

**State of Illinois**  
Rod R. Blagojevich, Governor

**Department of Financial and Professional Regulation-Division of Insurance**  
Dean Martinez, Acting Secretary  
Michael T. McRaith, Director, Division of Insurance



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# 2005 Medical Malpractice Claims Report

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# Illinois Department of Financial and Professional Regulation

## Division of Insurance

ROD R. BLAGOJEVICH  
Governor

DEAN MARTINEZ  
Acting Secretary

Michael T. McRaith  
Director  
Division of Insurance

March 27, 2006

Honorable Rod Blagojevich  
Governor  
State of Illinois  
Springfield, Illinois 62706

Honorable Emil Jones  
President of the Senate  
State of Illinois  
Springfield, Illinois 62706

Honorable Michael Madigan  
Speaker of the House  
State of Illinois  
Springfield, Illinois 62706

Re: 2005 Medical Malpractice Claims Report (215 ILCS 5/155.19).

Dear Governor Blagojevich, President Jones and Speaker Madigan:

Section 155.19 of the Illinois Insurance Code (215 ILCS 5/155.19) formerly required the Illinois Division of Insurance ("DOI") to periodically release a medical malpractice claims report. DOI interpreted this statutory mandate to require a study every five years. Public Act 94-0677 amended Section 155.19, which now requires annual publication of claims data.

Pursuant to Section 155.19, I hereby release the 2005 Medical Malpractice Claims Report. This Report compiles medical malpractice claims information filed with the Division of Insurance by insurers that did or do provide coverage in Illinois. Release of this Report would not have been possible without the expertise and dedication of several Division of Insurance employees, most notably Judy Pool Boutchee, Pam Donnewald and Steve Nordyke.

I hope this Report furthers efforts to improve the practice and delivery of health care in the State of Illinois.

Respectfully,

Michael T. McRaith  
Director of Insurance

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## **Introduction**

To assist the Director of Insurance in monitoring the long-tailed and volatile line of medical malpractice insurance, Section 155.19 of the Illinois Insurance Code requires licensed insurance companies to report closed Illinois medical liability claims or suits. The form used for reporting such data, the Illinois Medical Professional Liability Insurance Uniform Claims Report, is included in Appendix A.

Section 155.19 also requires the Director to release, from time to time, statistical reports based on the reported data.

The study is based on medical malpractice claims reported against defendant physicians and surgeons, which were closed between January 1, 2000, and December 31, 2004. These claims include, but are not limited to, lawsuits, patient claims, investigations and deposition assistance.

This study primarily provides an analysis of the following areas:

- “Indemnity Paid” – the total amount of loss settlement dollars paid by the insurance company.
- “Amounts Paid to Defense Counsel” – defense attorney fees paid by the insurance company.

Note: Calculations for all percentages discussed in the Key Findings of each section are footnoted on the corresponding Table.

## Limitations

When reviewing this report, the reader should keep in mind the following limitations of the underlying data and the final report:

- Portions of this report cannot be compared to previous report results – For this report, the Division changed the methodology of compiling the data for some sections. The differences incorporated impact items such as the amounts of indemnity paid and the medical provider specialty groupings. Prior studies have not been reformatted or revised. Therefore, it is important for reviewers not to conduct improper data comparisons of this report to prior reports in these areas.
- Report does not evaluate medical liability insurance rates – This report does not attempt to evaluate past or current medical liability insurance rates, nor is it predictive of future trends in medical liability insurance rates.
- Report provides only a partial analysis of the overall Illinois medical liability insurance marketplace – This report provides only a partial analysis of the Illinois medical liability insurance marketplace for several reasons:
  - Data pertains to claims closed against physicians and surgeons only. This report does not include closed claim information for other health care providers such as nurses, hospitals, clinics, or corporations.
  - Only licensed insurance companies are required to report data. The medical liability insurance marketplace consists of many other entities that provide medical liability insurance to health care providers. These other entities, such as self-insured hospitals, hospitals that insure their employee physicians and surgeons, captive insurers, risk retention groups, and surplus lines insurers, are not required to report closed claim data used for this report.

One example of the extent of the incomplete marketplace information is claims data from surplus lines carriers. Between January 1, 2000, and December 31, 2004, the amount of medical liability insurance premiums being written in the Illinois surplus lines market increased by approximately 465.5% for physicians/surgeons, from \$4,246,156 in 2000 to \$24,010,172 in 2004. The policy count for physicians/surgeons increased from 51 in 2000 to 326 in 2004, for a 539.2% increase. (Surplus lines producers, who arrange coverage with unauthorized insurers doing surplus lines business, report this premium and policy count information to the Surplus Lines Association of Illinois; this

information has not been verified by the Division of Insurance.) Since surplus lines insurers are not required to report closed claim data to the Division of Insurance, frequency and severity data for physicians and surgeons who have migrated to the surplus lines market are not included in this report, thus providing an incomplete picture of the overall marketplace.

- Report does not provide information about the number of active insurers writing medical liability insurance for physicians and surgeons and whether that number has increased or decreased over the report period, or whether insurers have made business decisions to increase or decrease their medical liability writings in certain classifications and/or territories.
- Data may contain anomalies – The Division makes every possible effort to ensure the accuracy, consistency, and completeness of the data. The Division provides all insurers with the same set of instructions and filing requirements, and Division personnel attempt to follow up on incomplete reports or anomalies in data. The accuracy of the report still depends largely on the accuracy of the data reported by insurers. Individual insurers and individual data entry personnel employed by those insurers may interpret data fields differently. As a result, errors and inconsistencies may still occur. Due to time constraints and limited resources, the Division cannot verify the accuracy of certain claim data reported and must rely solely on the accuracy of the reporting insurer.
- Data is not adjusted for economic differences over time – The data has not been adjusted for economic differences occurring during the report period, such as inflation and cost of medical care.
- Data does not distinguish between policies and coverage amounts – The report does not analyze the data by type of policy (e.g. primary or excess, prior acts or extended reporting period coverage), limits of insurance purchased, or size of deductibles to determine whether these factors affect the frequency or severity of claims.
- Data is reported separately for each insured physician or surgeon – If a claim is made against more than one physician or surgeon for the same incident, the data is reported separately for each defendant according to his/her individual policy information. While some may argue that this method overstates the frequency of “incidents” and understates the severity of an “incident,” this method keeps further inconsistencies/inaccuracies to a minimum by avoiding incomplete and/or inaccurate data reporting by insurers for co-defendants they do not insure.

- Report does not include information about open claims. This report analyzes only closed claims data. Any claims that are still open, such as claims that are in settlement negotiations or on trial, are not included in this study. The analysis of closed claims information is valuable; however, open claims information may be more indicative of the current environment.

## **Executive Summary**

### Number of Claims (i.e. frequency)

- The frequency of total closed claims and the frequency of claims without indemnity payment increased over the report period of January 1, 2000, through December 31, 2004, while frequency of claims with indemnity payment remained steady.
- The total number of closed claims for the report period was 16,016. The number of closed claims increased by 141.8%, from reporting year 2000 to reporting year 2004, with the greatest annual percentage increase occurring between 2002 and 2003 (107.3%).
- The frequency of claims closed with indemnity payment remained steady over the report period. Of all closed claims, 12.1% were closed with an indemnity payment to the claimant. When comparing reporting year 2000 to reporting year 2004, the total number of claims closed with indemnity payment decreased by 7.2%, despite a 25.9% increase between 2002 and 2003.
- The frequency of claims closed without indemnity payment increased over the report period. Of all closed claims, 87.9% were closed without an indemnity payment to the claimant. When comparing reporting year 2000 to reporting year 2004, the total number of claims closed without indemnity payment increased by 180.6%.

### Indemnity Payments

- A total of \$954,030,172 in indemnity payments was made to claimants over the report period.
- When comparing reporting year 2000 to reporting year 2004, the total indemnity payments increased by 38.1%.
- The average indemnity payment on claims closed with payment increased during the report period. When comparing reporting year 2000 to reporting year 2004, this amount increased by 48.8%.



## Defense Counsel

- Frequency of Claims with Defense Counsel Payment
  - Over half of all closed claims had a payment to defense counsel.
  - The number of claims with payment to defense counsel has been increasing each year since 2001.
  - When comparing reporting year 2000 to reporting year 2004, the total number of claims with payment to defense counsel increased by 49.2%.
  - Of all the claims closed with payment to defense counsel, nearly 80% had payment to defense counsel only (i.e. no corresponding indemnity payment to claimant).
  - When comparing reporting year 2000 to reporting year 2004, the number of claims with payment only to defense counsel increased by 72.8%, while the number of claims with payment both to defense counsel and claimant remained fairly steady over the report period.
- Defense Counsel Payments
  - Over the report period, a total of \$204,591,226 was paid to defense counsel. Of that amount, almost half was paid in the last two years, and over half was paid for claims with \$0 indemnity paid.
  - Claims with \$0 indemnity paid accounted for the highest total payment to defense counsel.
  - When comparing reporting year 2000 to reporting year 2004, total payment to defense counsel increased by 29.8%.
  - The average payment to defense counsel on claims with payment only to defense counsel remained steady over the report period.

- The average payment to defense counsel was 173.1% higher when the claim included an indemnity payment than when a claim resulted in payment to defense counsel only. The average payment to defense counsel is largest in claims with \$1 million and over of indemnity paid and smallest for claims with \$0 indemnity paid.
- The ratio of “payment to defense counsel” to “amount of indemnity payments” for the report period was 21.4% and remained steady from year to year.

### Length of Claims

Medical professional liability is a long-tailed line of business, meaning that it generally takes longer to report claims after an incident occurs and longer to close claims after they are reported to the insurer.

- It took an average of 3.3 years from the date of injury to close a claim.
- Claims with indemnity payment took an average of 5.6 years from the date of injury to close.
- Seven percent of claims were not closed until more than 10 years after the date of injury.
- The average length of time between injury and closure date was twice as long for claims that closed with indemnity payment than for those that closed with no indemnity payment.

### Type of Medical Specialty

Due to apparent insurer coding issues when reporting data (issues which were unable to be verified/corrected prior to printing this report), a significant number of claims were grouped in the “Other” specialty, making it difficult to draw conclusions from the data.

- Nearly 1/3 of claims with indemnity payment and 1/3 of the amount of indemnity payments were for claims against physicians/surgeons in the 3 specialty codes of Obstetrics – Gynecology Surgery, General Surgery and Internal Medicine (No Surgery).

- Each year, the highest percentage of claims with indemnity payment and the largest percentage of total indemnity payments were for claims against Obstetrics – Gynecology Surgery.

#### Claims by Region of State

- Nearly 60% of claims closed with payment and over 60% of the total indemnity payments were for physicians/surgeons in Region 1 (Cook, Madison, McHenry, St. Clair and Will Counties).

## Summary of Indemnity Payments

Table 1-1 and Graphs 1-1, 1-2 and 1-3 show key findings with respect to indemnity payments.

### Key Findings:

#### Total Number of Closed Claims (i.e. frequency) – Table 1-1 and Graph 1-1

- A total of 16,016 closed claims were reported to the Director between 2000 and 2004.
- As illustrated by Graph 1-1, the total number of closed claims increased annually from 2000 to 2004.
- When comparing reporting year 2000 to reporting year 2004, the total number of closed claims increased by 141.8%.<sup>(1)</sup>
- The largest annual percentage increase of closed claims (107.3%) occurred between 2002 and 2003.<sup>(2)</sup>

#### Number of Claims with Indemnity Payment – Table 1-1 and Graph 1-1

- Of the 16,016 closed claims reported, 1,945 (12.1%) were closed with indemnity payment to the claimant.<sup>(3)</sup>
- As illustrated by Graph 1-1, the number of claims closed with indemnity payment remained steady over the report period.
- When comparing reporting year 2000 to reporting year 2004, the number of claims closed with indemnity payment decreased 7.2%.<sup>(4)</sup>
- The number of claims closed with indemnity payment decreased on a year to year basis, except for the time period between 2002 and 2003 when the number of claims with indemnity payment increased by 25.9%.<sup>(5)</sup>

#### Number of Claims without Indemnity Payment – Table 1-1 and Graph 1-1

- Of the 16,016 closed claims reported, 14,071 or 87.9% were closed without indemnity payment to the claimant.<sup>(6)</sup>
- As illustrated by Graph 1-1, the number of claims closed without indemnity payment increased over the report period.
- When comparing reporting year 2000 to reporting year 2004, the total number of claims closed without indemnity payment increased by 180.6%.<sup>(7)</sup>
- The largest annual percentage increase of claims closed without indemnity payment (122.0%) occurred between 2002 and 2003.<sup>(8)</sup>

#### Total Indemnity Payments – Table 1-1 and Graph 1-2

- For the five-year study period, the total indemnity paid to claimants was \$954,030,172.
- As illustrated by Graph 1-2, total indemnity paid peaked in 2003 at \$241,644,557.
- When comparing reporting year 2000 to reporting year 2004, the total amount of indemnity payments to claimants increased by 38.1%.<sup>(9)</sup>
- The largest annual percentage increase in total indemnity payments (47.7%) occurred between 2002 and 2003.<sup>(10)</sup>

#### Average Indemnity of Paid Claims – Table 1-1 and Graph 1-3

- The overall average indemnity payment on the 1,945 claims with payment was \$490,504.
- As illustrated by Graph 1-3, average indemnity payments for paid claims increased annually over the report period.

- When comparing reporting year 2000 to reporting year 2004, the average indemnity payment to claimants increased by 48.8%.<sup>(11)</sup>
- The largest annual percentage increase in average indemnity payment (17.4%) occurred between 2002 and 2003.<sup>(12)</sup>

# Indemnity Payments

Year	Total Number of Closed Claims	Number of Claims with Indemnity Payment	Number of Claims without Indemnity Payment	Total Indemnity Payments	Average Indemnity of Paid Claims
2000	2,004	414	1,590	\$166,465,874	\$402,091
2001	2,188	361	1,827	\$152,514,991	\$422,479
2002	2,271	348	1,923	\$163,580,386	\$470,059
2003	4,708	438	4,270	\$241,644,557	\$551,700
2004	4,845	384	4,461	\$229,824,364	\$598,501
<b>Total</b>	<b>16,016</b>	<b>1,945</b>	<b>14,071</b>	<b>\$954,030,172</b>	<b>\$490,504</b>

(1) 141.8% =  $[(4,845 / 2,004) - 1] * 100$

(2) 107.3% =  $[(4,708 / 2,271) - 1] * 100$

(3) 12.1% =  $(1,945 / 16,016) * 100$

(4) -7.2% =  $[(384 / 414) - 1] * 100$

(5) 25.9% =  $[(438 / 348) - 1] * 100$

(6) 87.9% =  $(14,071 / 16,016) * 100$

(7) 180.6% =  $[(4,461 / 1,590) - 1] * 100$

(8) 122.0% =  $[(4,270 / 1,923) - 1] * 100$

(9) 38.1% =  $[(\$229,824,364 / \$166,465,874) - 1] * 100$

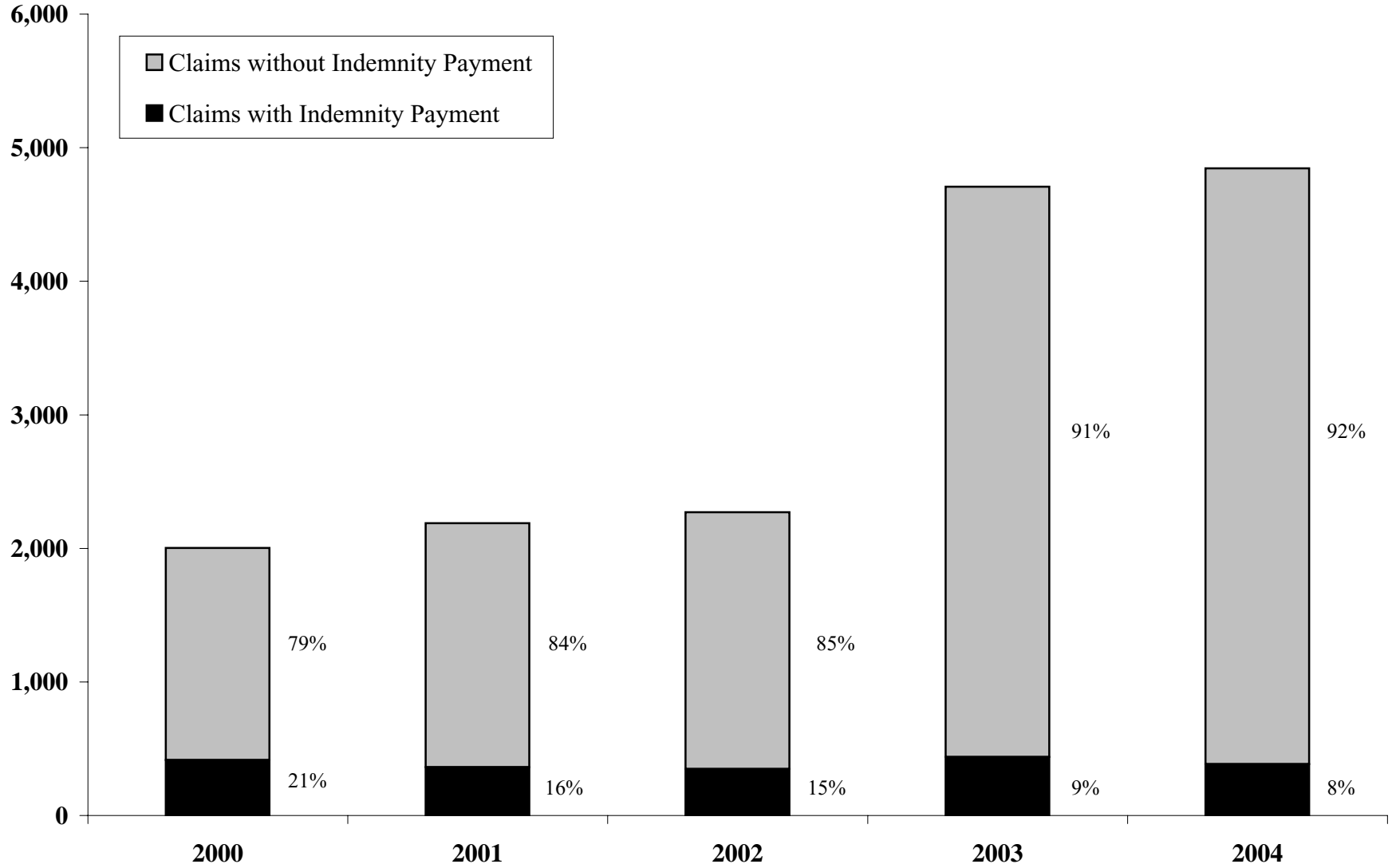
(10) 47.7% =  $[(\$241,644,557 / \$163,580,386) - 1] * 100$

