, negotiations between parties resulted in an indemnity payment 87.7% of time, and those payments averaged \$485,367.

The following chart shows how the usage of alternative dispute resolutions (“ADR”) has changed over the last 10 years.



Size of indemnity payments

This table shows that insurers and self-insurers settled 52.3% of claims without making an indemnity payment, and 45.7% of the remaining claims had indemnity payments of \$100,000 or less.

Five-year period ending December 31, 2022					
Range of paid indemnity	Number of claims	% of claims	Paid Indemnity	% of paid	Average paid indemnity
\$0	1,719	52.3%			
\$1 - \$100,000	716	21.8%	\$23,438,754	2.5%	\$32,736
\$100,001 - \$200,000	176	5.4%	\$27,353,710	2.9%	\$155,419
\$200,001 - \$300,000	135	4.1%	\$34,560,087	3.6%	\$256,001
\$300,001 - \$400,000	74	2.3%	\$26,935,698	2.8%	\$363,996
\$400,001 - \$500,000	77	2.3%	\$37,142,499	3.9%	\$482,370
\$500,001 - \$600,000	28	0.9%	\$16,171,062	1.7%	\$577,538
\$600,001 - \$700,000	29	0.9%	\$19,137,863	2.0%	\$659,926
\$700,001 - \$800,000	38	1.2%	\$28,698,988	3.0%	\$755,237
\$800,001 - \$900,000	23	0.7%	\$19,976,316	2.1%	\$868,535
\$900,001 - \$999,999	9	0.3%	\$8,608,746	0.9%	\$956,527
\$1 million or more	262	8.0%	\$706,610,061	74.5%	\$2,696,985
Total	3,286	100.0%	\$948,633,784	100.0%	\$605,382

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

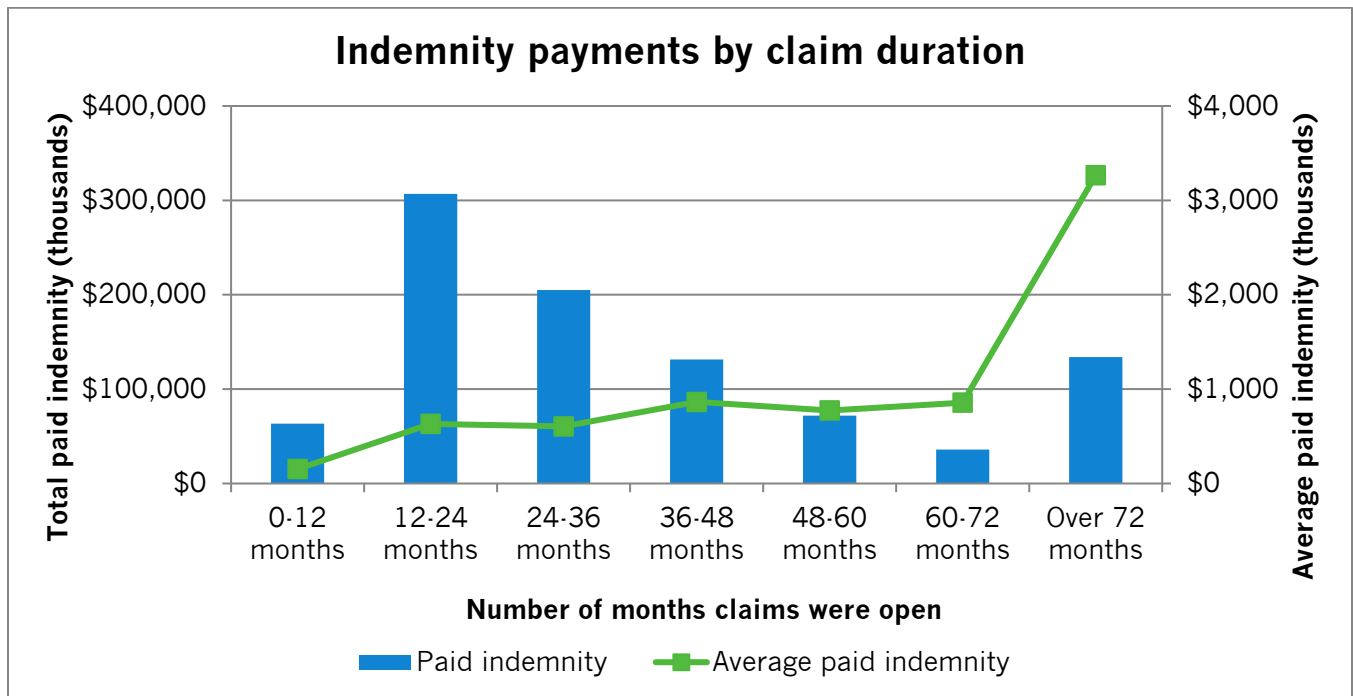
Five-year period ending December 31, 2022					
Range of paid indemnity	Claims with defense costs	% of claims with defense costs	Defense costs	% of total defense costs	Average defense cost
\$0	1,719	58.4%	\$93,986,610	37.3%	\$54,675
\$1 - \$100,000	410	13.9%	\$17,555,695	7.0%	\$42,819
\$100,001 - \$200,000	160	5.4%	\$11,631,555	4.6%	\$72,697
\$200,001 - \$300,000	132	4.5%	\$12,572,624	5.0%	\$95,247
\$300,001 - \$400,000	71	2.4%	\$7,933,976	3.1%	\$111,746
\$400,001 - \$500,000	71	2.4%	\$8,198,700	3.3%	\$115,475
\$500,001 - \$600,000	28	1.0%	\$6,486,286	2.6%	\$231,653
\$600,001 - \$700,000	28	1.0%	\$2,958,762	1.2%	\$105,670
\$700,001 - \$800,000	37	1.3%	\$3,764,258	1.5%	\$101,737
\$800,001 - \$900,000	22	0.7%	\$2,230,178	0.9%	\$101,372
\$900,001 - \$999,999	9	0.3%	\$746,169	0.3%	\$82,908
\$1 million or more	254	8.6%	\$84,015,203	33.3%	\$330,769
Total	2,941	100.0%	\$252,080,016	100.0%	\$85,712

Claim duration

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

Five-year period ending December 31, 2022					
Notice date to closed date	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense costs
0-12 months	917	414	\$153,355	665	\$11,462
12-24 months	1,078	486	\$631,503	1,009	\$50,371
24-36 months	615	339	\$604,641	598	\$115,394
36-48 months	306	152	\$864,702	303	\$163,620
48-60 months	190	93	\$773,541	188	\$135,963
60-72 months	97	42	\$856,806	96	\$220,220
Over 72 months	83	41	\$3,265,884	82	\$345,718
Total	3,286	1,567	\$605,382	2,941	\$85,712

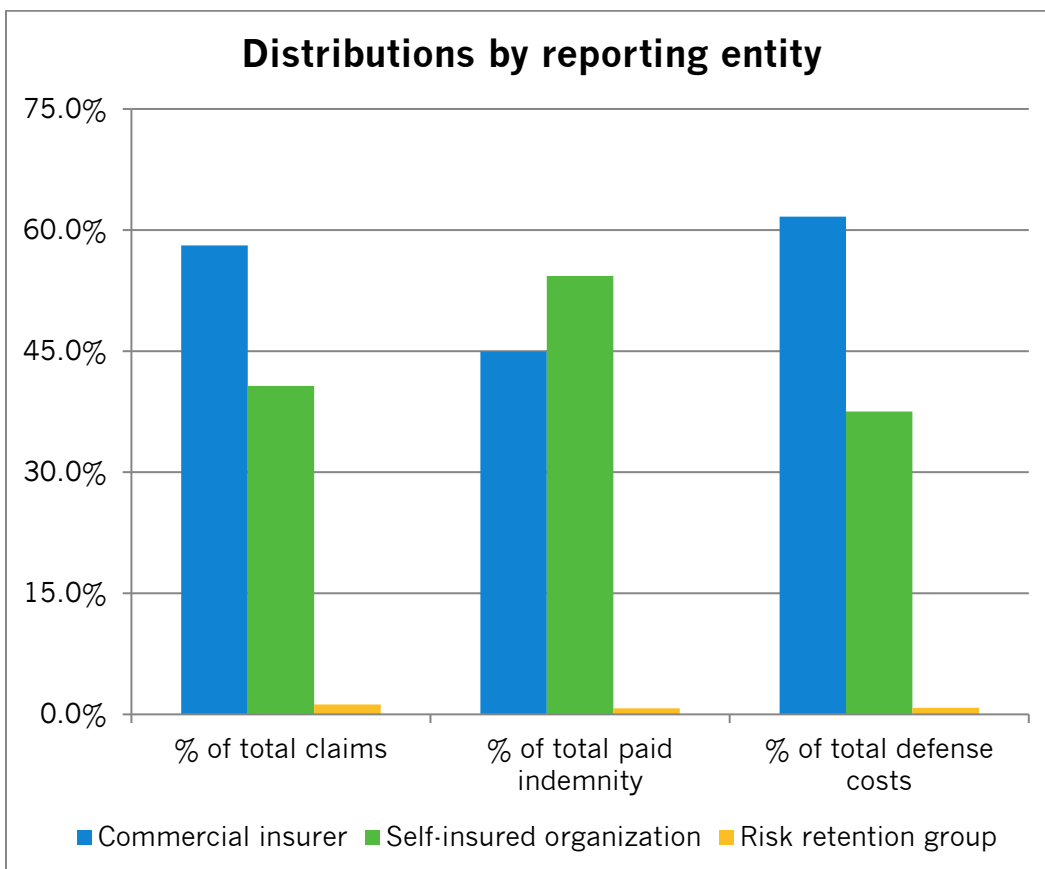
For the 3,286 claims, the average length of time between the notice date and the date closed was 24.3 months, and the median length of time was 19.6 months. Insurers and self-insurers closed 79.4% of all claims within 36 months. Overall, claims closed within 36 months accounted for 60.7% of total paid indemnity and 50.6% of total defense costs.



Type of reporting entity

Commercial insurers³⁸ reported the highest number of claims, but only 37.6% of those claims resulted in indemnity payments. By comparison, self-insured organizations reported indemnity payments for 61.9% of claims. Self-insured organizations also reported the highest average paid indemnity and defense costs.

Five-year period ending December 31, 2022					
Reporting entity	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense costs
Commercial insurer	1,909	717	\$594,724	1,851	\$83,987
Self-insured organization	1,337	827	\$622,932	1,056	\$89,548
Risk retention group	40	23	\$306,596	34	\$60,531
Total	3,286	1,567	\$605,382	2,941	\$85,712

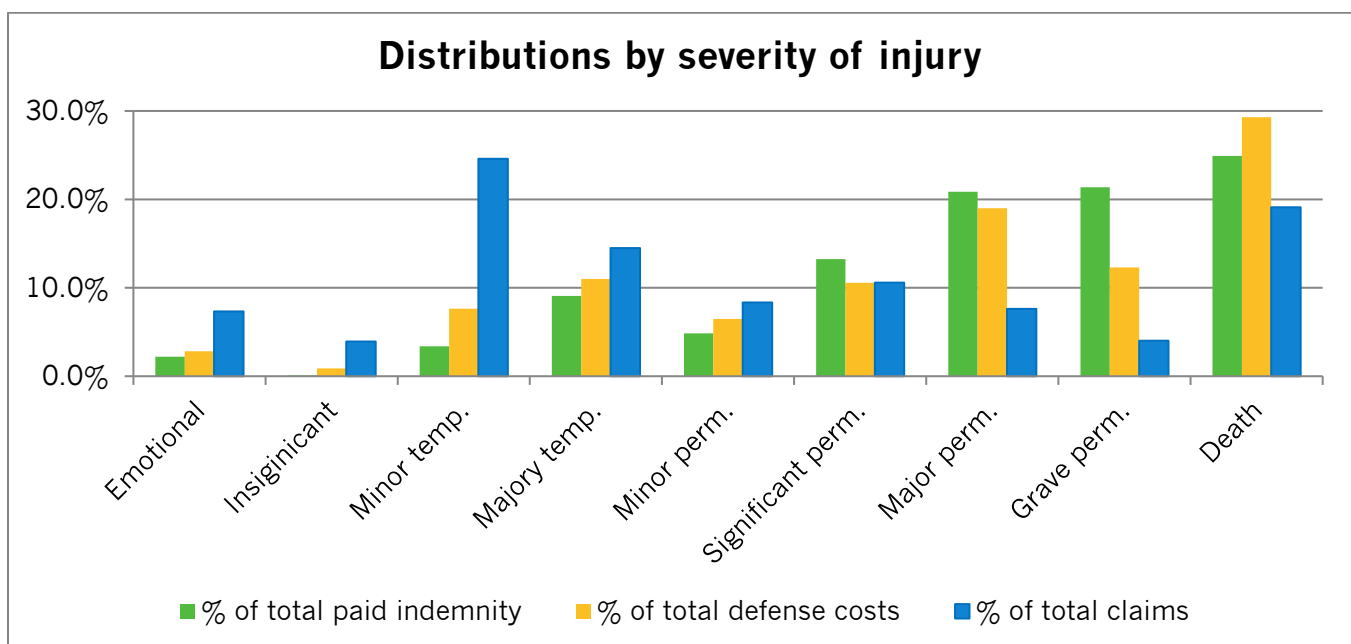


³⁸ Commercial insurers include admitted (licensed) and surplus line insurers.

