

2021 Medical Malpractice Annual Report

Claims closed from Jan. 1,
2016 through Dec. 31,
2020

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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 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 is the 12th annual report. It includes a snapshot of the medical malpractice marketplace and summary data for closed claims and lawsuit settlements.

This report has three sections:

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

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

Key statistics

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

About the medical professional liability insurance market

- The pure loss ratio² for 2020 was 67.3%. This represents a significant reduction from the 78.9% pure loss ratio for 2019.
- Defense costs were 18.2% of premium for 2020. This represents a significant reduction from the 27.8% defense cost ratio for 2019.
- Following a large increase in 2019, direct written premiums decreased by 2.7% to \$186 million in 2020.
- Favorable loss development fueled profitability. Insurers lowered their reserves for older claims, leading to lower incurred loss and defense costs in recent years.³ For example, Physicians Insurance lowered its reserves by \$143 million over its original estimates. Reserves released from prior years translate to profit for the current year.
- Profitability continued declining. The operating ratio for Physicians Insurance, the admitted insurer with the largest market share in Washington, was 105.5% in 2020, compared to 91.4% for the prior five years.⁴

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

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

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

About claim data submitted by insurers and self-insurers

Total claims

Insurers and self-insurers reported closing 3,833 claims between 2016 and 2020 with indemnity payments, defense costs, or both types of payments.⁵ ⁶ Commercial insurers reported 2,293 claims, self-insured entities reported 1,491 claims, and risk retention groups reported 49 claims.⁷

Payments to claimants

Insurers and self-insurers closed 45% of all claims with an indemnity payment to a claimant.

- Indemnity payments totaled \$754 million on 1,726 claims over the five-year period, or \$437,040 per paid claim. The median indemnity payment for the five-year period was \$85,000.
- Economic loss payments totaled \$520 million, an average of \$301,213 per paid claim. On average, insurers and self-insurers attributed 68.9% of each claim payment to economic loss.
- Of the claims closed with an indemnity payment, 11.8% closed with a payment of \$1 million or more. These claims account for 68.9% of total paid indemnity over the five-year period.

Defense costs

Insurers and self-insurers paid \$246 million to defend 3,375 claims, an average of \$72,971 per claim. Average defense costs increased during the five-year period, reaching a high of \$96,951 in 2020.

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:

- 68.9% of claims by negotiation, comprising 56% of the total paid indemnity.
- 22.7% of claims by alternative dispute resolution – arbitration, mediation or private trial. These settlements comprised 38.8% of the total paid indemnity over the five-year period.

⁵ This report includes claims data reported and edited through April 11, 2021.

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

⁷ Commercial insurers include both admitted and surplus line insurers.

Payments by type of medical provider

The insurer or self-insurer identified the type of medical provider in 74.4% 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 402. Of these claims, 259 resulted in paid indemnity averaging \$216,308.
- For physician specialties, family practice had the most claims at 219, with 91 paid claims resulting in paid indemnity averaging \$463,303. Pediatrics had the highest average paid indemnity at \$2.5 million, and the highest average defense cost at \$234,219.

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 \$109,357. Claims that took at least four years to settle had average indemnity payments of \$993,038.
- Defense costs also increased with the age of the claim. Claims that took less than one year to close had average defense costs of \$9,583. Claims that took at least four years had average defense costs of \$198,706.

Regional comparisons

- King County had the most closed claims with 1,122.
- Pierce County had the highest paid indemnity, averaging \$623,774.

Allegations

- "Vicarious liability" was the most common allegation, with 759 claims and 288 indemnity payments that averaged \$619,676.
- "Improper performance" was the second-most common allegation, with 651 claims and 241 indemnity payments that averaged \$256,640.
- "Failure to report on patient condition" was the allegation with the highest paid indemnity, averaging \$2 million.

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

About lawsuits filed and settled by attorneys

If an attorney files a lawsuit to resolve a medical malpractice incident, they should report data about the lawsuit to the Office of the Insurance Commissioner (OIC) once the litigation is resolved. For settlements resolved between 2016 and 2020⁹:

Compensation to claimants

Attorneys reported claimants received \$151 million in total compensation on 120 claims, an average of \$1.3 million per settlement. Attorney fees were \$56 million, an average of \$467,352 per reported settlement. On average, attorney fees were 37.1% of the total compensation paid to the claimant.

How lawsuits settled

Lawsuits settled by negotiations between parties had the highest average paid indemnity at \$1.4 million per lawsuit. Lawsuits resolved by jury verdicts in favor of the plaintiff had the lowest average paid indemnity at \$730,000 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 2.4 times higher than payments to female claimants and average legal expenses were 2.7 times higher.

Age of claimant

Settlements involving claimants 41 to 50 years old had the highest average paid indemnity at \$1.7 million and the highest average defense costs at \$624,684.

Regional comparisons

King County had the largest number of lawsuits filed, with 54 lawsuits or 42.2% of the statewide total. Spokane County had the highest average indemnity payment of \$1.8 million per settlement.

⁹ This report includes data reported by attorneys through May 12, 2021.

Introduction

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

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

This report has three sections:

Market analysis

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

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

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

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

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

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

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

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

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

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

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

Summary data for lawsuits reported by attorneys

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

Attorneys reported two primary types of settlement data:

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

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

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

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

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

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

²⁰ [WAC 284-24E-150](#).

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

²² [RCW 7.70.140](#)(2)(b)(v).

Closed claim and lawsuit statistics are different

One cannot compare data reported by insurers 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.
- Insurers, self-insurers and risk retention groups are more diligent in reporting closed claim data.

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

Snapshot of the medical professional liability insurance market

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

Impact of COVID-19

Because a significant portion of medical malpractice claims develop slowly over the course of multiple years, the full impact of the COVID-19 pandemic cannot be determined at this time. However, the pandemic is expected to impact the market in a variety of ways.

In the short term, the pandemic caused a reduction in claim frequency due to temporary bans on elective procedures and other nonessential care. As shown on the chart on page 14, the resulting decrease in health care utilization appears to have delayed the market premium growth that began in 2019. Owing to temporary court closures, the pandemic has also slowed the pace at which high-value claims are closed. These reductions are expected to reverse over time now that elective procedures have resumed and court backlogs are beginning to unwind. However, the full extent of this reversal cannot be predicted at this time, partly because some elective procedures may have been cancelled rather than delayed and because the economic impact of the pandemic may pressure some claimants to settle out of court for unfavorable amounts.^{23 24}

In future years, we may see an increase in claim frequency due to diagnosing and treating patients with COVID-19. However, such claims could be mitigated by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which limits liability for unpaid health care volunteers for harm caused to patients relating to the diagnosis, prevention, and treatment of COVID-19.²⁵ We may also see claims relating to failure to protect patients from exposure to the virus, and denial of care by health care facilities that were overwhelmed during the early stages of the pandemic.

Additional uncertainty arose due to the rapid expansion of telemedicine during the pandemic. Security breaches and other Health Insurance Portability and Accountability (HIPPA) concerns are inherent risks in virtual care. Moreover, it is widely believed that in-person visits are superior for diagnosing serious medical conditions. Issues such as communication problems, lack of continuity, and unfamiliarity with a patient's medical history could increase the probability of misdiagnosis in a virtual setting.²⁶

²³ <https://www.fmglaw.com/business-litigation/changes-in-the-landscape-of-civil-litigation-in-the-covid-19-era/>

²⁴ <https://www.americanbar.org/groups/litigation/committees/solo-small-firm/articles/2021/winter2021-why-early-settlement-should-be-considered-during-the-pandemic/>

²⁵ <https://www.jw.com/news/insights-cares-act-healthcare-provisions-covid19/>

²⁶ Best's Market Segment Report – Continued Uncertainty Clouds the Horizon for MPL Insurers (May 12, 2021).

Market participants

The medical professional liability insurance market has three primary participants:

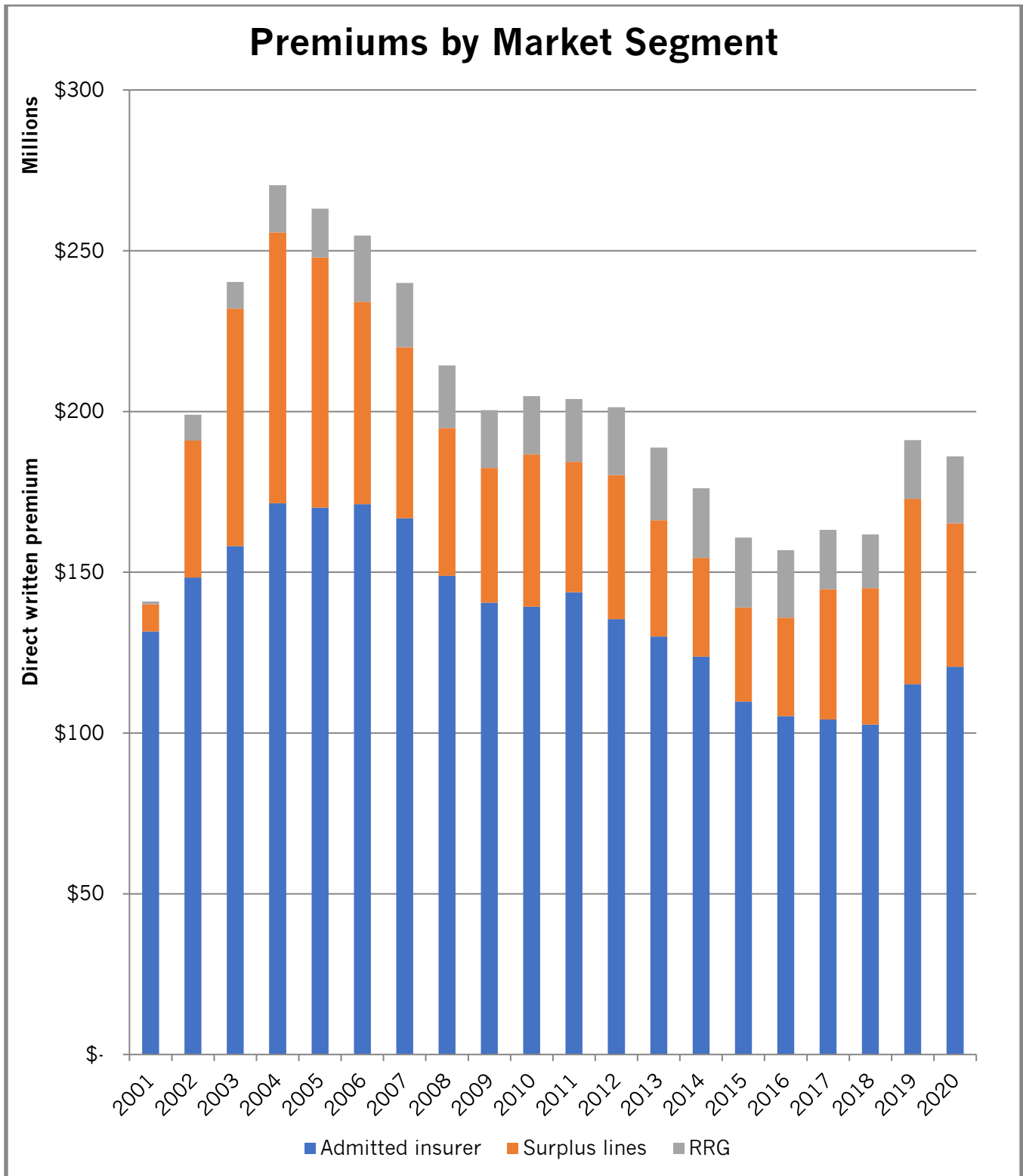
1. Admitted insurers regulated by the insurance commissioner.
2. Unregulated surplus line insurers.
3. Risk retention groups regulated by their home state.

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.²⁷ In 2020, admitted insurers wrote only 64.8% of premium, and the remainder of the market was written by surplus line insurers and risk retention groups. Physicians Insurance still had more than half of the admitted market share at 61.7%, but its share of the overall market was much lower, at 40%.

Medical professional liability insurance has been a profitable line of business for insurers in Washington, but profits have declined in recent years. For Physicians Insurance, the operating ratio for 2011-2015 was 87.5%, compared to its 2016-2020 ratio of 95.1%, and reached a high of 105.5% in 2020. As shown in Appendix C, Physicians Insurance recently addressed this deterioration by filing rate increases for two of its programs.

²⁷ 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.

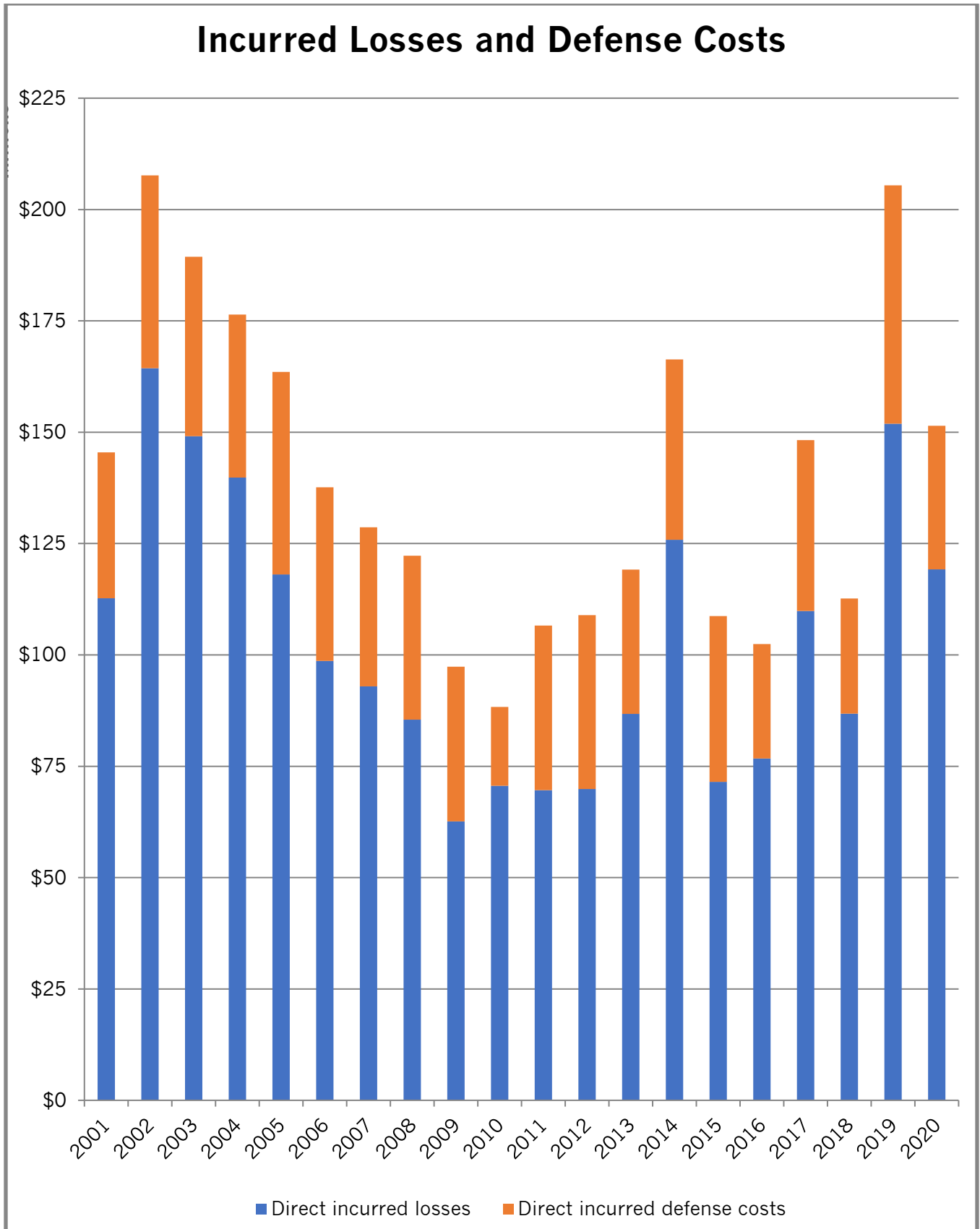


Loss history

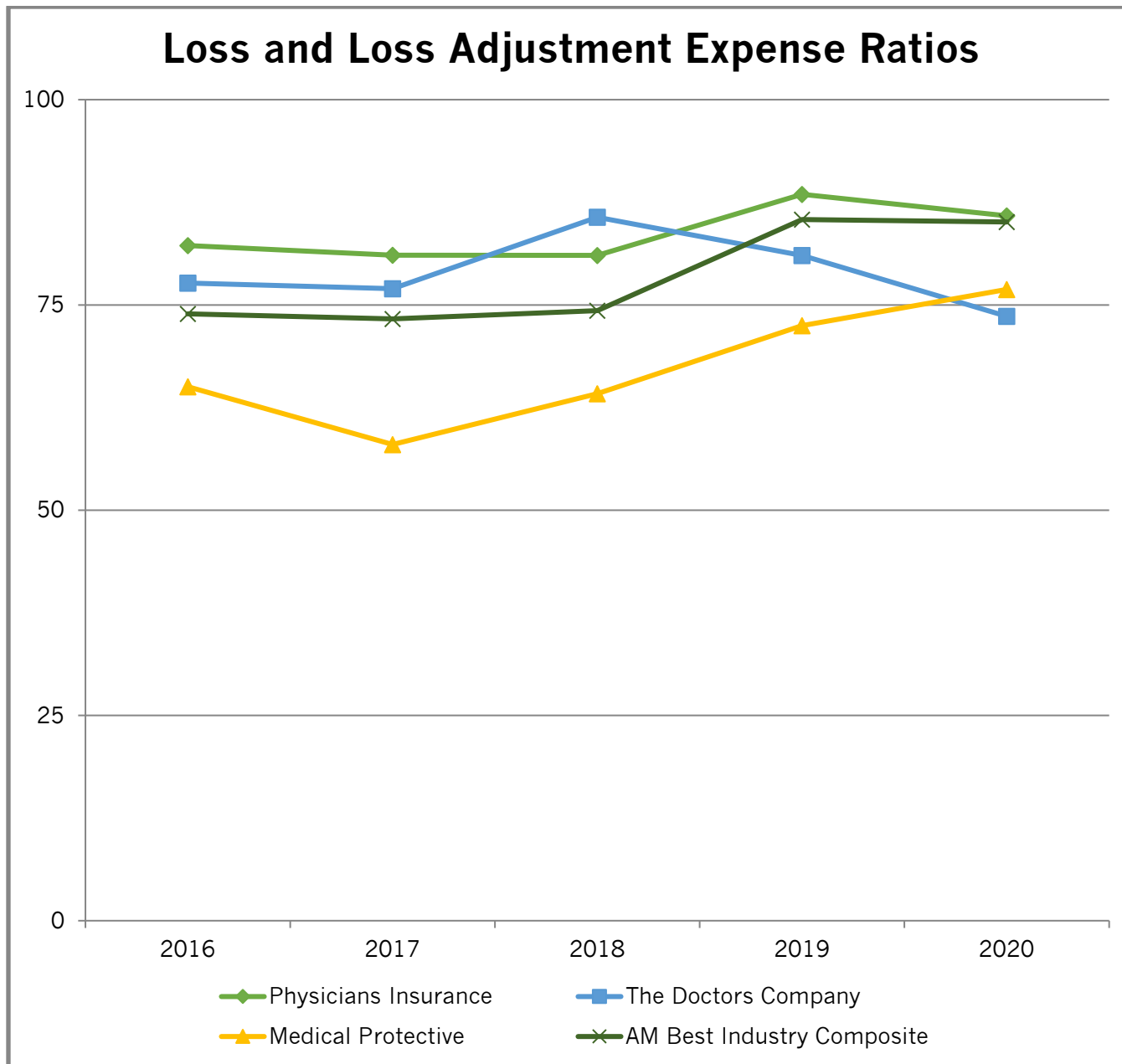
After increasing significantly to 106.7% in 2019, the overall incurred loss and defense cost ratio for medical professional liability insurance in Washington decreased to 85.6% in 2020. The following table shows data for the total market, which includes admitted insurers, surplus line insurers and risk retention groups.