(11) 48.8% =  $[(\$598,501 / \$402,091) - 1] * 100$

(12) 17.4% =  $[(\$551,700 / \$470,059) - 1] * 100$

Table 1 - 1

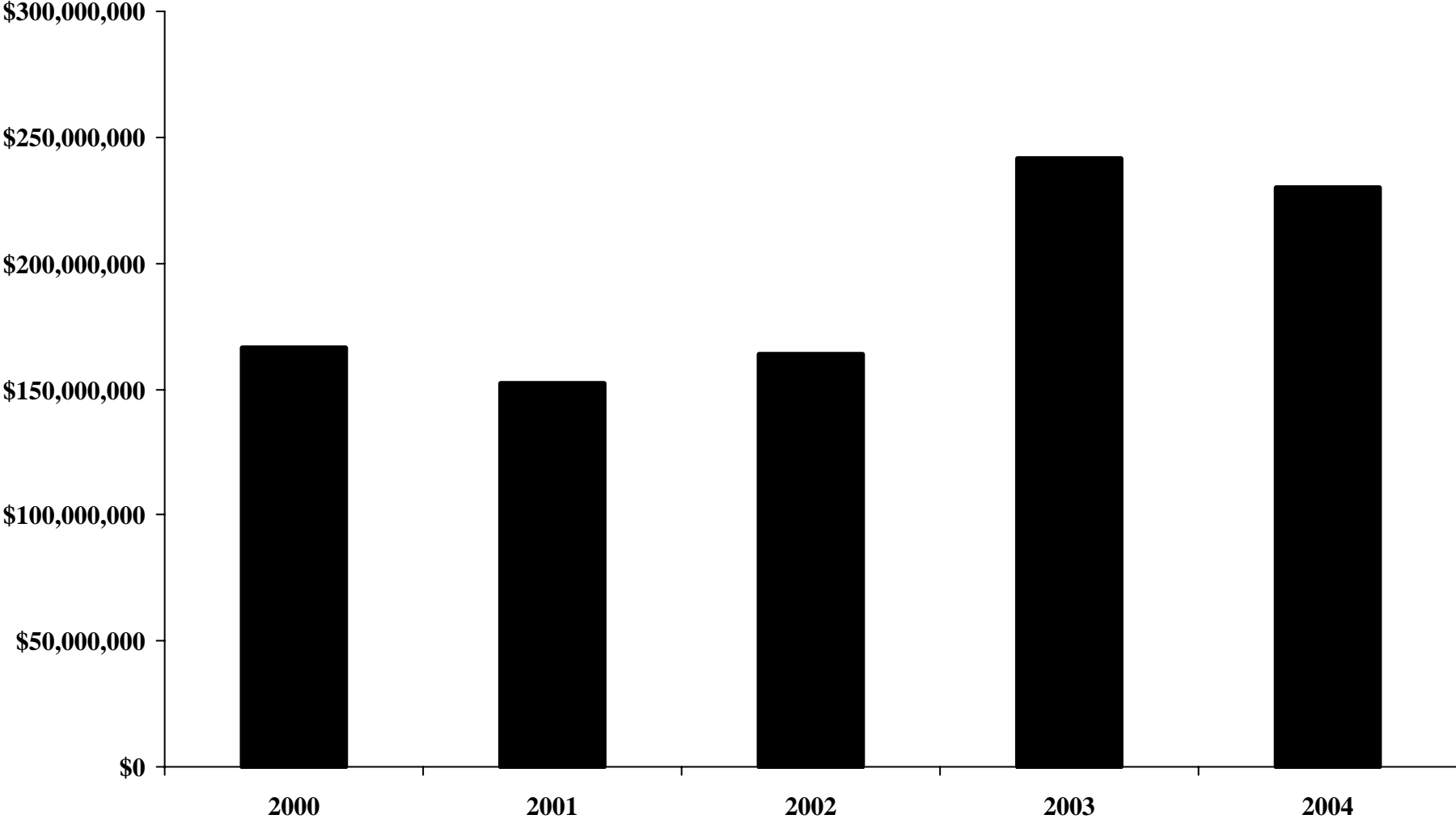
# Total Number of Closed Claims



Graph 1 - 1

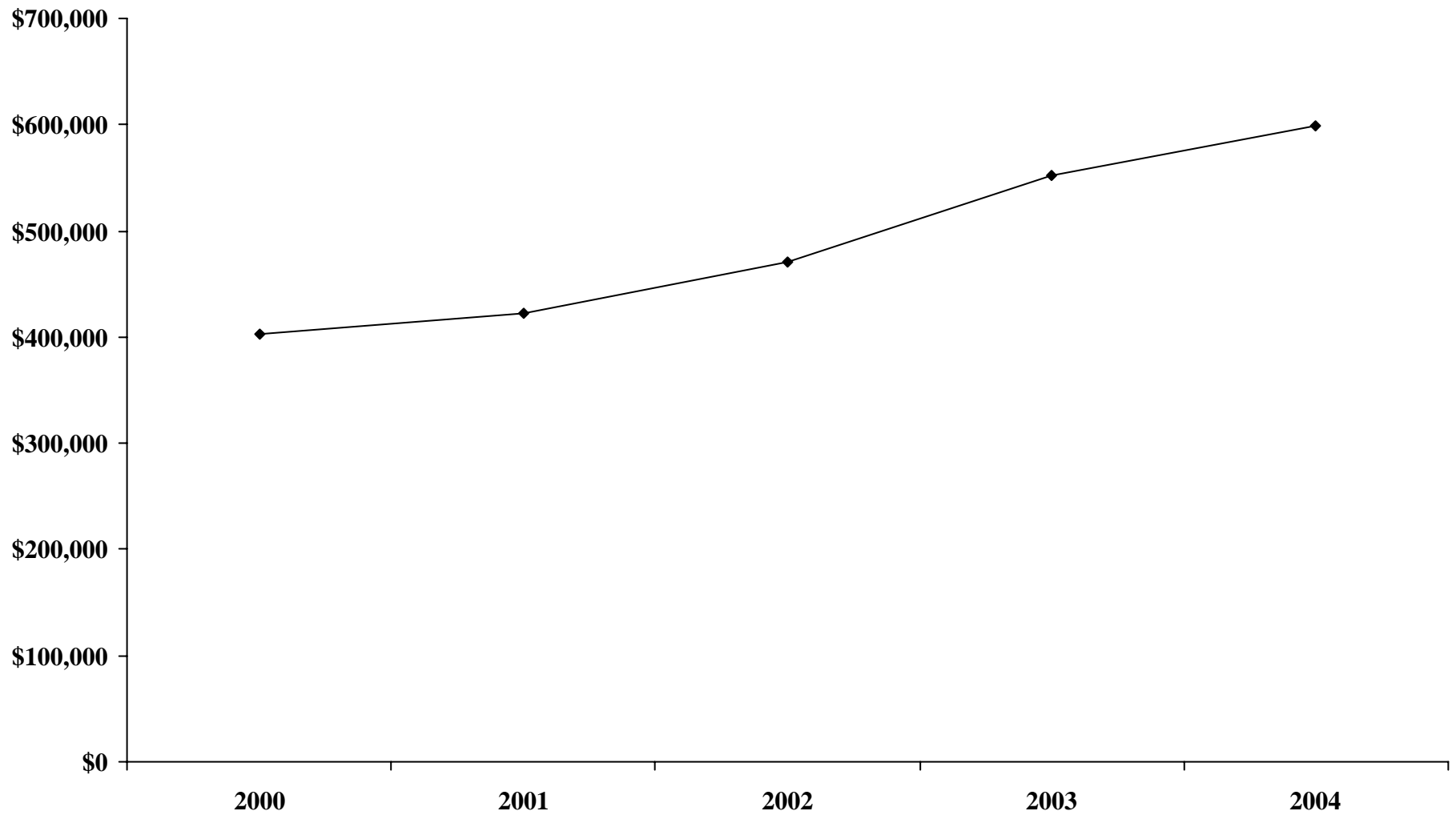


# Total Indemnity Payments



Graph 1 - 2

# Average Indemnity of Paid Claims



Graph 1 - 3

## Summary of Defense Counsel Payments

Table 2-1 and Graphs 2-1, 2-2, and 2-3 show key findings with respect to defense counsel payments.

### Key Findings:

#### Number of Claims with Payment to Defense Counsel – Table 2-1 and Graph 2-1

- Of the 16,016 closed claims studied, 8,627 (53.9%) had payment to defense counsel.<sup>(1)</sup>
- As illustrated by Graph 2-1, the total number of claims with payment to defense counsel decreased between 2000 and 2001, then began increasing annually thereafter.
- When comparing reporting year 2000 to reporting year 2004, the total number of claims with payment to defense counsel increased by 49.2%.<sup>(2)</sup>
- The largest annual percentage increase (52.4%) occurred between 2002 and 2003, when the number of claims with payment to defense counsel rose from 1,421 to 2,166.<sup>(3)</sup>

#### Total Payment to Defense Counsel – Table 2-1 and Graph 2-2

- Over the report period, the total payment to defense counsel was \$204,591,226. Of that amount, almost half (\$98,084,622) was paid in the last two years.<sup>(4)</sup>
- As illustrated by Graph 2-2, total payment to defense counsel decreased between 2000 and 2001, then began increasing annually thereafter.
- When comparing reporting year 2000 to reporting year 2004, total payment to defense counsel increased 29.8%.<sup>(5)</sup>

- The largest annual percentage increase (27.4%) of the total payment to defense counsel occurred between 2002 and 2003.<sup>(6)</sup>

Number of Claims with Payment to Defense Counsel Only – Table 2-1 and Graph 2-1

- Of the 8,627 claims with payment to defense counsel, 6,870 (79.6%) had payment to defense counsel only (i.e. no indemnity payment to a claimant).<sup>(7)</sup>
- As illustrated by Graph 2-1, each year more than 70% of the claims that closed with payment to defense counsel had no indemnity payment to a claimant.
- The number of “claims with payment to defense counsel only” increased 72.8%, when comparing reporting year 2000 to reporting year 2004.<sup>(8)</sup>
- The largest annual percentage increase in the number of “claims with payment to defense counsel only” (61.0%) occurred between 2002 and 2003.<sup>(9)</sup>

Average Payment to Defense Counsel for Claims with Payment to Defense Counsel Only – Table 2-1 and Graph 2-3

The dollar amounts for this column of Table 2-1 were calculated by dividing the dollar amount of “total payment to defense counsel on claims with defense counsel payment only” (not included in the table) by the number of “claims with payment to defense counsel only” (Column \*).

- As illustrated by Graph 2-3, the “average payment to defense counsel on claims with payment to defense counsel only” (i.e. no indemnity payment to a claimant) remained steady over the report period.
- When comparing reporting year 2000 to reporting year 2004, the “average payment to defense counsel on claims with payment to defense counsel only” increased 1.0%.<sup>(10)</sup>
- The highest average occurred in 2004 at \$18,564, while the lowest occurred in 2003 at \$16,206.

Number of Claims with Indemnity and Defense Counsel Payment – Table 2-1 and Graph 2-1

- Of the 8,627 claims with payment to defense counsel, 1,757 (20.4%) also had an indemnity payment to the claimant.<sup>(11)</sup>
- As illustrated by Graph 2-1, the number of “claims with indemnity and defense counsel payment” remained steady over time.
- The largest annual increase in the number of “claims with indemnity and defense counsel payment” (22.5%) occurred between 2002 and 2003.<sup>(12)</sup>

Average Payment to Defense Counsel for Claims with Indemnity and Defense Counsel Payment – Table 2-1 and Graph 2-3

The dollar amounts for this column of Table 2-1 were calculated by dividing the dollar amount of “total payment to defense counsel on claims with indemnity and defense counsel payment” (not included in the table) by the number of “claims with indemnity and defense counsel payment” (Column #).

- As illustrated by Graph 2-3, the amount of “average payment to defense counsel on claims with indemnity and defense counsel payment” spiked in 2002.
- When comparing reporting year 2000 to reporting year 2004, the average payment to defense counsel for these claims decreased by 3.3%.<sup>(13)</sup>
- The highest average occurred in 2002 at \$55,677, while the lowest occurred in 2001 at \$41,443.

When looking at the aggregate data, the “average payment to defense counsel on claims with indemnity and defense counsel payment” was 173.1% higher than the “average payment to defense counsel on claims with payments to defense counsel only”.<sup>(14)</sup>

The largest disparity between the “average payment to defense counsel on claims with indemnity and defense counsel payment” and the “average payment to defense counsel on claims with payment to defense counsel only ” occurred in 2003. In that year the

“average payment to defense counsel on claims with indemnity and defense counsel payment” was 207.8% more than the “average payment to defense counsel on claims with payment to defense counsel only”.<sup>(15)</sup>

# Defense Counsel Payments

Year	Total Number of Closed Claims	Number of Claims with Payment to Defense Counsel	Total Payment to Defense Counsel	(*) Number of Claims with Payment to Defense Counsel Only	Average Payment to Defense Counsel for Claims in (*)	(#) Number of Claims with Indemnity and Defense Counsel Payment	Average Payment to Defense Counsel for Claims in (#)
2000	2,004	1,474	\$38,469,479	1,076	\$18,376	398	\$46,978
2001	2,188	1,367	\$30,266,666	1,051	\$16,338	316	\$41,443
2002	2,271	1,421	\$37,770,459	1,105	\$18,259	316	\$55,677
2003	4,708	2,166	\$48,134,697	1,779	\$16,206	387	\$49,882
2004	4,845	2,199	\$49,949,925	1,859	\$18,564	340	\$45,411
<b>Total</b>	<b>16,016</b>	<b>8,627</b>	<b>\$204,591,226</b>	<b>6,870</b>	<b>\$17,534</b>	<b>1,757</b>	<b>\$47,883</b>

(1)  $53.9\% = (8,627 / 16,016) * 100$

(2)  $49.2\% = [(2,199 / 1,474) - 1] * 100$

(3)  $52.4\% = [(2,166 / 1,421) - 1] * 100$

(4)  $\$98,084,622 = \$48,134,697 + \$49,949,925$

(5)  $29.8\% = [(\$49,949,925 / \$38,469,479) - 1] * 100$

(6)  $27.4\% = [(\$48,134,697 / \$37,770,459) - 1] * 100$

(7)  $79.6\% = (6,870 / 8,627) * 100$

(8)  $72.8\% = [(1,859 / 1,076) - 1] * 100$

(9)  $61.0\% = [(1,779 / 1,105) - 1] * 100$

(10)  $1.0\% = [(\$18,564 / \$18,376) - 1] * 100$

(11)  $20.4\% = (1,757 / 8,627) * 100$

(12)  $22.5\% = [(387 / 316) - 1] * 100$

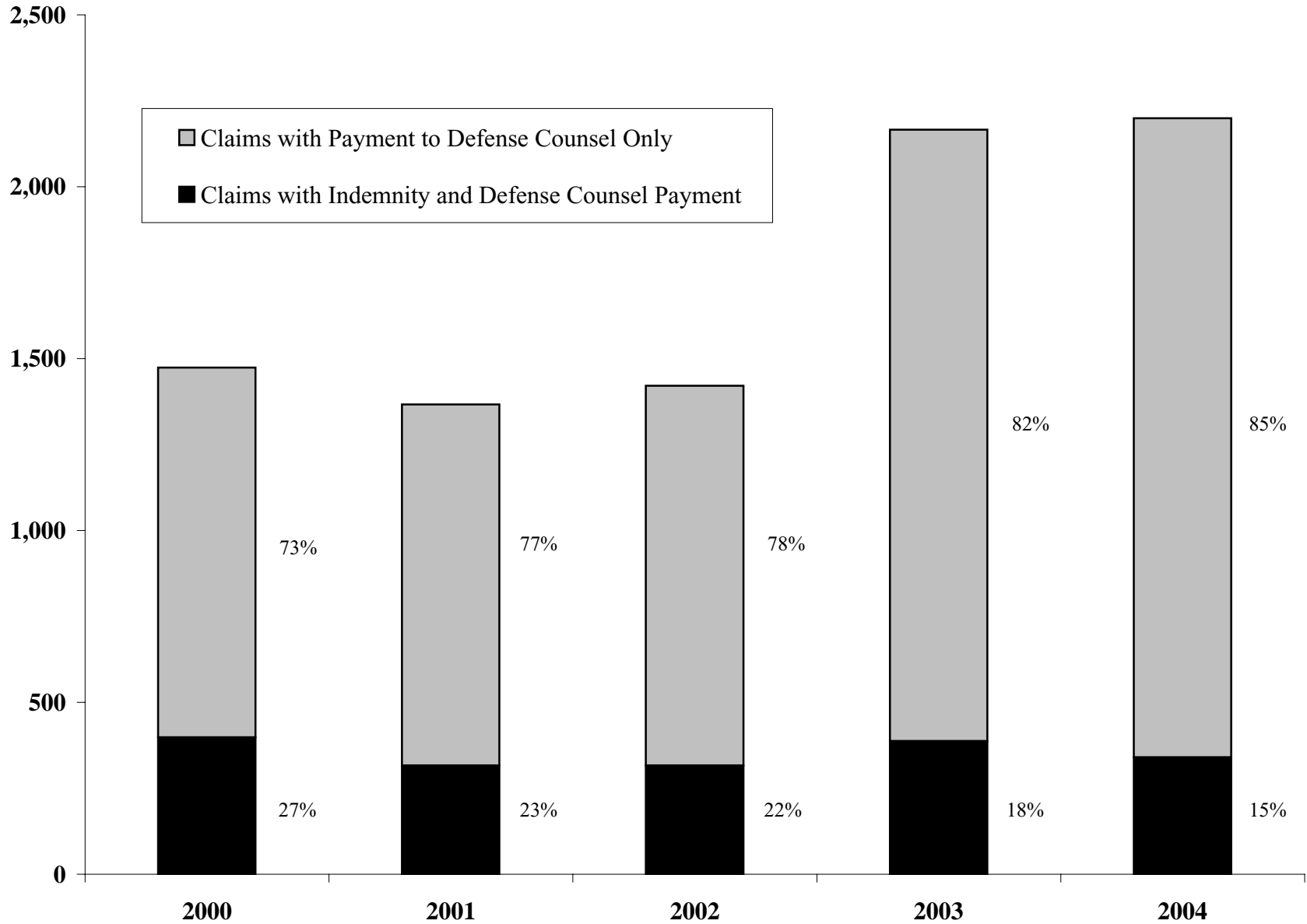
(13)  $-3.3\% = [(\$45,411 / \$46,978) - 1] * 100$