Injury outcome

This exhibit shows compensation and defense costs by severity of injury.³⁹ Injuries were most often classified as minor and temporary, but these claims comprised only 3.4% of total paid indemnity and 7.6% of total defense costs. Grave permanent injuries⁴⁰ had the highest average paid indemnity and average defense costs, followed by major permanent injuries in both respects.

Five-year period ending December 31, 2022					
Injury outcome	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense costs
Emotional injury only	241	95	\$220,488	202	\$35,253
Insignificant injury	129	39	\$22,973	109	\$20,346
Minor temporary injury	808	393	\$81,534	626	\$30,756
Major temporary injury	476	242	\$356,305	425	\$65,300
Minor permanent injury	274	111	\$413,906	258	\$63,336
Significant permanent injury	348	152	\$826,354	336	\$79,216
Major permanent injury	250	144	\$1,374,149	243	\$197,146
Grave permanent injury	132	76	\$2,666,760	130	\$238,583
Death	628	315	\$750,546	612	\$120,679
Total	3,286	1,567	\$605,382	2,941	\$85,712



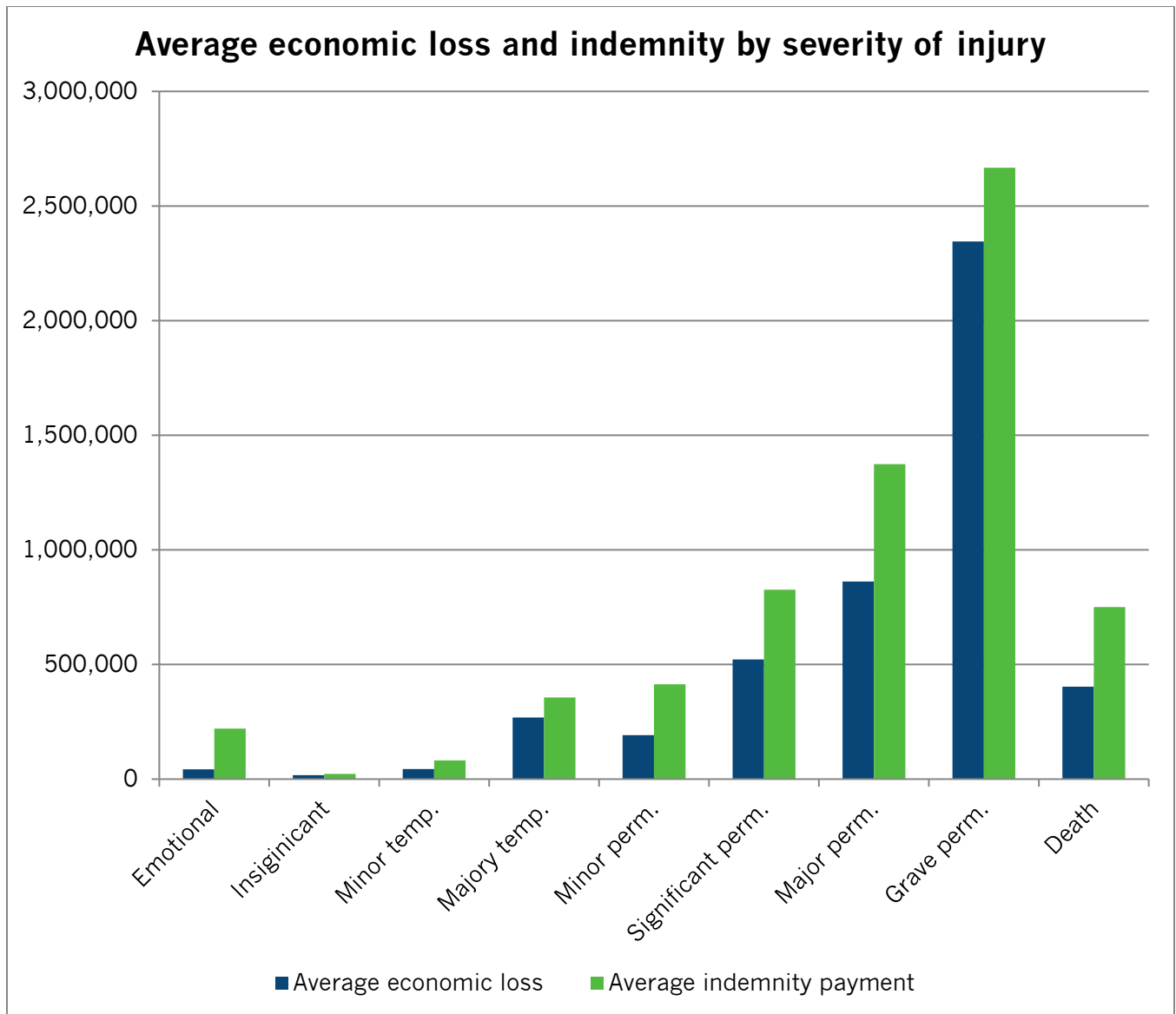
³⁹ For a description of each type of injury outcome, see [WAC 284-24D-220](#).

⁴⁰ Grave permanent injuries include quadriplegia and severe brain damage, requiring lifelong dependent care.

If they made an indemnity payment, insurers and self-insurers reported the economic loss related to the injury.⁴¹ The insurer or self-insurer either estimated the economic loss or reported the amount of economic loss awarded by a court.

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

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

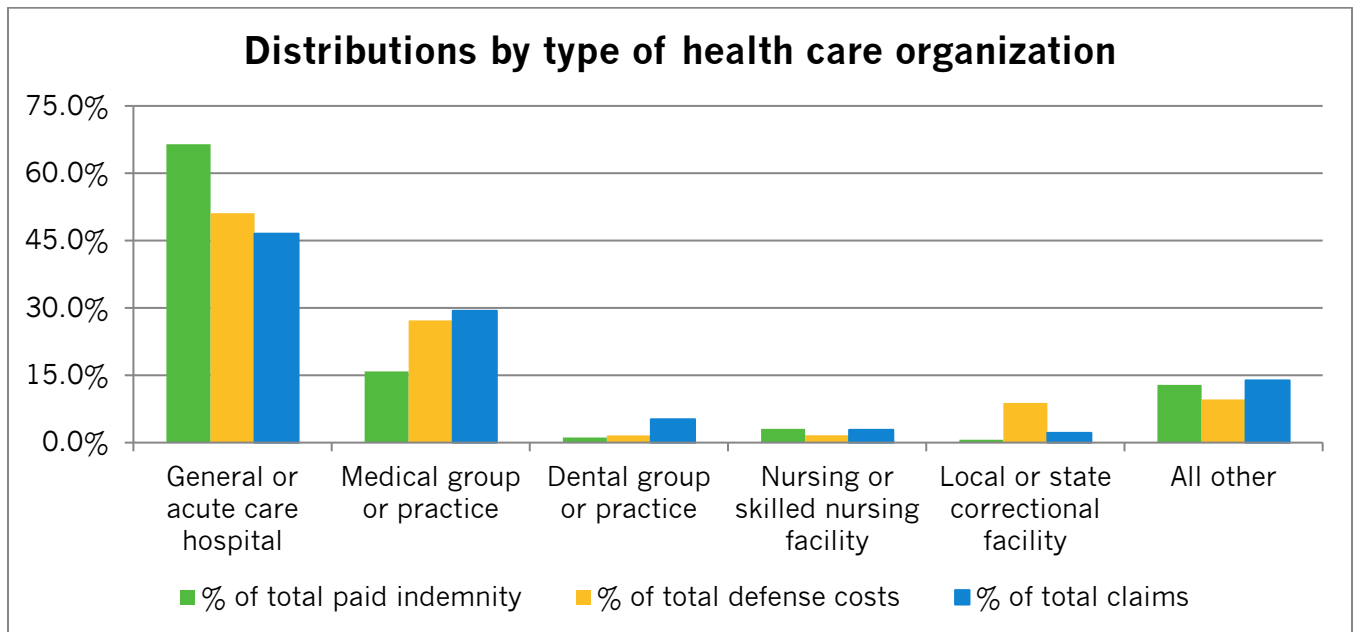


⁴¹ The components of economic losses are described in [WAC 284-24D-360](#).

Type of health care organization

This exhibit shows data segmented by the type of health care organization or provider group.⁴²

Five-year period ending December 31, 2022					
Health care organization	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense costs
General or acute care hospital	1,529	807	\$781,281	1,328	\$96,983
Medical group or practice	965	359	\$418,639	909	\$75,521
Dental group or practice	171	81	\$133,994	154	\$26,217
Nursing or skilled nursing facility	94	58	\$499,053	89	\$45,899
Local or state correctional facility	71	25	\$237,377	63	\$353,139
Radiology or imaging center	53	11	\$319,603	52	\$26,333
Ambulatory surgical center	44	13	\$462,692	43	\$59,991
Chiropractic group or practice	35	22	\$323,750	35	\$91,712
Podiatric group or practice	27	10	\$309,500	27	\$45,874
Ambulatory clinic or center	26	13	\$1,040,612	26	\$108,676
All other organizations	271	168	\$528,807	215	\$60,671
Total	3,286	1,567	\$605,382	2,941	\$85,712