| Year | Direct written premium | Direct earned premium | Direct incurred losses | Pure loss ratio | Direct incurred defense costs | Incurred losses & defense costs | Incurred loss & defense cost ratio |
|--------------|------------------------|------------------------|------------------------|-----------------|-------------------------------|---------------------------------|------------------------------------|
| 2001 | \$140,929,627 | \$134,008,616 | \$112,729,787 | 84.1% | \$32,745,710 | \$145,475,497 | 108.6% |
| 2002 | \$198,969,671 | \$181,843,628 | \$164,372,251 | 90.4% | \$43,275,166 | \$207,647,417 | 114.2% |
| 2003 | \$240,251,605 | \$234,439,488 | \$149,126,311 | 63.6% | \$40,242,563 | \$189,368,874 | 80.8% |
| 2004 | \$270,352,631 | \$258,075,781 | \$139,822,747 | 54.2% | \$36,610,655 | \$176,433,402 | 68.4% |
| 2005 | \$263,090,674 | \$258,403,214 | \$118,070,079 | 45.7% | \$45,446,560 | \$163,516,639 | 63.3% |
| 2006 | \$254,759,071 | \$253,104,467 | \$98,628,303 | 39.0% | \$39,005,295 | \$137,633,598 | 54.4% |
| 2007 | \$239,959,432 | \$241,654,054 | \$92,960,987 | 38.5% | \$35,676,308 | \$128,637,295 | 53.2% |
| 2008 | \$214,357,164 | \$218,726,595 | \$85,445,904 | 39.1% | \$36,841,513 | \$122,287,417 | 55.9% |
| 2009 | \$200,445,437 | \$202,466,303 | \$62,633,183 | 30.9% | \$34,721,641 | \$97,354,824 | 48.1% |
| 2010 | \$204,786,151 | \$199,165,328 | \$70,634,175 | 35.5% | \$17,701,695 | \$88,335,870 | 44.4% |
| 2011 | \$203,869,400 | \$201,195,699 | \$69,646,648 | 34.6% | \$36,923,847 | \$106,570,495 | 53.0% |
| 2012 | \$201,288,240 | \$193,926,182 | \$69,871,999 | 36.0% | \$39,070,682 | \$108,942,681 | 56.2% |
| 2013 | \$188,761,301 | \$187,007,042 | \$86,745,683 | 46.4% | \$32,432,507 | \$119,178,190 | 63.7% |
| 2014 | \$176,091,879 | \$182,705,913 | \$125,854,675 | 68.9% | \$40,501,079 | \$166,355,754 | 91.1% |
| 2015 | \$160,752,756 | \$164,616,659 | \$71,518,739 | 43.4% | \$37,195,911 | \$108,714,650 | 66.0% |
| 2016 | \$156,825,836 | \$158,126,354 | \$76,761,700 | 48.5% | \$25,678,427 | \$102,440,127 | 64.8% |
| 2017 | \$163,187,482 | \$157,522,013 | \$109,863,807 | 69.7% | \$38,378,783 | \$148,242,590 | 94.1% |
| 2018 | \$161,729,313 | \$164,641,866 | \$86,829,886 | 52.7% | \$25,828,741 | \$112,658,627 | 68.4% |
| 2019 | \$191,108,177 | \$192,612,461 | \$151,898,275 | 78.9% | \$53,535,200 | \$205,433,475 | 106.7% |
| 2020 | \$186,040,296 | \$176,978,799 | \$119,193,320 | 67.3% | \$32,261,953 | \$151,455,273 | 85.6% |
| Total | \$4,017,556,143 | \$3,961,220,462 | \$2,062,608,459 | 52.1% | \$724,074,236 | \$2,786,682,695 | 70.3% |

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.²⁸ 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 a bit higher than for the market overall.



²⁸ Best's Market Segment Report – Continued Uncertainty Clouds the Horizon for MPL Insurers (May 12, 2021)

Lower claim reserves

Incurred losses and defense costs reported to the NAIC by Physicians Insurance, The Doctors Company, and The Medical Protective Company 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 loss development means losses and defense costs decreased from the beginning to the end of the period.²⁹ Reserves released from prior years translate into profit for the current year.

Appendix B shows data from the 2020 annual statement for Physicians Insurance.³⁰ This table shows the change in incurred loss and defense cost reserves over time. Overall, Physicians Insurance had favorable incurred loss development and returned some of its profits to policyholders in the form of dividends totaling \$50 million from 2011 to 2020.

Appendix B also shows development for The Doctors Company and Medical Protective Company. Loss development was also generally favorable for both companies.

²⁹ 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.

³⁰ Consolidated data from Schedule P, part 2, sections 1 and 2 for medical professional liability occurrence and claims made policies written in all states. Washington-specific information is not available.

Washington state market in 2020

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.

| <u>Insurer</u> | 2020 direct written premiums (millions) | | |
|----------------------------|--|------------|--------------------|
| | Washington | Nationwide | WA % of Nationwide |
| Physicians Insurance | \$74.4 | \$95.0 | 78.3% |
| The Doctors Company | \$9.5 | \$634.3 | 1.5% |
| Medical Protective Company | \$6.2 | \$619.9 | 1.0% |

This table shows the 10 largest admitted writers in Washington in 2020.

| <u>Admitted insurer</u> | Washington direct written premiums (millions) | Admitted market share |
|---------------------------------------|---|-----------------------|
| Physicians Insurance | \$74.4 | 61.7% |
| The Doctors Co. | \$9.5 | 7.9% |
| Medical Protective Co. | \$6.2 | 5.1% |
| ProSelect Insurance Co. | \$5.5 | 4.6% |
| American Casualty Co. of Reading, PA | \$4.7 | 3.9% |
| Dentists Insurance Co. | \$4.5 | 3.7% |
| NCMIC Insurance Co. | \$2.7 | 2.3% |
| Church Mutual Insurance Co. SI | \$2.1 | 1.8% |
| Aspen American Insurance Co. | \$2.0 | 1.6% |
| ProAssurance Insurance Co. of America | \$1.7 | 1.4% |
| All other admitted insurers | \$7.3 | 6.0% |
| Total | \$120.6 | 100.0% |

National market in 2020

Appendix A shows the profitability for Physicians Insurance, The Doctors Company and Medical Protective Company for the 10-year period ending Dec. 31, 2020 using two ratios:

- The operating ratio, which is the combined ratio minus the net investment income ratio.^{31 32}
- The combined ratio, which is the sum of the expense ratio, loss ratio, and dividend ratio.^{33 34 35}

This table summarizes overall profitability by operating ratios.³⁶ Operating ratios for Physicians Insurance and Medical Protective Company increased significantly over the last year.

| Year | Operating ratio | | |
|------|----------------------|---------------------|----------------------------|
| | Physicians Insurance | The Doctors Company | Medical Protective Company |
| 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% |
| 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% |

³¹ 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.

³² The net investment income ratio is calculated by dividing net investment income by net earned premiums.

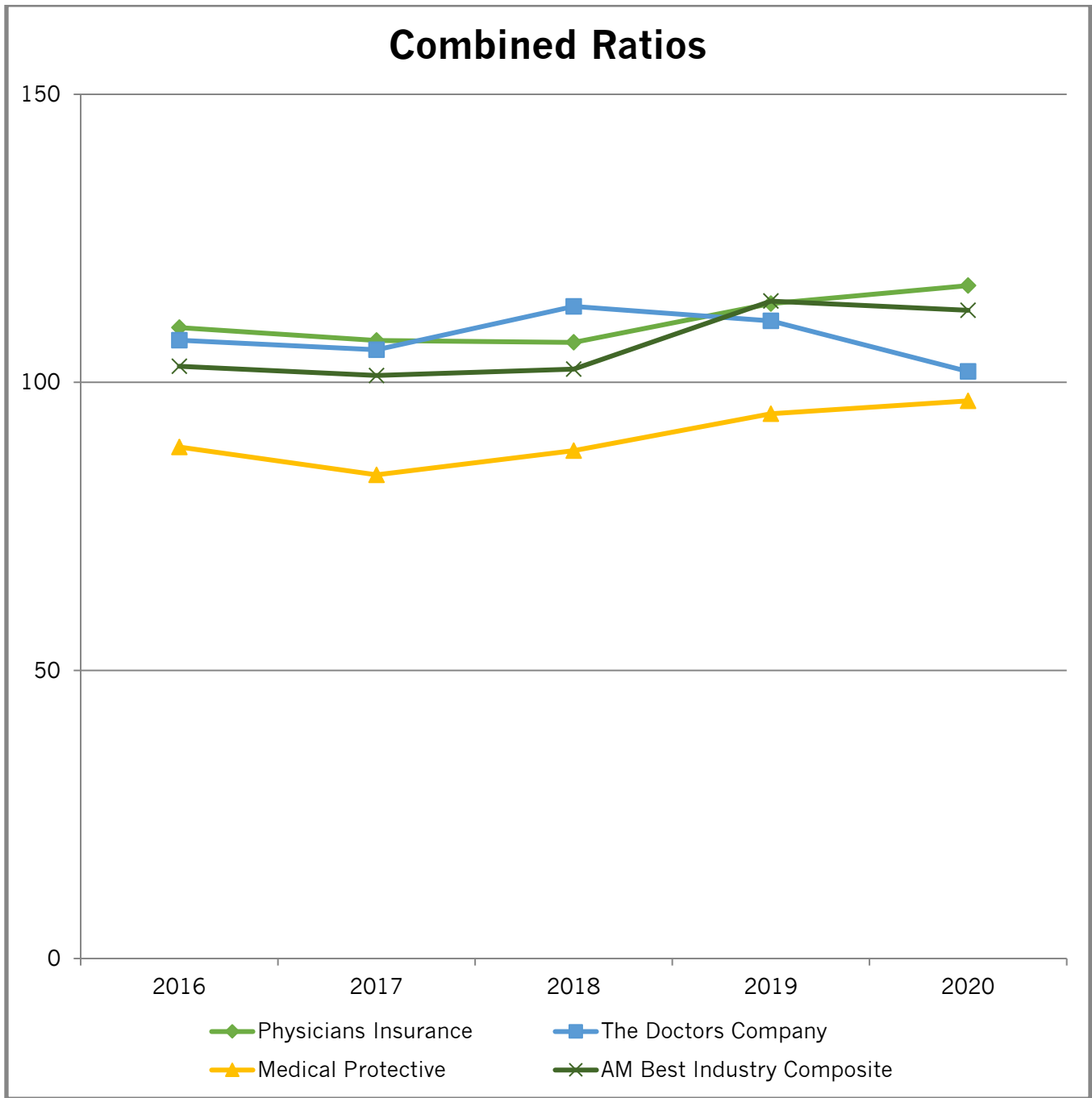
³³ The expense ratio is calculated by dividing incurred underwriting expenses by net written premiums.

³⁴ The loss ratio is calculated by dividing losses and defense costs by net earned premiums.

³⁵ The dividend ratio is calculated by dividing policyholder dividends by net earned premiums.

³⁶ Loss portfolio transfers between Medical Protective and its affiliates distorted its operating ratios in 2012, 2014, and 2015.

This chart compares combined ratios from Physicians Insurance, The Doctors Company and Medical Protective Company to cumulative data obtained from A.M. Best.^{37 38}



³⁷ Best's Market Segment Report – Continued Uncertainty Clouds the Horizon for MPL Insurers (May 12, 2021)

³⁸ The combined ratio measures how well an insurance company is performing in its daily operations. A ratio below 100% means the company is making an underwriting profit. A company can make an operating profit if the combined ratio is above 100%, because the ratio does not include investment income.

Information about medical malpractice claims

| | Year closed | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Claims closed | 898 | 814 | 834 | 677 | 610 |
| Number of indemnity payments | 391 | 361 | 412 | 302 | 260 |
| Paid indemnity | \$110,088,350 | \$119,624,942 | \$186,978,969 | \$186,438,929 | \$151,199,179 |
| Average indemnity payment | \$281,556 | \$331,371 | \$453,832 | \$617,347 | \$581,535 |
| Median indemnity payment | \$75,000 | \$35,000 | \$100,000 | \$117,500 | \$125,000 |
| Economic loss | \$76,913,851 | \$84,214,632 | \$110,899,936 | \$152,520,859 | \$95,344,378 |
| Average economic loss | \$196,711 | \$233,282 | \$269,175 | \$505,036 | \$366,709 |
| Median economic loss | \$45,000 | \$20,000 | \$44,600 | \$82,500 | \$75,000 |
| Number of claims with defense costs | 804 | 681 | 720 | 607 | 563 |
| Defense costs | \$52,597,149 | \$42,198,930 | \$51,770,661 | \$45,127,091 | \$54,583,427 |
| Average defense cost | \$65,419 | \$61,966 | \$71,904 | \$74,344 | \$96,951 |
| Median defense cost | \$16,645 | \$14,108 | \$15,170 | \$22,003 | \$16,231 |

From 2016 through 2020, insurers and self-insurers paid \$754 million on 1,726 claims, or \$437,040 per paid claim.³⁹ The total economic loss was \$520 million, or \$301,213 per paid claim. On average, insurers and self-insurers attributed 68.9% of indemnity payments to economic loss.

Claims reported by insurers and self-insurers included defense costs 88.1% of the time. Insurers and self-insurers paid \$246 million to defend 3,375 claims, or an average defense cost of \$72,971 per claim. The table above shows the annual average defense cost has increased since 2017 and increased by 30.4% from 2019 to 2020. However, the median defense cost decreased by 26.2% from 2019 to 2020.

³⁹ 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 1,375 reported multiclaim incidents resulted in indemnity payments. From 2008⁴⁰ to 2020, the aggregate average indemnity payment per incident was \$654,168, which is 2.2 times the average per-claim indemnity payment for the same period.

Often, related claims from a single incident are resolved at the 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.

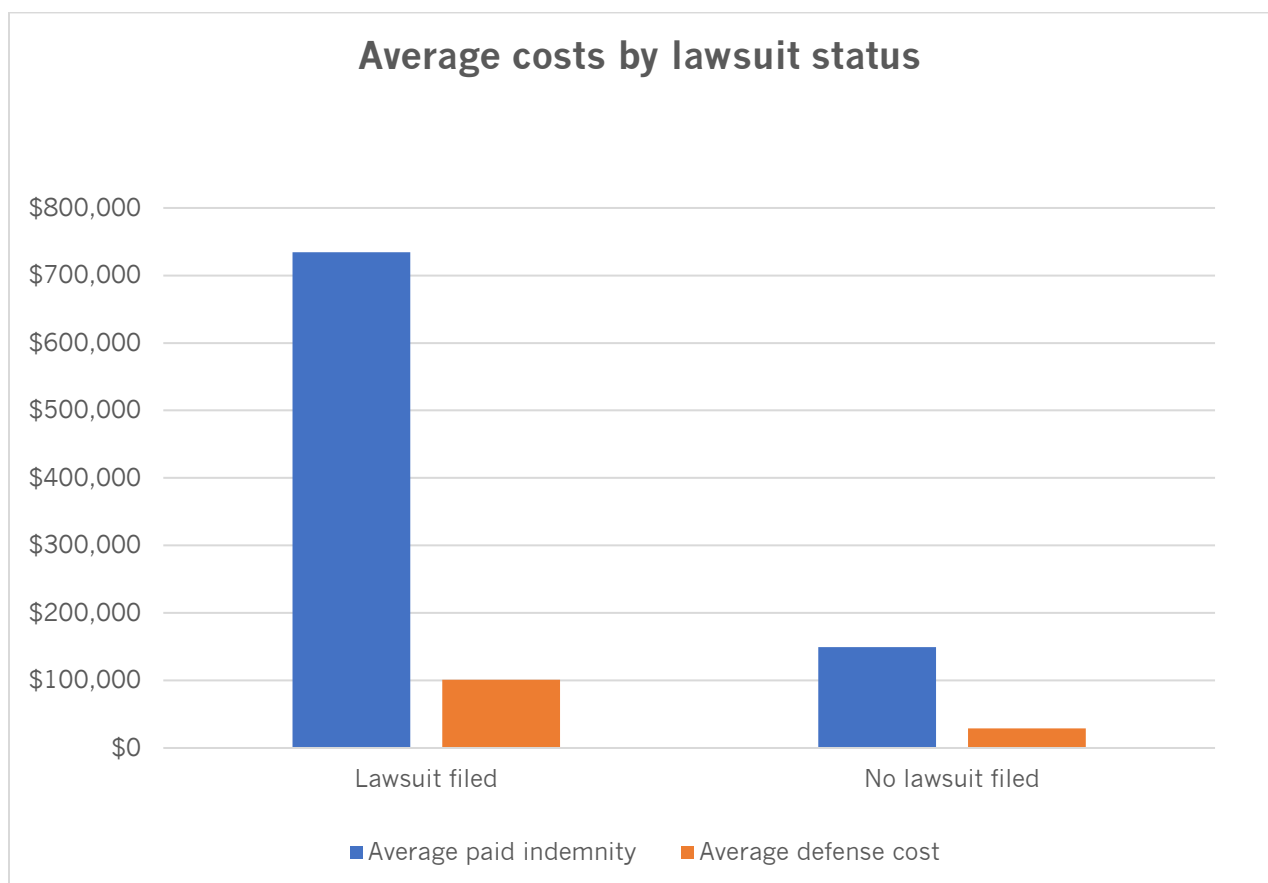
⁴⁰ Because claims related to the same incident can be closed on different dates, this discussion of incident-level information uses all available closed claim data, which insurers started reporting to the OIC in 2008. The remainder of our analysis of closed claim data uses information related to claims closed between 2016 and 2020.

Lawsuit status

This table summarizes litigation data.⁴¹

| Five-year period ending December 31, 2020 | | | | | | | |
|---|------------------|----------------------------|----------------------|------------------------|---------------------------|----------------------|----------------------|
| Lawsuit status | Number of claims | Claims with paid indemnity | Paid indemnity | Average paid indemnity | Claims with defense costs | Defense costs | Average defense cost |
| Lawsuit filed | 2,079 | 849 | \$623,463,817 | \$734,351 | 2,067 | \$208,604,284 | \$100,921 |
| No lawsuit filed | 1,754 | 877 | \$130,866,552 | \$149,221 | 1,308 | \$37,672,974 | \$28,802 |
| Total | 3,833 | 1,726 | \$754,330,369 | \$437,040 | 3,375 | \$246,277,258 | \$72,971 |

Of the 3,833 claims reported, claimants filed lawsuits 54.2% of the time. Insurers and self-insurers incurred defense costs in 99.4% of the claims in which the plaintiff filed a lawsuit. Lawsuits resulted in indemnity payments 40.8% of the time, whereas 50% of claims without litigation resulted in indemnity payments.

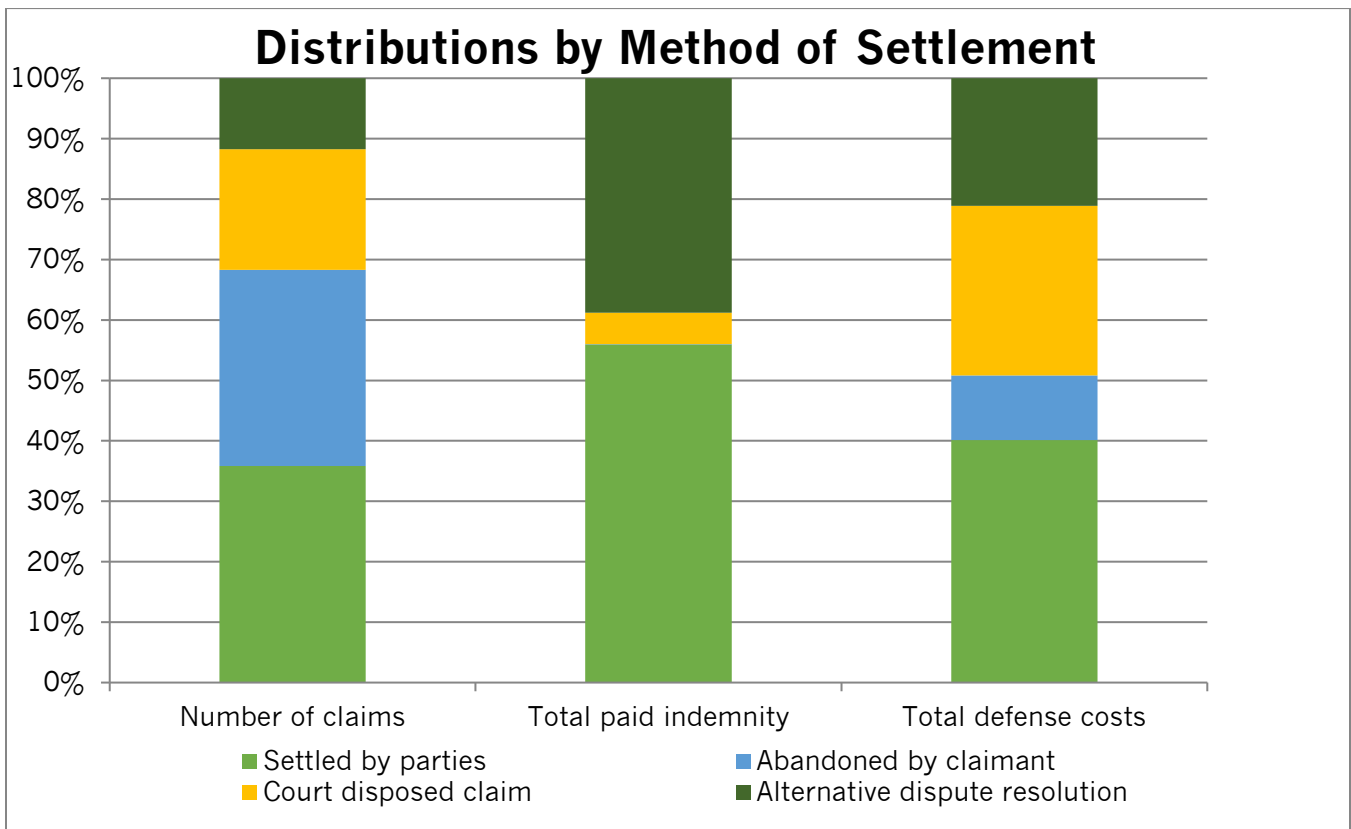


⁴¹ These amounts are not comparable to lawsuit settlement data reported by attorneys. Insurers and self-insurers report data separately for each defendant. Attorneys submit one settlement report that includes payments made by all defendants named in the lawsuit.