(14)  $173.1\% = [(\$47,883 / \$17,534) - 1] * 100$

(15)  $207.8\% = [(\$49,882 / \$16,206) - 1] * 100$

**Table 2 - 1**

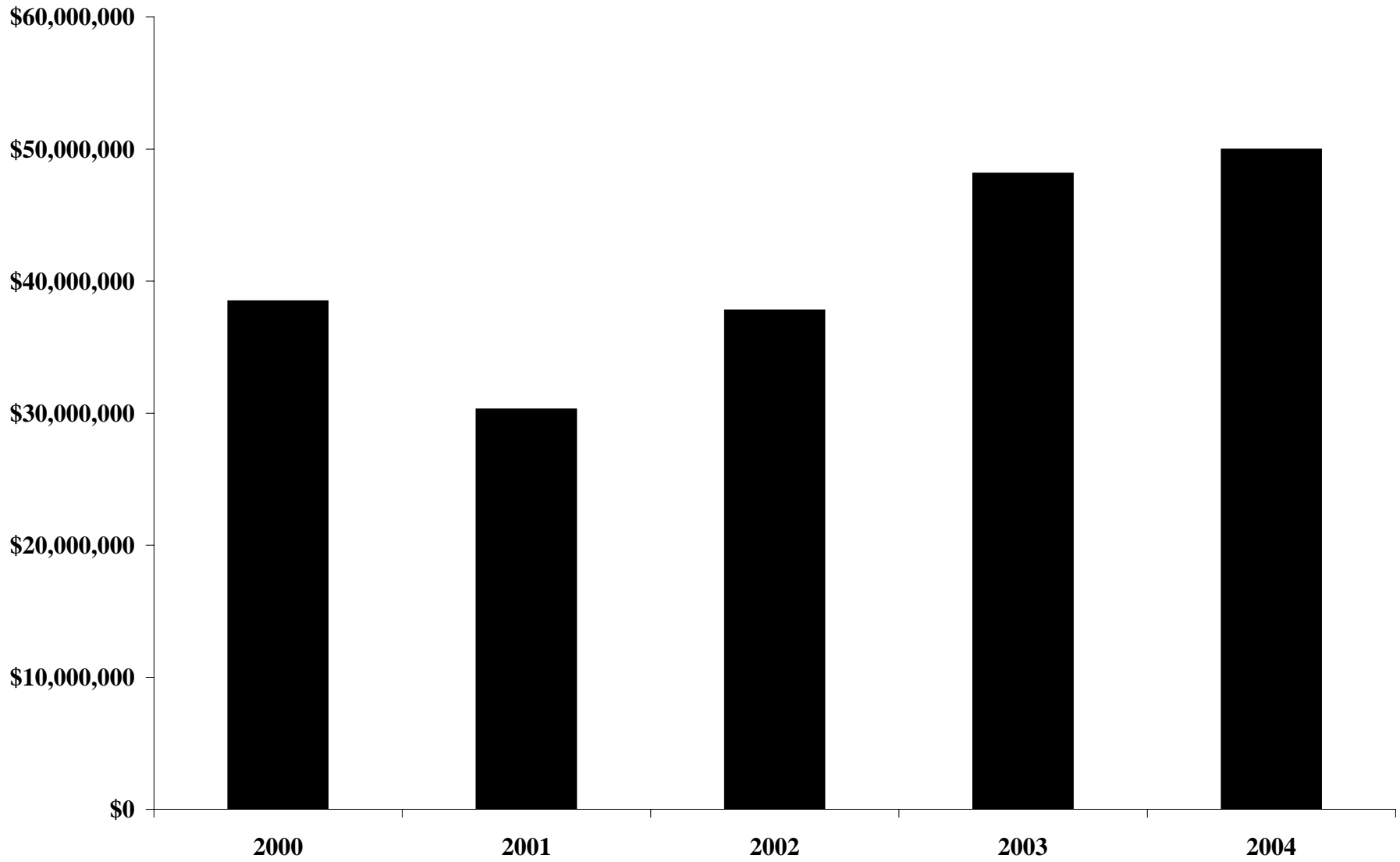
# Number of Claims with Payment to Defense Counsel



Graph 2 - 1

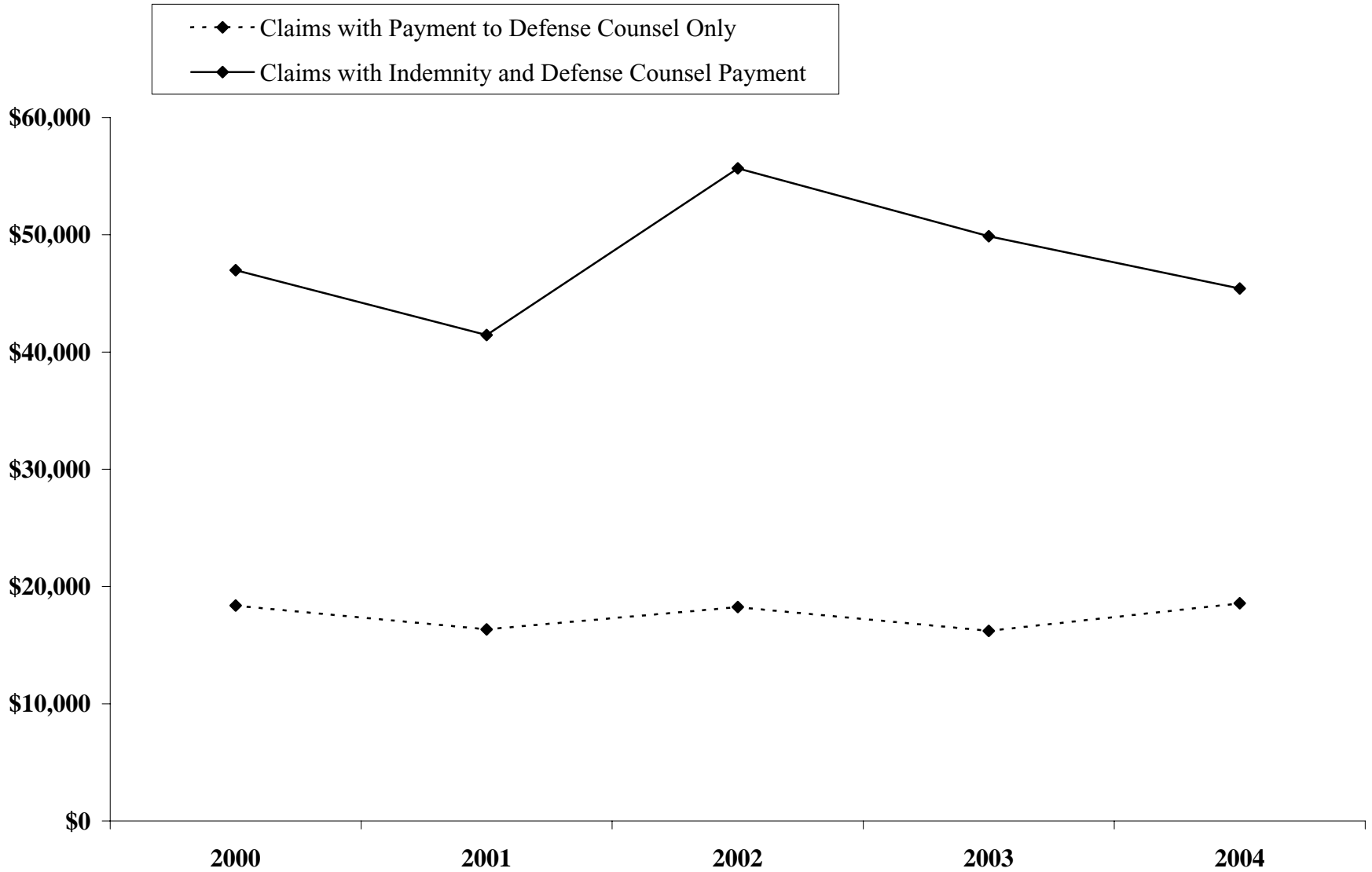


# Total Defense Counsel Payments



Graph 2 - 2

# Average Payment to Defense Counsel



Graph 2 - 3

## **Defense Counsel Payments as a Percent of Indemnity Payments**

Table 3-1 and Graph 3-1 compare amount of defense counsel payments to amount of indemnity payments.

### **Key Findings:**

Defense Counsel Payments as a Percent of Indemnity Payments – Table 3-1 and Graph 3-1

- The overall average of “defense counsel payments as a percent of indemnity payments” was 21.4%.
- As illustrated in Graph 3-1, this percentage remained steady from year to year.

# Defense Counsel Payments as a Percent of Indemnity Payments

Year	Total Number of Closed Claims	Total Indemnity Payments	Total Payment to Defense Counsel	Payment to Defense Counsel as a Percent of Total Indemnity
2000	2,004	\$166,465,874	\$38,469,479	23.1%
2001	2,188	\$152,514,991	\$30,266,666	19.8%
2002	2,271	\$163,580,386	\$37,770,459	23.1%
2003	4,708	\$241,644,557	\$48,134,697	19.9%
2004	4,845	\$229,824,364	\$49,949,925	21.7%
<b>Total</b>	<b>16,016</b>	<b>\$954,030,172</b>	<b>\$204,591,226</b>	<b>21.4%</b>

**Table 3 - 1**

# Defense Counsel Payments as a Percent of Indemnity Payments



Graph 3 - 1

## Indemnity Payments by Size of Loss

Tables 4-1 and 4-2 and Graphs 4-1 and 4-2 provide information about the amount of indemnity paid to claimants. Table 4-1 shows the information in aggregate for the report period and Table 4-2 shows the information for separate years.

The majority of the findings in this section focus on claims paid in the “\$1-\$99,999” and “\$1,000,000 and over” ranges. For the aggregate claims, these two ranges accounted for more than 35% of all paid claims. The remaining 65% of claims were distributed among the remaining ranges.

### Key Findings:

#### Number and Percent of Claims with Indemnity Payment

For 2000-2004 in aggregate – Table 4-1 and Graph 4-1:

- The number of claims with indemnity payment in the “\$1-\$99,999” range made up 21.0% of total paid claims.
- The number of claims with indemnity payment in the “\$1,000,000 and over” range made up 15.7% of total paid claims.
- The number of claims with indemnity payment under \$500,000 made up 60.1% of total paid claims.<sup>(1)</sup>
- The number of claims with indemnity payment of \$500,000 and over made up 39.8% of total paid claims.<sup>(2)</sup>

On a yearly basis – Table 4-2 and Graph 4-2:

- The number of claims with indemnity payment in the “\$1-\$99,999” range made up the largest percentage of paid claims in 2000 (23.7%), 2001 (24.7%) and 2002 (21.8%).

- The number of claims with indemnity payment in the “\$1,000,000 and over” range made up the largest percentage of paid claims in 2003 (21.9%) and 2004 (18.2%).

### Total Indemnity Payments

For 2000-2004 in aggregate – Table 4-1:

- A total of \$18,512,384 was paid for claims in the “\$1-\$99,999” range.
- A total of \$413,758,147 was paid for claims in the “\$1,000,000 and over” range.
- A total of \$211,645,884 was paid for claims with indemnity payment under \$500,000.<sup>(3)</sup>
- A total of \$742,384,288 was paid for claims with indemnity payment of \$500,000 and over.<sup>(4)</sup>

On a yearly basis – Table 4-2:

- When comparing reporting year 2000 to reporting year 2004, total amount of indemnity paid for claims in the “\$1-\$99,999” range decreased by 28.6%.<sup>(5)</sup>
- Total indemnity paid for claims in the “\$1-\$99,999” range decreased from year to year except between 2002 and 2003 when the total indemnity paid increased by 13.5%.<sup>(6)</sup>
- When comparing reporting year 2000 to reporting year 2004, total amount of indemnity paid for claims in the “\$1,000,000 and over” range increased by 87.3%.<sup>(7)</sup>
- Total indemnity paid for claims in the “\$1,000,000 and over” range showed no steady trend from year to year.
- The largest annual percentage increase in indemnity paid for claims in the “\$1,000,000 and over” range (77.8%) occurred between 2002 and 2003.<sup>(8)</sup>

### Percent of Total Indemnity Payments

For 2000-2004 in aggregate – Table 4-1 and Graph 4-1:

- Claims with indemnity payment in the “\$1-\$99,999” range accounted for 1.9% of total indemnity paid to claimants.
- Claims with indemnity payment in the “\$1,000,000 and over” range accounted for 43.4% of total indemnity paid to claimants.
- Claims with indemnity payment under \$500,000 accounted for 22.1% of total indemnity paid to claimants.<sup>(9)</sup>
- Claims with indemnity payment of \$500,000 and over accounted for 77.8% of total indemnity paid to claimants.<sup>(10)</sup>

On a yearly basis – Table 4-2:

- In 2000, claims with indemnity payment in the “\$1-\$99,999” range accounted for 2.7% of total indemnity paid to claimants.
- In 2004, claims with indemnity payment in the “\$1-\$99,999” range accounted for 1.4% of total indemnity paid to claimants.
- The percentage of total indemnity paid for claims in the “\$1-\$99,999” range remained steady or decreased from year to year.
- In 2000, claims with indemnity payment in the “\$1,000,000 and over” range accounted for 36.1% of total indemnity paid to claimants.
- In 2004, claims with indemnity payment in the “\$1,000,000 and over” range accounted for 49.0% of total indemnity paid to claimants.



- The percentage of total indemnity paid for claims in the “\$1,000,000 and over” range showed no steady trend from year to year.
- In 2000, claims with indemnity payment under \$500,000 accounted for 28.3% of total indemnity paid to claimants.<sup>(11)</sup>
- In 2004, claims with indemnity payment under \$500,000 accounted for 16.8% of total indemnity paid to claimants.<sup>(12)</sup>
- The percentage of total indemnity paid for claims under \$500,000 showed a decrease from year to year.
- In 2000, claims with indemnity payment of \$500,000 and over accounted for 71.7% of total indemnity paid to claimants.<sup>(13)</sup>
- In 2004, claims with indemnity payment of \$500,000 and over accounted for 83.1% of total indemnity paid to claimants.<sup>(14)</sup>
- The percentage of total indemnity paid for claims with indemnity payment of \$500,000 and over increased from year to year.

# Indemnity Payments for Claims

Year	Indemnity Payment	Number of Claims with Indemnity Payment	Percent of Claims with Indemnity Payment	Total Indemnity Payments	Average Indemnity of Paid Claims	Percent of Total Indemnity Payments
<b>2000</b>						
	\$1 - \$99,999	98	23.7%	\$4,522,432	\$46,147	2.7%
	\$100,000 - \$199,999	59	14.3%	\$8,028,504	\$136,076	4.8%
	\$200,000 - \$299,999	53	12.8%	\$12,075,525	\$227,840	7.3%
	\$300,000 - \$399,999	44	10.6%	\$14,310,833	\$325,246	8.6%
	\$400,000 - \$499,999	19	4.6%	\$8,104,673	\$426,562	4.9%
	\$500,000 - \$599,999	44	10.6%	\$22,565,000	\$512,841	13.6%
	\$600,000 - \$699,999	12	2.9%	\$7,333,265	\$611,105	4.4%
	\$700,000 - \$799,999	15	3.6%	\$10,900,844	\$726,723	6.5%
	\$800,000 - \$899,999	12	2.9%	\$10,024,773	\$835,398	6.0%
	\$900,000 - \$999,999	9	2.2%	\$8,500,000	\$944,444	5.1%
	\$1,000,000 and Over	49	11.8%	\$60,100,025	\$1,226,531	36.1%
	<b>Total</b>	<b>414</b>	<b>100.0%</b>	<b>\$166,465,874</b>	<b>\$402,091</b>	<b>100.0%</b>
<b>2001</b>						
	\$1 - \$99,999	89	24.7%	\$4,183,743	\$47,008	2.7%
	\$100,000 - \$199,999	52	14.4%	\$6,895,000	\$132,596	4.5%
	\$200,000 - \$299,999	58	16.1%	\$13,391,155	\$230,882	8.8%
	\$300,000 - \$399,999	22	6.1%	\$7,306,267	\$332,103	4.8%
	\$400,000 - \$499,999	19	5.3%	\$8,222,900	\$432,784	5.4%
	\$500,000 - \$599,999	19	5.3%	\$9,865,000	\$519,211	6.5%
	\$600,000 - \$699,999	15	4.2%	\$9,533,938	\$635,596	6.3%
	\$700,000 - \$799,999	17	4.7%	\$12,370,000	\$727,647	8.1%
	\$800,000 - \$899,999	8	2.2%	\$6,500,000	\$812,500	4.3%
	\$900,000 - \$999,999	21	5.8%	\$19,529,630	\$929,982	12.8%
	\$1,000,000 and Over	41	11.4%	\$54,717,358	\$1,334,570	35.9%
	<b>Total</b>	<b>361</b>	<b>100.0%</b>	<b>\$152,514,991</b>	<b>\$422,479</b>	<b>100.0%</b>

(11) 28.3% = 2.7% + 4.8% + 7.3% + 8.6% + 4.9%

(13) 71.7% = 13.6% + 4.4% + 6.5% + 6.0% + 5.1% + 36.1%

Table 4 - 2

Year	Indemnity Payment	Number of Claims with Indemnity Payment	Percent of Claims with Indemnity Payment	Total Indemnity Payments	Average Indemnity of Paid Claims	Percent of Total Indemnity Payments
<b>2002</b>						
	\$1 - \$99,999	76	21.8%	\$3,081,384	\$40,545	1.9%
	\$100,000 - \$199,999	44	12.6%	\$6,177,929	\$140,407	3.8%
	\$200,000 - \$299,999	49	14.1%	\$11,554,000	\$235,796	7.1%
	\$300,000 - \$399,999	27	7.8%	\$9,074,699	\$336,100	5.5%
	\$400,000 - \$499,999	27	7.8%	\$11,568,221	\$428,453	7.1%
	\$500,000 - \$599,999	18	5.2%	\$9,323,612	\$517,978	5.7%
	\$600,000 - \$699,999	7	2.0%	\$4,408,000	\$629,714	2.7%
	\$700,000 - \$799,999	21	6.0%	\$15,625,000	\$744,048	9.6%
	\$800,000 - \$899,999	14	4.0%	\$11,657,856	\$832,704	7.1%
	\$900,000 - \$999,999	15	4.3%	\$14,024,000	\$934,933	8.6%
	\$1,000,000 and Over	50	14.4%	\$67,085,685	\$1,341,714	41.0%
	<b>Total</b>	<b>348</b>	<b>100.0%</b>	<b>\$163,580,386</b>	<b>\$470,059</b>	<b>100.0%</b>
<b>2003</b>						
	\$1 - \$99,999	80	18.3%	\$3,497,414	\$43,718	1.4%
	\$100,000 - \$199,999	41	9.4%	\$5,323,869	\$129,850	2.2%
	\$200,000 - \$299,999	45	10.3%	\$10,688,400	\$237,520	4.4%
	\$300,000 - \$399,999	32	7.3%	\$10,847,500	\$338,984	4.5%
	\$400,000 - \$499,999	33	7.5%	\$14,093,814	\$427,085	5.8%
	\$500,000 - \$599,999	31	7.1%	\$16,097,800	\$519,284	6.7%
	\$600,000 - \$699,999	18	4.1%	\$11,097,412	\$616,523	4.6%
	\$700,000 - \$799,999	25	5.7%	\$18,277,500	\$731,100	7.6%
	\$800,000 - \$899,999	22	5.0%	\$18,422,000	\$837,364	7.6%
	\$900,000 - \$999,999	15	3.4%	\$14,029,999	\$935,333	5.8%
	\$1,000,000 and Over	96	21.9%	\$119,268,849	\$1,242,384	49.4%
	<b>Total</b>	<b>438</b>	<b>100.0%</b>	<b>\$241,644,557</b>	<b>\$551,700</b>	<b>100.0%</b>