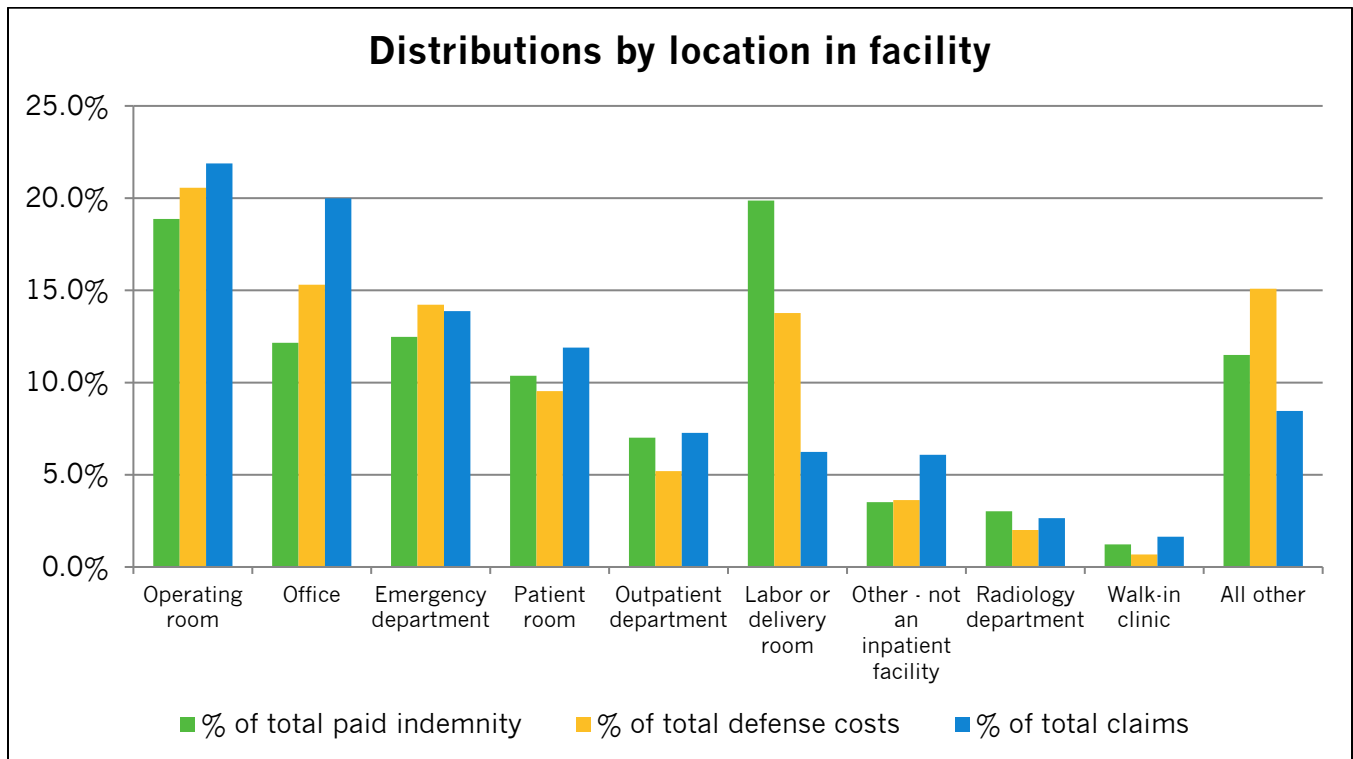


⁴² Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), the Insurance Commissioner must protect the identify of each insuring entity, self-insurer, claimant, health care provider, or health care facility involved in a particular claim or collection of claims. For this reason, types of organizations with few claims are grouped together.

Location within the facility

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

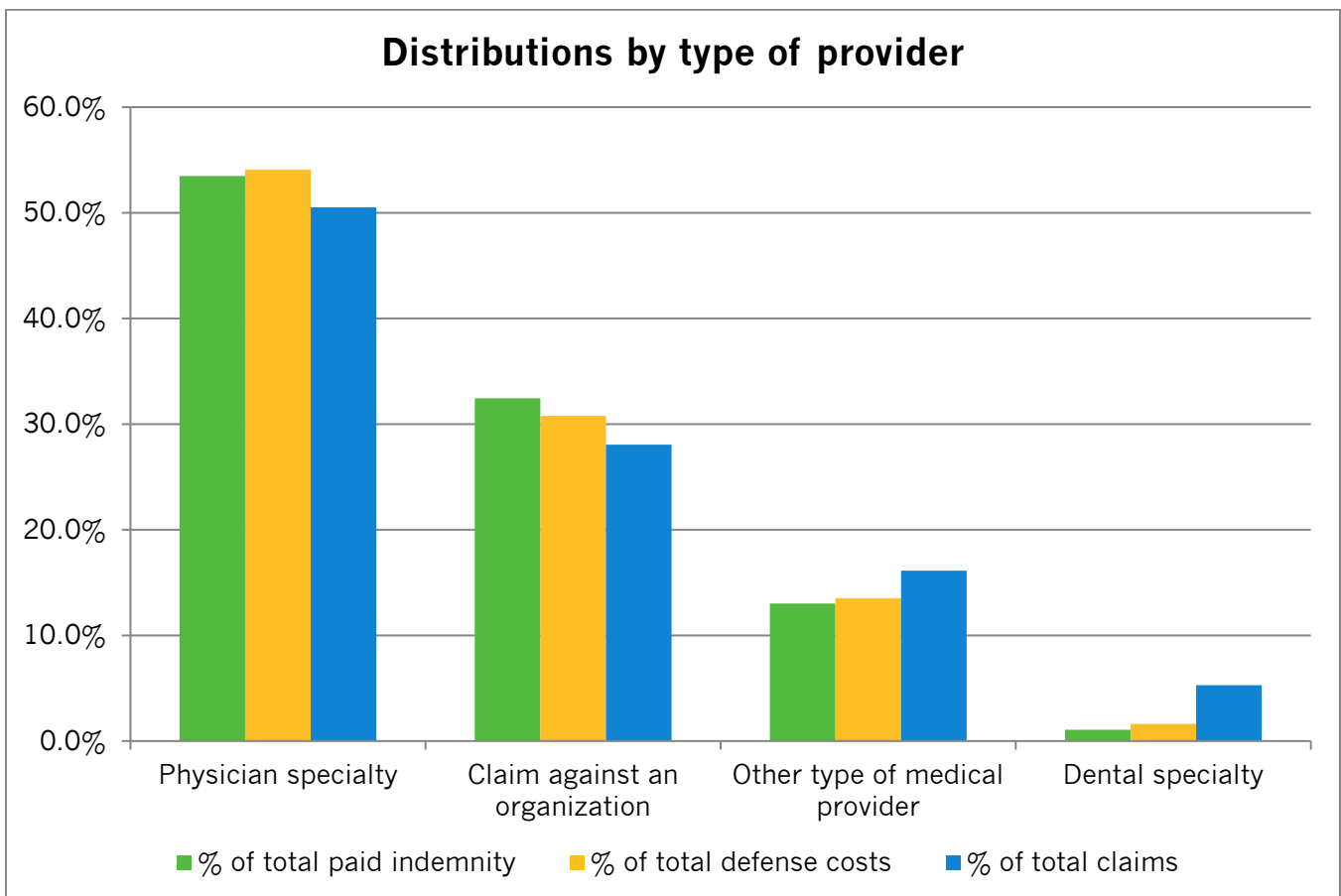
Five-year period ending December 31, 2022					
Location within facility	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense costs
Operating room	719	323	\$554,121	645	\$80,373
Office	657	248	\$464,917	626	\$61,622
Emergency department	456	203	\$582,884	419	\$85,546
Patient room	391	224	\$439,279	332	\$72,419
Outpatient department	239	143	\$464,936	188	\$69,710
Labor or delivery room	205	113	\$1,668,082	194	\$178,890
Other - not an inpatient facility	200	89	\$374,308	182	\$50,309
Radiology department	87	40	\$717,321	75	\$67,403
Walk-in clinic	54	32	\$362,863	44	\$38,996
Special procedure room	54	30	\$218,566	43	\$50,403
All other locations	224	122	\$839,964	193	\$185,870
Total	3,286	1,567	\$605,382	2,941	\$85,712



Type of medical provider

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

Five-year period ending December 31, 2022					
Provider type	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Physician specialty	1,660	740	\$685,593	1,529	\$89,184
Claim against an organization	922	436	\$705,919	825	\$94,024
Other type of medical provider	530	309	\$399,314	431	\$79,057
Dental specialty	174	82	\$123,495	156	\$26,117
Total	3,286	1,567	\$605,382	2,941	\$85,712



This table shows claim data for physician specialties that had the largest number of claims.⁴³

Five-year period ending December 31, 2022					
Provider specialty	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Obstetrics and gynecology	211	117	\$779,291	199	\$127,719
Family practice	193	88	\$630,173	171	\$90,355
Emergency medicine	187	75	\$622,163	171	\$90,636
General surgery	162	70	\$349,372	146	\$67,518
Orthopedic surgery	151	66	\$355,752	140	\$59,374
Radiology	132	51	\$709,665	127	\$74,123
Internal medicine	82	28	\$691,580	76	\$59,084
Anesthesiology	79	54	\$495,901	56	\$111,639
Neurological surgery	67	26	\$2,269,615	66	\$110,082
Gastroenterology	49	19	\$541,321	42	\$79,960
Cardiovascular diseases	47	24	\$805,039	44	\$107,520
Pediatrics	42	16	\$2,439,487	40	\$232,086
Hospitalist	35	10	\$572,500	35	\$62,385
Urological surgery	32	12	\$535,703	32	\$38,260
Neurology	22	12	\$492,000	22	\$104,499
Otolaryngology	16	10	\$699,150	16	\$88,528
All other physician types	153	62	\$501,225	146	\$67,878
Total	1,660	740	\$685,593	1,529	\$89,184

The largest number of claims against physician specialties were for obstetrics and gynecology. The most common allegation against obstetrics and gynecology were “improper performance” with 32 claims, “improper management” with 29 claims and “failure to diagnose” with 16 claims.

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

⁴³ Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), some specialties are grouped together to maintain confidentiality.

This table shows claim data for other types of medical providers.⁴⁴ Nursing staff accounted for the majority of these claims. The most common allegation against nursing staff was “failure to ensure patient safety” with 44 claims, followed by “failure to monitor” with 25 claims and “improper technique” with 24 claims. Physician assistants had the second-highest number of claims, and the most common allegation against this type was “failure to diagnose” with 25 claims.

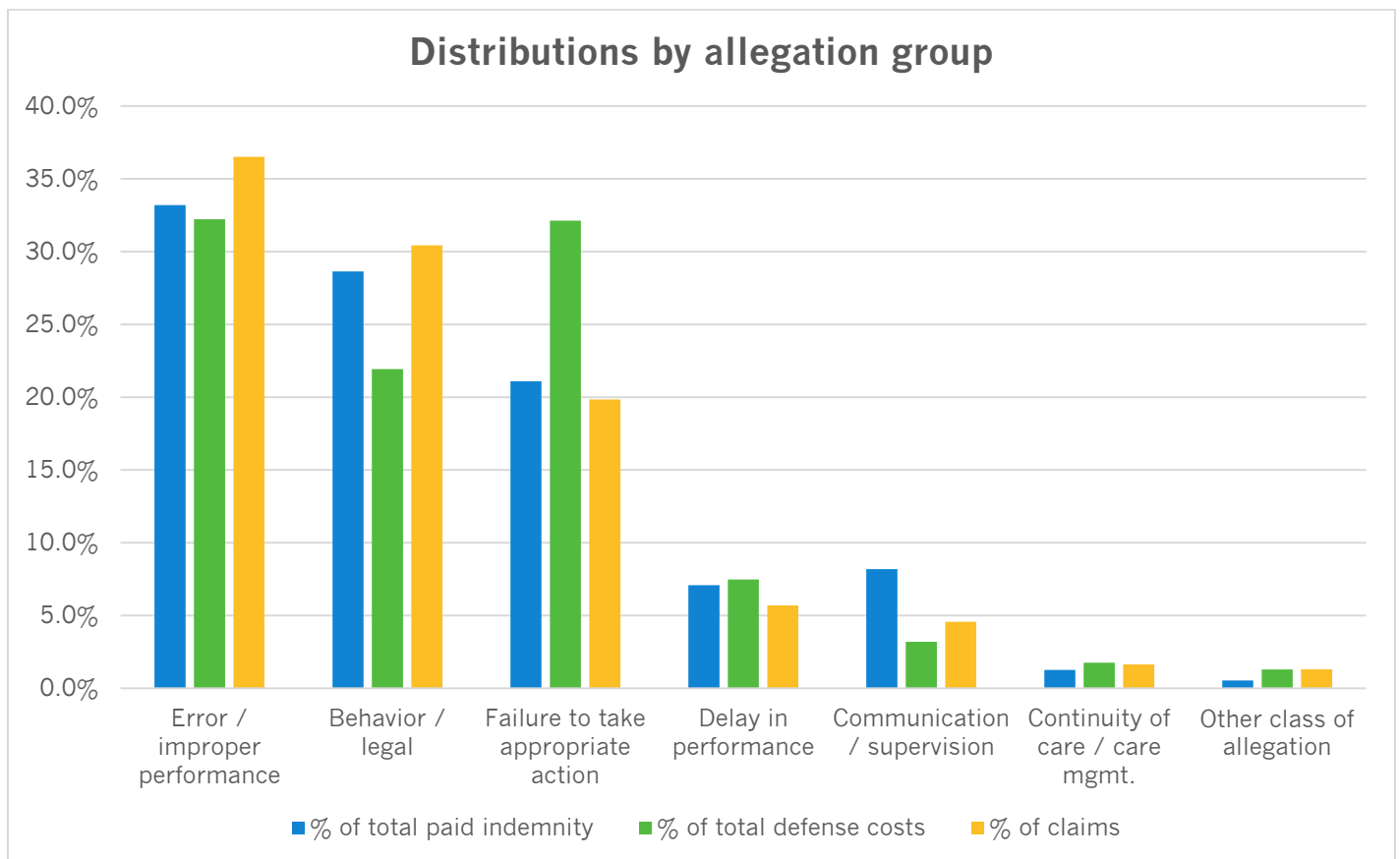
Five-year period ending December 31, 2022					
Provider type	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Nursing	277	168	\$365,052	208	\$52,157
Physician assistant	88	50	\$478,102	74	\$52,911
Podiatry	37	14	\$314,107	37	\$318,381
Chiropractic	31	20	\$351,875	31	\$93,941
Midwifery	19	10	\$1,220,431	19	\$117,604
All other types	78	47	\$308,826	62	\$38,430
Total	530	309	\$399,314	431	\$79,057

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

Claim allegations

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

Five-year period ending December 31, 2022						
Allegation group	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost	
Error / improper performance	1,200	581	\$542,075	1,062	\$76,485	
Behavior / legal	1,000	446	\$609,007	888	\$62,262	
Failure to take appropriate action	652	302	\$662,554	606	\$133,619	
Delay in performance	187	94	\$715,066	173	\$108,867	
Communication / supervision	150	98	\$793,041	128	\$62,878	
Continuity of care / care mgmt.	54	26	\$460,699	45	\$98,654	
Other class of allegation	43	20	\$253,356	39	\$83,819	
Total	3,286	1,567	\$605,382	2,941	\$85,712	



The next two pages show the most common specific allegations for each major class of allegation.