Method of settlement

| Five-year period ending December 31, 2020 | | | | | | | |
|---|------------------|----------------------------|----------------------|------------------------|---------------------------|----------------------|-----------------------|
| Method of settlement | Number of claims | Claims with paid indemnity | Paid indemnity | Average paid indemnity | Claims with defense costs | Defense costs | Average defense costs |
| Settled by parties | 1,374 | 1,189 | \$422,161,625 | \$355,056 | 1,025 | \$98,806,070 | \$96,396 |
| Abandoned by claimant | 1,243 | 123 | \$460,087 | \$3,741 | 1,142 | \$26,366,518 | \$23,088 |
| Court disposed claim | 766 | 23 | \$38,981,157 | \$1,694,833 | 766 | \$69,143,389 | \$90,266 |
| Alternative dispute resolution | 450 | 391 | \$292,727,500 | \$748,664 | 442 | \$51,961,281 | \$117,559 |
| Total | 3,833 | 1,726 | \$754,330,369 | \$437,040 | 3,375 | \$246,277,258 | \$72,971 |

Plaintiff verdicts or judgments were few in number. Insurers and self-insurers reported 22 claims resolved by plaintiff verdict or judgment, 20 of which resulted in an indemnity payment averaging \$1.9 million.⁴² The courts ruled in favor of defendants in the vast majority of cases.



⁴² In cases where a lawsuit has more than one defendant, some defendants may not be responsible to compensate the claimant.

Size of indemnity payments

This table shows that insurers and self-insurers settled 55% of claims without making an indemnity payment, and 55.3% of the remaining claims had indemnity payments of \$100,000 or less.

| <u>Five-year period ending December 31, 2020</u> | | | | | |
|--|------------------|---------------|----------------------|---------------|------------------------|
| <u>Range of paid indemnity</u> | Number of claims | % of claims | Paid Indemnity | % of paid | Average paid indemnity |
| \$0 | 2,107 | 55.0% | | | |
| \$1 - \$100,000 | 954 | 24.9% | \$27,757,875 | 3.7% | \$29,096 |
| \$100,001 - \$200,000 | 183 | 4.8% | \$28,809,447 | 3.8% | \$157,429 |
| \$200,001 - \$300,000 | 117 | 3.1% | \$29,657,157 | 3.9% | \$253,480 |
| \$300,001 - \$400,000 | 70 | 1.8% | \$25,537,132 | 3.4% | \$364,816 |
| \$400,001 - \$500,000 | 78 | 2.0% | \$37,414,970 | 5.0% | \$479,679 |
| \$500,001 - \$600,000 | 36 | 0.9% | \$20,653,628 | 2.7% | \$573,712 |
| \$600,001 - \$700,000 | 30 | 0.8% | \$19,790,000 | 2.6% | \$659,667 |
| \$700,001 - \$800,000 | 29 | 0.8% | \$21,971,876 | 2.9% | \$757,651 |
| \$800,001 - \$900,000 | 19 | 0.5% | \$16,441,771 | 2.2% | \$865,356 |
| \$900,001 - \$999,999 | 7 | 0.2% | \$6,690,000 | 0.9% | \$955,714 |
| \$1 million or more | 203 | 5.3% | \$519,606,513 | 68.9% | \$2,559,638 |
| Total | 3,833 | 100.0% | \$754,330,369 | 100.0% | \$437,040 |

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

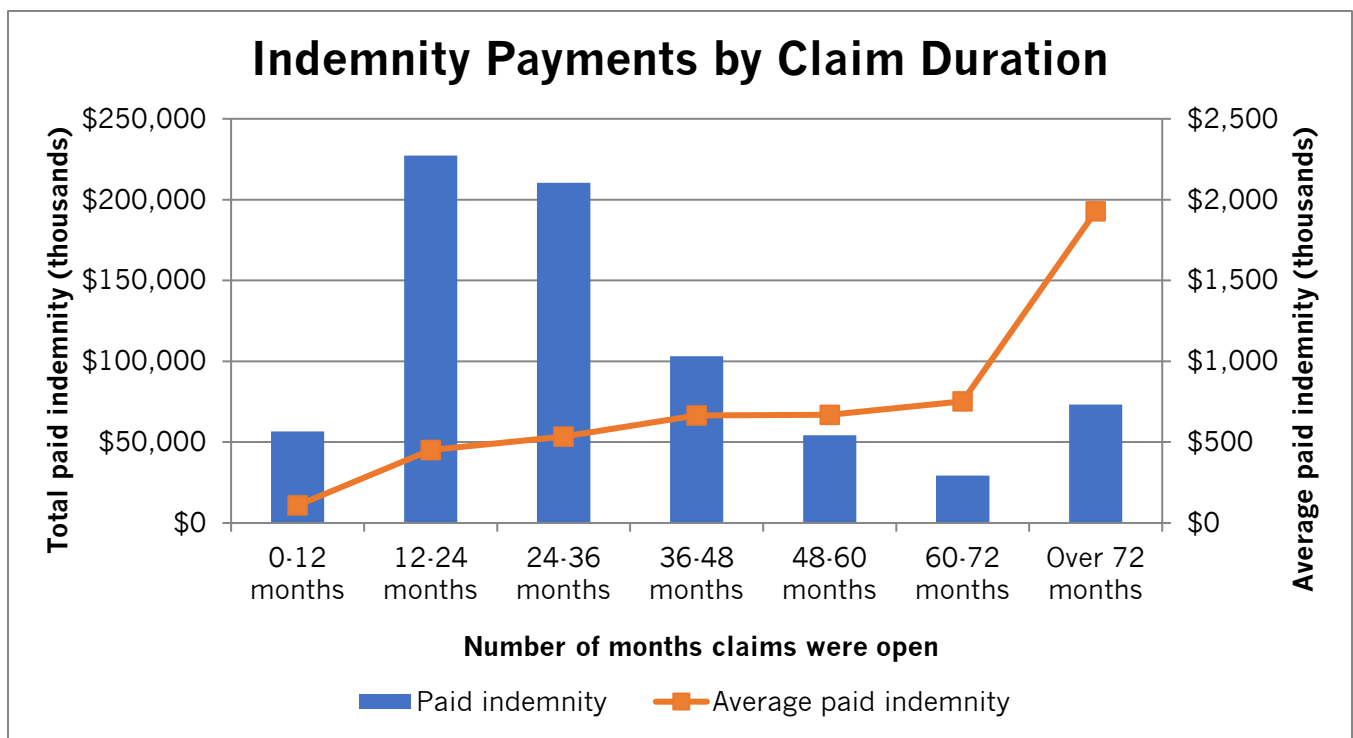
| <u>Five-year period ending December 31, 2020</u> | | | | | |
|--|-------------------------------------|--------------------------------------|----------------------|--------------------------|----------------------|
| <u>Range of paid indemnity</u> | Number of claims with defense costs | % of total claims with defense costs | Defense costs | % of total defense costs | Average defense cost |
| \$0 | 2,107 | 62.4% | \$98,760,065 | 40.1% | \$46,872 |
| \$1 - \$100,000 | 528 | 15.6% | \$22,433,541 | 9.1% | \$42,488 |
| \$100,001 - \$200,000 | 169 | 5.0% | \$13,849,580 | 5.6% | \$81,950 |
| \$200,001 - \$300,000 | 113 | 3.3% | \$9,821,317 | 4.0% | \$86,914 |
| \$300,001 - \$400,000 | 69 | 2.0% | \$7,538,889 | 3.1% | \$109,259 |
| \$400,001 - \$500,000 | 74 | 2.2% | \$8,877,351 | 3.6% | \$119,964 |
| \$500,001 - \$600,000 | 36 | 1.1% | \$7,698,637 | 3.1% | \$213,851 |
| \$600,001 - \$700,000 | 28 | 0.8% | \$3,442,354 | 1.4% | \$122,941 |
| \$700,001 - \$800,000 | 28 | 0.8% | \$3,894,821 | 1.6% | \$139,101 |
| \$800,001 - \$900,000 | 19 | 0.6% | \$2,238,347 | 0.9% | \$117,808 |
| \$900,001 - \$999,999 | 7 | 0.2% | \$1,600,944 | 0.7% | \$228,706 |
| \$1 million or more | 197 | 5.8% | \$66,121,412 | 26.8% | \$335,642 |
| Total | 3,375 | 100.0% | \$246,277,258 | 100.0% | \$72,971 |

Claim duration

This table shows claims by age on 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, 2020 | | | | | | | | |
|---|------------------|-------------------|----------------------------|----------------------|------------------------|---------------------------|----------------------|-----------------------|
| Notice date to closed date | Number of claims | % of total claims | Claims with paid indemnity | Paid indemnity | Average paid indemnity | Claims with defense costs | Defense costs | Average defense costs |
| 0-12 months | 1,221 | 31.9% | 517 | \$56,537,613 | \$109,357 | 901 | \$8,634,549 | \$9,583 |
| 12-24 months | 1,210 | 31.6% | 503 | \$227,336,705 | \$451,962 | 1,142 | \$53,946,452 | \$47,239 |
| 24-36 months | 722 | 18.8% | 393 | \$210,334,485 | \$535,202 | 666 | \$76,247,867 | \$114,486 |
| 36-48 months | 333 | 8.7% | 155 | \$103,221,493 | \$665,945 | 325 | \$39,689,718 | \$122,122 |
| 48-60 months | 170 | 4.4% | 81 | \$54,260,822 | \$669,887 | 169 | \$19,132,425 | \$113,210 |
| 60-72 months | 82 | 2.1% | 39 | \$29,367,582 | \$753,015 | 81 | \$20,075,110 | \$247,841 |
| Over 72 months | 95 | 2.5% | 38 | \$73,271,669 | \$1,928,202 | 91 | \$28,551,137 | \$313,749 |
| Total | 3,833 | 100.0% | 1,726 | \$754,330,369 | \$437,040 | 3,375 | \$246,277,258 | \$72,971 |

For the 3,833 claims, the average length of time between the notice date and the date closed was 23 months and the median length of time was 18.1 months. Insurers and self-insurers closed 82.3% of all claims within 36 months. Overall, claims closed within 36 months account for 65.5% of total paid indemnity and 56.4% of total defense costs.



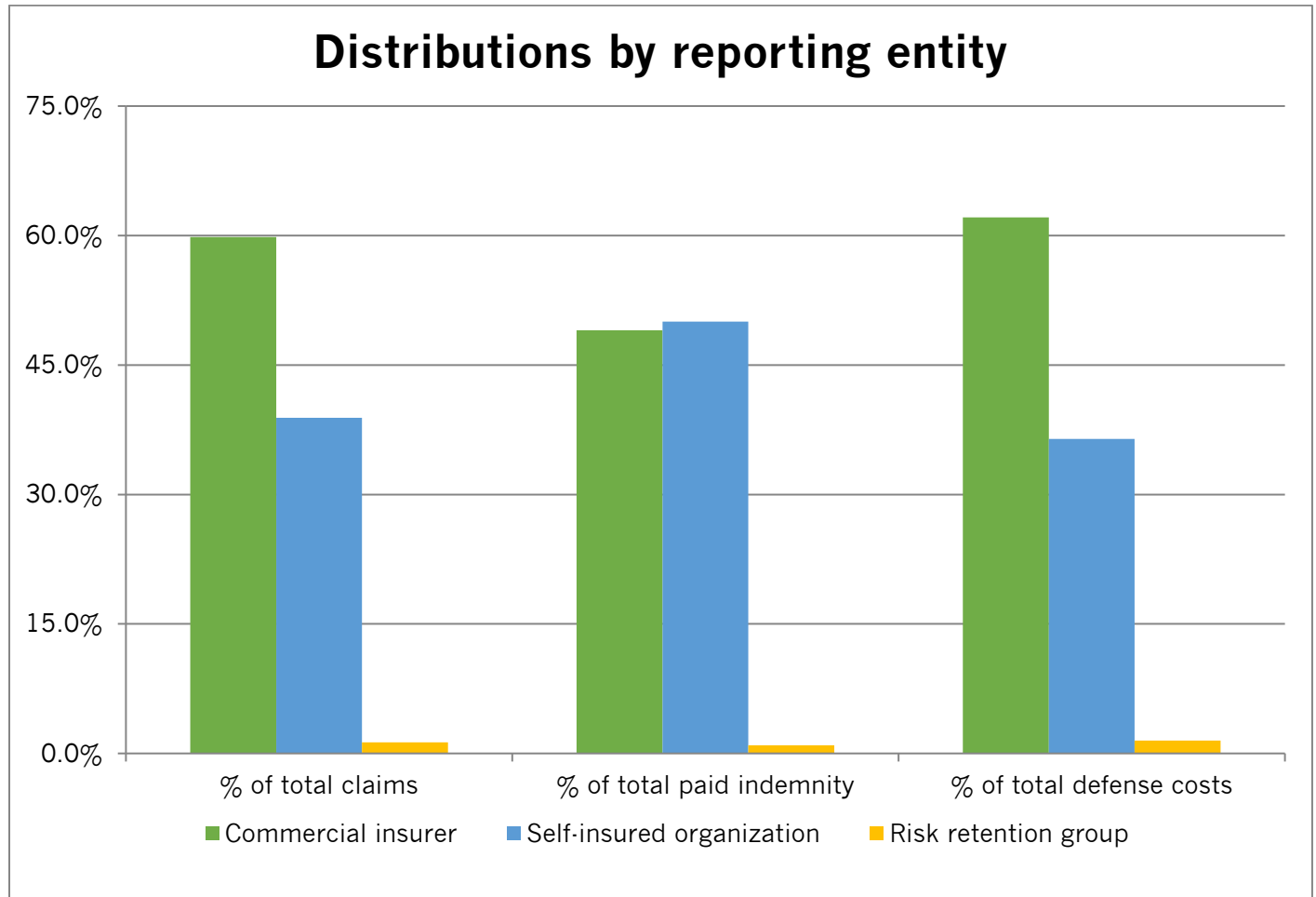
Type of reporting entity

Commercial insurers reported the highest number of claims and had the highest average paid indemnity.⁴³ Risk retention groups reported the highest average defense costs.

Five-year period ending December 31, 2020

| Reporting entity | Number of claims | Claims with paid indemnity | Paid indemnity | Average paid indemnity | Claims with defense costs | Defense costs | Average defense costs |
|---------------------------|------------------|----------------------------|----------------------|------------------------|---------------------------|----------------------|-----------------------|
| Commercial insurer | 2,293 | 817 | \$369,795,813 | \$452,626 | 2,175 | \$152,949,785 | \$70,322 |
| Self-insured organization | 1,491 | 885 | \$377,352,806 | \$426,387 | 1,154 | \$89,698,012 | \$77,728 |
| Risk retention group | 49 | 24 | \$7,181,750 | \$299,240 | 46 | \$3,629,461 | \$78,901 |
| Total | 3,833 | 1,726 | \$754,330,369 | \$437,040 | 3,375 | \$246,277,258 | \$72,971 |

Distributions by reporting entity

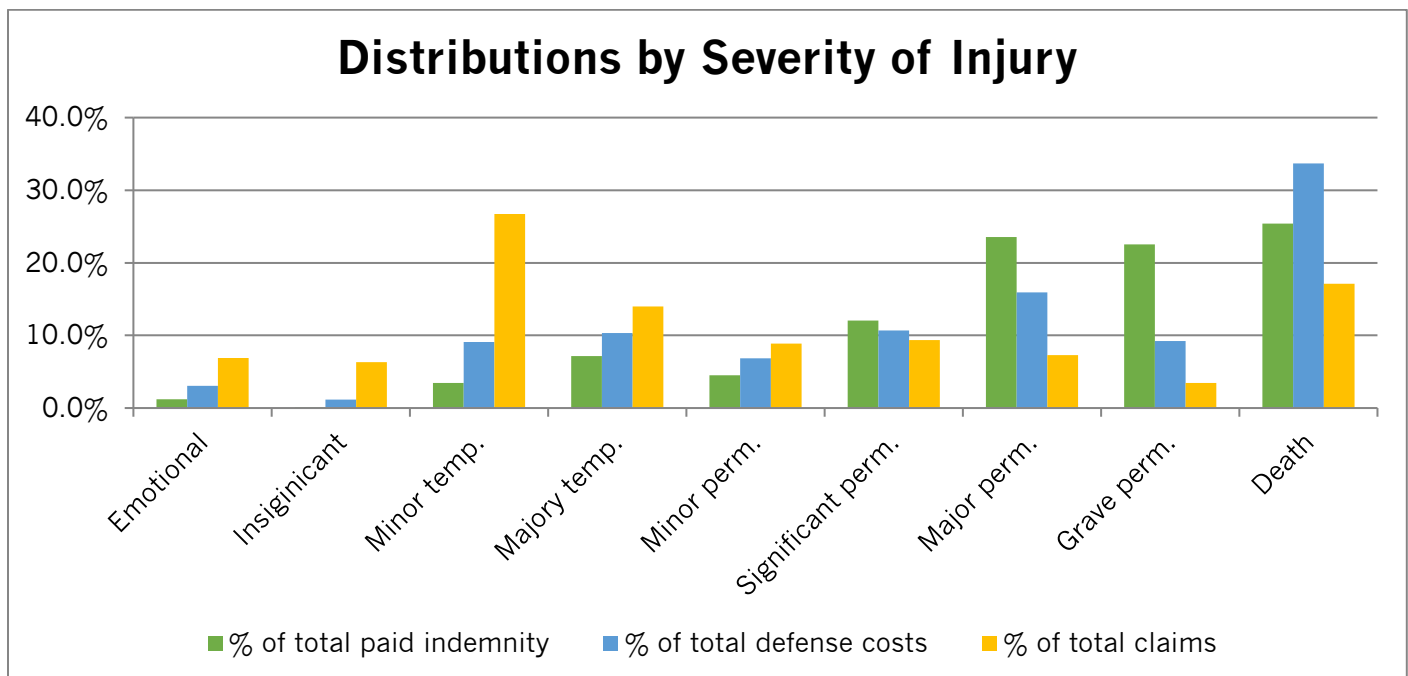


⁴³ Commercial insurers include admitted (licensed) and surplus line insurers.

Injury outcome

This exhibit shows compensation and defense costs by severity of injury.⁴⁴ Injuries were most often classified as minor and temporary, but these claims comprised only 3.5% of total paid indemnity and 9.1% of total defense costs. Grave permanent injuries⁴⁵ had the highest average paid indemnity and average defense costs, followed by major permanent injuries in both respects.