(5) 13.5% =  $[(\$3,497,414 / \$3,081,384) - 1] * 100$

(6) 77.8% =  $[(\$119,268,849 / \$67,085,685) - 1] * 100$

Table 4 - 2

<b>Year</b>	<b>Indemnity Payment</b>	<b>Number of Claims with Indemnity Payment</b>	<b>Percent of Claims with Indemnity Payment</b>	<b>Total Indemnity Payments</b>	<b>Average Indemnity of Paid Claims</b>	<b>Percent of Total Indemnity Payments</b>
<b>2004</b>						
	\$1 - \$99,999	65	16.9%	\$3,227,411	\$49,652	1.4%
	\$100,000 - \$199,999	40	10.4%	\$5,264,354	\$131,609	2.3%
	\$200,000 - \$299,999	43	11.2%	\$10,224,665	\$237,783	4.4%
	\$300,000 - \$399,999	33	8.6%	\$11,352,500	\$344,015	4.9%
	\$400,000 - \$499,999	20	5.2%	\$8,628,692	\$431,435	3.8%
	\$500,000 - \$599,999	36	9.4%	\$18,239,196	\$506,644	7.9%
	\$600,000 - \$699,999	15	3.9%	\$9,204,166	\$613,611	4.0%
	\$700,000 - \$799,999	24	6.3%	\$17,713,000	\$738,042	7.7%
	\$800,000 - \$899,999	18	4.7%	\$14,693,673	\$816,315	6.4%
	\$900,000 - \$999,999	20	5.2%	\$18,690,477	\$934,524	8.1%
	\$1,000,000 and Over	70	18.2%	\$112,586,230	\$1,608,375	49.0%
	<b>Total</b>	<b>384</b>	<b>100.0%</b>	<b>\$229,824,364</b>	<b>\$598,501</b>	<b>100.0%</b>

(7) -28.6% = [(\$3,227,411 / \$4,522,432) - 1] \* 100

(8) 87.3% = [(\$112,586,230 / \$60,100,025) - 1] \* 100

(12) 16.8% = 1.4% + 2.3% + 4.4% + 4.9% + 3.8%

(14) 83.1% = 7.9% + 4.0% + 7.7% + 6.4% + 8.1% + 49.0%

**Table 4 - 2**

# Indemnity Payments for Claims

## 2000 - 2004 in Aggregate

Indemnity Payment	Number of Claims with Indemnity Payment	Percent of Claims with Indemnity Payment	Total Indemnity Payments	Average Indemnity of Paid Claims	Percent of Total Indemnity Payments
\$1 - \$99,999	408	21.0%	\$18,512,384	\$45,373	1.9%
\$100,000 - \$199,999	236	12.1%	\$31,689,656	\$134,278	3.3%
\$200,000 - \$299,999	248	12.8%	\$57,933,745	\$233,604	6.1%
\$300,000 - \$399,999	158	8.1%	\$52,891,799	\$334,758	5.5%
\$400,000 - \$499,999	118	6.1%	\$50,618,300	\$428,969	5.3%
\$500,000 - \$599,999	148	7.6%	\$76,090,608	\$514,126	8.0%
\$600,000 - \$699,999	67	3.4%	\$41,576,781	\$620,549	4.4%
\$700,000 - \$799,999	102	5.2%	\$74,886,344	\$734,180	7.8%
\$800,000 - \$899,999	74	3.8%	\$61,298,302	\$828,355	6.4%
\$900,000 - \$999,999	80	4.1%	\$74,774,106	\$934,676	7.8%
\$1,000,000 and Over	306	15.7%	\$413,758,147	\$1,352,151	43.4%
<b>Total</b>	<b>1,945</b>	<b>100.0%</b>	<b>\$954,030,172</b>	<b>\$490,504</b>	<b>100.0%</b>

(1) 60.1% = 21.0% + 12.1% + 12.8% + 8.1% + 6.1%

(2) 39.8% = 7.6% + 3.4% + 5.2% + 3.8% + 4.1% + 15.7%

(3) \$211,645,884 = \$18,512,384 + \$31,689,656 + \$57,933,745 + \$52,891,799 + \$50,618,300

(4) \$742,384,288 = \$76,090,608 + \$41,576,781 + \$74,886,344 + \$61,298,302 + \$74,774,106 + \$413,758,147

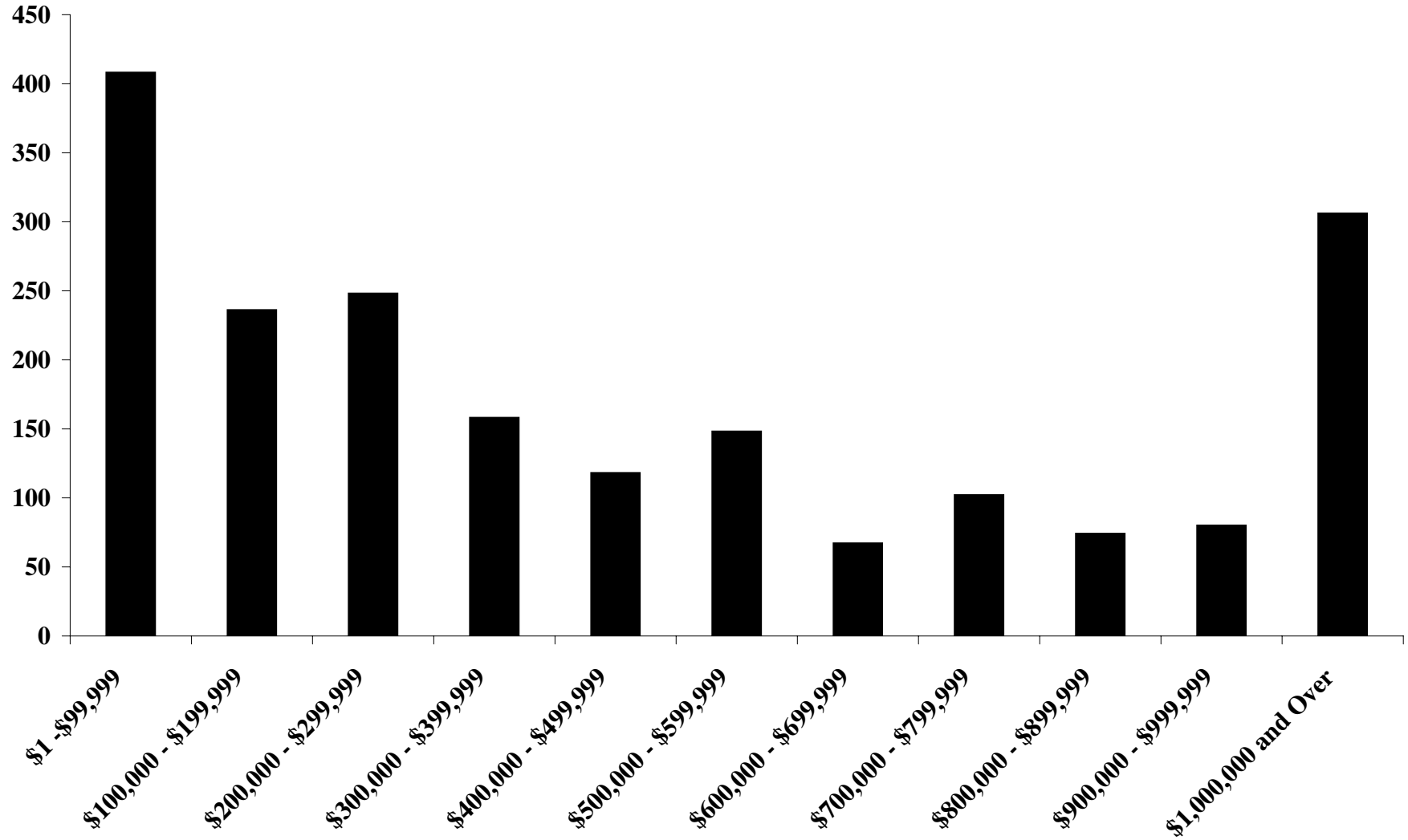
(9) 22.1% = 1.9% + 3.3% + 6.1% + 5.5% + 5.3%

(10) 77.8% = 8.0% + 4.4% + 7.8% + 6.4% + 7.8% + 43.4%

**Table 4 - 1**

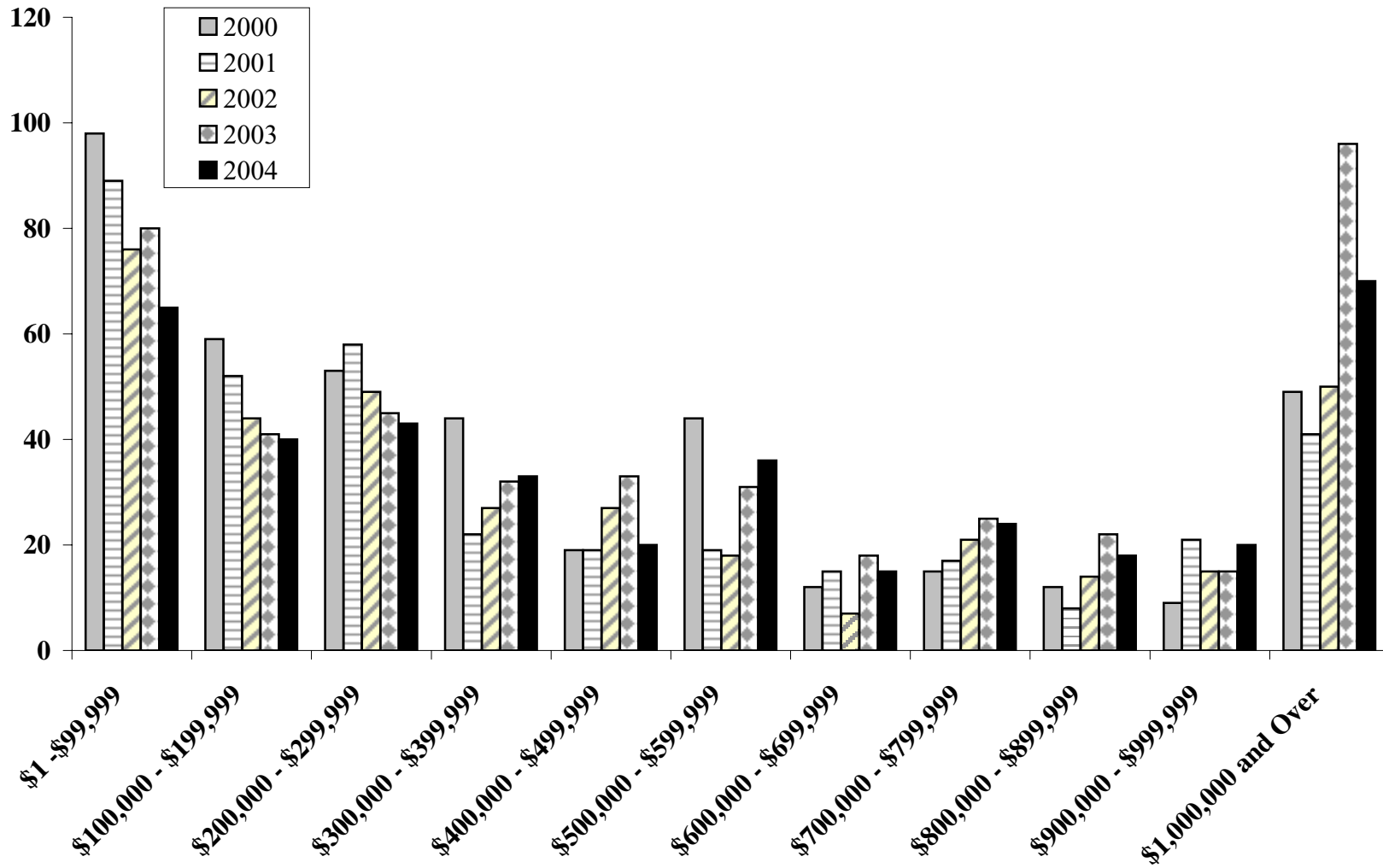
# Number of Claims by Indemnity Payment

2000 - 2004 in Aggregate



Graph 4 - 1

# Number of Claims by Indemnity Payment



Graph 4 - 2

## Defense Counsel Payments by Amount of Indemnity Payments

Table 5-1 and Graph 5-1 provide information about amounts paid to defense counsel for claims with no indemnity payments as well as claims with indemnity payments sorted into various ranges. This section shows the data in aggregate only.

### Key Findings:

#### Number of Claims with Payment to Defense Counsel - Table 5-1

- Of the 16,016 claims closed, 8,627 (53.9%) required payment to defense counsel.<sup>(1)</sup>
- Of the 8,627 claims that required payment to defense counsel:
  - 6,870 (79.6%) were closed with \$0 indemnity paid.<sup>(2)</sup>
  - 334 (3.9%) were closed with between “\$1-\$99,999” of indemnity paid.<sup>(3)</sup>
  - 287 (3.3%) were closed with “\$1,000,000 and over” of indemnity paid.<sup>(4)</sup>

#### Total Payment to Defense Counsel – Table 5-1

- Claims with \$0 indemnity paid accounted for the highest total payment to defense counsel at \$120,460,063.

#### Average Payment to Defense Counsel – Table 5-1 and Graph 5-1

- The overall “average payment to defense counsel on total claims with payment to defense counsel” was \$23,715.
- Average payment to defense counsel is highest (\$70,793) in the claims with “\$1,000,000 and over” of indemnity paid and lowest (\$17,534) for claims with \$0 indemnity paid.
- As illustrated in Graph 5-1, there is an overall increasing trend of “average payment to defense counsel” as the amount of indemnity paid increases.



Percent of Total Payment to Defense Counsel - Table 5-1

- More than 55% of the total payment to defense counsel was for claims with \$0 indemnity paid.
- The second highest percentage of total payment to defense counsel was 9.9% for claims with “\$1,000,000 and over” of indemnity paid.

# Defense Counsel Payments by Amount of Indemnity Payment

## 2000 - 2004 in Aggregate

Indemnity Payment	Total Number of Closed Claims	Number of Claims with Payment to Defense Counsel	Total Payment to Defense Counsel	Average Payment to Defense Counsel	Percent of Total Payment to Defense Counsel
\$0	14,071	6,870	\$120,460,063	\$17,534	58.9%
\$1 - \$99,999	408	334	\$11,221,597	\$33,598	5.5%
\$100,000 - \$199,999	236	218	\$8,842,022	\$40,560	4.3%
\$200,000 - \$299,999	248	225	\$9,133,092	\$40,592	4.5%
\$300,000 - \$399,999	158	146	\$6,375,763	\$43,670	3.1%
\$400,000 - \$499,999	118	111	\$6,041,716	\$54,430	3.0%
\$500,000 - \$599,999	148	133	\$6,297,546	\$47,350	3.1%
\$600,000 - \$699,999	67	65	\$3,516,311	\$54,097	1.7%
\$700,000 - \$799,999	102	94	\$4,093,645	\$43,549	2.0%
\$800,000 - \$899,999	74	67	\$3,775,333	\$56,348	1.8%
\$900,000 - \$999,999	80	77	\$4,516,565	\$58,657	2.2%
\$1,000,000 and Over	306	287	\$20,317,573	\$70,793	9.9%
<b>Total</b>	<b>16,016</b>	<b>8,627</b>	<b>\$204,591,226</b>	<b>\$23,715</b>	<b>100.0%</b>

(1) 53.9% = (8,627 / 16,016) \* 100

(2) 79.6% = (6,870 / 8,627) \* 100

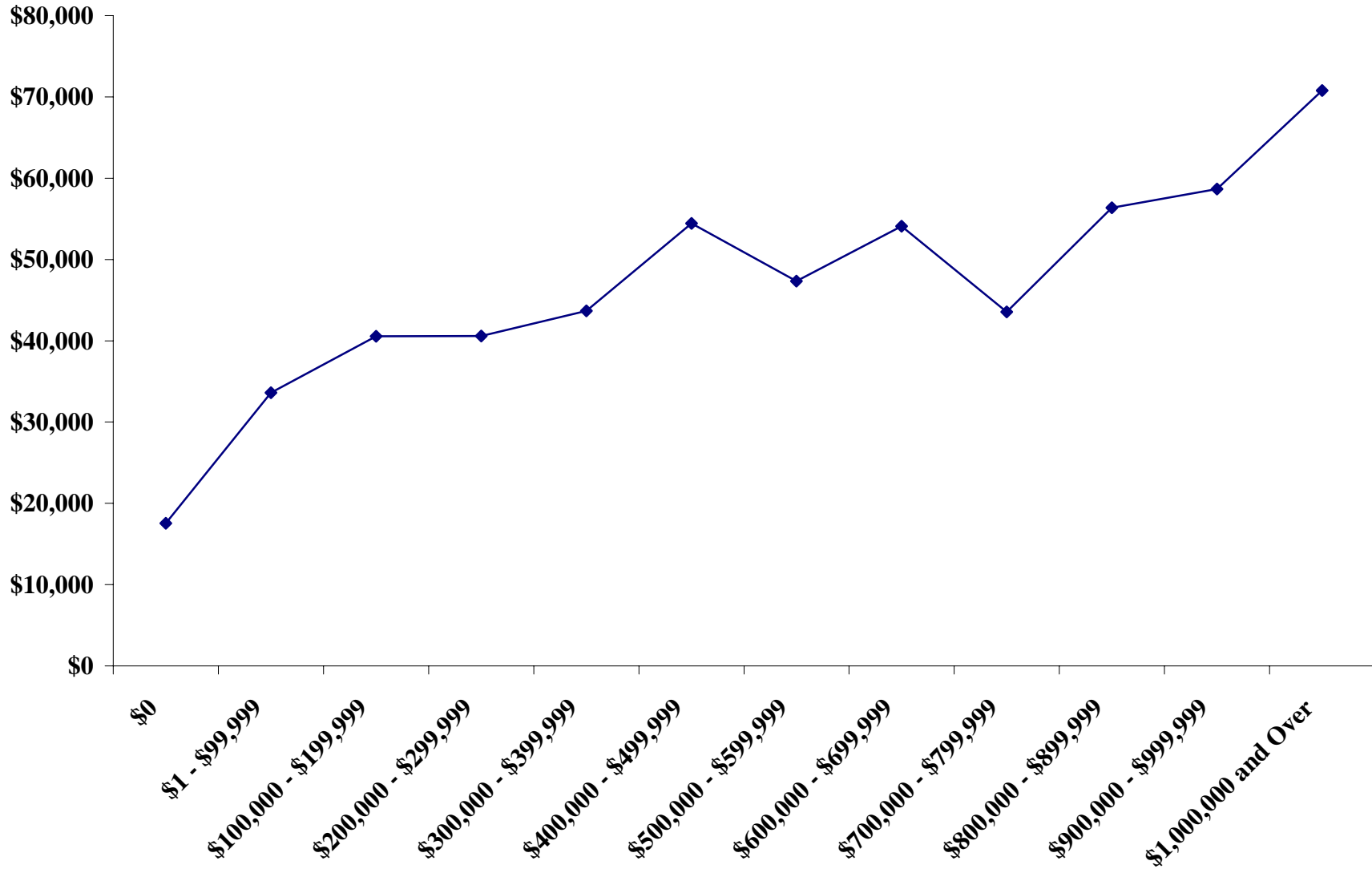
(3) 3.9% = (334 / 8,627) \* 100

(4) 3.3% = (287 / 8,627) \* 100

**Table 5 - 1**

# Average Payment to Defense Counsel by Indemnity Payment

2000 - 2004 in Aggregate



Graph 5 - 1

## Length of Claims

The next three sections illustrate information about the claims by duration of the closed claim from:

- Report Date to Closure Date – Length of time between the date the claim was reported to the insurance company and the date the claim was closed.
- Injury Date to Report Date – Length of time between the date of the injury and the date the claim was reported to the insurance company.
- Injury Date to Closure Date – Length of time between the date of the injury and the date the claim was closed.