<u>Five-year period ending December 31, 2022</u>					
Error / improper performance	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Improper performance	466	202	\$429,235	434	\$63,776
Improper technique	182	108	\$318,395	134	\$52,292
Improper management	177	74	\$880,587	165	\$115,872
Patient history, exam, or workup problem	66	21	\$966,389	61	\$50,598
Surgical or other foreign body retained	39	23	\$254,726	35	\$48,633
Wrong diagnosis or misdiagnosis	33	19	\$752,356	30	\$101,134
Wrong body part	18	15	\$120,491	11	\$29,690
Intubation problem	18	13	\$2,411,921	15	\$225,917
Equipment utilization problem	18	12	\$412,271	16	\$43,480
Wrong dosage administered	15	10	\$1,428,350	15	\$173,911
Patient monitoring problem	15	11	\$476,905	13	\$51,631
Behavior / legal	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Vicarious liability	774	311	\$724,456	694	\$65,894
Failure to ensure patient safety	110	83	\$300,242	87	\$60,767
Sexual misconduct	24	16	\$714,000	22	\$51,598
Failure to take appropriate action	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Failure to diagnose	366	178	\$578,394	346	\$80,422
Failure to treat	76	20	\$319,475	72	\$98,904
Failure to monitor	62	34	\$441,211	52	\$454,912
Failure to recognize a complication	40	20	\$1,107,019	35	\$64,872
Failure to order appropriate test	33	15	\$804,626	31	\$385,609
Failure to identify fetal distress	19	12	\$2,760,776	19	\$266,511

Five-year period ending December 31, 2022

Delay in performance	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Delay in diagnosis	114	55	\$722,378	107	\$104,689
Delay in treatment	46	24	\$314,694	42	\$56,825
Delay in performance	21	10	\$529,525	19	\$171,724
Communication / supervision	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Failure to instruct or communicate w/patient	58	37	\$742,717	43	\$46,220
Communication problem between practitioners	27	19	\$805,944	22	\$63,805
Improper supervision	26	17	\$675,302	26	\$83,355
Failure to supervise	21	13	\$244,957	20	\$49,251
Other class of allegation	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Unnecessary procedure	21	12	\$246,250	20	\$122,005

This table shows the most common allegations against physician specialties.

<u>Five-year period ending December 31, 2022</u>					
Allegation made against physician specialty	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Failure to diagnose	317	150	\$575,496	302	\$84,260
Improper performance	267	111	\$655,142	253	\$81,490
Improper technique	136	67	\$482,045	108	\$58,121
Improper management	128	51	\$1,031,731	121	\$121,103
Delay in diagnosis	92	43	\$822,635	88	\$118,631
Patient history, exam or workup problem	54	15	\$1,071,577	51	\$53,414
Failure to treat	50	11	\$395,657	49	\$121,467
Failure to instruct or communicate w/patient	41	28	\$150,949	31	\$40,861
Surgical or other foreign body retained	34	21	\$277,753	31	\$53,707
Failure to recognize a complication	29	11	\$1,859,575	27	\$60,693
Delay in treatment	29	14	\$440,916	26	\$73,848
Wrong diagnosis or misdiagnosis	27	18	\$766,932	24	\$116,840
Failure to order appropriate test	25	12	\$845,366	24	\$72,547
Unnecessary procedure	17	11	\$250,455	16	\$106,983
Intubation problem	16	12	\$2,583,748	13	\$253,844
Communication problem b/w practitioners	16	11	\$1,278,434	15	\$72,004

This table shows the most common allegation against dental specialties. "Improper performance" was alleged in over two-thirds of claims against dental specialties.

<u>Five-year period ending December 31, 2022</u>					
Allegation made against dental provider	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Improper performance	118	52	\$98,805	108	\$27,972

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

<u>Five-year period ending December 31, 2022</u>					
Allegation made against other type of provider	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Improper performance	80	39	\$226,844	72	\$56,095
Failure to ensure patient safety	49	38	\$161,351	33	\$48,141
Failure to diagnose	46	26	\$561,769	41	\$56,597
Improper technique	38	33	\$37,791	20	\$20,936
Improper management	32	15	\$472,478	30	\$85,194
Failure to monitor	29	19	\$399,792	21	\$91,911

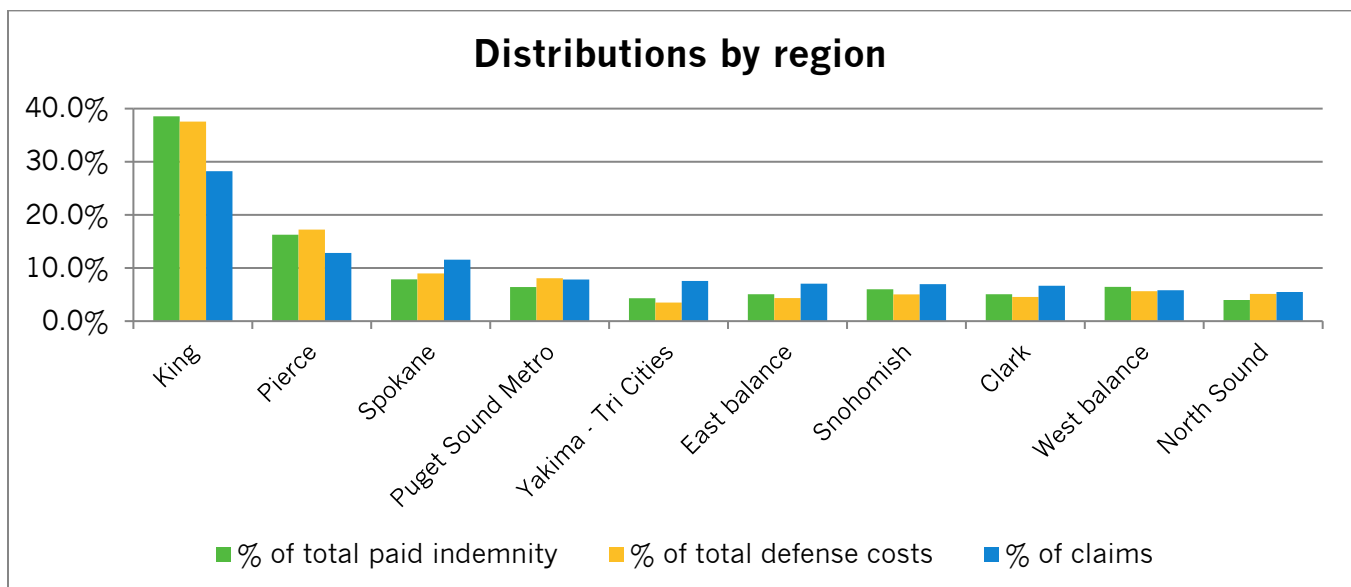
This table shows the most common allegations made against an organization. The most common allegation, "vicarious liability," is secondary liability in which the organization becomes responsible for the acts of an employee or another third party when it had the right, ability or duty to control those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

<u>Five-year period ending December 31, 2022</u>					
Allegation made against an organization	Number of claims	Claims with paid indemnity	Average paid indemnity	Claims with defense costs	Average defense cost
Vicarious liability	713	302	\$736,499	636	\$68,889
Failure to ensure patient safety	53	40	\$457,759	48	\$59,579
Improper supervision	19	15	\$716,009	19	\$88,794
Failure to supervise	18	12	\$265,036	17	\$54,032

Counties

Insurers and self-insurers reported the county where the medical incident occurred.⁴⁵ To provide information about differences by location, we divided the state into 10 regions.⁴⁶ A few claims were reported as occurring outside of Washington state (not shown).

Five-year period ending December 31, 2022						
Region	Number of claims	Claims with paid indemnity	Average paid indemnity	Average economic loss	Claims with defense costs	Average defense costs
King	924	479	\$763,326	\$528,985	792	\$119,246
Pierce	420	211	\$731,282	\$356,832	393	\$110,273
Spokane	379	158	\$472,571	\$358,994	334	\$67,530
Puget Sound Metro	256	102	\$597,537	\$455,698	247	\$82,053
Yakima - Tri Cities	248	120	\$341,374	\$244,174	230	\$38,260
East balance	231	106	\$454,289	\$251,871	205	\$53,162
Snohomish	228	90	\$630,459	\$569,983	210	\$60,276
Clark	218	115	\$418,601	\$232,053	184	\$62,039
West balance	190	93	\$656,061	\$306,360	171	\$82,848
North Sound	180	88	\$428,667	\$254,174	164	\$78,645



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

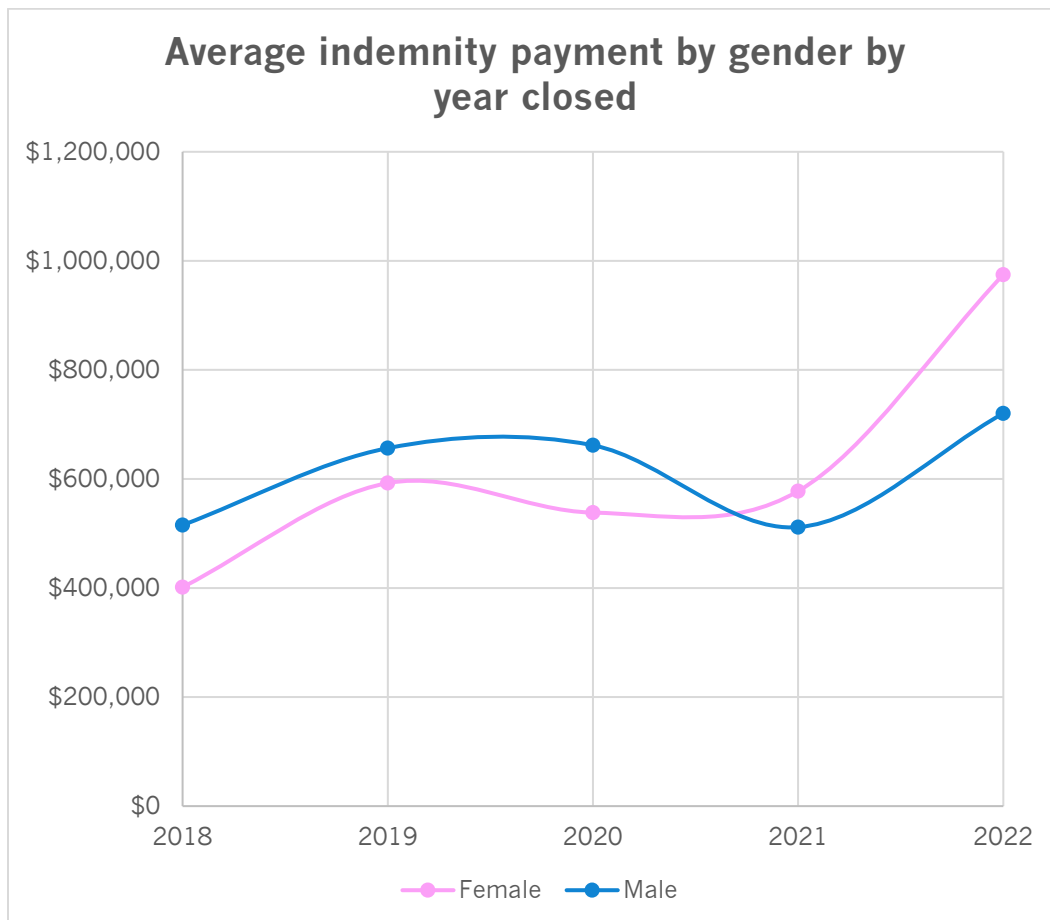
⁴⁶ **Yakima-Tri Cities** includes Benton, Franklin and Yakima counties. **East balance** includes Adams, Asotin, Chelan, Columbia, Douglas, Ferry, Garfield, Grant, Kittitas, Lincoln, Okanogan, Pend Oreille, Stevens, Walla Walla and Whitman counties. **Puget Sound Metro** includes Kitsap and Thurston 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 claimant