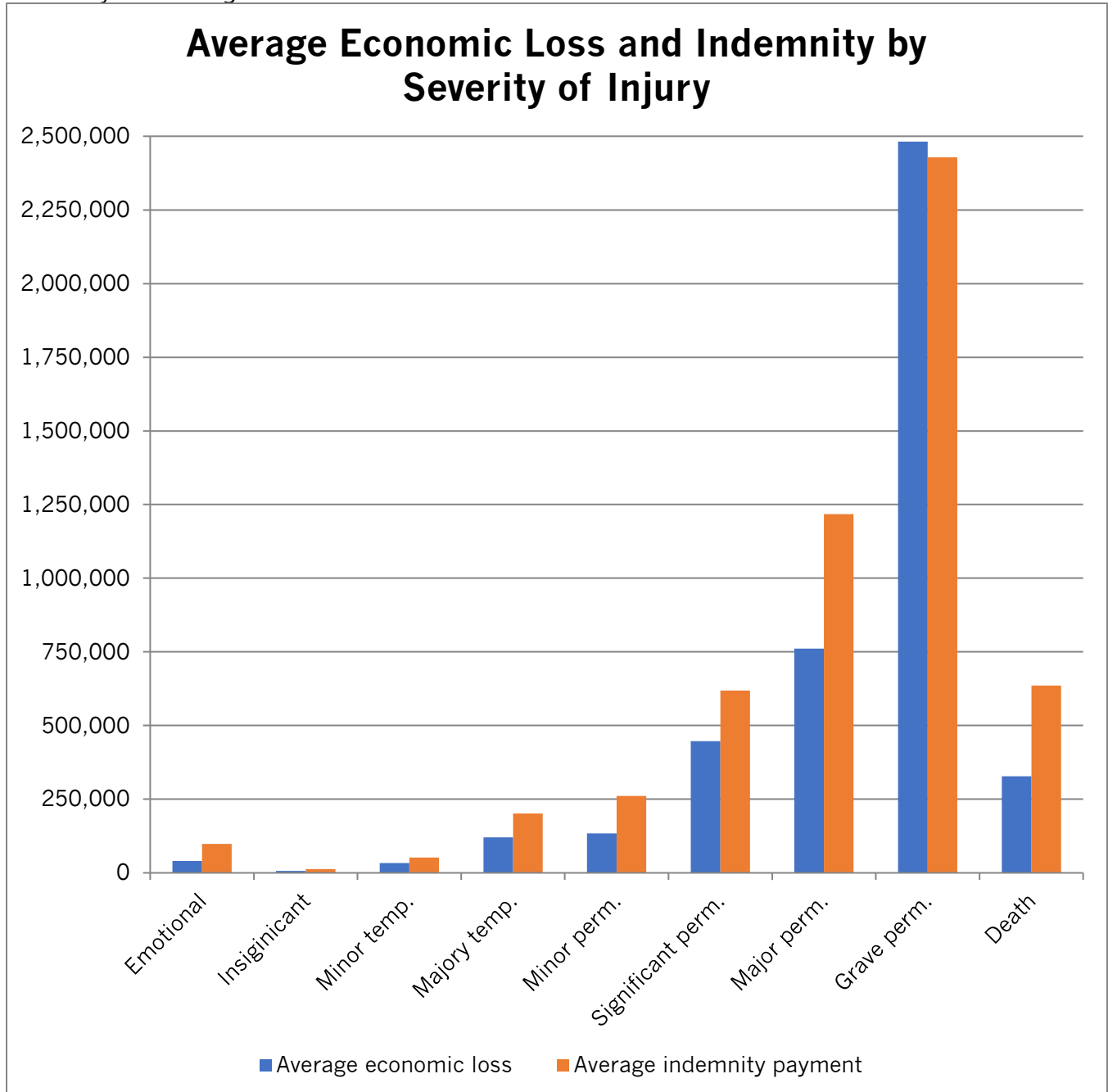
| Five-year period ending December 31, 2020 | | | | | | | |
|---|------------------|----------------------------|----------------------|------------------------|---------------------------|----------------------|-----------------------|
| Injury outcome | Number of claims | Claims with paid indemnity | Paid indemnity | Average paid indemnity | Claims with defense costs | Defense costs | Average defense costs |
| Emotional injury only | 264 | 93 | \$9,148,567 | \$98,372 | 228 | \$7,529,564 | \$33,024 |
| Insignificant injury | 242 | 69 | \$859,593 | \$12,458 | 196 | \$2,854,937 | \$14,566 |
| Minor temporary injury | 1,025 | 501 | \$26,134,281 | \$52,164 | 774 | \$22,429,703 | \$28,979 |
| Major temporary injury | 536 | 269 | \$54,147,892 | \$201,293 | 472 | \$25,441,479 | \$53,901 |
| Minor permanent injury | 340 | 130 | \$33,912,513 | \$260,865 | 315 | \$16,854,413 | \$53,506 |
| Significant permanent injury | 358 | 147 | \$90,994,404 | \$619,010 | 349 | \$26,269,324 | \$75,270 |
| Major permanent injury | 280 | 146 | \$177,700,432 | \$1,217,126 | 274 | \$39,200,542 | \$143,068 |
| Grave permanent injury | 132 | 70 | \$169,985,606 | \$2,428,366 | 129 | \$22,721,383 | \$176,135 |
| Death | 656 | 301 | \$191,447,081 | \$636,037 | 638 | \$82,975,913 | \$130,056 |
| Total | 3,833 | 1,726 | \$754,330,369 | \$437,040 | 3,375 | \$246,277,258 | \$72,971 |



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

⁴⁵ 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.⁴⁶ 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 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.

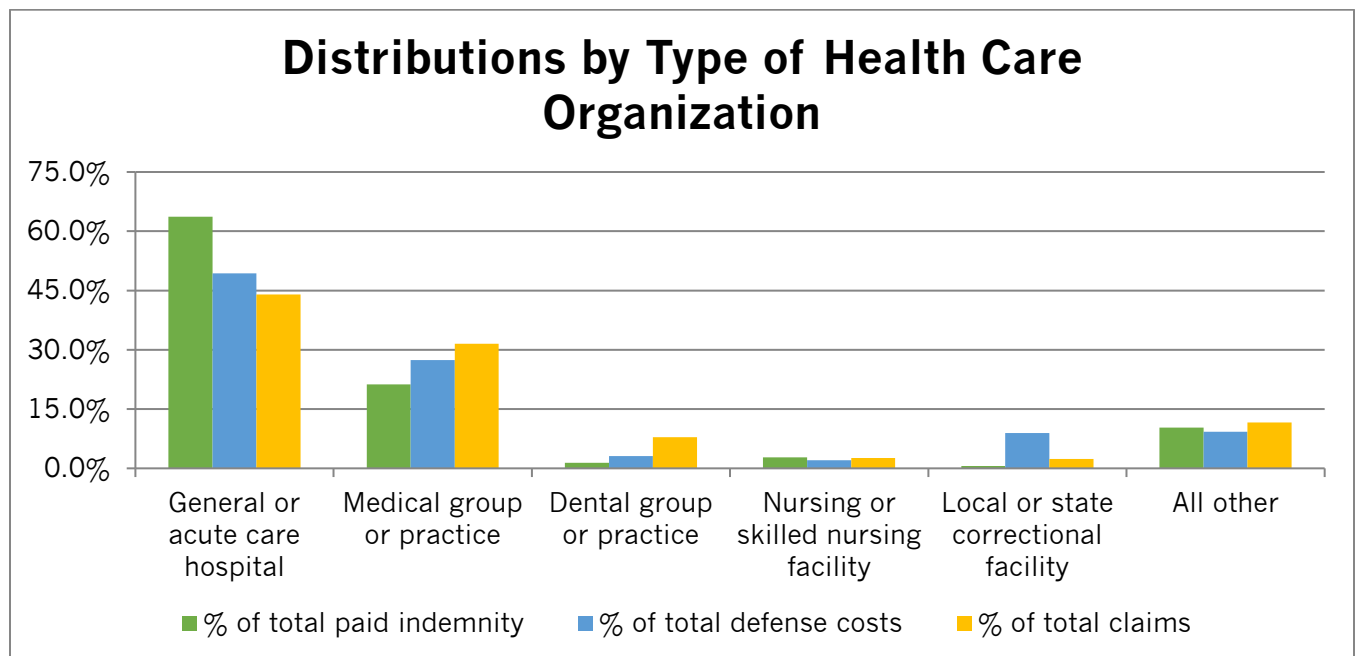


⁴⁶ Economic damages are defined in [RCW 4.56.250](#), and the components of economic losses are described in [WAC 284-24D-360](#).

Type of health care organization

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

| Five-year period ending December 31, 2020 | | | | | | | |
|---|------------------|----------------------------|----------------------|------------------------|---------------------------|----------------------|-----------------------|
| Health care organization | Number of claims | Claims with paid indemnity | Paid indemnity | Average paid indemnity | Claims with defense costs | Defense costs | Average defense costs |
| General or acute care hospital | 1,687 | 864 | \$480,532,284 | \$556,172 | 1,421 | \$121,459,630 | \$85,475 |
| Medical group or practice | 1,208 | 420 | \$160,043,354 | \$381,056 | 1,129 | \$67,388,878 | \$59,689 |
| Dental group or practice | 302 | 140 | \$10,410,537 | \$74,361 | 248 | \$7,563,677 | \$30,499 |
| Nursing or skilled nursing facility | 100 | 73 | \$21,285,962 | \$291,589 | 90 | \$5,142,427 | \$57,138 |
| Local or state correctional facility | 91 | 28 | \$4,468,048 | \$159,573 | 82 | \$21,948,653 | \$267,666 |
| Podiatric group or practice | 46 | 14 | \$2,574,990 | \$183,928 | 46 | \$3,107,596 | \$67,556 |
| Ambulatory surgical center | 43 | 15 | \$6,360,000 | \$424,000 | 41 | \$2,548,271 | \$62,153 |
| Chiropractic group or practice | 35 | 18 | \$5,250,500 | \$291,694 | 35 | \$2,308,922 | \$65,969 |
| Ambulatory clinic or center | 20 | 10 | \$7,443,116 | \$744,312 | 20 | \$935,878 | \$46,794 |
| Physical/occupational therapy | 20 | 10 | \$535,775 | \$53,578 | 19 | \$463,199 | \$24,379 |
| All other organizations | 281 | 134 | \$55,425,803 | \$413,625 | 244 | \$13,410,127 | \$54,960 |
| Total | 3,833 | 1,726 | \$754,330,369 | \$437,040 | 3,375 | \$246,277,258 | \$72,971 |

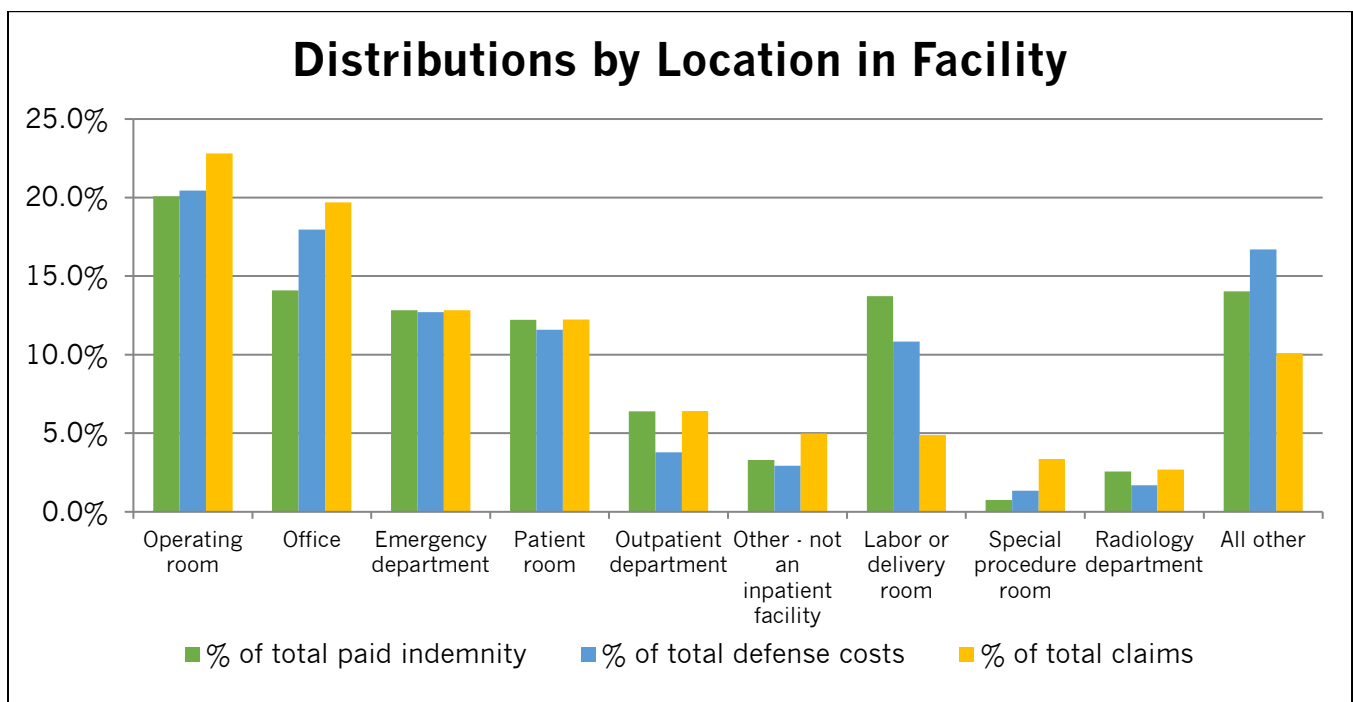


⁴⁷ Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), the Insurance Commissioner must protect the identify of each insuring entity, self-insurer, claimant, health care provider, or health care facility involved in a particular claim or collection of claims. For this reason, types of organizations 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, 2020 | | | | | | | |
|---|------------------|----------------------------|----------------------|------------------------|---------------------------|----------------------|-----------------------|
| Location within facility | Number of claims | Claims with paid indemnity | Paid indemnity | Average paid indemnity | Claims with defense costs | Defense costs | Average defense costs |
| Operating room | 874 | 366 | \$151,513,401 | \$413,971 | 779 | \$50,378,477 | \$64,671 |
| Office | 755 | 246 | \$106,337,914 | \$432,268 | 726 | \$44,246,099 | \$60,945 |
| Emergency department | 492 | 206 | \$96,848,229 | \$470,137 | 445 | \$31,304,106 | \$70,346 |
| Patient room | 469 | 268 | \$92,213,757 | \$344,081 | 405 | \$28,516,793 | \$70,412 |
| Outpatient department | 246 | 138 | \$48,194,379 | \$349,235 | 189 | \$9,315,115 | \$49,286 |
| Other - not an inpatient facility | 191 | 71 | \$24,825,361 | \$349,653 | 176 | \$7,227,994 | \$41,068 |
| Labor or delivery room | 187 | 94 | \$103,473,648 | \$1,100,783 | 173 | \$26,668,482 | \$154,153 |
| Special procedure room | 129 | 78 | \$5,689,384 | \$72,941 | 77 | \$3,293,309 | \$42,770 |
| Radiology department | 103 | 45 | \$19,336,079 | \$429,691 | 86 | \$4,180,387 | \$48,609 |
| Walk-in clinic | 72 | 40 | \$16,112,521 | \$402,813 | 58 | \$3,178,095 | \$54,795 |
| Laboratory | 49 | 33 | \$34,365,973 | \$1,041,393 | 36 | \$1,940,678 | \$53,908 |
| Physical therapy department | 38 | 23 | \$2,170,012 | \$94,348 | 36 | \$1,679,713 | \$46,659 |
| Critical care unit | 38 | 21 | \$11,785,605 | \$561,219 | 34 | \$2,489,778 | \$73,229 |
| All other locations | 190 | 97 | \$41,464,106 | \$427,465 | 155 | \$31,858,232 | \$205,537 |
| Total | 3,833 | 1,726 | \$754,330,369 | \$437,040 | 3,375 | \$246,277,258 | \$72,971 |

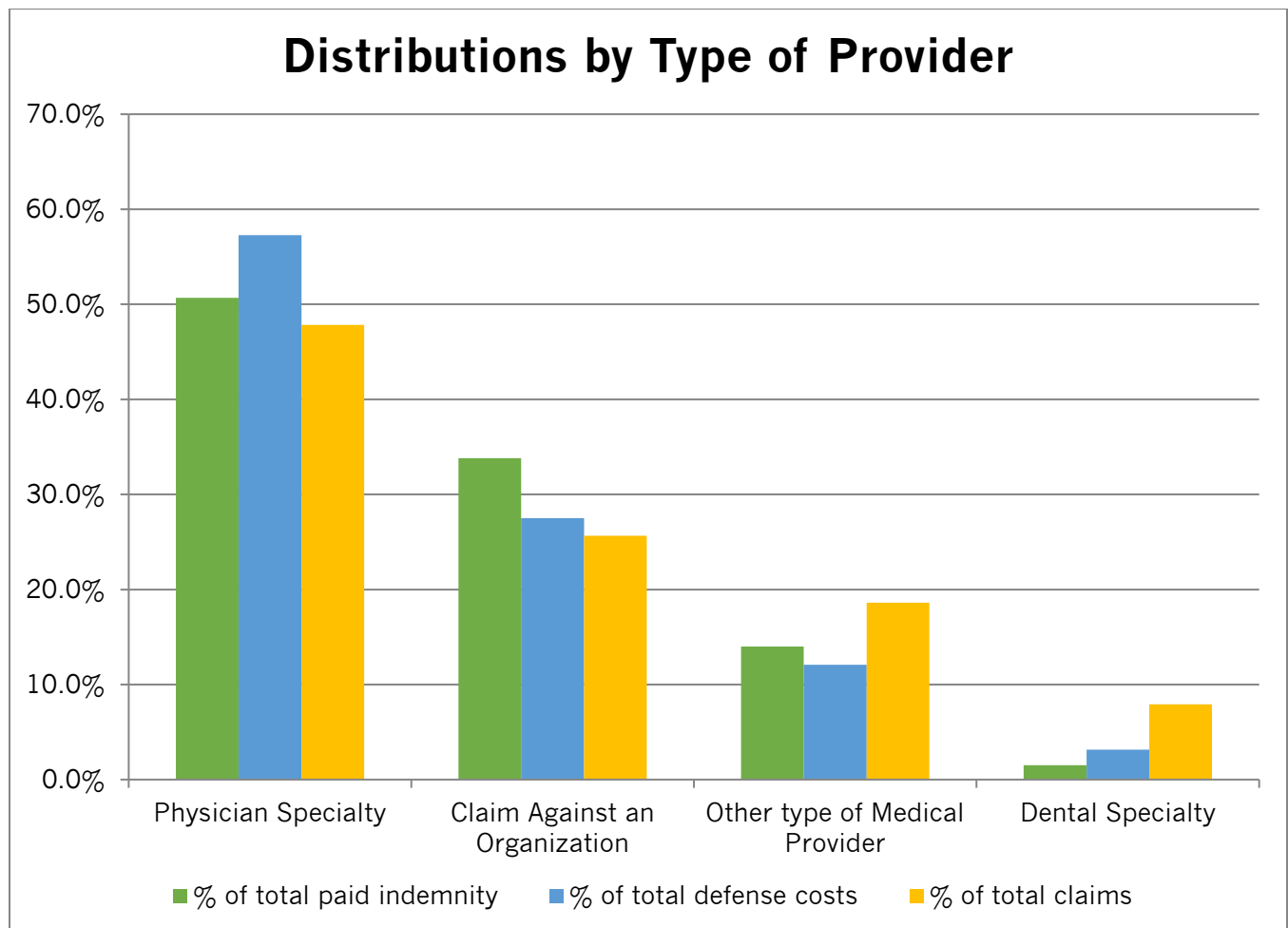


Type of medical provider

This exhibit shows data by type of medical provider. The “physician” specialty 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, 2020

| Provider type | Number of claims | Claims with paid indemnity | Paid indemnity | Average paid indemnity | Claims with defense costs | Defense costs | Average defense cost |
|--------------------------------|------------------|----------------------------|----------------------|------------------------|---------------------------|----------------------|----------------------|
| Physician specialty | 1,833 | 724 | \$382,427,882 | \$528,215 | 1,696 | \$141,056,790 | \$83,170 |
| Claim against an organization | 983 | 441 | \$255,042,624 | \$578,328 | 863 | \$67,707,155 | \$78,456 |
| Other type of medical provider | 713 | 417 | \$105,516,806 | \$253,038 | 566 | \$29,722,386 | \$52,513 |
| Dental specialty | 304 | 144 | \$11,343,057 | \$78,771 | 250 | \$7,790,927 | \$31,164 |
| Total | 3,833 | 1,726 | \$754,330,369 | \$437,040 | 3,375 | \$246,277,258 | \$72,971 |



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

| Five-year period ending December 31, 2020 | | | | | | | |
|--|------------------|----------------------------|----------------------|------------------------|---------------------------|----------------------|----------------------|
| <u>Provider specialty</u> | Number of claims | Claims with paid indemnity | Paid indemnity | Average paid indemnity | Claims with defense costs | Defense costs | Average defense cost |
| Family practice | 219 | 91 | \$42,160,608 | \$463,303 | 196 | \$15,105,735 | \$77,070 |
| Obstetrics and gynecology | 208 | 93 | \$48,299,107 | \$519,345 | 196 | \$22,315,014 | \$113,852 |
| Emergency medicine | 206 | 70 | \$25,720,900 | \$367,441 | 190 | \$13,154,166 | \$69,232 |
| General surgery | 198 | 87 | \$34,750,732 | \$399,434 | 185 | \$13,451,293 | \$72,710 |
| Orthopedic surgery | 170 | 59 | \$17,611,007 | \$298,492 | 156 | \$14,051,287 | \$90,072 |
| Radiology | 123 | 41 | \$23,383,869 | \$570,338 | 118 | \$7,915,190 | \$67,078 |
| Internal medicine | 95 | 28 | \$13,761,647 | \$491,487 | 90 | \$6,180,175 | \$68,669 |
| Anesthesiology | 91 | 55 | \$12,312,214 | \$223,858 | 64 | \$5,300,666 | \$82,823 |
| Neurological surgery | 79 | 32 | \$53,190,661 | \$1,662,208 | 78 | \$8,203,405 | \$105,172 |
| Hospitalist | 46 | 17 | \$13,700,000 | \$805,882 | 46 | \$3,344,201 | \$72,700 |
| Urological surgery | 46 | 21 | \$6,676,377 | \$317,923 | 43 | \$1,915,006 | \$44,535 |
| Cardiovascular diseases | 44 | 21 | \$6,587,549 | \$313,693 | 40 | \$3,952,715 | \$98,818 |
| Gastroenterology | 43 | 10 | \$4,543,265 | \$454,326 | 40 | \$2,383,181 | \$59,580 |
| Pediatrics | 38 | 12 | \$30,282,525 | \$2,523,544 | 34 | \$7,963,450 | \$234,219 |
| Otolaryngology | 25 | 12 | \$4,416,500 | \$368,042 | 25 | \$2,351,004 | \$94,040 |
| Neurology | 20 | 11 | \$6,635,275 | \$603,207 | 20 | \$2,915,800 | \$145,790 |
| Diagnostic radiology | 16 | 10 | \$4,305,093 | \$430,509 | 15 | \$663,424 | \$44,228 |
| All other physician types | 166 | 54 | \$34,090,553 | \$631,307 | 160 | \$9,891,078 | \$61,819 |
| Total | 1,833 | 724 | \$382,427,882 | \$528,215 | 1,696 | \$141,056,790 | \$83,170 |

The largest number of claims against physician specialties were for family practice. The most common allegations against family practice physicians were “failure to diagnose” with 58 claims, “delay in diagnosis” with 25 claims, and “improper management” with 21 claims.