Length of time between dates is divided into six-month intervals over the course of ten years.

## Length of Claims from Report to Closure Date

Tables 6-1, 6-2 and 6-3 and Graphs 6-1 and 6-2 provide aggregate 2000-2004 information about the length of time between the date the claim was reported to the insurance company and the date the claim was closed.

### Key Findings:

#### Number and Percent of Total Closed Claims – Table 6-1

- The 16,016 closed claims took an average of 1.6 years, or approximately 1 year and 7 months, to close after they were reported to the insurance company.
- Over ½ of the claims (58.7%) were closed within 1 year of being reported to the insurance company.<sup>(1)</sup>
- Nearly 90% of the claims (88.0%) were closed within 4 years of being reported to the insurance company. A total of 1,932 claims (12.1%) were still open after 4 years from report date.<sup>(2)</sup>

#### Number and Percent of Claims with Indemnity Payment – Table 6-1

- If the claims resulted in indemnity payments, it took an average of 3.7 years, or approximately 3 years and 9 months, to close claims after they were reported.
- Of the 1,945 claims closed with an indemnity payment, 1,221 (62.9%) were closed within 4 years of being reported to the insurance company. Therefore, over 1/3 were still open after 4 years from report date, which illustrates the long-tailed nature of the medical professional liability line of business.<sup>(3)</sup>
- A total of 16 claims (0.8%) were still open 10 years after being reported to the insurance company, further illustrating the long-tailed nature of the medical professional liability line of business.

#### Number and Percent of Claims with Defense Counsel Payment – Table 6-1

- If the claims resulted in payment to defense counsel, it took an average of 2.6 years, or approximately 2 years and 7 months, to close claims after they were reported.
- Of the 8,627 claims with payment to defense counsel, 78.8% were closed within 4 years of being reported to the insurance company.<sup>(4)</sup>

#### Paid Ratio (of Claims with Indemnity Payment) – Table 6-2

The paid ratio for each interval is the number of claims with indemnity payment divided by the total number of closed claims.

- The overall paid ratio was 12.1% for all years combined.
- Only 1.0% of claims that closed within a year of report had an indemnity payment.<sup>(5)</sup>
- Claims open longer than 1.5 years had a higher incidence of indemnity payment than the overall average.

#### Total Indemnity and Percent of Total Indemnity Payment – Table 6-2

- Of the total indemnity paid, 35.8% was paid on claims that closed between 3 and 4.5 years from the report date.<sup>(6)</sup>
- Another 30.1% of the total indemnity paid was paid on claims that closed more than 4.5 years from the report date.<sup>(7)</sup>

#### Average Indemnity of Paid Claims – Table 6-2 and Graph 6-1

- The highest average indemnity of paid claims (\$805,375) occurred on claims that closed between 9.5 and 10 years from the date reported, while the lowest (\$134,456) occurred on claims that closed within 6 months from the date reported.
- As illustrated by Graph 6-1, there is no steady pattern of average indemnity paid when compared to the age of the claim.

#### Paid Ratio (of Claims with Payment to Defense Counsel) – Table 6-3

The paid ratio for each interval is the number of claims with payment to defense counsel divided by the total number of closed claims.

- The average paid ratio was 53.9% for all years combined.
- Approximately 30.0% of claims that closed within a year of report had a defense counsel payment.<sup>(8)</sup>
- Claims open longer than 6 months had a higher incidence of defense counsel payment than the overall average.

#### Defense Counsel and Percent of Total Defense Counsel Payments – Table 6-3

- Of the total payment to defense counsel, \$132,364,216, or 64.8% was associated with claims that closed between 2 and 6 years from the report date.<sup>(9)</sup>

Average Payment to Defense Counsel – Table 6-3 and Graph 6-2

- The highest average payment to defense counsel on claims with defense counsel payment (\$158,496) occurred on claims that closed between 9.5 and 10 years from the date reported, while the lowest (\$1,465) occurred on claims that closed within 6 months from the date reported.
- As illustrated by Graph 6-2, the average payment to defense counsel steadily increases the longer it takes to close a claim.

# Length of Claims from Report to Closure Date

## Claims

### 2000 - 2004 in Aggregate

Report to Closure Date	Total Number of Closed Claims	Percent of Total Closed Claims	Number of Claims with Indemnity Payment	Percent of Total Claims with Indemnity Payment	Number of Claims with Defense Counsel Payment	Percent of Total Claims with Defense Counsel Payment
0 - 6 MTHS	7,045	44.0%	42	2.2%	1,485	17.2%
6 - 12 MTHS	2,352	14.7%	53	2.7%	1,332	15.4%
12 - 18 MTHS	1,009	6.3%	122	6.3%	724	8.4%
18 - 24 MTHS	788	4.9%	161	8.3%	633	7.3%
24 - 30 MTHS	766	4.8%	179	9.2%	664	7.7%
30 - 36 MTHS	774	4.8%	214	11.0%	708	8.2%
36 - 42 MTHS	731	4.6%	235	12.1%	682	7.9%
42 - 48 MTHS	619	3.9%	215	11.1%	575	6.7%
48 - 54 MTHS	478	3.0%	188	9.7%	434	5.0%
54 - 60 MTHS	367	2.3%	135	6.9%	344	4.0%
60 - 66 MTHS	255	1.6%	100	5.1%	245	2.8%
66 - 72 MTHS	187	1.2%	78	4.0%	178	2.1%
72 - 78 MTHS	134	0.8%	48	2.5%	130	1.5%
78 - 84 MTHS	91	0.6%	38	2.0%	88	1.0%
84 - 90 MTHS	109	0.7%	37	1.9%	105	1.2%
90 - 96 MTHS	90	0.6%	28	1.4%	83	1.0%
96 - 102 MTHS	57	0.4%	19	1.0%	57	0.7%
102 - 108 MTHS	54	0.3%	19	1.0%	53	0.6%
108 - 114 MTHS	23	0.1%	6	0.3%	21	0.2%
114 - 120 MTHS	35	0.2%	12	0.6%	35	0.4%
Over 120 MTHS	52	0.3%	16	0.8%	51	0.6%
<b>Total</b>	<b>16,016</b>	<b>100.0%</b>	<b>1,945</b>	<b>100.0%</b>	<b>8,627</b>	<b>100.0%</b>
<b>Average Length of Claims</b>	<b>1.6 Years</b>		<b>3.7 Years</b>		<b>2.6 Years</b>	

(1) 58.7% = 44.0% + 14.7%

(2) 88.0% = 44.0% + 14.7% + 6.3% + 4.9% + 4.8% + 4.8% + 4.6% + 3.9%

1,932 = 619 + 478 + 367 + 255 + 187 + 134 + 91 + 109 + 90 + 57 + 54 + 23 + 35 + 52

12.1% = 3.0% + 2.3% + 1.6% + 1.2% + 0.8% + 0.6% + 0.7% + 0.6% + 0.4% + 0.3% + 0.1% + 0.2% + 0.3%

(3) 1,221 = 42 + 53 + 122 + 161 + 179 + 214 + 235 + 215

62.9% = 2.2% + 2.7% + 6.3% + 8.3% + 9.2% + 11.0% + 12.1% + 11.1%

724 = 188 + 135 + 100 + 78 + 48 + 38 + 37 + 28 + 19 + 19 + 6 + 12 + 16

37.2% = 9.7% + 6.9% + 5.1% + 4.0% + 2.5% + 2.0% + 1.9% + 1.4% + 1.0% + 1.0% + 0.3% + 0.6% + 0.8%

(4) 78.8% = 17.2% + 15.4% + 8.4% + 7.3% + 7.7% + 8.2% + 7.9% + 6.7%

**Table 6 - 1**



# Length of Claims from Report to Closure Date Indemnity 2000 - 2004 in Aggregate

Report to Closure Date	Total Number of Closed Claims	Number of Claims with Indemnity		Total Indemnity Payments	Percent of Total Indemnity Payments	Average Indemnity of Paid Claims
		Payment	Paid Ratio *			
0 - 6 MTHS	7,045	42	0.6%	\$5,647,139	0.6%	\$134,456
6 - 12 MTHS	2,352	53	2.3%	\$21,421,981	2.2%	\$404,188
12 - 18 MTHS	1,009	122	12.1%	\$45,839,996	4.8%	\$375,738
18 - 24 MTHS	788	161	20.4%	\$76,159,260	8.0%	\$473,039
24 - 30 MTHS	766	179	23.4%	\$91,475,857	9.6%	\$511,038
30 - 36 MTHS	774	214	27.6%	\$85,318,756	8.9%	\$398,686
36 - 42 MTHS	731	235	32.1%	\$121,853,639	12.8%	\$518,526
42 - 48 MTHS	619	215	34.7%	\$116,727,658	12.2%	\$542,919
48 - 54 MTHS	478	188	39.3%	\$103,080,374	10.8%	\$548,300
54 - 60 MTHS	367	135	36.8%	\$77,976,264	8.2%	\$577,602
60 - 66 MTHS	255	100	39.2%	\$57,007,828	6.0%	\$570,078
66 - 72 MTHS	187	78	41.7%	\$35,244,521	3.7%	\$451,853
72 - 78 MTHS	134	48	35.8%	\$37,204,294	3.9%	\$775,089
78 - 84 MTHS	91	38	41.8%	\$15,991,978	1.7%	\$420,842
84 - 90 MTHS	109	37	33.9%	\$13,978,907	1.5%	\$377,808
90 - 96 MTHS	90	28	31.1%	\$11,509,219	1.2%	\$411,044
96 - 102 MTHS	57	19	33.3%	\$9,030,000	0.9%	\$475,263
102 - 108 MTHS	54	19	35.2%	\$8,449,001	0.9%	\$444,684
108 - 114 MTHS	23	6	26.1%	\$2,470,000	0.3%	\$411,667
114 - 120 MTHS	35	12	34.3%	\$9,664,500	1.0%	\$805,375
Over 120 MTHS	52	16	30.8%	\$7,979,000	0.8%	\$498,688
<b>Total</b>	<b>16,016</b>	<b>1,945</b>	<b>12.1%</b>	<b>\$954,030,172</b>	<b>100.0%</b>	<b>\$490,504</b>

\* Paid ratio = number of claims with indemnity payment/total number of closed claims for each interval.

(5) 1.0% = (42 + 53) / (7,045 + 2,352) \* 100

(6) 35.8% = 12.8% + 12.2% + 10.8%

(7) 30.1% = 8.2% + 6.0% + 3.7% + 3.9% + 1.7% + 1.5% + 1.2% + 0.9% + 0.9% + 0.3% + 1.0% + 0.8%

**Table 6 - 2**

# Length of Claims from Report to Closure Date

## Defense Counsel

2000 - 2004 in Aggregate

Report to Closure Date	Total Number of Closed Claims	Number of Claims with Defense Counsel Payment		Defense Counsel Payments	Percent of Total Defense Counsel Payments	Average Payment to Defense Counsel
		Number of Claims	Paid Ratio *			
0 - 6 MTHS	7,045	1,485	21.1%	\$2,175,328	1.1%	\$1,465
6 - 12 MTHS	2,352	1,332	56.6%	\$3,925,428	1.9%	\$2,947
12 - 18 MTHS	1,009	724	71.8%	\$7,019,329	3.4%	\$9,695
18 - 24 MTHS	788	633	80.3%	\$8,606,506	4.2%	\$13,596
24 - 30 MTHS	766	664	86.7%	\$12,196,893	6.0%	\$18,369
30 - 36 MTHS	774	708	91.5%	\$16,160,030	7.9%	\$22,825
36 - 42 MTHS	731	682	93.3%	\$22,610,839	11.1%	\$33,154
42 - 48 MTHS	619	575	92.9%	\$21,913,960	10.7%	\$38,111
48 - 54 MTHS	478	434	90.8%	\$18,498,347	9.0%	\$42,623
54 - 60 MTHS	367	344	93.7%	\$16,558,952	8.1%	\$48,136
60 - 66 MTHS	255	245	96.1%	\$13,417,228	6.6%	\$54,764
66 - 72 MTHS	187	178	95.2%	\$11,007,967	5.4%	\$61,843
72 - 78 MTHS	134	130	97.0%	\$7,621,892	3.7%	\$58,630
78 - 84 MTHS	91	88	96.7%	\$6,092,044	3.0%	\$69,228
84 - 90 MTHS	109	105	96.3%	\$7,618,660	3.7%	\$72,559
90 - 96 MTHS	90	83	92.2%	\$6,619,996	3.2%	\$79,759
96 - 102 MTHS	57	57	100.0%	\$4,771,664	2.3%	\$83,713
102 - 108 MTHS	54	53	98.1%	\$4,875,718	2.4%	\$91,995
108 - 114 MTHS	23	21	91.3%	\$1,762,424	0.9%	\$83,925
114 - 120 MTHS	35	35	100.0%	\$5,547,367	2.7%	\$158,496
Over 120 MTHS	52	51	98.1%	\$5,590,654	2.7%	\$109,621
<b>Total</b>	<b>16,016</b>	<b>8,627</b>	<b>53.9%</b>	<b>\$204,591,226</b>	<b>100.0%</b>	<b>\$23,715</b>

\* Paid ratio = number of claims with defense counsel payment/total number of closed claims for each interval.

$$(8) 30.0\% = (1,485 + 1,332) / (7,045 + 2,352) * 100$$

$$(9) \$132,364,216 = \$12,196,893 + \$16,160,030 + \$22,610,839 + \$21,913,960 + \$18,498,347 + \$16,558,952 + \$13,417,228 + \$11,007,967$$

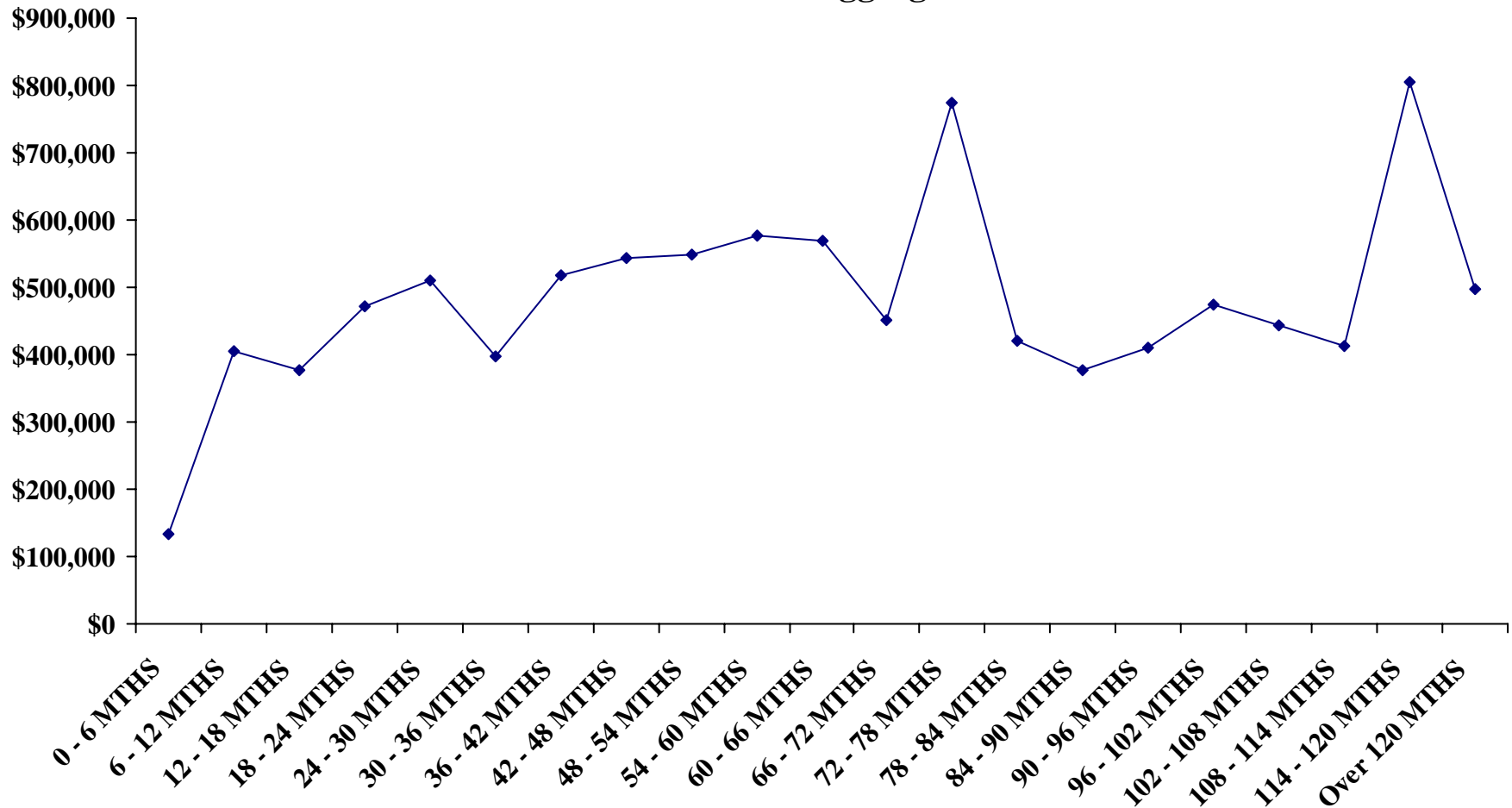
$$64.8\% = 6.0\% + 7.9\% + 11.1\% + 10.7\% + 9.0\% + 8.1\% + 6.6\% + 5.4\%$$