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

Five-year period ending December 31, 2022						
Gender	Number of claims	Claims with paid indemnity	Average paid indemnity	Average economic loss	Claims with defense costs	Average defense costs
Female	1,833	881	\$607,529	\$374,183	1,637	\$85,883
Male	1,445	682	\$605,372	\$452,332	1,296	\$85,556

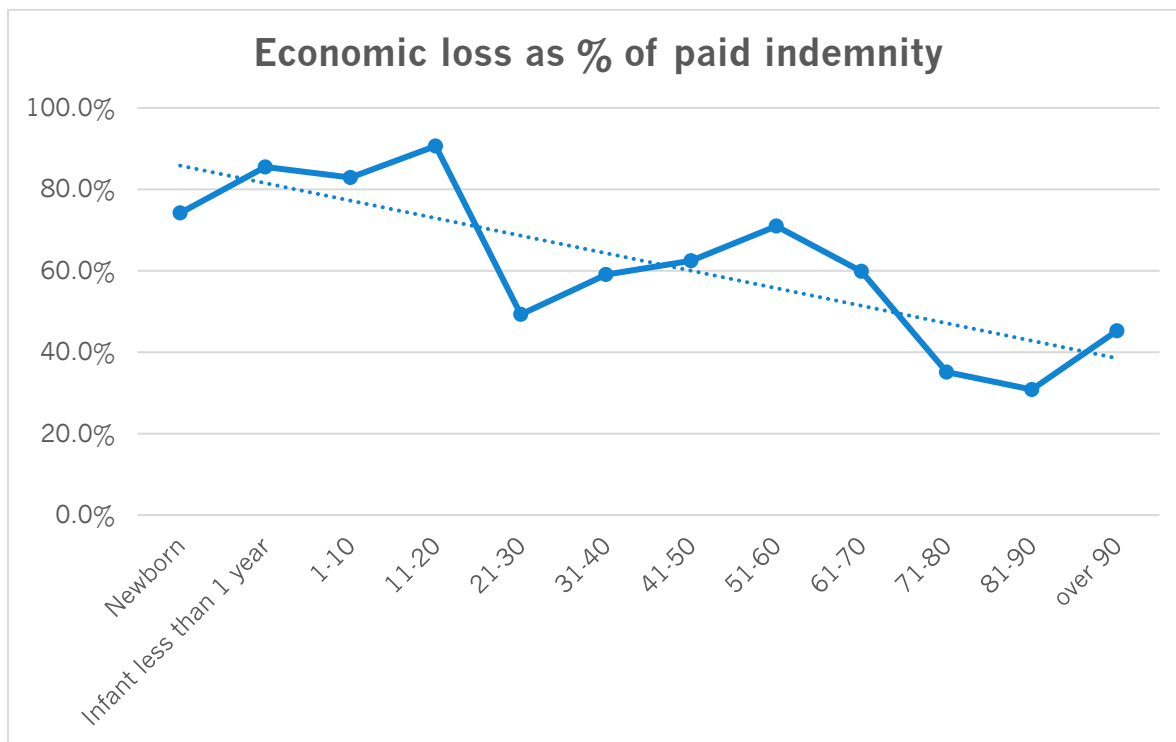
This was the first five-year period in which the average indemnity payment to females exceeded males since the OIC began collecting data in 2008. For claims closed in 2022, the average indemnity payment to females was \$974,696, as compared to \$720,306 for males.



Age of claimant

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

Five-year period ending December 31, 2022						
Age group	Total number of claims	Claims with paid indemnity	Average paid indemnity	Average economic loss	Claims with defense costs	Average defense cost
Newborn	150	87	\$2,002,331	\$1,485,405	143	\$233,716
Infant less than 1 year	51	29	\$2,139,406	\$1,828,854	46	\$148,552
1-10	92	48	\$752,542	\$623,828	81	\$76,513
11-20	85	46	\$954,973	\$865,582	70	\$93,234
21-30	274	127	\$642,485	\$316,619	243	\$166,395
31-40	443	192	\$468,259	\$276,520	389	\$71,216
41-50	499	211	\$664,217	\$414,824	455	\$66,851
51-60	720	307	\$408,175	\$289,645	649	\$79,723
61-70	510	261	\$425,904	\$254,850	461	\$58,416
71-80	300	158	\$343,129	\$120,495	269	\$46,735
81-90	133	84	\$319,844	\$98,591	111	\$71,532
over 90	29	17	\$184,380	\$83,429	24	\$56,875
Total	3,286	1,567	\$605,382	\$393,767	2,941	\$85,712



Trends

This chart shows estimates of trends in frequency and severity.⁴⁷

Year closed	Average paid indemnity	Average limited indemnity	Average defense costs	Average of limited indemnity + defense costs	Number of claims closed
2013	\$231,292	\$179,372	\$47,612	\$127,190	1,126
2014	\$269,353	\$236,575	\$57,946	\$156,488	1,043
2015	\$379,443	\$222,156	\$65,547	\$147,899	1,018
2016	\$281,475	\$219,375	\$66,183	\$155,416	894
2017	\$330,787	\$195,279	\$62,103	\$138,894	813
2018	\$454,123	\$276,282	\$73,733	\$203,129	819
2019	\$619,126	\$290,427	\$75,016	\$199,760	668
2020	\$590,967	\$315,498	\$98,795	\$229,365	604
2021	\$548,344	\$332,986	\$68,734	\$225,588	563
2022	\$861,467	\$409,462	\$113,378	\$301,833	632
Annual trend	14.1%	8.0%	7.3%	8.6%	-7.6%

Average limited indemnity amounts were calculated by restricting individual claims to a maximum of \$1 million, which is a way to reduce volatility in the trend estimate. The estimated trend in the number of claims closed is low due to late-reported claims. There will likely be more claims than the 632 already reported for 2022.

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

⁴⁷ 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.

Summary data for lawsuits reported by attorneys

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

Summary by year settled					
Item	2018	2019	2020	2021	2022
Settlements reported by attorneys	32	18	11	14	12
Settlements with paid indemnity	32	16	11	13	11
Total paid indemnity	\$43,422,870	\$15,340,000	\$12,520,000	\$29,744,287	\$16,325,000
Average payment to claimant	\$1,356,965	\$958,750	\$1,138,182	\$2,288,022	\$1,484,091
Median payment to claimant	\$725,000	\$700,000	\$650,000	\$1,000,000	\$450,000
Total legal expenses	\$18,948,160	\$6,313,494	\$4,818,014	\$11,701,951	\$5,307,299
Total attorney fees	\$16,794,797	\$5,351,851	\$4,321,180	\$10,771,815	\$4,901,279
Average legal expense	\$592,130	\$350,750	\$438,001	\$835,854	\$442,275
Average fee paid to attorney	\$524,837	\$334,491	\$392,835	\$828,601	\$445,571

From 2018 through 2022, claimants received \$117 million in compensation on 83 settlements, averaging \$1.4 million per settlement.

Claimants paid \$47 million for legal expenses, averaging \$541,252 per lawsuit. Claimants paid \$42 million in attorney fees, or an average of \$507,722 per settlement with paid indemnity.⁴⁸ On average, the attorney fee was 35.9% of the total compensation paid to the claimant.

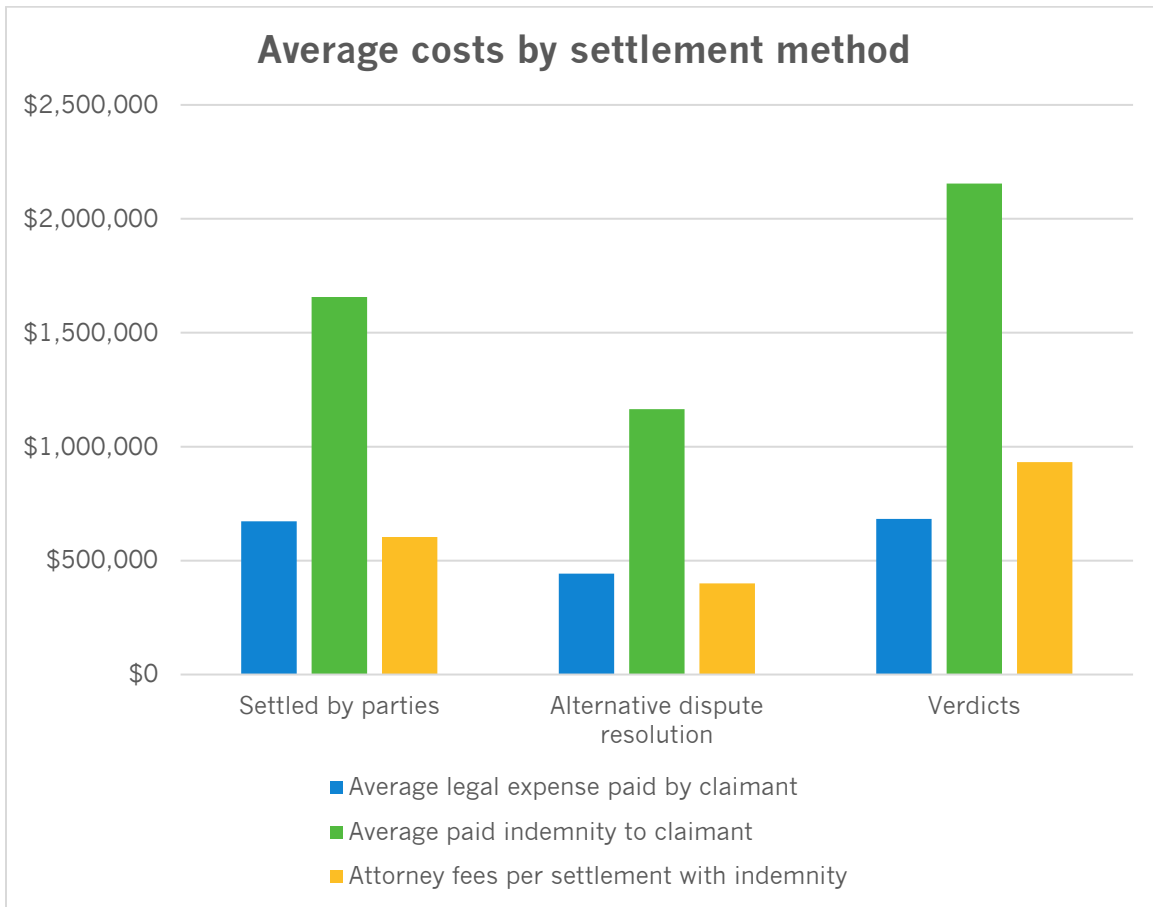
The average indemnity payment per settlement reported by attorneys was much higher than the average indemnity payment reported by insurers on a per-defendant basis. Per-lawsuit averages are expected to be higher than per-defendant averages, since settlements reported by attorneys can involve multiple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

⁴⁸ Attorneys in this area of litigation typically work on a contingency basis and receive fees if one or more defendants compensate the claimant.