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

⁴⁸ 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.⁴⁹ Nursing staff accounted for the majority of these claims. The most common allegations against nursing staff were “failure to ensure patient safety” with 43 claims, followed by “failure to monitor” with 39 claims, and “improper technique” with 36 claims. Physician assistants had the second-highest number of claims, and the most common allegation against this type was “failure to diagnose” with 17 claims.

| Five-year period ending December 31, 2020 | | | | | | | |
|--|------------------|----------------------------|----------------------|------------------------|---------------------------|---------------------|----------------------|
| <u>Provider type</u> | Number of claims | Claims with paid indemnity | Paid indemnity | Average paid indemnity | Claims with defense costs | Defense costs | Average defense cost |
| Nursing | 402 | 259 | \$56,023,824 | \$216,308 | 304 | \$15,429,783 | \$50,756 |
| Physician assistant | 82 | 40 | \$13,301,290 | \$332,532 | 68 | \$3,458,260 | \$50,857 |
| Podiatry | 55 | 17 | \$3,772,490 | \$221,911 | 55 | \$3,583,621 | \$65,157 |
| Chiropractic | 35 | 17 | \$5,215,500 | \$306,794 | 35 | \$2,246,537 | \$64,187 |
| Physical therapy | 24 | 14 | \$1,180,487 | \$84,321 | 22 | \$1,236,327 | \$56,197 |
| Emergency medicine | 20 | 10 | \$3,481,294 | \$348,129 | 15 | \$524,545 | \$34,970 |
| All other types | 95 | 60 | \$22,541,921 | \$375,699 | 67 | \$3,243,313 | \$48,408 |
| Total | 713 | 417 | \$105,516,806 | \$253,038 | 566 | \$29,722,386 | \$52,513 |

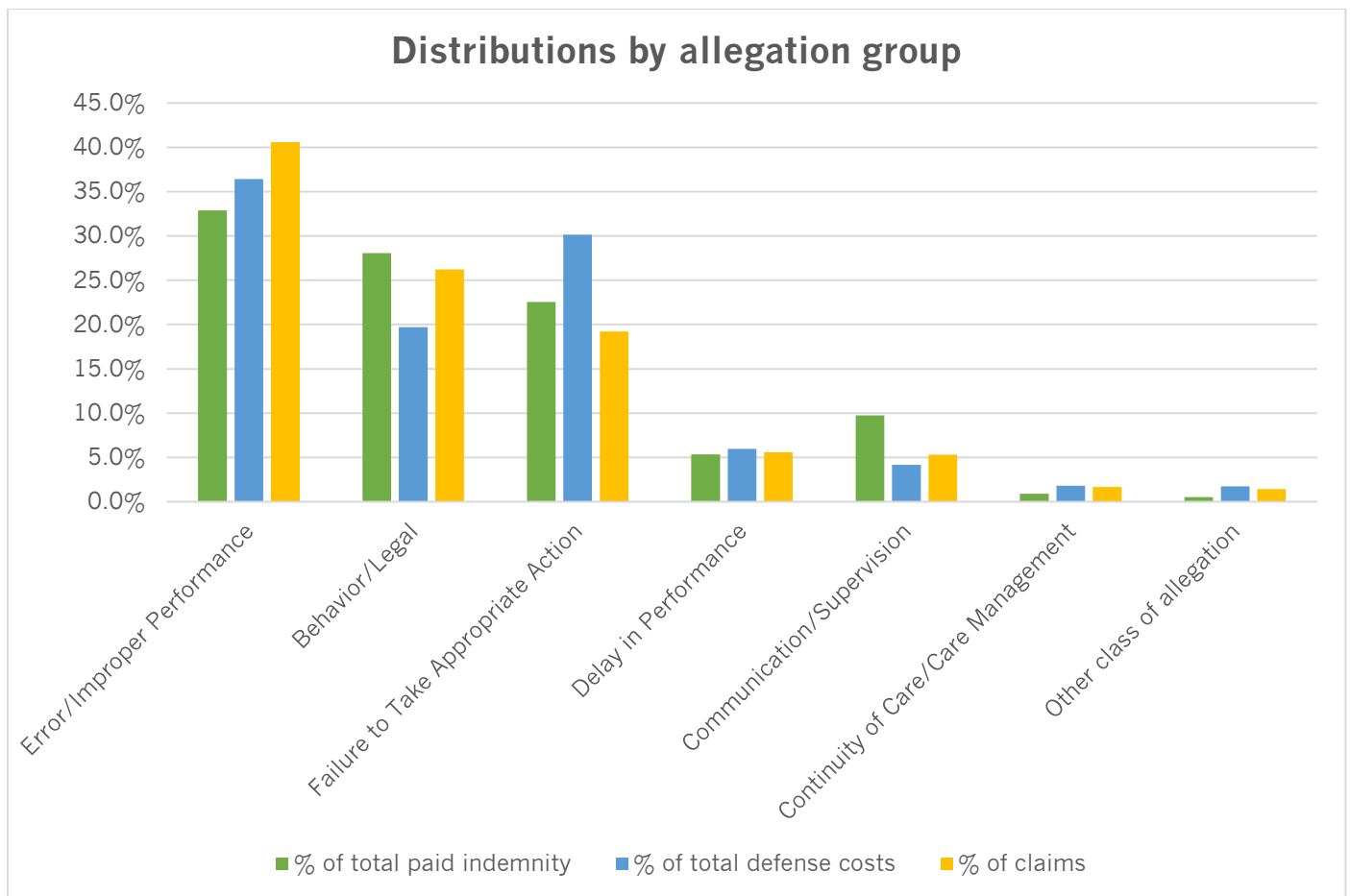
⁴⁹ Under [RCW 48.140.060](#) and [RCW 42.56.400\(10\)](#), some types of providers are grouped together to maintain confidentiality.

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, 2020

| Allegation group | Number of claims | Claims with paid indemnity | Paid indemnity | Average paid indemnity | Claims with defense costs | Defense costs | Average defense cost |
|--------------------------------------|------------------|----------------------------|----------------------|------------------------|---------------------------|----------------------|----------------------|
| Error / improper performance | 1,556 | 720 | \$247,958,800 | \$344,387 | 1,337 | \$89,719,027 | \$67,105 |
| Behavior / legal | 1,005 | 430 | \$211,639,458 | \$492,185 | 888 | \$48,520,890 | \$54,641 |
| Failure to take appropriate action | 736 | 320 | \$170,011,450 | \$531,286 | 692 | \$74,277,142 | \$107,337 |
| Delay in performance | 214 | 93 | \$40,347,888 | \$433,848 | 186 | \$14,724,861 | \$79,166 |
| Communication / supervision | 204 | 121 | \$73,568,587 | \$608,005 | 169 | \$10,295,433 | \$60,920 |
| Continuity of care / care management | 64 | 21 | \$6,859,858 | \$326,660 | 54 | \$4,445,790 | \$82,329 |
| Other class of allegation | 54 | 21 | \$3,944,328 | \$187,825 | 49 | \$4,294,115 | \$87,635 |
| Total | 3,833 | 1,726 | \$754,330,369 | \$437,040 | 3,375 | \$246,277,258 | \$72,971 |



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

Five-year period ending December 31, 2020

| | Total number of claims | Claims with paid indemnity | Total paid indemnity | Average paid indemnity | Claims with defense costs | Total defense costs | Average defense cost |
|--|------------------------|----------------------------|----------------------|------------------------|---------------------------|---------------------|----------------------|
| <u>Error / improper performance</u> | | | | | | | |
| Improper performance | 651 | 241 | \$61,850,330 | \$256,640 | 599 | \$33,385,212 | \$55,735 |
| Improper management | 203 | 90 | \$55,139,726 | \$612,664 | 185 | \$16,811,541 | \$90,873 |
| Improper technique | 202 | 127 | \$39,053,692 | \$307,509 | 146 | \$8,792,125 | \$60,220 |
| Patient history, exam, or workup problem | 69 | 24 | \$8,189,030 | \$341,210 | 63 | \$3,364,182 | \$53,400 |
| Surgical or other foreign body retained | 46 | 29 | \$2,577,808 | \$88,890 | 39 | \$1,385,960 | \$35,537 |
| Patient monitoring problem | 37 | 24 | \$10,940,266 | \$455,844 | 33 | \$2,265,764 | \$68,660 |
| Wrong medication administered | 30 | 16 | \$688,038 | \$43,002 | 22 | \$603,285 | \$27,422 |
| Wrong dosage administered | 29 | 13 | \$19,261,371 | \$1,481,644 | 28 | \$2,858,684 | \$102,096 |
| Equipment utilization problem | 28 | 20 | \$1,719,026 | \$85,951 | 20 | \$1,004,088 | \$50,204 |
| Wrong diagnosis or misdiagnosis | 24 | 12 | \$11,907,773 | \$992,314 | 22 | \$1,427,941 | \$64,906 |
| Intubation problem | 21 | 12 | \$6,436,211 | \$536,351 | 16 | \$1,951,398 | \$121,962 |
| <u>Behavior / legal</u> | | | | | | | |
| Vicarious liability | 759 | 288 | \$178,466,684 | \$619,676 | 671 | \$37,165,020 | \$55,388 |
| Failure to ensure patient safety | 125 | 89 | \$23,346,705 | \$262,323 | 106 | \$4,792,405 | \$45,211 |
| Sexual misconduct | 15 | 11 | \$1,555,000 | \$141,364 | 15 | \$984,262 | \$65,617 |
| <u>Failure to take appropriate action</u> | | | | | | | |
| Failure to diagnose | 415 | 171 | \$87,516,461 | \$511,792 | 394 | \$32,023,129 | \$81,277 |
| Failure to treat | 98 | 34 | \$9,184,180 | \$270,123 | 95 | \$6,463,837 | \$68,040 |
| Failure to monitor | 85 | 54 | \$20,520,231 | \$380,004 | 76 | \$25,165,954 | \$331,131 |
| Failure to recognize a complication | 36 | 17 | \$11,090,371 | \$652,375 | 33 | \$2,193,669 | \$66,475 |
| Failure to order appropriate test | 28 | 12 | \$8,508,589 | \$709,049 | 24 | \$1,374,154 | \$57,256 |
| <u>Delay in performance</u> | | | | | | | |
| Delay in diagnosis | 108 | 43 | \$25,521,718 | \$593,528 | 105 | \$8,413,363 | \$80,127 |
| Delay in treatment | 79 | 41 | \$9,609,126 | \$234,369 | 56 | \$2,994,861 | \$53,480 |
| <u>Communication / supervision</u> | | | | | | | |
| Failure to instruct or communicate w/patient | 77 | 39 | \$27,773,716 | \$712,147 | 60 | \$2,927,396 | \$48,790 |
| Communication problem between practitioners | 48 | 30 | \$10,928,243 | \$364,275 | 36 | \$2,550,907 | \$70,859 |
| Improper supervision | 34 | 25 | \$12,549,927 | \$501,997 | 31 | \$2,502,950 | \$80,740 |
| Failure to supervise | 19 | 12 | \$2,083,847 | \$173,654 | 18 | \$810,520 | \$45,029 |
| Failure to report on patient condition | 16 | 10 | \$19,692,500 | \$1,969,250 | 16 | \$1,425,524 | \$89,095 |
| <u>Continuity of care / care management</u> | | | | | | | |
| Premature discharge from institution | 21 | 10 | \$2,087,595 | \$208,760 | 16 | \$2,243,620 | \$140,226 |

This table shows the most common allegations against physician specialties.

| Five-year period ending December 31, 2020 | | | | | | | |
|--|------------------------|----------------------------|----------------------|------------------------|---------------------------|---------------------|----------------------|
| <u>Allegation made against physician specialty</u> | Total number of claims | Claims with paid indemnity | Total paid indemnity | Average paid indemnity | Claims with defense costs | Total defense costs | Average defense cost |
| Failure to diagnose | 358 | 147 | \$77,141,154 | \$524,770 | 342 | \$29,430,906 | \$86,055 |
| Improper performance | 345 | 116 | \$49,377,808 | \$425,671 | 326 | \$23,047,387 | \$70,698 |
| Improper technique | 135 | 74 | \$34,958,953 | \$472,418 | 104 | \$6,076,093 | \$58,424 |
| Improper management | 132 | 48 | \$47,024,263 | \$979,672 | 129 | \$14,156,902 | \$109,743 |
| Delay in diagnosis | 84 | 30 | \$21,384,218 | \$712,807 | 82 | \$7,413,744 | \$90,412 |
| Failure to instruct or communicate w/patient | 59 | 28 | \$4,757,328 | \$169,905 | 49 | \$2,328,982 | \$47,530 |
| Failure to treat | 54 | 17 | \$5,746,105 | \$338,006 | 52 | \$5,305,303 | \$102,025 |
| Patient history, exam or workup problem | 53 | 15 | \$6,411,997 | \$427,466 | 51 | \$2,957,115 | \$57,983 |
| Delay in treatment | 38 | 12 | \$6,021,810 | \$501,818 | 36 | \$2,564,568 | \$71,238 |
| Surgical or other foreign body retained | 38 | 22 | \$2,387,136 | \$108,506 | 35 | \$1,358,082 | \$38,802 |
| Failure to recognize a complication | 27 | 10 | \$8,805,326 | \$880,533 | 25 | \$1,821,518 | \$72,861 |
| Unnecessary procedure | 20 | 11 | \$2,755,000 | \$250,455 | 19 | \$1,719,024 | \$90,475 |
| Communication problem between practitioners | 19 | 10 | \$7,994,714 | \$799,471 | 16 | \$944,911 | \$59,057 |
| Wrong diagnosis | 18 | 11 | \$11,589,773 | \$1,053,616 | 16 | \$1,175,344 | \$73,459 |

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

| Five-year period ending December 31, 2020 | | | | | | | |
|--|------------------------|----------------------------|----------------------|------------------------|---------------------------|---------------------|----------------------|
| <u>Allegation made against dental provider</u> | Total number of claims | Claims with paid indemnity | Total paid indemnity | Average paid indemnity | Claims with defense costs | Total defense costs | Average defense cost |
| Improper performance | 205 | 81 | \$6,898,408 | \$85,166 | 184 | \$5,297,336 | \$28,790 |
| Improper technique | 13 | 11 | \$1,089,000 | \$99,000 | 12 | \$906,835 | \$75,570 |

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

| Five-year period ending December 31, 2020 | | | | | | | |
|---|------------------------|----------------------------|----------------------|------------------------|---------------------------|---------------------|----------------------|
| <u>Allegation made against other type of provider</u> | Total number of claims | Claims with paid indemnity | Total paid indemnity | Average paid indemnity | Claims with defense costs | Total defense costs | Average defense cost |
| Improper performance | 99 | 42 | \$5,500,752 | \$130,970 | 88 | \$5,023,407 | \$57,084 |
| Failure to ensure patient safety | 55 | 37 | \$6,231,074 | \$168,407 | 46 | \$1,626,460 | \$35,358 |
| Improper technique | 54 | 42 | \$3,005,739 | \$71,565 | 30 | \$1,809,197 | \$60,307 |
| Failure to diagnose | 51 | 23 | \$10,351,557 | \$450,068 | 46 | \$2,319,345 | \$50,421 |
| Failure to monitor | 42 | 31 | \$13,070,040 | \$421,614 | 37 | \$2,992,072 | \$80,867 |
| Improper management | 38 | 23 | \$2,819,392 | \$122,582 | 33 | \$1,182,420 | \$35,831 |
| Failure to treat | 27 | 11 | \$2,355,575 | \$214,143 | 26 | \$813,923 | \$31,305 |
| Communication problem between practitioners | 22 | 16 | \$2,321,476 | \$145,092 | 14 | \$1,160,233 | \$82,874 |
| Patient monitoring problem | 19 | 13 | \$4,264,575 | \$328,044 | 18 | \$1,212,372 | \$67,354 |
| Delay in diagnosis | 19 | 11 | \$4,050,000 | \$368,182 | 18 | \$891,072 | \$49,504 |

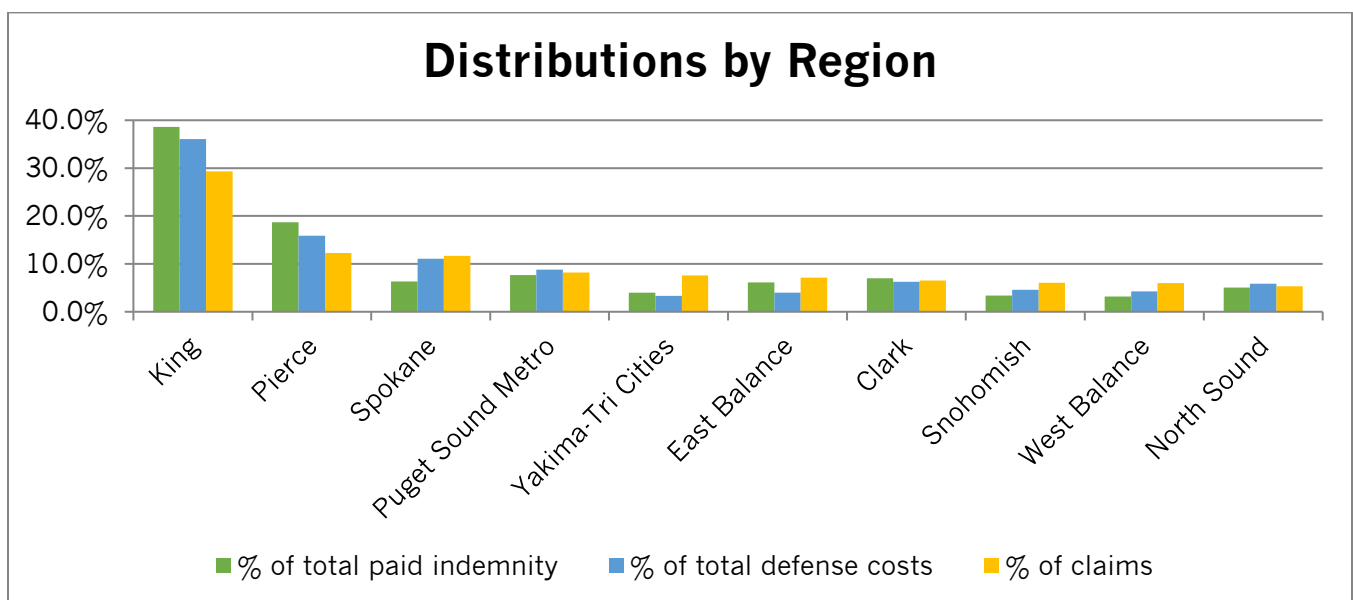
This table shows the most common allegations made against an organization. The most common allegation, "vicarious liability," is secondary liability in which the organization becomes responsible for the acts of an employee or another third party when it had the right, ability or duty to control those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

| Five-year period ending December 31, 2020 | | | | | | | |
|--|------------------------|----------------------------|----------------------|------------------------|---------------------------|---------------------|----------------------|
| <u>Allegation made against an organization</u> | Total number of claims | Claims with paid indemnity | Total paid indemnity | Average paid indemnity | Claims with defense costs | Total defense costs | Average defense cost |
| Vicarious liability | 725 | 283 | \$178,369,797 | \$630,282 | 638 | \$36,197,437 | \$56,736 |
| Failure to ensure patient safety | 59 | 47 | \$16,672,191 | \$354,727 | 51 | \$2,722,062 | \$53,374 |
| Improper supervision | 26 | 21 | \$11,674,874 | \$555,946 | 24 | \$1,912,840 | \$79,702 |
| Failure to monitor | 19 | 13 | \$2,830,751 | \$217,750 | 16 | \$20,206,073 | \$1,262,880 |
| Failure to supervise | 15 | 10 | \$2,057,347 | \$205,735 | 14 | \$740,272 | \$52,877 |