Table 6 - 3

# Length of Claims from Report to Closure Date

## Average Indemnity of Paid Claims

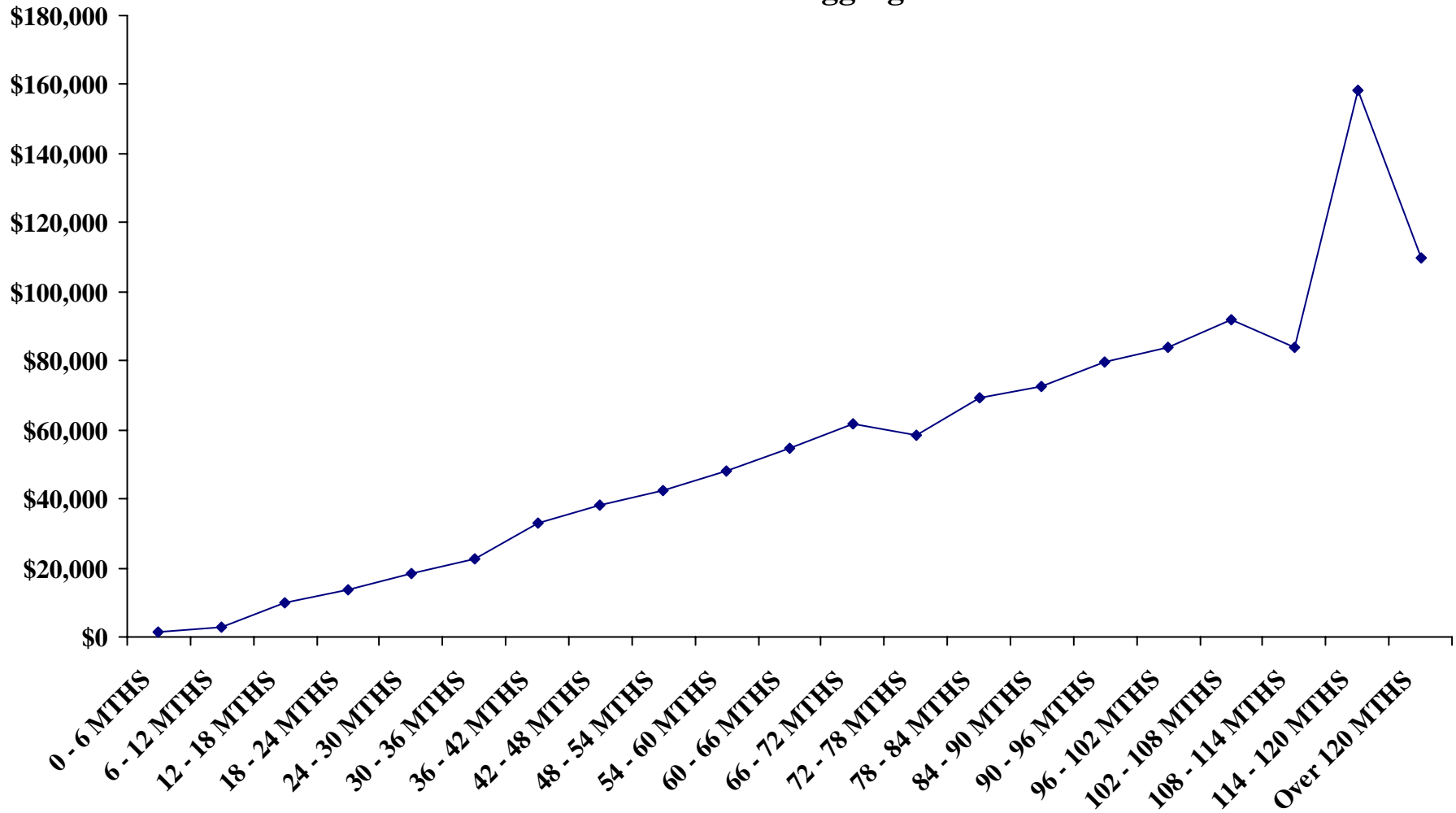
2000 - 2004 in Aggregate



**Graph 6 -1**

# Length of Claims from Report to Closure Date Average Payment to Defense Counsel

2000 - 2004 in Aggregate



Graph 6 -2

## Length of Claims from Injury to Report Date

Tables 7-1 and 7-2 and Graph 7-1 provide aggregate 2000-2004 information about the length of time between the date of an injury and the date the claim was reported to the insurance company.

### Key Findings:

#### Number and Percent of Total Closed Claims – Table 7-1

- On average, it took 1.7 years, or about 1 year and 8 months, from the date of injury for a claim to be reported to the insurance company.
- Approximately  $\frac{2}{3}$  of claims were reported to the insurance company within 2 years from the date of injury.<sup>(1)</sup>
- Over 80% of all claims (83.6%) were reported to the insurance company within 2.5 years from the date of injury.<sup>(2)</sup>
- Over 90% of claims (92.8%) were reported to the insurance company within 4 years from the date of injury.<sup>(3)</sup>
- Nearly all claims (98.6%) were reported to the insurance company within 8 years from the date of injury.<sup>(4)</sup>
- A small number of claims, 102 (0.6%), were not reported to the insurance company until more than 10 years from the date of injury.

The lengths of time between injury dates and report dates are not surprising due to Statute of Limitations laws. In Illinois, adult medical malpractice claims must be reported within two years from the date of the injury or discovery of the injury and cannot exceed four years from the injury date. For minors under age 18, medical malpractice claims must be reported by age 22, or eight years after discovery of the injury, whichever comes first.

#### Number and Percent of Claims with Indemnity Payment – Table 7-1

- For claims that resulted in an indemnity payment, it took an average of 1.9 years, or 1 year and 11 months, from the injury date for the claims to be reported to the insurance company.
- Nearly 70% of claims with an indemnity payment (69.1%) were reported to the insurance company within 2 years from the date of injury.<sup>(5)</sup>
- Over 80% of claims with an indemnity payment (83.9%) were reported to the insurance company within 2.5 years from the date of the injury.<sup>(6)</sup>
- Over 90% of claims with an indemnity payment (93.1%) were reported to the insurance company within 4 years from the date of the injury.<sup>(7)</sup>
- Over 95% of claims with an indemnity payment (98.6%) were reported to the insurance company within 8 years from the date of the injury.<sup>(8)</sup>
- A small number of claims with an indemnity payment, 18 (0.9%) were not reported to the insurance company until more than 10 years after the injury date.

#### Total Indemnity and Percent of Total Indemnity Payments – Table 7-2

- Of the total amount of indemnity paid, \$768,029,545 (80.5%) was paid on claims that were reported to the insurance company within 2.5 years from the date of injury.<sup>(9)</sup>
- Over 90% of the total indemnity paid (91.5%) was paid on claims that were reported to the insurance company within 4 years from the date of injury.<sup>(10)</sup>

Average Indemnity of Paid Claims – Table 7-2 and Graph 7-1

- The highest average indemnity of paid claims (\$1,450,000) occurred on the only claim that was reported between 8.5 and 9 years from the date of injury, while the lowest (\$296,704) occurred on claims that were reported to the insurer between 8 and 8.5 years from the date of injury.
- As illustrated by Graph 7-1, the average indemnity of paid claims has no steady trend as the length of time from injury to report date increases.

# Length of Claims from Injury to Report Date

## Claims

### 2000 - 2004 in Aggregate

Injury to Report Date	Total Number of Closed Claims	Percent of Total Closed Claims	Number of Claims with Indemnity Payment	Percent of Total Claims with Indemnity Payment
0 - 6 MTHS	4,082	25.5%	351	18.0%
6 - 12 MTHS	2,618	16.3%	276	14.2%
12 - 18 MTHS	1,301	8.1%	257	13.2%
18 - 24 MTHS	2,707	16.9%	461	23.7%
24 - 30 MTHS	2,698	16.8%	287	14.8%
30 - 36 MTHS	622	3.9%	82	4.2%
36 - 42 MTHS	456	2.8%	41	2.1%
42 - 48 MTHS	396	2.5%	57	2.9%
48 - 54 MTHS	289	1.8%	21	1.1%
54 - 60 MTHS	169	1.1%	23	1.2%
60 - 66 MTHS	144	0.9%	15	0.8%
66 - 72 MTHS	82	0.5%	11	0.6%
72 - 78 MTHS	71	0.4%	9	0.5%
78 - 84 MTHS	62	0.4%	9	0.5%
84 - 90 MTHS	53	0.3%	9	0.5%
90 - 96 MTHS	63	0.4%	6	0.3%
96 - 102 MTHS	59	0.4%	6	0.3%
102 - 108 MTHS	14	0.1%	1	0.1%
108 - 114 MTHS	16	0.1%	2	0.1%
114 - 120 MTHS	12	0.1%	3	0.2%
Over 120 MTHS	102	0.6%	18	0.9%
<b>Total</b>	<b>16,016</b>	<b>100.0%</b>	<b>1,945</b>	<b>100.0%</b>
<b>Average Length of Claim</b>	<b>1.7 Years</b>		<b>1.9 Years</b>	

(1) 66.8% = 25.5% + 16.3% + 8.1% + 16.9%

(2) 83.6% = 25.5% + 16.3% + 8.1% + 16.9% + 16.8%

(3) 92.8% = 25.5% + 16.3% + 8.1% + 16.9% + 16.8% + 3.9% + 2.8% + 2.5%

(4) 98.6% = 25.5% + 16.3% + 8.1% + 16.9% + 16.8% + 3.9% + 2.8% + 2.5% + 1.8% + 1.1% + 0.9% + 0.5% + 0.4% + 0.4% + 0.3% + 0.4%

(5) 69.1% = 18.0% + 14.2% + 13.2% + 23.7%

(6) 83.9% = 18.0% + 14.2% + 13.2% + 23.7% + 14.8%

(7) 93.1% = 18.0% + 14.2% + 13.2% + 23.7% + 14.8% + 4.2% + 2.1% + 2.9%

(8) 98.6% = 18.0% + 14.2% + 13.2% + 23.7% + 14.8% + 4.2% + 2.1% + 2.9% + 1.1% + 1.2% + 0.8% + 0.6% + 0.5% + 0.5% + 0.5% + 0.3%



# Length of Claims from Injury to Report Date Indemnity 2000 - 2004 in Aggregate

Injury to Report Date	Total Number of Closed Claims	Number of Claims		Total Indemnity Payments	Percent of Total Indemnity Payments	Average Indemnity of Paid Claims
		with Indemnity Payment	Paid Ratio *			
0 - 6 MTHS	4,082	351	8.6%	\$163,195,833	17.1%	\$464,945
6 - 12 MTHS	2,618	276	10.5%	\$149,743,420	15.7%	\$542,549
12 - 18 MTHS	1,301	257	19.8%	\$121,139,100	12.7%	\$471,358
18 - 24 MTHS	2,707	461	17.0%	\$220,148,253	23.1%	\$477,545
24 - 30 MTHS	2,698	287	10.6%	\$113,802,939	11.9%	\$396,526
30 - 36 MTHS	622	82	13.2%	\$42,403,186	4.4%	\$517,112
36 - 42 MTHS	456	41	9.0%	\$27,025,722	2.8%	\$659,164
42 - 48 MTHS	396	57	14.4%	\$36,181,103	3.8%	\$634,756
48 - 54 MTHS	289	21	7.3%	\$10,191,438	1.1%	\$485,307
54 - 60 MTHS	169	23	13.6%	\$20,426,954	2.1%	\$888,128
60 - 66 MTHS	144	15	10.4%	\$9,460,000	1.0%	\$630,667
66 - 72 MTHS	82	11	13.4%	\$5,617,000	0.6%	\$510,636
72 - 78 MTHS	71	9	12.7%	\$5,095,000	0.5%	\$566,111
78 - 84 MTHS	62	9	14.5%	\$3,800,000	0.4%	\$422,222
84 - 90 MTHS	53	9	17.0%	\$7,200,000	0.8%	\$800,000
90 - 96 MTHS	63	6	9.5%	\$2,225,000	0.2%	\$370,833
96 - 102 MTHS	59	6	10.2%	\$1,780,224	0.2%	\$296,704
102 - 108 MTHS	14	1	7.1%	\$1,450,000	0.2%	\$1,450,000
108 - 114 MTHS	16	2	12.5%	\$1,005,000	0.1%	\$502,500
114 - 120 MTHS	12	3	25.0%	\$2,675,000	0.3%	\$891,667
Over 120 MTHS	102	18	17.6%	\$9,465,000	1.0%	\$525,833
<b>Total</b>	<b>16,016</b>	<b>1,945</b>	<b>12.1%</b>	<b>\$954,030,172</b>	<b>100.0%</b>	<b>\$490,504</b>

\* Paid ratio = number of claims with indemnity payment/total number of closed claims for each interval.

(9) \$768,029,545 = \$163,195,833 + \$149,743,420 + \$121,139,100 + \$220,148,253 + \$113,802,939

80.5% = 17.1% + 15.7% + 12.7% + 23.1% + 11.9%

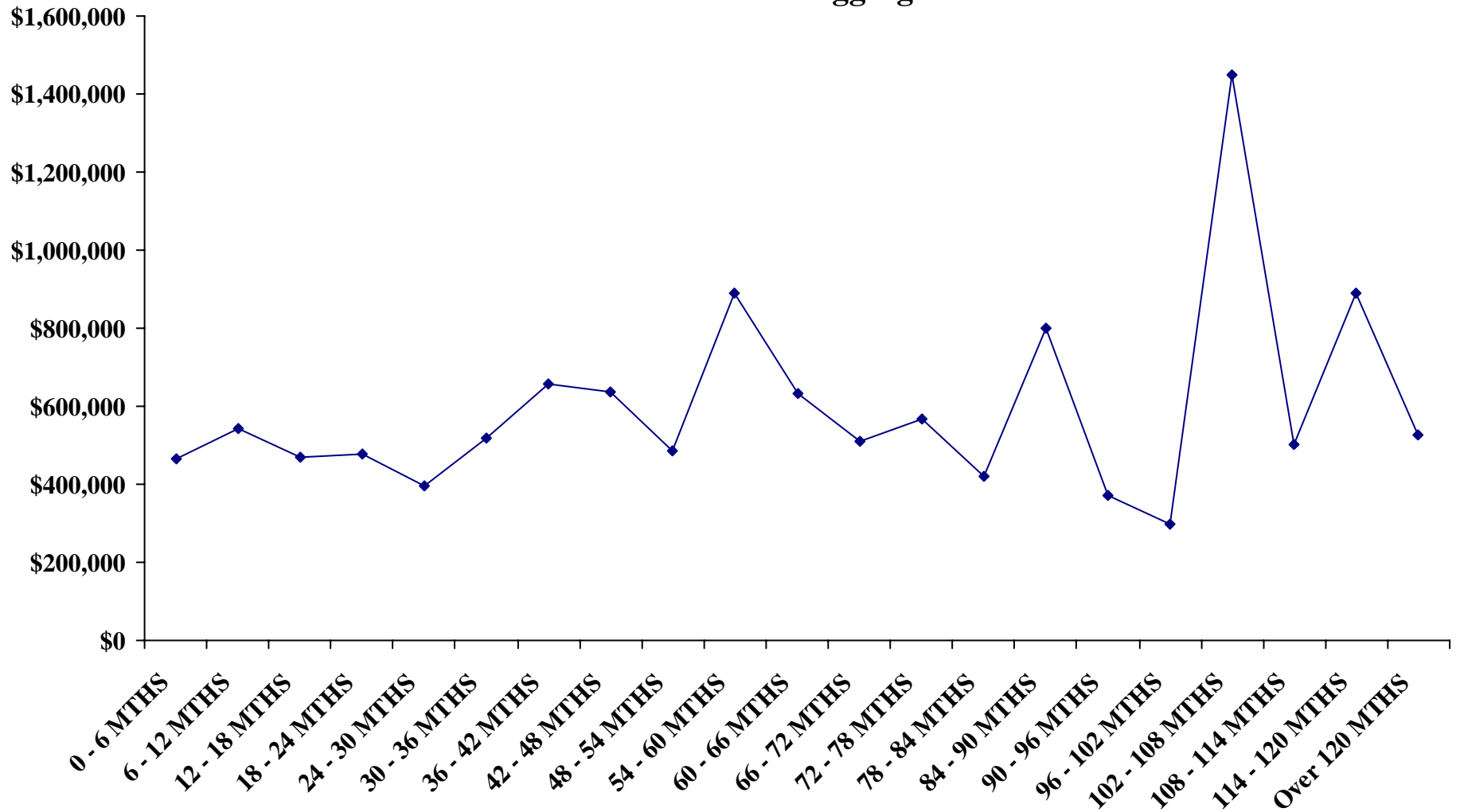
(10) 91.5% = 17.1% + 15.7% + 12.7% + 23.1% + 11.9% + 4.4% + 2.8% + 3.8%

**Table 7 - 2**

# Length of Claims from Injury to Report Date

## Average Indemnity of Paid Claims

2000 - 2004 in Aggregate



Graph 7 - 1

## **Length of Claims from Injury to Closure Date**

Tables 8-1 and 8-2 and Graph 8-1 provide aggregate 2000-2004 information about the length of time between the date of injury and the date the insurance company closed the claim. This section combines the previous two sections by focusing on the entire length of the claim, from injury date to report date to closure date.

The figures in this section illustrate the long-tailed nature of medical professional liability insurance claims.

### **Key Findings:**

#### Number and Percent of Total Closed Claims – Table 8-1

- On average, it took 3.3 years, or almost 3 years and 4 months, from the date of injury to close a claim.
- Over half of all claims (55.1%) were closed within 3 years from the date of injury.<sup>(1)</sup>
- A total of 444 claims (2.8%) were not closed until more than 10 years after the date of injury.

#### Number and Percent of Claims with Indemnity Payment – Table 8-1

- On average, it took 5.6 years, or about 5 years and 7 months, from the date of injury to close a claim that resulted in an indemnity payment.
- Slightly more than half (52.6%) of the claims that closed with an indemnity payment were closed more than 5 years after the date of injury.<sup>(2)</sup>
- A total of 136 (7.0%) claims with an indemnity payment were not closed until more than 10 years after the date of injury.

Total Indemnity and Percent of Total Indemnity Payments – Table 8-2

- Approximately 72.0% of total indemnity paid was paid on claims that closed between 3 and 7.5 years from the date of injury.<sup>(3)</sup>
- Of the total indemnity paid on all claims, 7.0% was paid on claims that closed more than 10 years after the date of injury.

Average Indemnity of Paid Claims – Table 8-2

- The highest average indemnity of paid claims (\$783,652) occurred on claims that closed between 8 and 8.5 years from the injury date, while the lowest (\$61,715) occurred on claims that closed between 6 months and 1 year from the injury date.
- As illustrated by Graph 8-1, there is no steady pattern of average indemnity paid compared to the length of the claim from injury to closure.