Method of settlement

This exhibit shows data segmented by lawsuit settlement method.

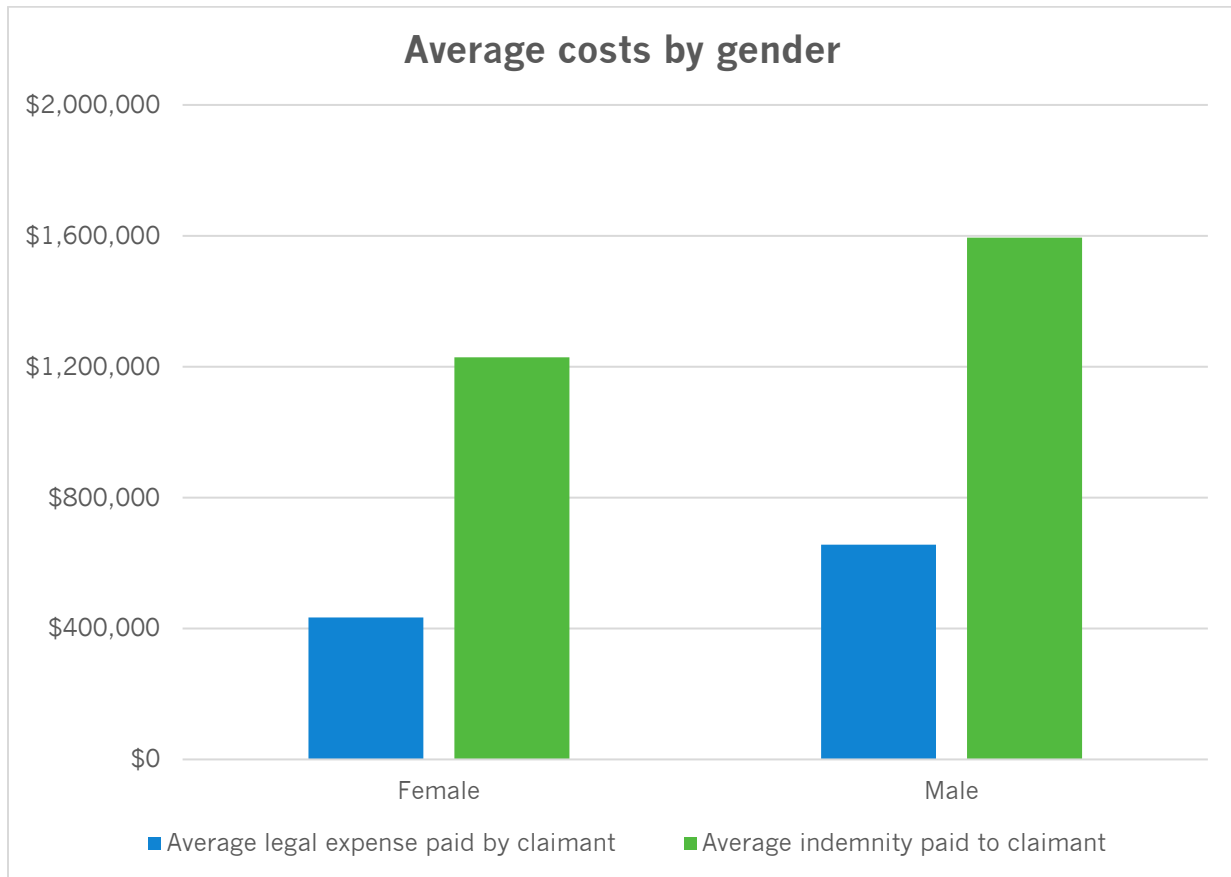
Five-year period ending December 31, 2022				
Lawsuit settlement method	Average legal expense paid by claimant	Average paid indemnity to claimant	Attorney fees per settlement with indemnity	Attorney fee as % of indemnity
Settled by parties	\$672,157	\$1,656,608	\$603,634	36.4%
Alternative dispute resolution	\$442,590	\$1,164,773	\$400,314	34.4%
Verdicts	\$683,312	\$2,154,762	\$932,089	43.3%



Gender of claimant

Slightly more settlements involved female claimants: 51.7% compared to 48.3% with male claimants. However, male claimants accounted for 58.5% of the total paid indemnity and 57.1% of the total legal expense.

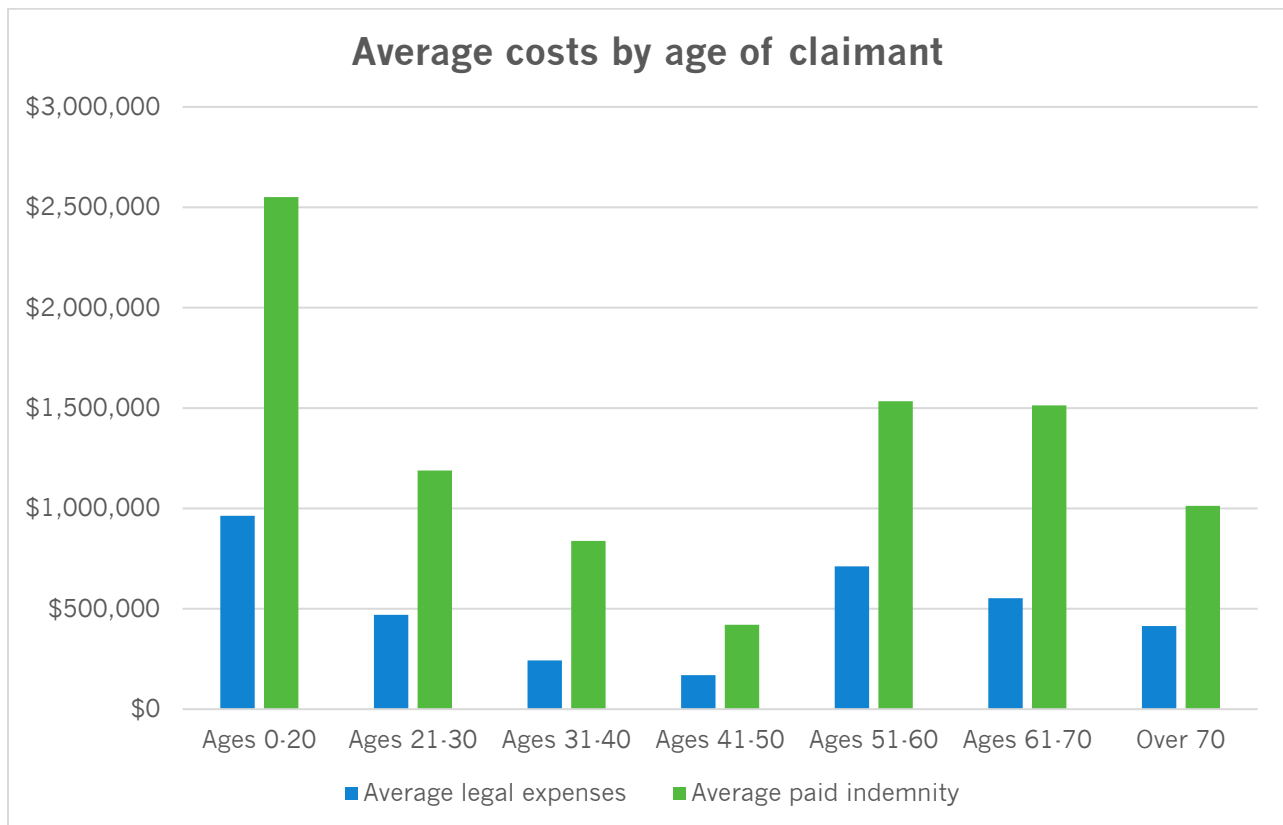
Five-year period ending December 31, 2022						
Gender	Settlements with legal expenses	Total legal expenses	Average legal expense paid by claimant	Settlements with paid indemnity	Total paid indemnity	Average indemnity paid to claimant
Female	45	\$19,520,749	\$433,794	41	\$50,387,870	\$1,228,972
Male	42	\$27,568,169	\$656,385	42	\$66,964,287	\$1,594,388
Total	87	\$47,088,918	\$541,252	83	\$117,352,157	\$1,413,881



Age of claimant

This table shows data segmented by the age of the claimant. Lawsuits involving claimants in the youngest age group were the most expensive to settle and had the highest average indemnity payment.

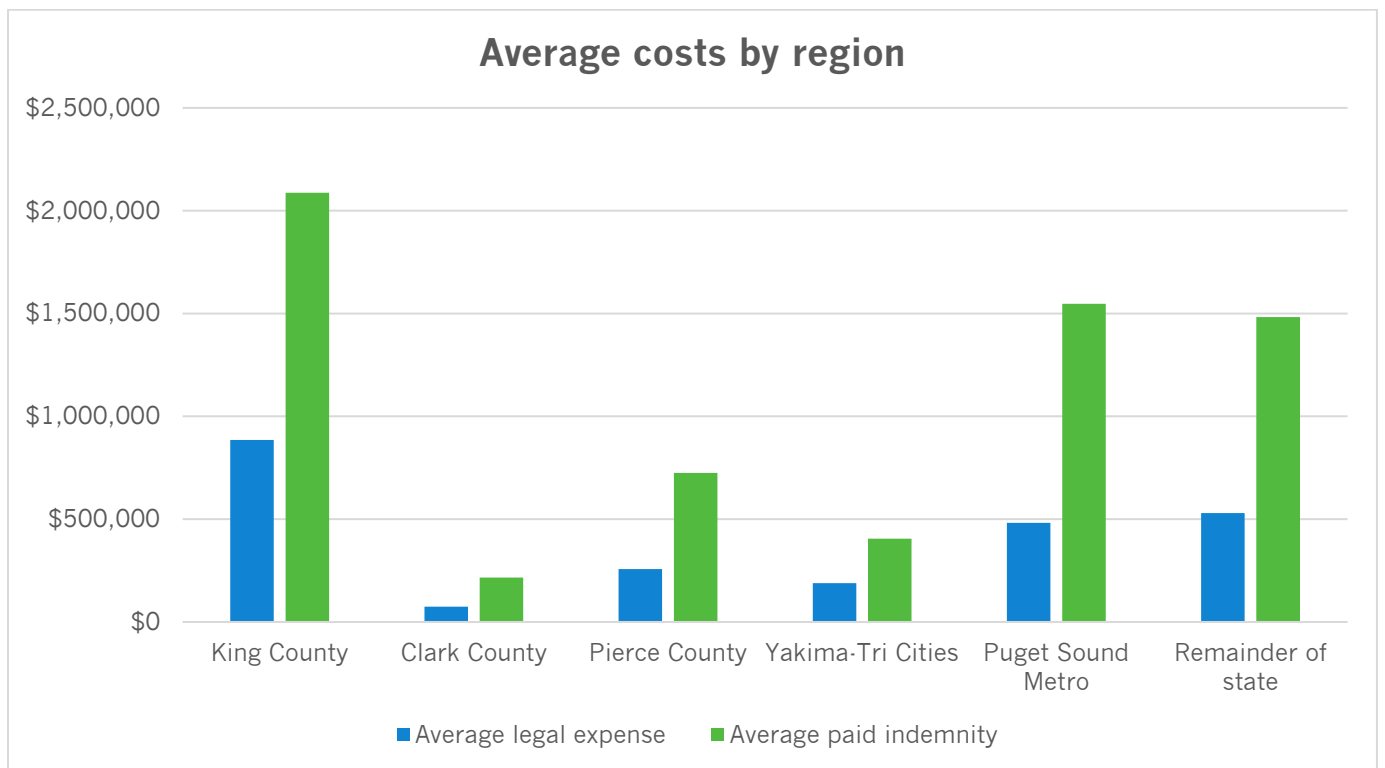
Five-year period ending December 31, 2022						
Age group	Settlements with legal expenses	Total legal expenses	Average legal expenses	Settlements with paid indemnity	Total paid indemnity	Average paid indemnity
Ages 0-20	15	\$14,453,100	\$963,540	15	\$38,264,287	\$2,550,952
Ages 21-30	7	\$3,291,741	\$470,249	7	\$8,320,000	\$1,188,571
Ages 31-40	7	\$1,700,595	\$242,942	6	\$5,030,000	\$838,333
Ages 41-50	8	\$1,353,412	\$169,177	7	\$2,945,000	\$420,714
Ages 51-60	9	\$6,404,832	\$711,648	8	\$12,270,000	\$1,533,750
Ages 61-70	21	\$11,606,780	\$552,704	20	\$30,262,870	\$1,513,144
Over 70	20	\$8,278,458	\$413,923	20	\$20,260,000	\$1,013,000
Total	87	\$47,088,918	\$541,252	83	\$117,352,157	\$1,413,881