Counties

Insurers and self-insurers reported the county where the medical incident occurred.⁵⁰ To provide information about differences by location, we divided the state into 10 regions.⁵¹ A few claims were reported as occurring outside of Washington state (not shown).

| Five-year period ending December 31, 2020 | | | | | | | | |
|---|------------------|----------------------------|----------------|------------------------|-----------------------|---------------------------|---------------|-----------------------|
| Region | Number of claims | Claims with paid indemnity | Paid indemnity | Average paid indemnity | Average economic loss | Claims with defense costs | Defense costs | Average defense costs |
| King | 1,122 | 558 | \$290,925,791 | \$521,372 | \$363,278 | 922 | \$88,415,789 | \$95,896 |
| Pierce | 468 | 226 | \$140,972,895 | \$623,774 | \$386,788 | 414 | \$38,887,512 | \$93,931 |
| Spokane | 445 | 174 | \$47,636,985 | \$273,776 | \$228,371 | 391 | \$27,106,561 | \$69,326 |
| Puget Sound Metro | 313 | 120 | \$57,590,919 | \$479,924 | \$396,927 | 293 | \$21,526,309 | \$73,469 |
| Yakima-Tri Cities | 291 | 117 | \$30,225,972 | \$258,342 | \$206,640 | 271 | \$8,159,456 | \$30,109 |
| East Balance | 272 | 123 | \$46,118,704 | \$374,949 | \$242,831 | 242 | \$9,783,922 | \$40,429 |
| Clark | 249 | 124 | \$52,464,352 | \$423,100 | \$276,545 | 220 | \$15,369,314 | \$69,861 |
| Snohomish | 231 | 90 | \$25,407,905 | \$282,310 | \$221,148 | 213 | \$11,180,543 | \$52,491 |
| West Balance | 228 | 96 | \$24,126,308 | \$251,316 | \$126,130 | 213 | \$10,399,825 | \$48,825 |
| North Sound | 204 | 95 | \$38,121,519 | \$401,279 | \$224,372 | 186 | \$14,296,252 | \$76,862 |



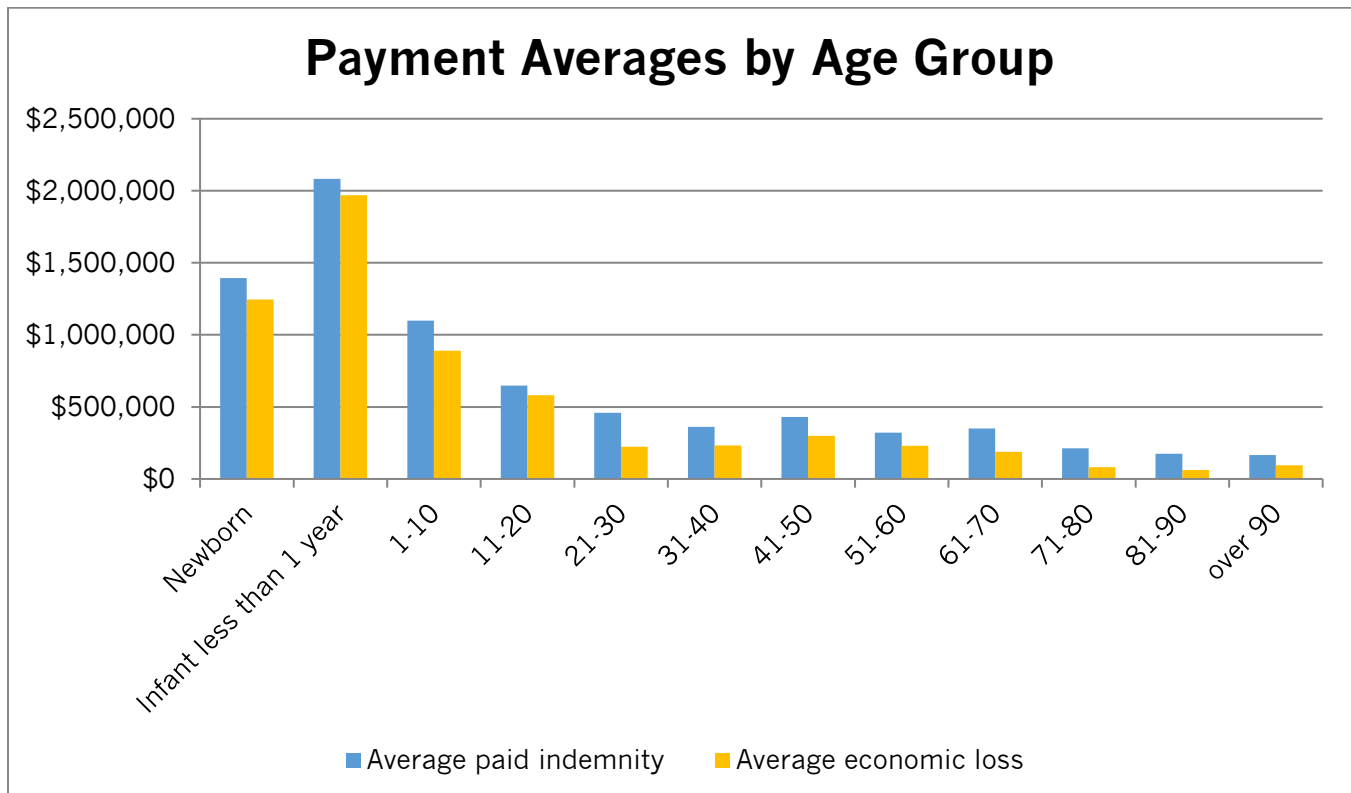
⁵⁰ Under [RCW 48.140.060](#) and [RCW 42.56.400\(10\)](#), some counties are grouped together to maintain confidentiality.

⁵¹ **Yakima-Tri Cities** includes Benton, Franklin and Yakima counties. **East balance** includes Adams, Asotin, Chelan, Columbia, Douglas, Ferry, Garfield, Grant, Kittitas, Lincoln, Okanogan, Pend Oreille, Stevens, Walla Walla and Whitman counties. **Puget Sound Metro** includes Kitsap and Thurston counties. **West balance** includes Clallam, Cowlitz, Grays Harbor, Jefferson, Klickitat, Lewis, Mason, Pacific, Skamania and Wahkiakum counties. **North Sound** includes Island, San Juan, Skagit and Whatcom counties.

Age of claimant

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

| Five-year period ending December 31, 2020 | | | | | | |
|---|------------------------|----------------------------|------------------------|-----------------------|---------------------------|----------------------|
| 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 | 67 | \$1,393,391 | \$1,244,736 | 141 | \$194,946 |
| Infant less than 1 year | 46 | 27 | \$2,081,591 | \$1,968,295 | 40 | \$150,026 |
| 1-10 | 65 | 34 | \$1,099,625 | \$890,023 | 53 | \$74,749 |
| 11-20 | 114 | 63 | \$648,142 | \$581,229 | 85 | \$66,091 |
| 21-30 | 316 | 145 | \$459,114 | \$223,969 | 271 | \$141,945 |
| 31-40 | 527 | 222 | \$361,995 | \$232,562 | 467 | \$67,415 |
| 41-50 | 621 | 255 | \$430,962 | \$300,222 | 558 | \$59,466 |
| 51-60 | 838 | 320 | \$322,471 | \$231,082 | 753 | \$61,378 |
| 61-70 | 653 | 327 | \$350,499 | \$189,135 | 578 | \$52,833 |
| 71-80 | 311 | 148 | \$212,703 | \$81,380 | 275 | \$47,288 |
| 81-90 | 161 | 98 | \$174,725 | \$62,481 | 130 | \$68,876 |
| over 90 | 31 | 20 | \$165,677 | \$94,642 | 24 | \$56,824 |
| Total | 3,833 | 1,726 | \$437,040 | \$301,213 | 3,375 | \$72,971 |

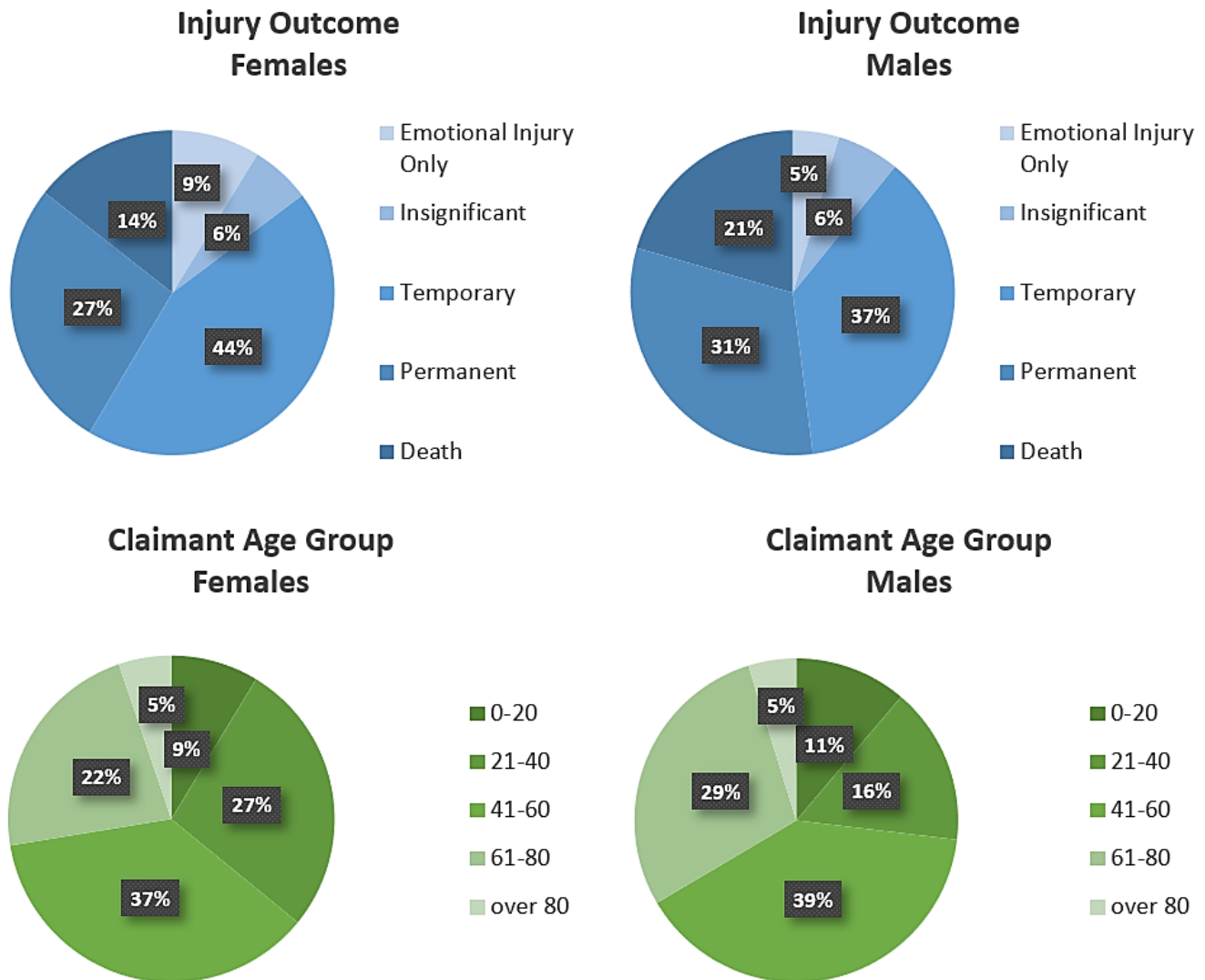


Gender of claimant

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

| Five-year period ending December 31, 2020 | | | | | | | | |
|---|------------------------|----------------------------|----------------------|------------------------|-----------------------|---------------------------|---------------------|-----------------------|
| Gender | Total number of claims | Claims with paid indemnity | Total paid indemnity | Average paid indemnity | Average economic loss | Claims with defense costs | Total defense costs | Average defense costs |
| Female | 2,109 | 964 | \$352,317,742 | \$365,475 | \$229,546 | 1,839 | \$126,033,761 | \$68,534 |
| Male | 1,714 | 761 | \$401,812,627 | \$528,006 | \$392,131 | 1,526 | \$119,671,101 | \$78,421 |

The following charts show how injury outcomes⁵² and claimant ages were distributed by gender.



⁵² See page 29 for a more detailed breakdown of the injury outcome categories.

Trends

This chart shows estimates of trends in frequency and severity.⁵³ Average claim costs continued to increase.

| <u>Year closed</u> | Average paid indemnity | Average limited indemnity | Average defense costs | Average of limited indemnity + defense costs | Number of claims closed |
|--------------------|------------------------|---------------------------|-----------------------|--|-------------------------|
| 2011 | \$215,145 | \$174,386 | \$40,930 | \$113,385 | 1,207 |
| 2012 | \$169,887 | \$144,012 | \$50,081 | \$113,480 | 1,182 |
| 2013 | \$231,292 | \$179,372 | \$47,612 | \$127,190 | 1,126 |
| 2014 | \$269,353 | \$236,575 | \$58,177 | \$156,593 | 1,044 |
| 2015 | \$379,443 | \$222,156 | \$65,487 | \$147,684 | 1,020 |
| 2016 | \$281,556 | \$219,297 | \$65,419 | \$154,056 | 898 |
| 2017 | \$331,371 | \$195,488 | \$61,966 | \$138,538 | 814 |
| 2018 | \$453,832 | \$275,128 | \$71,904 | \$197,990 | 834 |
| 2019 | \$617,347 | \$285,945 | \$74,344 | \$194,213 | 677 |
| 2020 | \$581,535 | \$314,229 | \$96,951 | \$223,415 | 610 |
| Annual trend | 14.0% | 7.3% | 8.1% | 7.4% | -7.2% |

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 610 already reported for 2020.

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.

⁵³ An analysis of trends in frequency and severity is required by [RCW 48.140.050\(1\)\(a\)\(i\)](#). Trends shown are based on exponential least squares regression.

Information about medical malpractice lawsuits

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

| | <u>Year settled</u> | | | | |
|---|---------------------|--------------|--------------|-------------|--------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Settlements reported by attorneys | 42 | 34 | 31 | 12 | 9 |
| Number of settlements with paid indemnity | 40 | 31 | 31 | 9 | 9 |
| Total paid indemnity | \$61,564,825 | \$27,239,000 | \$42,872,870 | \$7,890,000 | \$11,670,000 |
| Average payment to claimant | \$1,539,121 | \$878,677 | \$1,382,996 | \$876,667 | \$1,296,667 |
| Median payment to claimant | \$450,000 | \$475,000 | \$750,000 | \$500,000 | \$650,000 |
| Total legal expenses | \$25,273,923 | \$11,347,914 | \$18,714,718 | \$3,540,712 | \$4,687,136 |
| Total attorney fees | \$22,847,061 | \$9,520,746 | \$16,574,797 | \$2,915,485 | \$4,224,181 |
| Average legal expense | \$601,760 | \$333,762 | \$603,701 | \$295,059 | \$520,793 |
| Average fee paid to attorney | \$571,177 | \$307,121 | \$534,671 | \$323,498 | \$469,353 |

From January 1, 2016 through December 31, 2020, claimants received \$151 million in compensation on 120 settlements, averaging \$1.3 million per settlement.

Claimants paid \$64 million for legal expenses, averaging \$496,597 per lawsuit. Claimants paid \$56 million in attorney fees, or an average of \$467,352 per settlement.⁵⁴ On average, the attorney fee was 37.1% of the total compensation paid to the claimant.

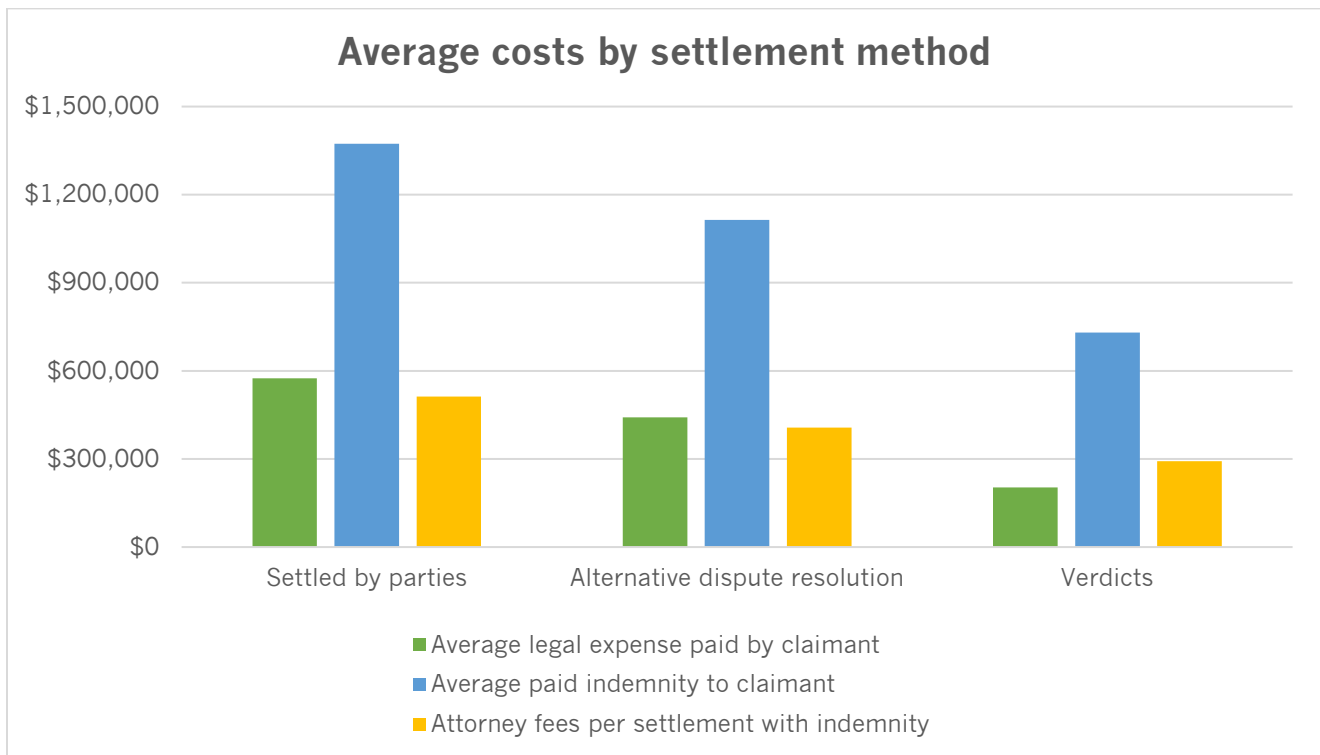
The average indemnity payment per settlement reported by attorneys was much higher than the average indemnity payment reported by insurers on a per-defendant basis. Per-lawsuit averages are expected to be higher than per-defendant averages, since settlements reported by attorneys can involve multiple 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.

⁵⁴ Attorneys in this area of litigation typically work on a contingency basis, and receive fees if one or more defendants compensate the claimant.

How lawsuits were settled

This exhibit shows data segmented by lawsuit settlement method.