# Length of Claims from Injury to Closure Date

## Claims

2000 - 2004 in Aggregate

Injury to Closure Date	Total Number of Closed Claims	Percent of Total Closed Claims	Number of Claims with Indemnity Payment	Percent of Total Claims with Indemnity Payment
0 - 6 MTHS	2,010	12.5%	6	0.3%
6 - 12 MTHS	1,894	11.8%	18	0.9%
12 - 18 MTHS	1,254	7.8%	23	1.2%
18 - 24 MTHS	769	4.8%	50	2.6%
24 - 30 MTHS	1,575	9.8%	65	3.3%
30 - 36 MTHS	1,344	8.4%	84	4.3%
36 - 42 MTHS	909	5.7%	126	6.5%
42 - 48 MTHS	850	5.3%	151	7.8%
48 - 54 MTHS	914	5.7%	192	9.9%
54 - 60 MTHS	793	5.0%	208	10.7%
60 - 66 MTHS	750	4.7%	194	10.0%
66 - 72 MTHS	655	4.1%	175	9.0%
72 - 78 MTHS	481	3.0%	144	7.4%
78 - 84 MTHS	379	2.4%	107	5.5%
84 - 90 MTHS	268	1.7%	73	3.8%
90 - 96 MTHS	199	1.2%	57	2.9%
96 - 102 MTHS	162	1.0%	42	2.2%
102 - 108 MTHS	134	0.8%	33	1.7%
108 - 114 MTHS	128	0.8%	28	1.4%
114 - 120 MTHS	104	0.6%	33	1.7%
Over 120 MTHS	444	2.8%	136	7.0%
<b>Total</b>	<b>16,016</b>	<b>100.0%</b>	<b>1,945</b>	<b>100.0%</b>
<b>Average Length of Claim</b>		<b>3.3 Years</b>		<b>5.6 Years</b>

(1) 55.1% = 12.5% + 11.8% + 7.8% + 4.8% + 9.8% + 8.4%

(2) 52.6% = 10.0% + 9.0% + 7.4% + 5.5% + 3.8% + 2.9% + 2.2% + 1.7% + 1.4% + 1.7% + 7.0%

**Table 8 - 1**

# Length of Claims from Injury to Closure Date

## Indemnity

### 2000 - 2004 in Aggregate

Injury to Closure Date	Total Number of Closed Claims	Number of Claims		Total Indemnity Payments	Percent of Total Indemnity Payments	Average Indemnity of Paid Claims
		with Indemnity Payment	Paid Ratio *			
0 - 6 MTHS	2,010	6	0.3%	\$1,040,250	0.1%	\$173,375
6 - 12 MTHS	1,894	18	1.0%	\$1,110,864	0.1%	\$61,715
12 - 18 MTHS	1,254	23	1.8%	\$4,704,750	0.5%	\$204,554
18 - 24 MTHS	769	50	6.5%	\$17,569,174	1.8%	\$351,383
24 - 30 MTHS	1,575	65	4.1%	\$25,718,700	2.7%	\$395,672
30 - 36 MTHS	1,344	84	6.3%	\$43,603,954	4.6%	\$519,095
36 - 42 MTHS	909	126	13.9%	\$59,773,970	6.3%	\$474,397
42 - 48 MTHS	850	151	17.8%	\$71,243,474	7.5%	\$471,811
48 - 54 MTHS	914	192	21.0%	\$80,597,281	8.4%	\$419,778
54 - 60 MTHS	793	208	26.2%	\$91,584,401	9.6%	\$440,310
60 - 66 MTHS	750	194	25.9%	\$99,900,910	10.5%	\$514,953
66 - 72 MTHS	655	175	26.7%	\$98,367,511	10.3%	\$562,100
72 - 78 MTHS	481	144	29.9%	\$72,891,925	7.6%	\$506,194
78 - 84 MTHS	379	107	28.2%	\$59,048,465	6.2%	\$551,855
84 - 90 MTHS	268	73	27.2%	\$53,782,951	5.6%	\$736,753
90 - 96 MTHS	199	57	28.6%	\$27,130,412	2.8%	\$475,972
96 - 102 MTHS	162	42	25.9%	\$32,913,388	3.4%	\$783,652
102 - 108 MTHS	134	33	24.6%	\$13,434,883	1.4%	\$407,118
108 - 114 MTHS	128	28	21.9%	\$16,306,741	1.7%	\$582,384
114 - 120 MTHS	104	33	31.7%	\$16,700,764	1.8%	\$506,084
Over 120 MTHS	444	136	30.6%	\$66,605,404	7.0%	\$489,746
<b>Total</b>	<b>16,016</b>	<b>1,945</b>	<b>12.1%</b>	<b>\$954,030,172</b>	<b>100.0%</b>	<b>\$490,504</b>

\* Paid ratio = number of claims with indemnity payment/total number of closed claims for each interval.

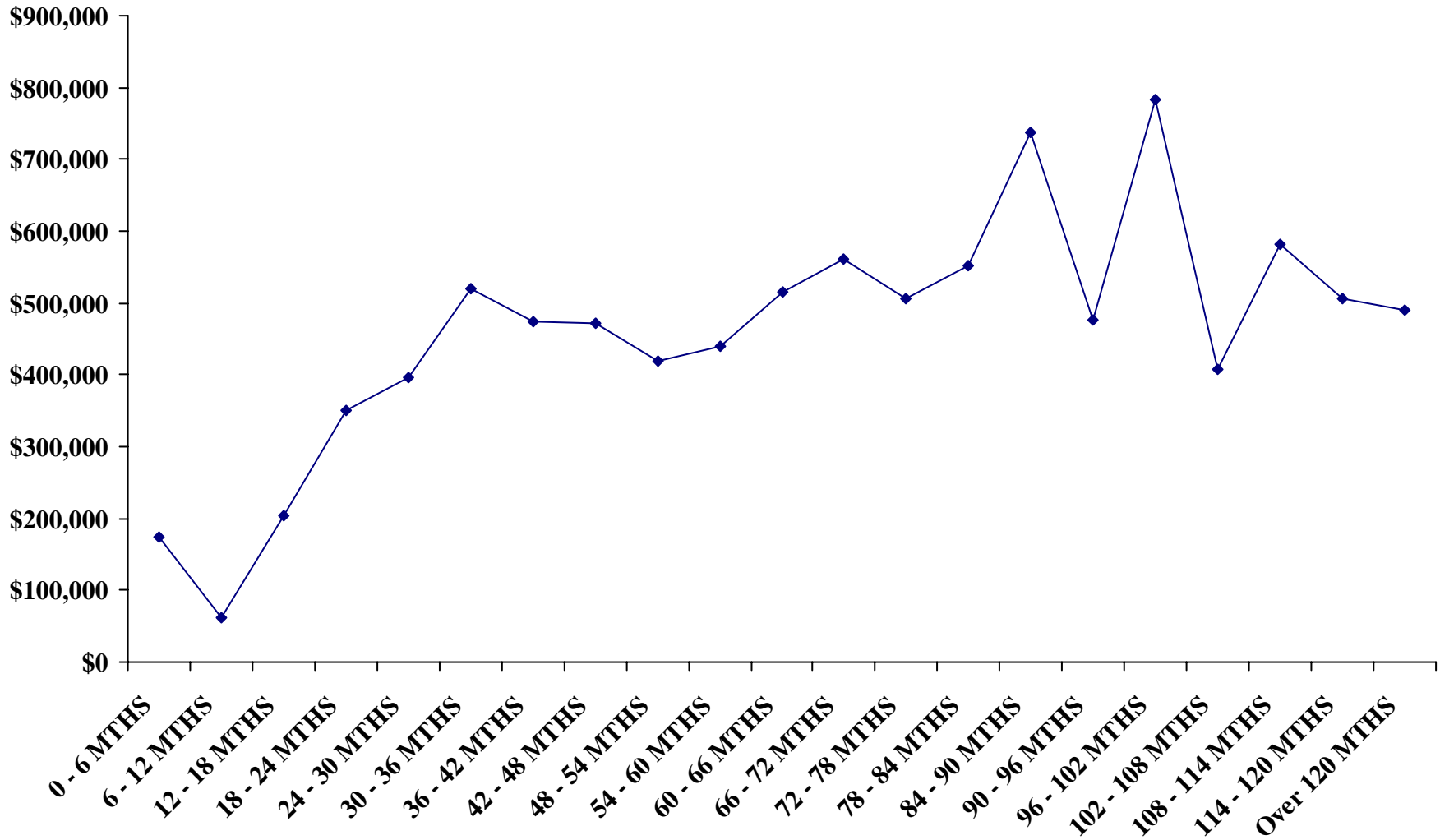
(3) 72.0% = 6.3% + 7.5% + 8.4% + 9.6% + 10.5% + 10.3% + 7.6% + 6.2% + 5.6%

**Table 8 - 2**

# Length of Claims from Injury to Closure Date

## Average Indemnity of Paid Claims

2000 - 2004 in Aggregate



Graph 8 - 1

## Indemnity Payments by Severity of Injury

The next two sections of the report relate the claimant's severity of injury to the amount of indemnity payment. Insurers must code the severity of injury for each closed claim according to the categories established and defined by the Illinois Division of Insurance:

- Emotional only – fright, no physical damage;
- Insignificant Temporary – lacerations, contusions, minor scars, rash; no delay;
- Minor Temporary – infections, misset fracture, fall in hospital; recovery delay;
- Major Temporary – burns, surgical material left, drug side effect, brain damage; recovery delay;
- Minor Permanent – loss of fingers, loss or damage to organs; includes non-disabling injuries;
- Significant Permanent – deafness, loss of limb, loss of eye, loss of one kidney or lung;
- Major Permanent – paraplegia, blindness, loss of two limbs, brain damage;
- Grave Permanent – quadriplegia, severe brain damage, lifelong care or fatal prognosis;
- Death.

Tables 9-1 and 9-2 and Graphs 9-1 and 9-2 provide information about the claims with indemnity payment related to the severity of injury of the claim. Table 9-1 and Graph 9-1 show the information in the aggregate for the report period and Table 9-2 and Graph 9-2 show the information by year.

### Key Findings:

#### Number and Percent of Claims with Indemnity Payment

For 2000-2004 in aggregate – Table 9-1:

- The largest number of claims with indemnity payment, 687 (35.3%), were Death claims.
- The smallest number of claims with indemnity payment, 17 (0.9%), were Emotional claims.



On a yearly basis – Table 9-2:

- For each year studied, the largest percentage of claims with indemnity payment were Death claims. Each year, at least 1/3 of all closed claims reported were coded as Death claims.
- For each year studied, either Emotional or Insignificant Temporary claims represented the smallest percentage of claims with payment.

#### Total Indemnity and Percent of Total Indemnity Payments

For 2000-2004 in aggregate – Table 9-1:

- Death claims accounted for the largest amount of indemnity payments (\$366,713,922), representing 38.4% of the total indemnity payments.
- Insignificant Temporary claims accounted for the smallest amount of indemnity payments (\$1,181,943), representing 0.1% of the total indemnity payments.
- The four most severe “severity of injury codes” (Significant Permanent, Major Permanent, Grave Permanent, and Death) combined accounted for 81.4% of the total indemnity payments, but accounted for only 67.2% of the number of claims with indemnity payment.<sup>(1)</sup>

On a yearly basis – Table 9-2:

- For each year studied, Death claims accounted for the largest percentage of total indemnity payments.
- Each year Emotional or Insignificant Temporary claims accounted for the smallest percentage of total indemnity payments.

### Average Indemnity of Paid Claims

For 2000-2004 in aggregate – Table 9-1 and Graph 9-1:

- The highest average indemnity paid (\$941,550) was paid on Grave Permanent claims, which was 92.0% more than the overall average indemnity of paid claims (\$490,504).<sup>(2)</sup>
- Insignificant Temporary claims had the lowest average indemnity paid (\$47,278).
- As illustrated by Graph 9-1, average indemnity of paid claims tends to increase as the severity of injury worsens.
- While Death claims represented the largest number of claims with payment and the largest amount of total indemnity paid, the average indemnity payment for Death claims (\$533,790) was 43.3% less than the average paid on Grave Permanent claims.<sup>(3)</sup>

On a yearly basis – Table 9-2 and Graph 9-2:

- As illustrated by Graph 9-2, the average indemnity of paid claims is highest for Grave Permanent claims each year.
- Except for the change between 2002 and 2003, the average indemnity of Grave Permanent claims increased from year to year. Between 2002 and 2003, it decreased by 27.9%, while the largest increase was 92.5% and occurred between 2003 and 2004.<sup>(4)</sup>
- As illustrated by Graph 9-2, except for reporting year 2000, the average indemnity of paid claims was lowest for Insignificant Temporary claims. In 2000, the average indemnity of paid claims was lowest for Emotional claims.

# Indemnity Payments by Severity of Injury

2000 - 2004 in Aggregate

Severity of Injury	Number of Claims with Indemnity Payment	Percent of Claims with Indemnity Payment	Total Indemnity Payments	Average Indemnity of Paid Claims	Percent of Total Indemnity Payments
Emotional	17	0.9%	\$1,622,250	\$95,426	0.2%
Insignificant Temporary	25	1.3%	\$1,181,943	\$47,278	0.1%
Minor Temporary	130	6.7%	\$24,588,418	\$189,142	2.6%
Major Temporary	207	10.6%	\$59,784,636	\$288,815	6.3%
Minor Permanent	259	13.3%	\$90,073,026	\$347,772	9.4%
Significant Permanent	243	12.5%	\$114,138,069	\$469,704	12.0%
Major Permanent	225	11.6%	\$152,812,243	\$679,166	16.0%
Grave Permanent	152	7.8%	\$143,115,665	\$941,550	15.0%
Death	687	35.3%	\$366,713,922	\$533,790	38.4%
<b>Total</b>	<b>1,945</b>	<b>100.0%</b>	<b>\$954,030,172</b>	<b>\$490,504</b>	<b>100.0%</b>

(1) 81.4% = 12.0% + 16.0% + 15.0% + 38.4%

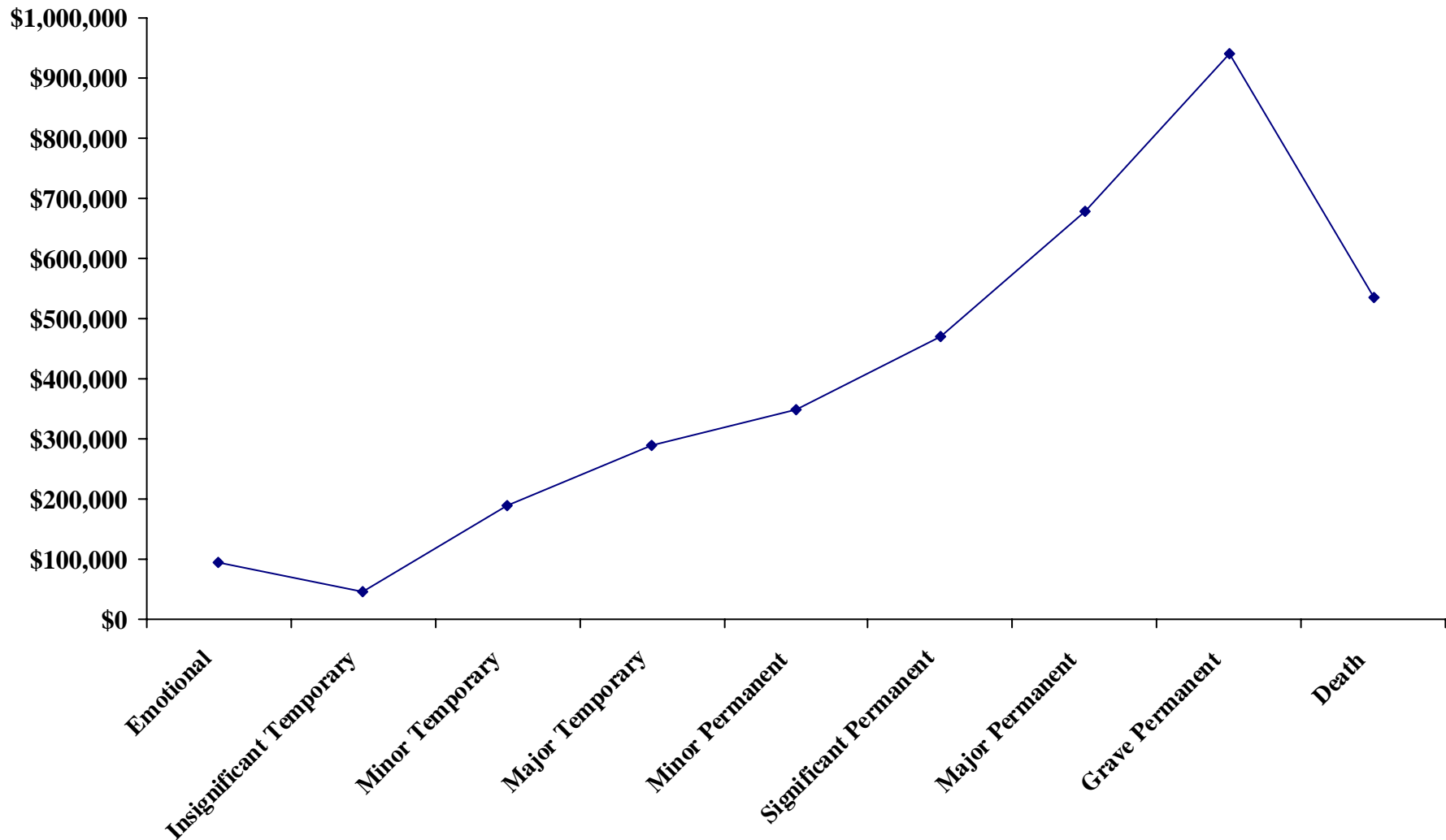
67.2% = 12.5% + 11.6% + 7.8% + 35.3%

(2) 92.0% = [(\$941,550 / \$490,504) - 1] \* 100

(3) -43.3% = [(\$533,790 / \$941,550) - 1] \* 100

# Average Indemnity Paid by Severity of Injury

2000 - 2004 in Aggregate



Graph 9 - 1

# Indemnity Payments by Severity of Injury

Year	Severity of Injury	Number of Claims with Indemnity Payment	Percent of Claims with Indemnity Payment	Total Indemnity Payments	Average Indemnity of Paid Claims	Percent of Total Indemnity Payments
<b>2000</b>						
	Emotional	8	1.9%	\$483,500	\$60,438	0.3%
	Insignificant Temporary	6	1.4%	\$517,437	\$86,240	0.3%
	Minor Temporary	23	5.6%	\$2,474,274	\$107,577	1.5%
	Major Temporary	43	10.4%	\$12,275,581	\$285,479	7.4%
	Minor Permanent	51	12.3%	\$11,806,482	\$231,500	7.1%
	Significant Permanent	52	12.6%	\$22,544,472	\$433,548	13.5%
	Major Permanent	41	9.9%	\$18,383,472	\$448,377	11.0%
	Grave Permanent	41	9.9%	\$27,269,928	\$665,120	16.4%
	Death	149	36.0%	\$70,710,728	\$474,569	42.5%
	<b>Total</b>	<b>414</b>	<b>100.0%</b>	<b>\$166,465,874</b>	<b>\$402,091</b>	<b>100.0%</b>
<b>2001</b>						
	Emotional	0	0.0%	\$0	\$0	0.0%
	Insignificant Temporary	6	1.7%	\$113,885	\$18,981	0.1%
	Minor Temporary	33	9.1%	\$6,725,021	\$203,789	4.4%
	Major Temporary	49	13.6%	\$9,764,646	\$199,278	6.4%
	Minor Permanent	57	15.8%	\$18,807,445	\$329,955	12.3%
	Significant Permanent	38	10.5%	\$15,537,550	\$408,883	10.2%
	Major Permanent	33	9.1%	\$17,792,384	\$539,163	11.7%
	Grave Permanent	24	6.6%	\$17,250,000	\$718,750	11.3%
	Death	121	33.5%	\$66,524,060	\$549,786	43.6%
	<b>Total</b>	<b>361</b>	<b>100.0%</b>	<b>\$152,514,991</b>	<b>\$422,479</b>	<b>100.0%</b>