Counties

Attorneys reported settlement data by county where the medical incident occurred. To provide meaningful information regarding differences by location, we divided the state into six regions.⁴⁹

Five-year period ending December 31, 2022						
Region	Settlements with legal expenses	Total legal expenses	Average legal expense	Settlements with paid indemnity	Total paid indemnity	Average paid indemnity
King County	30	\$26,556,896	\$885,230	30	\$62,622,157	\$2,087,405
Clark County	9	\$669,675	\$74,408	7	\$1,510,000	\$215,714
Pierce County	9	\$2,318,337	\$257,593	9	\$6,525,000	\$725,000
Yakima-Tri Cities	8	\$1,509,923	\$188,740	8	\$3,240,000	\$405,000
Puget Sound Metro	8	\$3,854,617	\$481,827	7	\$10,830,000	\$1,547,143
Remainder of state	23	\$12,179,470	\$529,542	22	\$32,625,000	\$1,482,955
Total	87	\$47,088,918	\$541,252	83	\$117,352,157	\$1,413,881



⁴⁹ Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), some counties are grouped together to maintain confidentiality. **Yakima-Tri Cities** includes Benton, Franklin and Yakima counties. **Puget Sound Metro** includes Kitsap and Thurston counties.

Report limitations

Analysis based on historical closed claim data has multiple limitations:

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

Appendices

Appendix A: Profitability

Physicians Insurance, a Mutual Company								
Year	Net premium written	Net premium earned	U/W expense ratio	Loss and LAE ratio	Divid. ratio	Comb. ratio	Net invest. income	Op. ratio
2013	72,889,552	69,671,138	16.9%	85.2%	7.3%	109.3%	19.6%	89.7%
2014	76,701,101	75,121,138	16.6%	82.1%	6.7%	105.5%	19.8%	85.7%
2015	76,301,471	71,271,073	18.9%	84.4%	7.0%	110.3%	20.8%	89.5%
2016	78,240,313	78,437,989	20.9%	82.2%	6.4%	109.5%	18.8%	90.6%
2017	81,130,272	79,275,075	19.9%	81.0%	6.3%	107.3%	18.5%	88.7%
2018	94,256,910	93,442,936	20.5%	81.0%	5.4%	106.9%	16.1%	90.8%
2019	110,476,767	104,381,324	20.4%	88.5%	4.8%	113.7%	17.6%	96.0%
2020	115,217,227	109,632,385	26.4%	85.9%	4.6%	116.8%	11.3%	105.5%
2021	109,485,335	117,147,815	22.5%	92.1%	0.0%	114.7%	9.6%	105.1%
2022	118,999,420	115,148,844	19.5%	85.6%	0.0%	105.1%	9.9%	95.2%
Total	933,698,368	913,529,717	20.6%	85.2%	4.4%	110.2%	15.5%	94.7%
Five-year period-to-period results								
2013-17	385,262,709	373,776,413	18.7%	82.9%	6.7%	108.3%	19.5%	88.8%
2018-22	548,435,659	539,753,304	21.9%	86.8%	2.8%	111.5%	12.7%	98.8%

The Doctors Company, an Interinsurance Exchange								
Year	Net premium written	Net premium earned	U/W expense ratio	Loss and LAE ratio	Divid. ratio	Comb. ratio	Net invest. income	Op. ratio
2013	675,729,455	641,792,914	21.2%	75.1%	3.1%	99.4%	15.5%	83.8%
2014	644,037,543	659,903,069	23.1%	78.3%	2.8%	104.2%	1.4%	102.7%
2015	622,861,093	628,266,492	24.2%	74.5%	3.8%	102.5%	4.4%	98.1%
2016	602,359,134	610,408,597	25.0%	77.7%	4.6%	107.3%	5.7%	101.6%
2017	595,891,924	600,702,260	24.9%	77.0%	3.8%	105.7%	12.0%	93.6%
2018	620,395,036	620,335,603	25.3%	85.7%	2.2%	113.2%	17.5%	95.7%
2019	627,555,678	623,780,051	28.2%	81.0%	1.4%	110.7%	11.3%	99.3%
2020	654,774,790	652,428,039	28.2%	73.6%	0.1%	101.9%	7.8%	94.1%
2021	782,820,035	749,761,353	28.5%	68.2%	1.1%	97.8%	7.9%	89.9%
2022	815,105,449	813,002,941	26.6%	71.0%	0.9%	98.5%	7.6%	91.0%
Total	6,641,530,137	6,600,381,319	25.6%	75.9%	2.3%	103.8%	9.0%	94.8%
Five-year period-to-period results								
2013-17	3,140,879,149	3,141,073,332	23.6%	76.5%	3.6%	103.7%	7.8%	95.9%
2018-22	3,500,650,988	3,119,616,021	27.4%	75.3%	1.1%	103.8%	10.1%	93.7%

The Medical Protective Company

Year	Net premium written	Net premium earned	U/W expense ratio	Loss and LAE ratio	Divid. ratio	Comb. ratio	Net invest. income	Op. ratio
2013	366,900,050	371,799,546	24.1%	51.3%	0.0%	75.3%	32.8%	42.6%
2014	-680,001,929	-575,282,426	-3.1%	114.5%	0.0%	111.5%	-17.0%	128.5%
2015	226,451,495	214,665,128	23.7%	59.5%	0.0%	83.2%	46.1%	37.2%
2016	255,837,377	228,980,322	23.7%	65.0%	0.0%	88.8%	39.5%	49.3%
2017	239,978,122	251,862,659	26.0%	58.0%	0.0%	84.0%	37.2%	46.7%
2018	260,421,768	260,308,096	24.0%	64.2%	0.0%	88.1%	40.2%	47.9%
2019	288,139,624	274,597,913	22.1%	72.5%	0.0%	94.6%	45.7%	48.8%
2020	347,993,367	349,375,371	19.9%	76.9%	0.0%	96.8%	35.9%	60.9%
2021	355,953,566	339,815,409	19.4%	71.1%	0.0%	90.5%	33.2%	57.3%
2022	392,160,910	359,055,198	19.4%	68.0%	0.0%	87.4%	31.2%	56.1%
Total	2,053,834,350	2,075,177,216	30.5%	51.8%	0.0%	82.3%	52.2%	30.1%
<u>Five-year period-to-period results</u>								
2013-17	409,165,115	492,025,229	69.8%	-9.3%	0.0%	60.6%	102.2%	-41.6%
2018-22	1,644,669,235	380,533,779	20.7%	70.8%	0.0%	91.5%	36.7%	54.8%

Appendix B: Reserve development

Physicians Insurance, a Mutual Company										
Incurred net losses and defense and cost containment expenses (\$000 omitted)										
Year in which losses occurred	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Prior	112,235	102,846	87,823	81,469	76,995	77,235	75,395	74,803	74,953	74,794
2013	65,630	56,757	49,966	44,418	37,641	36,266	35,511	36,066	36,363	36,461
2014		65,379	63,625	59,703	55,647	49,941	49,884	48,820	47,795	47,931
2015			67,830	64,651	65,694	62,944	64,173	62,406	61,017	60,983
2016				66,696	62,982	53,921	52,100	53,946	54,874	53,523
2017					66,331	68,246	69,232	69,300	70,884	71,487
2018						72,676	71,001	78,728	81,882	88,760
2019							77,955	70,307	65,942	62,742
2020								73,508	83,473	86,028
2021									77,667	73,949
2022										73,615

Year in which losses occurred	One-Year Dev.	Two-Year Dev.	Total Dev.
Prior	-159	-9	-37,441
2013	98	395	-29,169
2014	136	-889	-17,448
2015	-34	-1,423	-6,847
2016	-1,351	-423	-13,173
2017	603	2,187	5,156
2018	6,878	10,032	16,084
2019	-3,200	-7,565	-15,213
2020	2,555	12,520	12,520
2021	-3,718		-3,718
Total	1,808	14,825	-89,249

The Doctors Company, an Interinsurance Exchange										
Incurred net losses and defense and cost containment expenses (\$000 omitted)										
Year in which losses occurred	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Prior	645,003	590,220	519,136	467,956	428,190	423,171	408,351	393,218	405,561	402,227
2013	478,868	479,267	475,791	475,791	458,008	457,972	433,614	410,681	408,061	400,857
2014		523,776	523,475	523,475	520,327	519,162	425,875	394,734	395,845	394,132
2015			499,160	499,644	498,925	495,904	483,729	461,959	418,049	414,999
2016				467,527	465,811	467,528	499,157	504,310	496,827	482,741
2017					466,642	466,886	490,691	490,901	465,749	456,211
2018						474,260	496,802	503,509	498,148	482,361
2019							463,018	470,539	471,095	466,350
2020								456,428	456,422	446,379
2021									472,809	460,399
2022										491,782

Year in which losses occurred	One-Year Dev.	Two-Year Dev.	Total Dev.
Prior	-3,334	9,009	-242,776
2013	-7,204	-9,824	-78,011
2014	-1,713	-602	-129,644
2015	-3,050	-46,960	-84,161
2016	-14,086	-21,569	15,214
2017	-9,538	-34,690	-10,431
2018	-15,787	-21,148	8,101
2019	-4,745	-4,189	3,332
2020	-10,043	-10,049	-10,049
2021	-12,410		-12,410
Total	-81,910	-140,022	-540,835

The Medical Protective Company										
Incurred net losses and defense and cost containment expenses (\$000 omitted)										
Year in which losses occurred	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Prior	1,151,423	510,409	448,693	405,878	356,413	326,303	313,993	314,695	308,269	307,859
2013	322,225	157,295	155,514	149,149	139,670	129,103	122,557	121,004	118,875	118,264
2014		174,469	177,627	172,179	162,275	153,700	140,992	134,612	128,159	126,884
2015			186,030	183,767	175,535	168,667	160,859	152,707	142,509	132,941
2016				185,285	184,199	180,654	175,884	175,177	166,166	156,409
2017					187,661	185,686	182,851	186,928	180,223	171,476
2018						193,274	193,409	197,958	193,708	184,621
2019							199,180	200,850	199,421	191,406
2020								211,449	213,567	208,908
2021									223,240	222,550
2022										222,115

Year in which losses occurred	One-Year Dev.	Two-Year Dev.	Total Dev.
Prior	-410	-6,836	-843,564
2013	-611	-2,740	-203,961
2014	-1,275	-7,728	-47,585
2015	-9,568	-19,766	-53,089
2016	-9,757	-18,768	-28,876
2017	-8,747	-15,452	-16,185
2018	-9,087	-13,337	-8,653
2019	-8,015	-9,444	-7,774
2020	-4,659	-2,541	-2,541
2021	-690		-690
Total	-52,819	-96,612	-1,212,918

Appendix C: Rate filing information

Company	Description	Approved Change	Filed Loss & LAE Trend	Effective Date
Fortress Ins. Co.	Dentists	7.7%	5.0%	8/1/2023
Liberty Ins. Underwriters, Inc.	Optometrists	15.0%	4.0%	8/1/2023
Allied World Ins. Co.	Nurse Practitioners	New Prog.	6.1%	7/14/2023
American Cas. Co. of Reading, PA	Dentists	15.3%	4.5%	7/1/2023
ProSelect Ins. Co.	Physicians and Surgeons	9.0%	2.2%	3/1/2023
Doctors Co. An Interins. Exchange	Physicians, Surgeons and Ancillary	3.0%	2.0%	1/16/2023
Midwifery/Birthing Ctr. Mal. Ins. JUA	Midwives and Birthing Centers	10.0%	2.0%	1/1/2023
American Cas. Co. of Reading, PA	Healthcare Providers Services Org.	6.2%	5.0%	12/1/2022
Ins. Services Office Inc.	Physicians, Surgeons and Dentists	-7.0%	-1.5%	5/1/2022
Dentists Ins. Co.	Dentists	New Prog.	2.5%	2/22/2022
Doctors Co. An Interins. Exchange	Physicians, Surgeons and Ancillary	6.5%	2.0%	1/16/2022
Physicians Ins. A Mutual Co.	Physicians and Surgeons	8.0%	2.0%	1/1/2022
Cincinnati Ins. Co.	Home Healthcare and Healthcare Facilities	1.8%	2.6%	1/1/2022