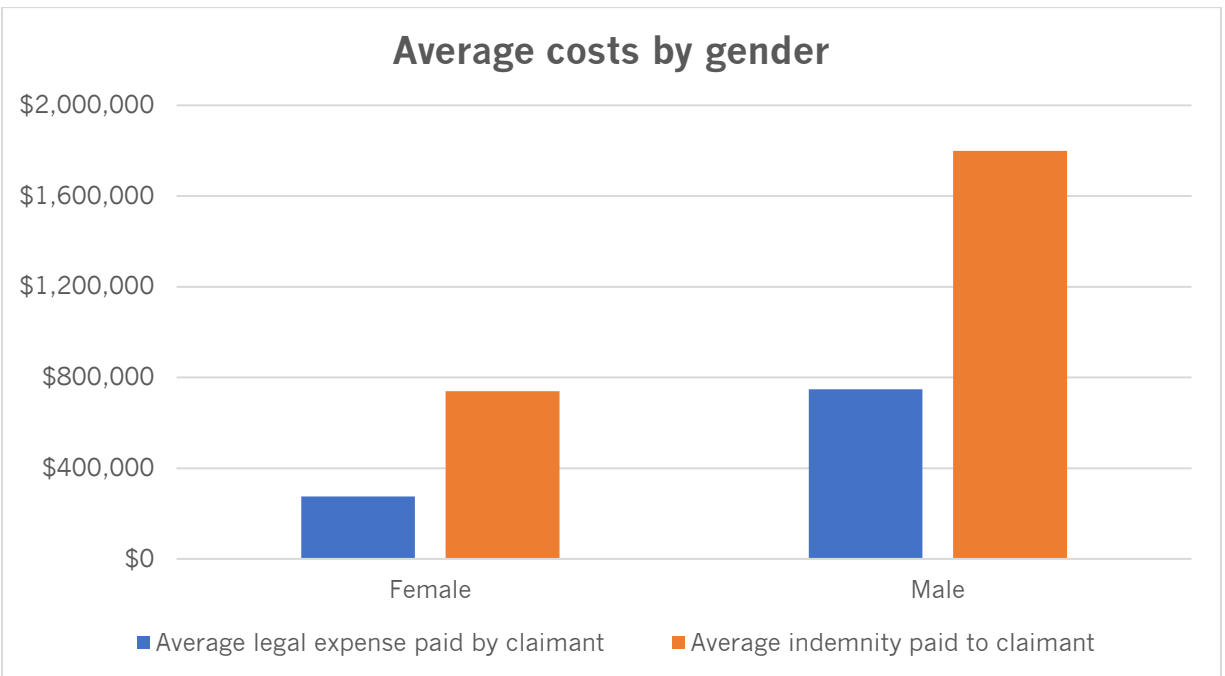
| Five-year period ending December 31, 2020 | | | | |
|--|--|------------------------------------|---|--------------------------------|
| <u>Lawsuit settlement method</u> | Average legal expense paid by claimant | Average paid indemnity to claimant | Attorney fees per settlement with indemnity | Attorney fee as % of indemnity |
| Settled by parties | \$574,987 | \$1,373,600 | \$512,303 | 37.3% |
| Alternative dispute resolution | \$441,803 | \$1,114,389 | \$407,019 | 36.5% |
| Verdicts | \$203,218 | \$730,000 | \$292,200 | 40.0% |



Gender of claimant

More settlements involved female claimants: 53.1% compared to 46.9% with male claimants.

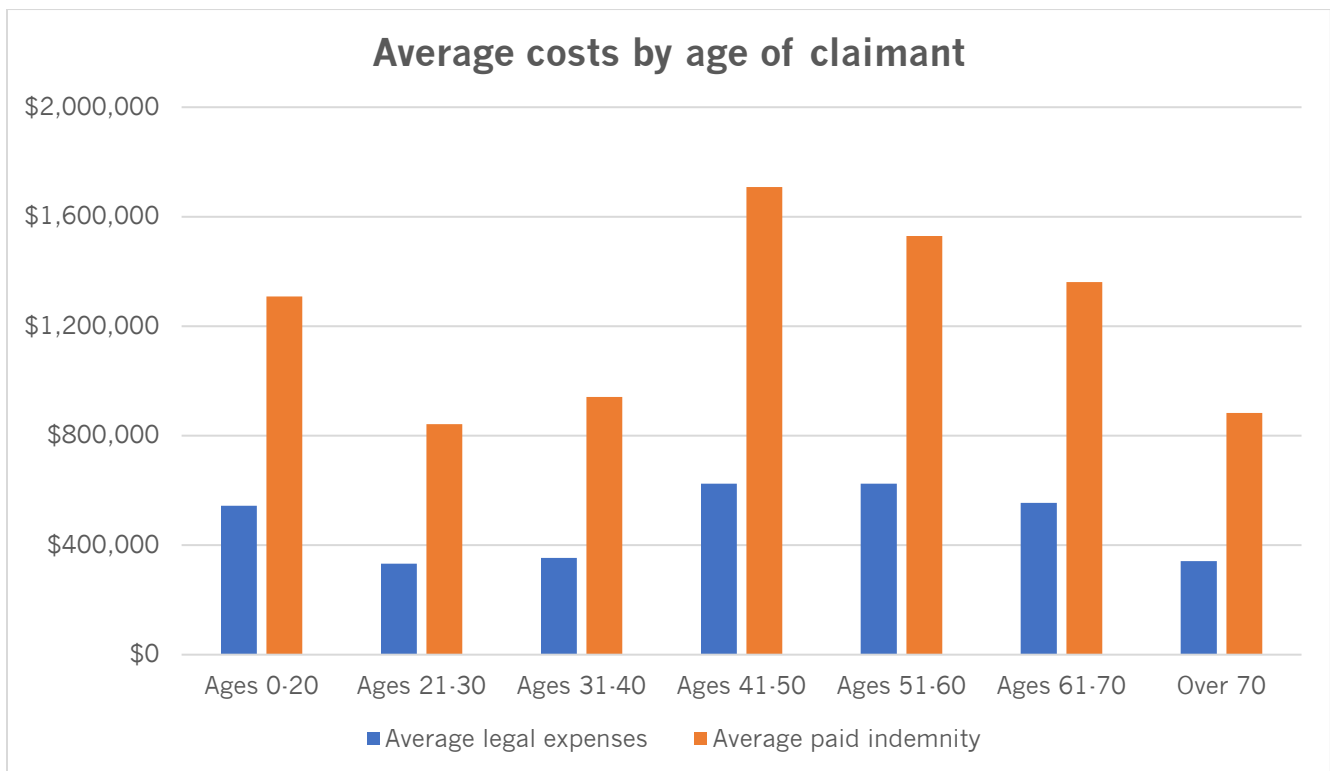
| Five-year period ending December 31, 2020 | | | | | | |
|---|-----------------------------|---------------------|--|---------------------------------|----------------------|------------------------------------|
| Gender | Settlements with legal fees | Total legal fees | Average legal expense paid by claimant | Settlements with paid indemnity | Total paid indemnity | Average indemnity paid to claimant |
| Female | 68 | \$18,728,206 | \$275,415 | 61 | \$45,099,195 | \$739,331 |
| Male | 60 | \$44,836,197 | \$747,270 | 59 | \$106,137,500 | \$1,798,941 |
| Total | 128 | \$63,564,403 | \$496,597 | 120 | \$151,236,695 | \$1,260,306 |



Age of claimant

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

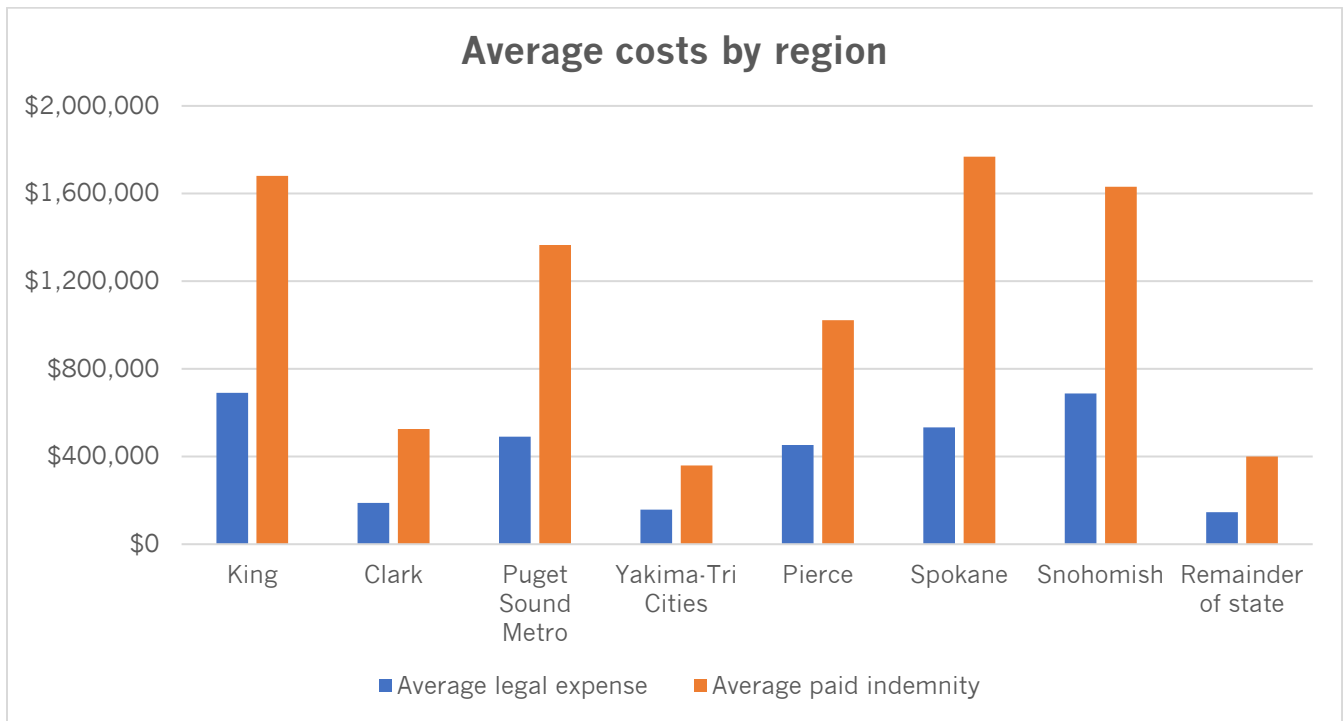
| Five-year period ending December 31, 2020 | | | | | | |
|--|---------------------------------|----------------------|------------------------|---------------------------------|----------------------|------------------------|
| <u>Age group</u> | Settlements with legal expenses | Total legal expenses | Average legal expenses | Settlements with paid indemnity | Total paid indemnity | Average paid indemnity |
| Ages 0-20 | 15 | \$8,158,568 | \$543,905 | 15 | \$19,630,000 | \$1,308,667 |
| Ages 21-30 | 9 | \$2,993,209 | \$332,579 | 9 | \$7,580,000 | \$842,222 |
| Ages 31-40 | 16 | \$5,652,641 | \$353,290 | 16 | \$15,058,000 | \$941,125 |
| Ages 41-50 | 23 | \$14,367,737 | \$624,684 | 20 | \$34,158,162 | \$1,707,908 |
| Ages 51-60 | 18 | \$11,239,016 | \$624,390 | 16 | \$24,477,500 | \$1,529,844 |
| Ages 61-70 | 24 | \$13,300,064 | \$554,169 | 24 | \$32,663,033 | \$1,360,960 |
| Over 70 | 23 | \$7,853,168 | \$341,442 | 20 | \$17,670,000 | \$883,500 |
| Total | 128 | \$63,564,403 | \$496,597 | 120 | \$151,236,695 | \$1,260,306 |



Counties

Attorneys reported settlement data by county where the medical incident occurred. To provide meaningful information regarding differences by location, we divided the state into eight regions.⁵⁵

| Five-year period ending December 31, 2020 | | | | | | |
|---|---------------------------------|----------------------|-----------------------|---------------------------------|----------------------|------------------------|
| Region | Settlements with legal expenses | Total legal expenses | Average legal expense | Settlements with paid indemnity | Total paid indemnity | Average paid indemnity |
| King | 54 | \$37,319,292 | \$691,098 | 52 | \$87,423,370 | \$1,681,219 |
| Clark | 15 | \$2,834,955 | \$188,997 | 14 | \$7,356,163 | \$525,440 |
| Puget Sound Metro | 11 | \$5,391,169 | \$490,106 | 10 | \$13,655,000 | \$1,365,500 |
| Yakima-Tri Cities | 11 | \$1,735,138 | \$157,740 | 11 | \$3,950,000 | \$359,091 |
| Pierce | 10 | \$4,524,595 | \$452,460 | 10 | \$10,227,162 | \$1,022,716 |
| Spokane | 9 | \$4,795,320 | \$532,813 | 7 | \$12,375,000 | \$1,767,857 |
| Snohomish | 8 | \$5,498,406 | \$687,301 | 8 | \$13,050,000 | \$1,631,250 |
| Remainder of state | 10 | \$1,465,528 | \$146,553 | 8 | \$3,200,000 | \$400,000 |
| Total | 128 | \$63,564,403 | \$496,597 | 120 | \$151,236,695 | \$1,260,306 |



⁵⁵ 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 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 prior.
3. This report contains claims that closed during a limited period.
4. The Office of the Insurance Commissioner (OIC) cannot use data in this report to evaluate past or current medical professional liability insurance rates. Insurers develop medical malpractice rates using an analysis of open and closed claims, and develop rates based on an estimate of expected future claim costs and expenses.
5. In producing this report, the OIC relied upon data submitted by insurers, self-insurers, and attorneys. Data may contain anomalies. The OIC audits data and has adopted administrative rules that contain data definitions and reporting instructions, but the accuracy of the report still depends largely on the accuracy of the data reported by others. People who report data may interpret data fields differently or make errors.
6. The OIC did not adjust the data for economic differences occurring during the report period, such as inflation and the cost of medical care.
7. Insurers and self-insurers do not report policy limits, so the report does not analyze the data by type of policy, whether coverage is primary or excess, limits of coverage, or size of deductibles or retentions to determine if coverage limits affect the frequency or severity of claims.
8. Insurers and self-insurers reported data separately for each defendant. This reporting method may overstate the frequency of "incidents" and understate the severity of an "incident," but it reduces inconsistencies and inaccuracies by limiting the amount of incomplete reporting.
9. This report analyzes only closed claims. Any claims that are still open, such as claims that are in settlement negotiations or on trial, are not included in this study. The analysis of closed claim information is valuable; however, open claims information may be more indicative of the current claims environment. For example, the impact of recent legislation or judicial decisions will not be reflected in a closed claim database.
10. Although insurers and self-insurers report data only after the claim has been closed, they occasionally re-open claims that were previously closed. Amounts reported may not be the true, ultimate amounts.

Appendices

Appendix A: Profitability

| Physicians Insurance, a Mutual Company | | | | | | | | |
|---|---------------------|--------------------|----------------------------|--------------------|----------------|------------------------|-----------------------------|-----------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| <u>Year</u> | Net premium written | Net premium earned | Underwriting expense ratio | Loss and LAE ratio | Dividend ratio | Combined ratio [c+d+e] | Net investment income ratio | Operating ratio [f-g] |
| 2011 | 73,321,941 | 70,370,781 | 15.3% | 82.7% | 7.2% | 105.1% | 19.0% | 86.2% |
| 2012 | 67,765,626 | 65,640,184 | 17.9% | 80.0% | 7.7% | 105.7% | 19.4% | 86.2% |
| 2013 | 72,889,552 | 69,671,138 | 16.9% | 85.2% | 7.3% | 109.3% | 19.6% | 89.7% |
| 2014 | 76,701,101 | 75,121,138 | 16.6% | 82.1% | 6.7% | 105.5% | 19.8% | 85.7% |
| 2015 | 76,301,471 | 71,271,073 | 18.9% | 84.4% | 7.0% | 110.3% | 20.8% | 89.5% |
| 2016 | 78,240,313 | 78,437,989 | 20.9% | 82.2% | 6.4% | 109.5% | 18.8% | 90.6% |
| 2017 | 81,130,272 | 79,275,075 | 19.9% | 81.0% | 6.3% | 107.3% | 18.5% | 88.7% |
| 2018 | 94,256,910 | 93,442,936 | 20.5% | 81.0% | 5.4% | 106.9% | 16.1% | 90.8% |
| 2019 | 110,476,767 | 104,381,324 | 20.4% | 88.5% | 4.8% | 113.7% | 17.6% | 96.0% |
| 2020 | 115,217,227 | 109,632,385 | 26.4% | 85.9% | 4.6% | 116.8% | 11.3% | 105.5% |
| Total | 846,301,180 | 817,244,023 | 19.8% | 83.6% | 6.2% | 109.5% | 17.7% | 91.8% |
| Five-year period-to-period results | | | | | | | | |
| 2011-2015 | 366,979,691 | 352,074,314 | 17.1% | 82.9% | 7.2% | 107.2% | 19.7% | 87.5% |
| 2016-2020 | 479,321,489 | 465,169,709 | 21.9% | 84.0% | 5.4% | 111.3% | 16.2% | 95.1% |

The Doctors Company, an Interinsurance Exchange

| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
|---|----------------------|----------------------|----------------------------|--------------------|----------------|------------------------|-----------------------------|-----------------------|
| <u>Year</u> | Net premium written | Net premium earned | Underwriting expense ratio | Loss and LAE ratio | Dividend ratio | Combined ratio [c+d+e] | Net investment income ratio | Operating ratio [f-g] |
| 2011 | 564,467,114 | 536,671,691 | 21.4% | 63.0% | 3.3% | 87.7% | 26.1% | 61.6% |
| 2012 | 596,528,843 | 584,386,263 | 19.8% | 69.1% | 3.2% | 92.1% | 15.3% | 76.8% |
| 2013 | 675,729,455 | 641,792,914 | 21.2% | 75.1% | 3.1% | 99.4% | 15.5% | 83.8% |
| 2014 | 644,037,543 | 659,903,069 | 23.1% | 78.3% | 2.8% | 104.2% | 1.4% | 102.7% |
| 2015 | 622,861,093 | 628,266,492 | 24.2% | 74.5% | 3.8% | 102.5% | 4.4% | 98.1% |
| 2016 | 602,359,134 | 610,408,597 | 25.0% | 77.7% | 4.6% | 107.3% | 5.7% | 101.6% |
| 2017 | 595,891,924 | 600,702,260 | 24.9% | 77.0% | 3.8% | 105.7% | 12.0% | 93.6% |
| 2018 | 620,395,036 | 620,335,603 | 25.3% | 85.7% | 2.2% | 113.2% | 17.5% | 95.7% |
| 2019 | 627,555,678 | 623,780,051 | 28.2% | 81.0% | 1.4% | 110.7% | 11.3% | 99.3% |
| 2020 | 654,774,790 | 652,428,039 | 28.2% | 73.6% | 0.1% | 101.9% | 7.8% | 94.1% |
| Total | 6,204,600,610 | 6,158,674,979 | 24.2% | 75.7% | 2.8% | 102.7% | 11.4% | 91.2% |
| Five-year period-to-period results | | | | | | | | |
| 2011-2015 | 3,103,624,048 | 3,051,020,429 | 22.0% | 72.4% | 3.2% | 97.6% | 12.0% | 85.6% |
| 2016-2020 | 3,100,976,562 | 3,124,757,335 | 26.4% | 79.0% | 2.4% | 107.7% | 10.9% | 96.9% |

The Medical Protective Company

| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
|---|----------------------|----------------------|----------------------------|--------------------|----------------|------------------------|-----------------------------|-----------------------|
| <u>Year</u> | Net premium written | Net premium earned | Underwriting expense ratio | Loss and LAE ratio | Dividend ratio | Combined ratio [c+d+e] | Net investment income ratio | Operating ratio [f-g] |
| 2011 | 327,172,569 | 302,854,289 | 24.6% | 48.7% | 0.0% | 73.3% | 31.5% | 41.9% |
| 2012 | 643,824,861 | 616,894,746 | 14.9% | 71.7% | 0.0% | 86.6% | 20.8% | 65.8% |
| 2013 | 366,900,050 | 371,799,546 | 24.1% | 51.3% | 0.0% | 75.3% | 32.8% | 42.6% |
| 2014 | -680,001,929 | -575,282,426 | -3.1% | 114.5% | 0.0% | 111.5% | -17.0% | 128.5% |
| 2015 | 226,451,495 | 214,665,128 | 23.7% | 59.5% | 0.0% | 83.2% | 46.1% | 37.2% |
| 2016 | 255,837,377 | 228,980,322 | 23.7% | 65.0% | 0.0% | 88.8% | 39.5% | 49.3% |
| 2017 | 239,978,122 | 251,862,659 | 26.0% | 58.0% | 0.0% | 84.0% | 37.2% | 46.7% |
| 2018 | 260,421,768 | 260,308,096 | 24.0% | 64.2% | 0.0% | 88.1% | 40.2% | 47.9% |
| 2019 | 288,139,624 | 274,597,913 | 22.1% | 72.5% | 0.0% | 94.6% | 45.7% | 48.8% |
| 2020 | 347,993,367 | 349,375,371 | 19.9% | 76.9% | 0.0% | 96.8% | 35.9% | 60.9% |
| Total | 2,276,717,304 | 2,296,055,644 | 28.9% | 51.3% | 0.0% | 80.2% | 47.1% | 33.1% |
| Five-year period-to-period results | | | | | | | | |
| 2011-2015 | 884,347,046 | 930,931,283 | 38.4% | 26.7% | 0.0% | 65.1% | 58.2% | 6.9% |
| 2016-2020 | 1,392,370,258 | 857,057,316 | 22.9% | 68.1% | 0.0% | 91.0% | 39.5% | 51.4% |

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 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | One-year dev. | Cumulative dev. |
|-------------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|---------------|-----------------|
| Prior | 110,278 | 93,729 | 86,893 | 80,174 | 72,447 | 73,106 | 69,940 | 71,164 | 70,924 | 71,310 | 386 | -38,968 |
| 2011 | 68,571 | 61,519 | 54,457 | 50,314 | 48,425 | 47,268 | 46,997 | 46,497 | 45,400 | 45,083 | -317 | -23,488 |
| 2012 | | 64,479 | 58,836 | 60,309 | 54,902 | 49,046 | 48,009 | 47,525 | 47,022 | 46,361 | -661 | -18,118 |
| 2013 | | | 65,630 | 56,757 | 49,966 | 44,418 | 37,641 | 36,266 | 35,511 | 36,066 | 555 | -29,564 |
| 2014 | | | | 65,379 | 63,625 | 59,703 | 55,647 | 49,941 | 49,884 | 48,820 | -1,064 | -16,559 |
| 2015 | | | | | 67,830 | 64,651 | 65,694 | 62,944 | 64,173 | 62,406 | -1,767 | -5,424 |
| 2016 | | | | | | 66,696 | 62,982 | 53,921 | 52,100 | 53,946 | 1,846 | -12,750 |
| 2017 | | | | | | | 66,331 | 68,246 | 69,232 | 69,300 | 68 | 2,969 |
| 2018 | | | | | | | | 72,676 | 71,001 | 78,728 | 7,727 | 6,052 |
| 2019 | | | | | | | | | 77,955 | 70,307 | -7,648 | -7,648 |
| 2020 | | | | | | | | | | 73,508 | | |
| | | | | | | | | | | Total | -875 | -143,498 |

The Doctors Company, an Interinsurance Exchange

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

| Year in which losses occurred | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | One-year dev. | Cumulative dev. |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|----------------|-----------------|
| Prior | 531,063 | 469,938 | 434,032 | 382,784 | 364,135 | 360,035 | 356,733 | 356,506 | 349,631 | 349,611 | -20 | -181,452 |
| 2011 | 402,382 | 401,470 | 401,593 | 398,810 | 359,691 | 350,613 | 350,850 | 350,954 | 347,894 | 339,682 | -8,212 | -62,700 |
| 2012 | | 437,363 | 421,491 | 420,738 | 407,422 | 369,422 | 332,719 | 327,824 | 322,939 | 316,038 | -6,901 | -121,325 |
| 2013 | | | 478,868 | 479,267 | 475,791 | 475,791 | 458,008 | 457,972 | 433,614 | 410,681 | -22,933 | -68,187 |
| 2014 | | | | 523,776 | 523,475 | 523,475 | 520,327 | 519,162 | 425,875 | 394,734 | -31,141 | -129,042 |
| 2015 | | | | | 499,160 | 499,644 | 498,925 | 495,904 | 483,729 | 461,959 | -21,770 | -37,201 |
| 2016 | | | | | | 467,527 | 465,811 | 467,528 | 499,157 | 504,310 | 5,153 | 36,783 |
| 2017 | | | | | | | 466,642 | 466,886 | 490,691 | 490,901 | 210 | 24,259 |
| 2018 | | | | | | | | 474,260 | 496,802 | 503,509 | 6,707 | 29,249 |
| 2019 | | | | | | | | | 463,018 | 470,539 | 7,521 | 7,521 |
| 2020 | | | | | | | | | | 456,428 | | |
| | | | | | | | | | | Total | -71,386 | -502,095 |

The Medical Protective Company

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

| Year in which losses occurred | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | One-year dev. | Cumulative dev. |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|---------------|-------------------|
| Prior | 962,616 | 989,863 | 871,303 | 514,225 | 470,897 | 443,066 | 420,519 | 405,425 | 401,141 | 400,014 | -1,127 | -562,602 |
| 2011 | 282,074 | 314,451 | 301,159 | 169,322 | 154,949 | 146,890 | 136,678 | 129,861 | 125,390 | 126,770 | 1,380 | -155,304 |
| 2012 | | 322,195 | 315,585 | 163,486 | 159,471 | 152,546 | 135,840 | 127,642 | 124,086 | 124,535 | 449 | -197,660 |
| 2013 | | | 322,225 | 157,295 | 155,514 | 149,149 | 139,670 | 129,103 | 122,557 | 121,004 | -1,553 | -201,221 |
| 2014 | | | | 174,469 | 177,627 | 172,179 | 162,275 | 153,700 | 140,992 | 134,612 | -6,380 | -39,857 |
| 2015 | | | | | 186,030 | 183,767 | 175,535 | 168,667 | 160,859 | 152,707 | -8,152 | -33,323 |
| 2016 | | | | | | 185,285 | 184,199 | 180,654 | 175,884 | 175,177 | -707 | -10,108 |
| 2017 | | | | | | | 187,661 | 185,686 | 182,851 | 186,928 | 4,077 | -733 |
| 2018 | | | | | | | | 193,274 | 193,409 | 197,958 | 4,549 | 4,684 |
| 2019 | | | | | | | | | 199,180 | 200,850 | 1,670 | 1,670 |
| 2020 | | | | | | | | | | 211,449 | | |
| | | | | | | | | | | Total | -5,794 | -1,194,454 |

Appendix C: Rate filing information

| <u>Company</u> | <u>Description</u> | <u>Approved Change</u> | <u>Filed Loss & LAE Trend</u> | <u>Effective Date</u> |
|-----------------------------------|---|------------------------|-----------------------------------|-----------------------|
| Medical Mutual Ins. Co. of N.C. | Physicians and Surgeons | New Program | 0.0% | 7/1/2021 |
| Physicians Ins. A Mutual Co. | Hospitals and Employed Physicians | 2.1% | 0.0% | 7/1/2021 |
| ProSelect Ins. Co. | Hospitals | 8.0% | 2.4% | 7/1/2021 |
| Ins. Services Office Inc. | Physicians, Surgeons and Dentists | -20.0% | -2.0% | 5/1/2021 |
| Doctors Co. An Interins. Exchange | Physicians, Surgeons, Ancillary Health Care Providers | 6.1% | 2.0% | 1/16/2021 |
| Physicians Ins. A Mutual Co. | Physicians and Surgeons | 8.0% | 1.5% | 1/1/2021 |
| ProAssurance Ins. Co. of America | Chiropractors | 17.0% | 1.7% | 12/1/2020 |
| Cincinnati Ins. Co. | Home Health Care and Health Care Facilities | 15.8% | 2.5% | 9/1/2020 |
| Ins. Services Office Inc. | Physicians, Surgeons and Dentists | -8.1% | 0.0% | 5/1/2020 |
| MAG Mutual Ins. Co. | Physicians and Surgeons | New Program | 0.0% | 4/14/2020 |
| Doctors Co. An Interins. Exchange | Physicians, Surgeons, Ancillary Health Care Providers | 7.3% | 2.0% | 1/1/2020 |

Appendix D: 2019 NAIC profitability of medical professional liability insurance

| State | Direct premiums earned (000s) | Percent of direct premiums earned | | | | | | | | Percent of net worth | | | |
|----------------------|-------------------------------|-----------------------------------|---------------------|-----------------------|----------------------|----------------------|----------------------------|--------------------|-----------------------|---------------------------|------------------------|-------------------------------|---------------------|
| | | Losses incurred | Loss adjust expense | Under-writing expense | Dividend to plcyhldr | 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 | 124,600 | 56.5 | 35.3 | 20.8 | 1.4 | -13.9 | 11.3 | -1.0 | -1.6 | 47.9 | 3.7 | 0.6 | 2.3 |
| Alaska | 25,088 | 95.5 | 27.3 | 22.7 | 7.8 | -53.1 | 7.8 | -9.9 | -35.5 | 61.1 | 3.7 | 0.6 | -18.6 |
| Arizona | 206,247 | 49.7 | 25.9 | 23.1 | 11.7 | -10.3 | 11.5 | -0.2 | 1.5 | 45.5 | 3.8 | 0.6 | 3.8 |
| Arkansas | 62,990 | 69.2 | 32.7 | 26.5 | 2.2 | -30.4 | 11.7 | -4.4 | -14.3 | 46.8 | 3.8 | 0.6 | -3.5 |
| California | 773,995 | 62.0 | 38.3 | 25.4 | 1.3 | -26.9 | 10.4 | -3.9 | -12.6 | 50.5 | 3.8 | 0.6 | -3.2 |
| Colorado | 151,610 | 41.2 | 23.4 | 21.8 | 11.2 | 2.5 | 10.2 | 2.2 | 10.5 | 50.8 | 3.7 | 0.6 | 8.4 |
| Connecticut | 212,417 | 118.1 | 31.4 | 21.2 | 0.2 | -70.8 | 11.7 | -12.9 | -46.2 | 49.0 | 3.7 | 0.6 | -19.5 |
| Delaware | 29,896 | 46.8 | 18.1 | 25.3 | 0.3 | 9.5 | 12.2 | 4.0 | 17.6 | 44.4 | 3.8 | 0.6 | 11.0 |
| District of Columbia | 27,208 | 66.6 | 28.5 | 28.0 | 0.2 | -23.3 | 11.6 | -2.9 | -8.7 | 47.6 | 3.8 | 0.6 | -1.0 |
| Florida | 630,400 | 73.7 | 25.8 | 25.4 | 1.7 | -26.4 | 10.1 | -3.9 | -12.5 | 51.8 | 3.8 | 0.6 | -3.3 |
| Georgia | 279,225 | 90.2 | 37.4 | 24.9 | 4.0 | -56.3 | 13.1 | -9.6 | -33.6 | 42.8 | 3.8 | 0.6 | -11.3 |
| Hawaii | 31,048 | 31.1 | 20.9 | 22.8 | 8.5 | 16.8 | 10.8 | 5.3 | 22.3 | 49.3 | 3.7 | 0.6 | 14.1 |
| Idaho | 33,659 | 35.9 | 27.6 | 25.7 | 4.8 | 6.2 | 9.8 | 2.9 | 13.1 | 53.0 | 3.8 | 0.6 | 10.1 |
| Illinois | 457,995 | 64.6 | 37.9 | 25.4 | 3.0 | -30.7 | 16.2 | -3.7 | -10.8 | 37.0 | 3.8 | 0.6 | -0.9 |
| Indiana | 122,894 | 42.2 | 34.4 | 21.3 | 0.2 | 2.0 | 15.5 | 3.0 | 14.5 | 38.6 | 3.7 | 0.6 | 8.7 |
| Iowa | 66,704 | 91.3 | 40.5 | 23.4 | 1.7 | -56.8 | 12.3 | -9.9 | -34.6 | 46.1 | 3.7 | 0.6 | -12.8 |
| Kansas | 66,919 | 42.9 | 35.4 | 25.5 | 0.8 | -4.4 | 11.8 | 1.0 | 6.3 | 47.7 | 3.8 | 0.6 | 6.1 |
| Kentucky | 109,727 | 76.8 | 46.9 | 23.8 | 1.0 | -48.4 | 17.2 | -7.3 | -23.9 | 35.6 | 3.7 | 0.6 | -5.4 |
| Louisiana | 99,495 | 13.8 | 29.6 | 24.0 | 2.8 | 29.9 | 12.2 | 8.3 | 33.7 | 46.1 | 3.8 | 0.6 | 18.7 |
| Maine | 46,307 | 30.2 | 11.3 | 20.2 | 3.0 | 35.3 | 11.8 | 9.4 | 37.7 | 46.5 | 3.7 | 0.6 | 20.6 |
| Maryland | 289,649 | 71.9 | 30.5 | 22.3 | 12.5 | -37.0 | 8.8 | -6.3 | -21.9 | 57.5 | 3.7 | 0.6 | -9.5 |
| Massachusetts | 334,558 | 59.0 | 18.9 | 21.0 | 2.2 | -1.0 | 14.9 | 2.3 | 11.6 | 40.7 | 3.7 | 0.6 | 7.8 |
| Michigan | 191,737 | 15.0 | 25.4 | 25.0 | 0.7 | 34.1 | 11.3 | 9.0 | 36.3 | 47.7 | 3.8 | 0.6 | 20.5 |
| Minnesota | 80,909 | 59.4 | 31.8 | 24.3 | 0.3 | -15.6 | 9.2 | -1.7 | -4.7 | 56.4 | 3.8 | 0.6 | 0.5 |
| Mississippi | 45,413 | 25.1 | 17.2 | 24.8 | 1.1 | 31.9 | 10.6 | 8.5 | 34.0 | 50.4 | 3.8 | 0.6 | 20.3 |
| Missouri | 150,052 | 79.3 | 29.4 | 22.8 | 10.2 | -41.7 | 10.4 | -7.0 | -24.3 | 51.0 | 3.7 | 0.6 | -9.2 |
| Montana | 43,503 | 61.5 | 32.8 | 27.2 | 0.9 | -22.3 | 10.1 | -3.0 | -9.2 | 53.0 | 3.8 | 0.6 | -1.7 |
| Nebraska | 33,341 | 62.6 | 50.2 | 24.5 | 0.6 | -37.7 | 15.4 | -5.4 | -17.0 | 38.5 | 3.8 | 0.6 | -3.4 |
| Nevada | 71,509 | 57.1 | 42.4 | 28.5 | 0.3 | -28.3 | 9.9 | -4.3 | -14.1 | 52.0 | 3.8 | 0.6 | -4.2 |
| New Hampshire | 45,401 | 61.2 | 20.6 | 26.7 | 0.7 | -9.2 | 14.3 | 0.5 | 4.7 | 40.6 | 3.8 | 0.6 | 5.0 |
| New Jersey | 407,491 | 52.3 | 20.8 | 25.4 | 0.3 | 1.3 | 16.9 | 3.1 | 15.1 | 35.8 | 3.8 | 0.6 | 8.5 |
| New Mexico | 58,273 | 111.9 | 64.7 | 25.9 | 0.9 | -103.4 | 14.1 | -19.3 | -69.9 | 41.4 | 3.8 | 0.6 | -25.8 |
| New York | 1,569,296 | 40.4 | 27.2 | 20.8 | 0.2 | 11.6 | 21.7 | 6.1 | 27.2 | 29.8 | 3.7 | 0.6 | 11.2 |
| North Carolina | 195,067 | 44.4 | 21.8 | 23.1 | 3.0 | 7.8 | 8.6 | 3.1 | 13.3 | 57.5 | 3.8 | 0.6 | 10.8 |
| North Dakota | 11,129 | 8.5 | 20.2 | 27.3 | 1.6 | 42.5 | 9.3 | 10.5 | 41.3 | 54.7 | 3.8 | 0.6 | 25.7 |

| State | Direct premiums earned (000s) | Percent of direct premiums earned | | | | | | | | Percent of net worth | | | |
|---------------------|-------------------------------|-----------------------------------|---------------------|-----------------------|----------------------|----------------------|----------------------------|--------------------|-----------------------|---------------------------|------------------------|------------------------------|---------------------|
| | | Losses incurred | Loss adjust expense | Under-writing expense | Dividend to plcyhldr | Under-writing profit | Invest gain on ins. trans. | Tax on ins. trans. | Profit on ins. trans. | Earned prem. to net worth | Inv. gain on net worth | Tax on inv.gain on net worth | Return on net worth |
| Ohio | 234,541 | 24.2 | 19.8 | 25.9 | 1.4 | 28.6 | 15.1 | 8.5 | 35.2 | 39.0 | 3.8 | 0.6 | 16.8 |
| Oklahoma | 97,263 | 51.2 | 33.2 | 25.9 | 0.2 | -10.5 | 12.8 | -0.1 | 2.4 | 44.0 | 3.8 | 0.6 | 4.2 |
| Oregon | 92,084 | 97.3 | 30.8 | 23.3 | 1.4 | -52.8 | 9.9 | -9.4 | -33.4 | 52.5 | 3.8 | 0.6 | -14.4 |
| Pennsylvania | 697,906 | 54.8 | 27.6 | 20.1 | 0.2 | -2.7 | 13.8 | 1.7 | 9.3 | 42.7 | 3.7 | 0.6 | 7.1 |
| Rhode Island | 30,080 | 81.1 | 44.4 | 23.6 | 0.2 | -49.1 | 26.5 | -5.9 | -16.7 | 25.0 | 3.7 | 0.6 | -1.1 |
| South Carolina | 76,639 | 60.0 | 28.9 | 26.4 | 3.8 | -19.2 | 13.0 | -1.8 | -4.3 | 43.5 | 3.8 | 0.6 | 1.3 |
| South Dakota | 15,950 | 81.4 | 22.1 | 28.5 | 0.2 | -32.1 | 9.6 | -5.1 | -17.4 | 54.4 | 3.8 | 0.6 | -6.3 |
| Tennessee | 225,339 | 70.6 | 39.0 | 20.4 | 2.7 | -32.7 | 15.9 | -4.2 | -12.5 | 37.8 | 3.7 | 0.6 | -1.6 |
| Texas | 337,319 | 48.3 | 30.6 | 26.5 | 0.3 | -5.6 | 10.3 | 0.5 | 4.1 | 51.3 | 3.8 | 0.6 | 5.3 |
| Utah | 56,472 | 54.0 | 42.5 | 23.9 | 2.6 | -22.9 | 12.1 | -2.8 | -8.0 | 46.9 | 3.8 | 0.6 | -0.6 |
| Vermont | 16,167 | 117.2 | 39.7 | 36.0 | 1.8 | -94.5 | 12.8 | -17.7 | -64.0 | 43.0 | 3.9 | 0.6 | -24.3 |
| Virginia | 188,541 | 42.7 | 17.8 | 26.6 | 2.6 | 10.5 | 9.9 | 3.9 | 16.5 | 52.5 | 3.8 | 0.6 | 11.8 |
| Washington | 192,612 | 78.8 | 37.1 | 22.4 | 2.6 | -40.8 | 9.8 | -6.9 | -24.1 | 54.2 | 3.7 | 0.6 | -9.9 |
| West Virginia | 97,507 | 57.0 | 21.3 | 22.2 | 3.8 | -4.2 | 7.7 | 0.4 | 3.0 | 64.2 | 3.7 | 0.6 | 5.1 |
| Wisconsin | 75,009 | 48.0 | 33.9 | 22.1 | 0.3 | -4.3 | 12.5 | 1.2 | 7.0 | 45.0 | 3.7 | 0.6 | 6.3 |
| Wyoming | 19,407 | 19.3 | 16.1 | 26.7 | 2.1 | 35.9 | 10.9 | 9.4 | 37.4 | 49.8 | 3.8 | 0.6 | 21.8 |
| Guam | 852 | -26.0 | -11.0 | 29.0 | 0.1 | 108.0 | 9.5 | 24.3 | 93.2 | 53.0 | 3.8 | 0.6 | 52.6 |
| Puerto Rico | 68,523 | 35.3 | 22.5 | 25.0 | 0.0 | 17.3 | 9.2 | 5.2 | 21.4 | 55.9 | 3.8 | 0.6 | 15.1 |
| U.S. Virgin Islands | 271 | -57.1 | 15.7 | 35.2 | 0.7 | 105.6 | 5.5 | 23.1 | 88.0 | 74.4 | 3.9 | 0.7 | 68.7 |
| N Mariana Islands | 5 | 68.4 | 14.2 | 30.0 | 0.0 | -12.5 | 8.2 | -1.3 | -3.1 | 63.0 | 3.8 | 0.6 | 1.2 |
| Countrywide | 9,608,241 | 56.9 | 29.6 | 23.4 | 2.2 | -12.0 | 13.8 | -0.2 | 2.0 | 42.0 | 3.7 | 0.6 | 4.0 |