Appendix D: 2021 NAIC profitability of medical professional liability insurance

Ratios percent of direct premiums earned								
State	Direct premiums earned (000s)	Incurred losses and LAE	U/W expense	Dividend to policyholder	U/W profit	Invest gain on ins. trans.	Tax on ins. trans.	Profit on ins. trans.
Alabama	\$154,080	83.3%	21.0%	0.9%	-5.2%	10.9%	0.8%	4.8%
Alaska	\$23,956	85.5%	22.3%	9.1%	-17.1%	10.7%	-1.7%	-4.7%
Arizona	\$222,789	58.5%	23.2%	8.6%	9.6%	11.8%	4.1%	17.3%
Arkansas	\$73,778	42.7%	25.9%	1.4%	29.9%	11.7%	8.3%	33.2%
California	\$901,630	84.6%	25.4%	1.1%	-11.1%	11.6%	-0.3%	0.8%
Colorado	\$174,527	73.0%	22.4%	9.0%	-4.5%	9.9%	0.8%	4.6%
Connecticut	\$232,337	112.5%	20.8%	0.1%	-33.4%	13.8%	-4.6%	-15.0%
Delaware	\$34,936	63.1%	25.2%	0.1%	11.5%	12.7%	4.6%	19.5%
Dist. of Columbia	\$30,044	75.5%	27.8%	0.1%	-3.5%	12.8%	1.5%	7.9%
Florida	\$848,728	88.0%	25.0%	0.9%	-13.9%	9.8%	-1.2%	-2.8%
Georgia	\$354,198	105.0%	24.6%	2.1%	-31.8%	14.8%	-4.1%	-12.9%
Hawaii	\$34,977	95.3%	22.5%	9.0%	-26.7%	11.3%	-3.6%	-11.7%
Idaho	\$36,865	106.3%	25.1%	4.0%	-35.5%	12.0%	-5.4%	-18.1%
Illinois	\$493,695	83.6%	25.3%	1.0%	-10.0%	18.1%	1.0%	7.1%
Indiana	\$149,027	55.4%	20.9%	0.2%	23.5%	14.8%	7.5%	30.8%
Iowa	\$78,352	76.8%	22.9%	0.2%	0.1%	13.9%	2.4%	11.5%
Kansas	\$79,592	91.0%	25.1%	0.6%	-16.7%	14.1%	-1.1%	-1.6%
Kentucky	\$122,324	70.8%	24.6%	0.7%	3.9%	16.5%	3.7%	16.7%
Louisiana	\$107,347	53.9%	26.1%	1.6%	18.4%	11.7%	5.9%	24.2%
Maine	\$50,389	62.2%	20.6%	7.0%	10.1%	12.4%	4.3%	18.2%
Maryland	\$324,270	81.5%	22.8%	9.8%	-14.0%	9.9%	-1.2%	-2.9%
Massachusetts	\$349,665	76.1%	22.0%	1.8%	0.1%	17.5%	3.0%	14.5%
Michigan	\$234,707	69.1%	23.5%	0.1%	7.2%	12.0%	3.6%	15.6%
Minnesota	\$92,431	45.3%	25.4%	0.1%	29.1%	10.1%	7.9%	31.4%
Mississippi	\$52,975	64.3%	24.1%	0.7%	10.9%	11.5%	4.3%	18.1%
Missouri	\$188,756	80.8%	23.1%	8.6%	-12.4%	11.1%	-0.7%	-0.7%
Montana	\$39,771	85.3%	26.6%	0.3%	-12.3%	11.6%	-0.6%	-0.2%
Nebraska	\$41,439	86.0%	23.4%	0.5%	-10.0%	15.4%	0.6%	4.9%
Nevada	\$88,086	82.2%	26.4%	0.3%	-9.0%	11.7%	0.1%	2.5%
New Hampshire	\$51,387	91.5%	26.5%	1.2%	-19.3%	17.4%	-1.0%	-0.9%
New Jersey	\$478,302	90.9%	25.6%	0.1%	-16.6%	17.7%	-0.4%	1.5%
New Mexico	\$60,006	170.3%	24.9%	1.2%	-96.4%	17.8%	-17.1%	-61.4%
New York	\$1,615,912	101.9%	20.9%	0.0%	-22.9%	24.5%	-0.5%	2.2%
North Carolina	\$179,633	49.2%	23.9%	1.6%	25.3%	11.7%	7.4%	29.7%
North Dakota	\$12,649	62.8%	26.7%	0.2%	10.4%	10.2%	3.9%	16.6%

Ratios percent of direct premiums earned								
State	Direct premiums earned (000s)	Incurred losses and LAE	U/W expense	Dividend to policyholder	U/W profit	Invest gain on ins. trans.	Tax on ins. trans.	Profit on ins. trans.
Ohio	\$255,146	43.3%	24.9%	0.9%	30.8%	14.5%	9.0%	36.3%
Oklahoma	\$112,273	68.0%	23.8%	0.2%	8.0%	12.9%	3.9%	17.0%
Oregon	\$103,626	73.4%	23.3%	0.4%	2.9%	11.3%	2.6%	11.6%
Pennsylvania	\$771,591	88.3%	19.9%	0.1%	-8.3%	15.5%	0.9%	6.2%
Rhode Island	\$35,361	207.5%	24.8%	0.1%	-132.4%	22.4%	-23.9%	-86.1%
South Carolina	\$92,956	130.9%	25.6%	1.7%	-58.2%	14.6%	-9.7%	-33.9%
South Dakota	\$18,569	85.9%	26.3%	0.1%	-12.4%	11.1%	-0.7%	-0.6%
Tennessee	\$242,648	62.2%	21.4%	2.3%	14.1%	17.9%	6.1%	25.9%
Texas	\$427,904	54.4%	25.9%	0.2%	19.5%	10.2%	5.9%	23.9%
Utah	\$62,756	87.5%	24.7%	2.2%	-14.4%	13.9%	-0.6%	0.1%
Vermont	\$19,074	47.5%	37.2%	4.3%	10.9%	14.8%	4.8%	20.8%
Virginia	\$210,741	73.5%	26.5%	2.0%	-2.2%	10.7%	1.4%	7.1%
Washington	\$208,683	72.2%	26.1%	0.3%	1.4%	10.7%	2.1%	9.9%
West Virginia	\$62,023	61.7%	26.6%	0.6%	11.0%	13.5%	4.6%	19.8%
Wisconsin	\$84,410	16.6%	22.4%	0.3%	60.7%	12.8%	15.0%	58.5%
Wyoming	\$19,423	100.9%	25.5%	0.4%	-26.8%	11.0%	-3.7%	-12.1%
Guam	\$963	33.4%	28.0%	0.0%	38.6%	11.7%	10.1%	40.1%
Puerto Rico	\$71,026	58.0%	25.8%	0.0%	16.2%	10.6%	5.2%	21.5%
US Virgin Islands	\$705	34.0%	35.2%	0.3%	30.5%	3.6%	7.0%	27.0%
N. Mariana Islands	\$33	-6.0%	30.1%	0.0%	75.9%	7.2%	17.2%	65.9%
Countrywide	\$10,813,472	82.5%	23.6%	1.5%	-7.5%	14.9%	1.0%	6.4%

Ratios percent of net worth					
State	Direct premiums earned (000s)	Earned prem. to net worth	Inv. gain on net worth	Tax on inv.gain on net worth	Return on net worth
Alabama	\$154,080	41.1%	3.2%	0.6%	4.6%
Alaska	\$23,956	41.3%	3.2%	0.6%	0.7%
Arizona	\$222,789	36.3%	3.2%	0.5%	8.9%
Arkansas	\$73,778	39.2%	3.3%	0.6%	15.7%
California	\$901,630	38.6%	3.2%	0.6%	3.0%
Colorado	\$174,527	42.9%	3.2%	0.6%	4.6%
Connecticut	\$232,337	36.1%	3.3%	0.6%	-2.7%
Delaware	\$34,936	35.6%	3.2%	0.6%	9.6%
Dist. of Columbia	\$30,044	36.6%	3.3%	0.6%	5.6%
Florida	\$848,728	43.9%	3.2%	0.6%	1.4%
Georgia	\$354,198	32.3%	3.2%	0.6%	-1.5%
Hawaii	\$34,977	39.4%	3.2%	0.6%	-2.0%
Idaho	\$36,865	38.3%	3.3%	0.6%	-4.3%
Illinois	\$493,695	28.0%	3.3%	0.6%	4.7%
Indiana	\$149,027	33.1%	3.3%	0.6%	12.9%
Iowa	\$78,352	34.8%	3.3%	0.6%	6.7%
Kansas	\$79,592	34.6%	3.3%	0.6%	2.2%
Kentucky	\$122,324	30.4%	3.3%	0.6%	7.8%
Louisiana	\$107,347	39.1%	3.3%	0.6%	12.2%
Maine	\$50,389	36.4%	3.2%	0.6%	9.2%
Maryland	\$324,270	44.3%	3.2%	0.6%	1.4%
Massachusetts	\$349,665	29.9%	3.3%	0.6%	7.1%
Michigan	\$234,707	37.8%	3.2%	0.6%	8.5%
Minnesota	\$92,431	43.8%	3.3%	0.6%	16.5%
Mississippi	\$52,975	39.4%	3.2%	0.6%	9.8%
Missouri	\$188,756	40.6%	3.2%	0.6%	2.4%
Montana	\$39,771	40.4%	3.3%	0.6%	2.7%
Nebraska	\$41,439	31.6%	3.2%	0.6%	4.2%
Nevada	\$88,086	38.4%	3.2%	0.6%	3.7%
New Hampshire	\$51,387	28.6%	3.3%	0.6%	2.4%
New Jersey	\$478,302	28.4%	3.3%	0.6%	3.1%
New Mexico	\$60,006	28.6%	3.3%	0.6%	-14.8%
New York	\$1,615,912	22.2%	3.3%	0.6%	3.2%
North Carolina	\$179,633	37.7%	3.2%	0.6%	13.9%
North Dakota	\$12,649	42.9%	3.2%	0.6%	9.8%

Ratios percent of net worth					
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Oklahoma	\$112,273	36.1%	3.2%	0.6%	8.8%
Oregon	\$103,626	39.7%	3.2%	0.6%	7.3%
Pennsylvania	\$771,591	32.3%	3.3%	0.6%	4.7%
Rhode Island	\$35,361	23.8%	3.3%	0.6%	-17.8%
South Carolina	\$92,956	33.1%	3.3%	0.6%	-8.5%
South Dakota	\$18,569	41.5%	3.3%	0.6%	2.4%
Tennessee	\$242,648	28.3%	3.3%	0.6%	10.0%
Texas	\$427,904	42.4%	3.2%	0.6%	12.8%
Utah	\$62,756	35.1%	3.3%	0.6%	2.8%
Vermont	\$19,074	31.9%	3.3%	0.6%	9.4%
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West Virginia	\$62,023	34.8%	3.3%	0.6%	9.6%
Wisconsin	\$84,410	36.7%	3.2%	0.6%	24.1%
Wyoming	\$19,423	40.6%	3.2%	0.6%	-2.2%
Guam	\$963	37.9%	3.2%	0.6%	17.9%
Puerto Rico	\$71,026	42.3%	3.3%	0.6%	11.8%
US Virgin Islands	\$705	76.8%	3.3%	0.6%	23.5%
N. Mariana Islands	\$33	56.7%	3.3%	0.6%	40.1%
Countrywide	\$10,813,472	32.7%	3.3%	0.6%	4.8%