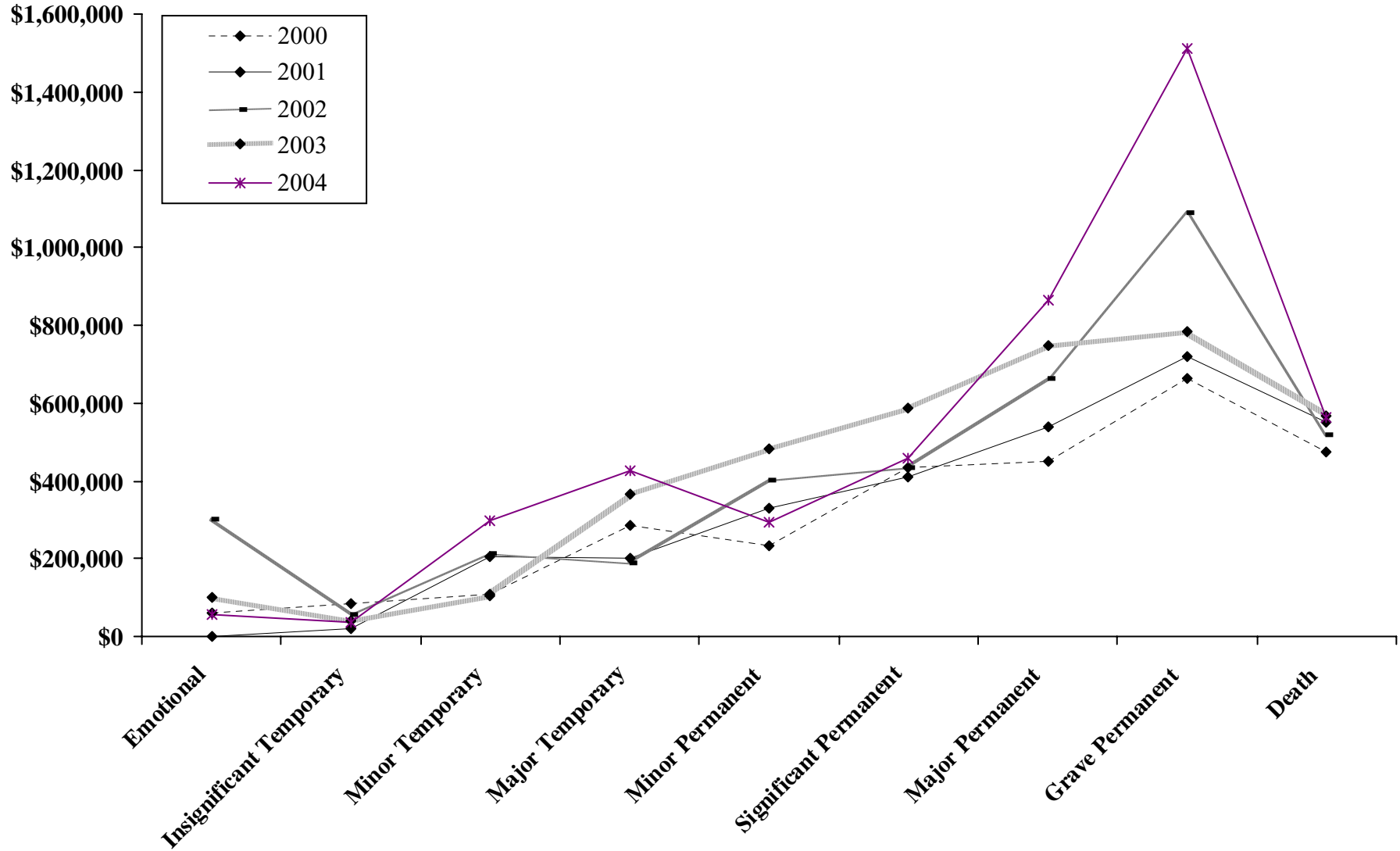
Table 9 - 2

<b>Year</b>	<b>Severity of Injury</b>	<b>Number of Claims with Indemnity Payment</b>	<b>Percent of Claims with Indemnity Payment</b>	<b>Total Indemnity Payments</b>	<b>Average Indemnity of Paid Claims</b>	<b>Percent of Total Indemnity Payments</b>
<b>2002</b>						
	Emotional	2	0.6%	\$605,000	\$302,500	0.4%
	Insignificant Temporary	4	1.1%	\$219,840	\$54,960	0.1%
	Minor Temporary	30	8.6%	\$6,386,225	\$212,874	3.9%
	Major Temporary	36	10.3%	\$6,829,420	\$189,706	4.2%
	Minor Permanent	50	14.4%	\$20,144,596	\$402,892	12.3%
	Significant Permanent	48	13.8%	\$20,899,855	\$435,414	12.8%
	Major Permanent	31	8.9%	\$20,528,350	\$662,205	12.5%
	Grave Permanent	21	6.0%	\$22,853,350	\$1,088,255	14.0%
	Death	126	36.2%	\$65,113,750	\$516,776	39.8%
	<b>Total</b>	<b>348</b>	<b>100.0%</b>	<b>\$163,580,386</b>	<b>\$470,059</b>	<b>100.0%</b>
<b>2003</b>						
	Emotional	3	0.7%	\$307,500	\$102,500	0.1%
	Insignificant Temporary	5	1.1%	\$194,000	\$38,800	0.1%
	Minor Temporary	21	4.8%	\$2,158,569	\$102,789	0.9%
	Major Temporary	46	10.5%	\$16,839,058	\$366,066	7.0%
	Minor Permanent	51	11.6%	\$24,658,205	\$483,494	10.2%
	Significant Permanent	54	12.3%	\$31,681,157	\$586,688	13.1%
	Major Permanent	67	15.3%	\$50,223,349	\$749,602	20.8%
	Grave Permanent	33	7.5%	\$25,895,486	\$784,712	10.7%
	Death	158	36.1%	\$89,687,233	\$567,641	37.1%
	<b>Total</b>	<b>438</b>	<b>100.0%</b>	<b>\$241,644,557</b>	<b>\$551,700</b>	<b>100.0%</b>

(4)  $-27.9 = [(\$784,712 / \$1,088,255) - 1] * 100$   
 $92.5\% = [(\$1,510,512 / \$784,712) - 1] * 100$

<b>Year</b>	<b>Severity of Injury</b>	<b>Number of Claims with Indemnity Payment</b>	<b>Percent of Claims with Indemnity Payment</b>	<b>Total Indemnity Payments</b>	<b>Average Indemnity of Paid Claims</b>	<b>Percent of Total Indemnity Payments</b>
<b>2004</b>						
	Emotional	4	1.0%	\$226,250	\$56,563	0.1%
	Insignificant Temporary	4	1.0%	\$136,781	\$34,195	0.1%
	Minor Temporary	23	6.0%	\$6,844,329	\$297,580	3.0%
	Major Temporary	33	8.6%	\$14,075,931	\$426,543	6.1%
	Minor Permanent	50	13.0%	\$14,656,298	\$293,126	6.4%
	Significant Permanent	51	13.3%	\$23,475,035	\$460,295	10.2%
	Major Permanent	53	13.8%	\$45,884,688	\$865,749	20.0%
	Grave Permanent	33	8.6%	\$49,846,901	\$1,510,512	21.7%
	Death	133	34.6%	\$74,678,151	\$561,490	32.5%
<b>Total</b>		<b>384</b>	<b>100.0%</b>	<b>\$229,824,364</b>	<b>\$598,501</b>	<b>100.0%</b>

# Average Indemnity Payment by Severity of Injury



Graph 9 - 2



## Average Length of Claims by Severity of Injury

Table 10-1 and Graphs 10-1, 10-2 and 10-3 provide information about the average length of closed claims by severity of injury. Claims with an indemnity payment are compared to those without an indemnity payment. This section shows the data in aggregate only.

### Key Findings:

#### Average Months from Injury to Report Date – Table 10-1

- For claims with indemnity payment:
  - The overall average length of time from injury to report date was 22.4 months (1 year and 10 months).
  - Grave Permanent claims took the longest to report, at 38.1 months (3 years and 2 months).
  - Insignificant Temporary claims took the least amount of time to report, 12.0 months (1 year).
- For claims without indemnity payment:
  - The overall average length of time from injury to report date was 20.5 months (1 year and 9 months).
  - Grave Permanent claims took the longest to report, at 35.0 months (2 years and 11 months).
  - Emotional claims took the least amount of time to report, 12.5 months (1 year and 1 month).

#### Average Months from Report to Closure Date – Table 10-1

- For claims with indemnity payment:
  - The overall average length of time from report to closure date was 44.9 months (3 years and 9 months).
  - Grave Permanent claims took the longest to close, at 49.7 months (4 years and 2 months).
  - Insignificant Temporary claims were closed in the least amount of time, 24.2 months (2 years).
- For claims without indemnity payment:
  - The overall average length of time from report to closure date was 15.8 months (1 year and 4 months).

- Grave Permanent claims took the longest to close, at 37.8 months (3 years and 2 months).
- Major Temporary claims were closed in the least amount of time, 8.3 months from report date (8 months).

Average Months from Injury to Closure Date – Table 10-1

- For claims with indemnity payment:
  - The overall average length of time from injury to closure date was 67.3 months (5 years and 7 months).
  - Grave Permanent claims had the longest amount of time between injury and closure date, 87.8 months (7 years and 4 months).
  - Insignificant Temporary claims closed in the shortest amount of time from injury date, 36.3 months (3 years).
- For claims without indemnity payment:
  - The overall average length of time from injury to closure date was 36.3 months (3 years).
  - Grave Permanent claims had the longest amount of time between injury and closure date, 72.9 months (6 years and 1 month).
  - Emotional claims closed in the shortest amount of time from injury date, 21.6 months (1 year and 10 months).
- The time between the date of injury and date the claim was closed by the insurer was almost twice as long for claims that closed with an indemnity payment (67.3 months) when compared to the time for claims that closed without an indemnity payment (36.3 months).
- As shown by Graphs 10-1, 10-2 and 10-3, claims without payment were reported to and closed by insurers much more quickly on average than claims with indemnity payments.

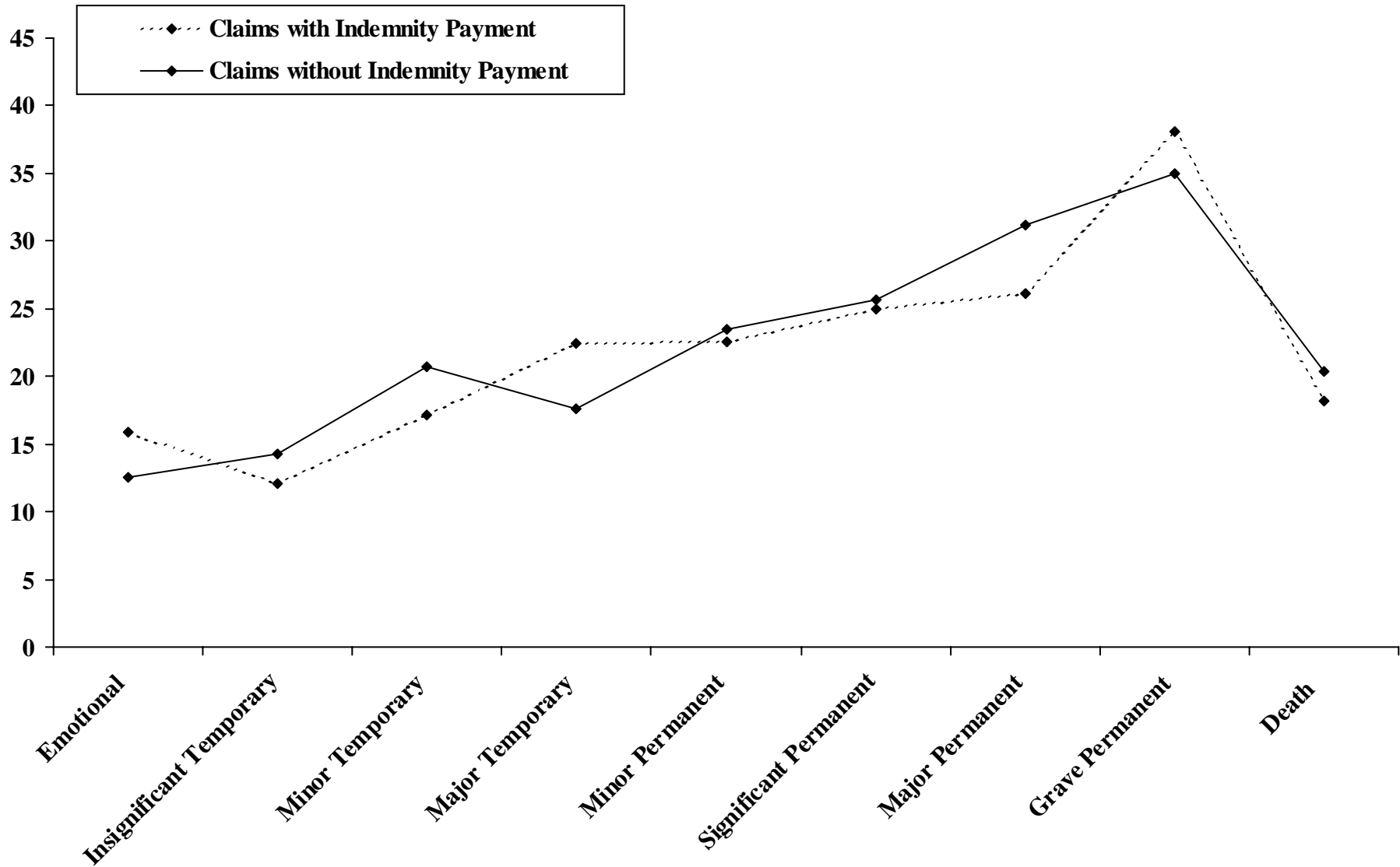
# Average Length of Claims by Severity of Injury

Severity of Injury	Claims with Indemnity Payment				Claims without Indemnity Payment			
	Number of Claims with Indemnity Payment	Average Months from Injury to Report Date	Average Months from Report to Closure Date	Average Months from Injury to Closure Date	Number of Claims without Indemnity Payment	Average Months from Injury to Report Date	Average Months from Report to Closure Date	Average Months from Injury to Closure Date
Emotional	17	15.9	27.1	42.9	211	12.5	9.1	21.6
Insignificant Temporary	25	12.0	24.2	36.3	220	14.3	13.3	27.6
Minor Temporary	130	17.1	43.1	60.2	990	20.7	18.5	39.1
Major Temporary	207	22.4	40.1	62.6	6,019	17.6	8.3	25.9
Minor Permanent	259	22.6	41.9	64.5	1,078	23.5	23.8	47.3
Significant Permanent	243	24.9	45.7	70.7	1,063	25.7	21.0	46.7
Major Permanent	225	26.2	48.8	75.0	712	31.2	27.7	59.0
Grave Permanent	152	38.1	49.7	87.8	287	35.0	37.8	72.9
Death	687	18.1	46.4	64.5	3,491	20.3	20.4	40.7
<b>Total</b>	<b>1,945</b>	<b>22.4</b>	<b>44.9</b>	<b>67.3</b>	<b>14,071</b>	<b>20.5</b>	<b>15.8</b>	<b>36.3</b>

**Table 10 - 1**

# Average Months from Injury to Report Date

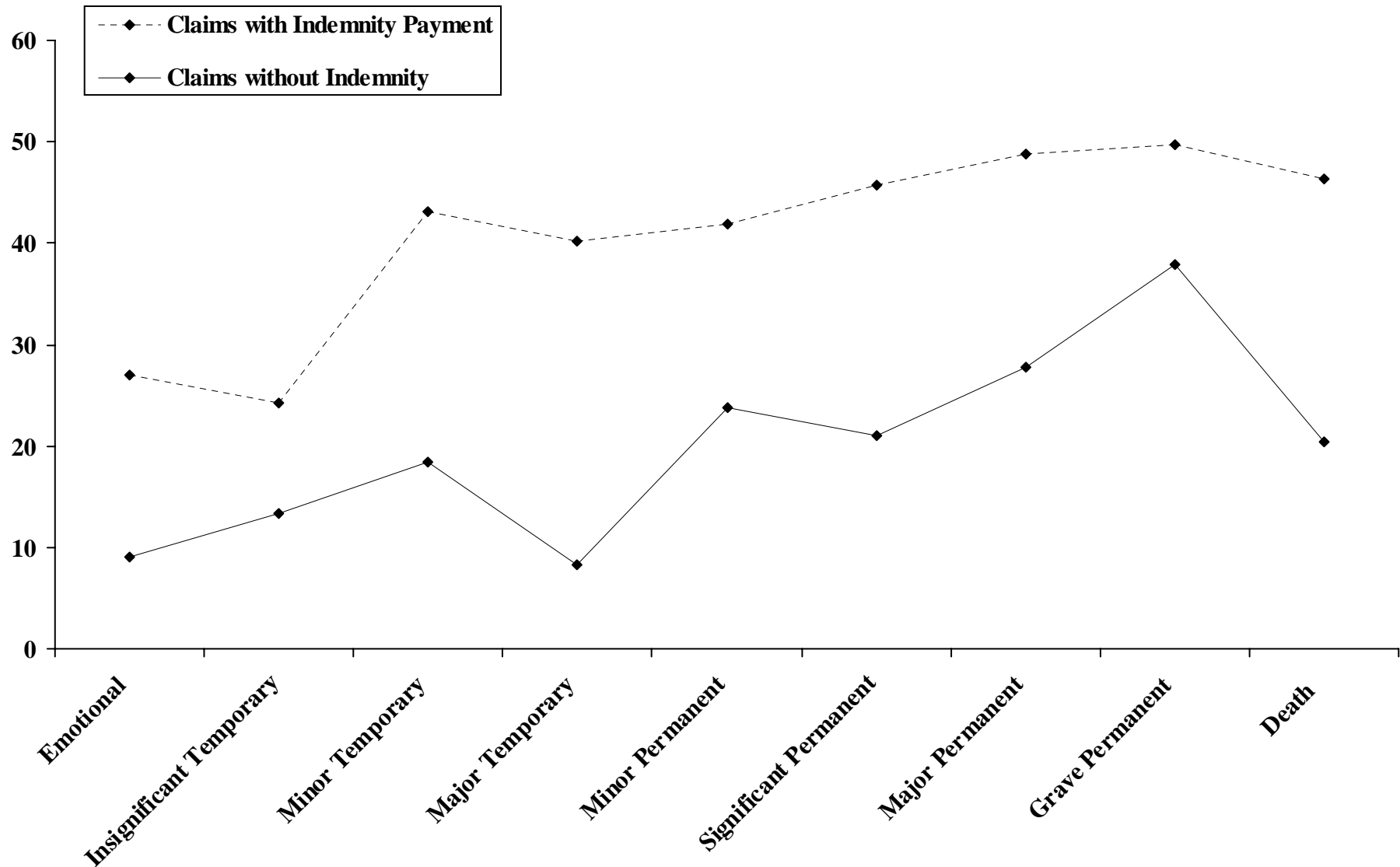
2000 - 2004 in Aggregate



Graph 10 - 1

# Average Months from Report to Closure Date

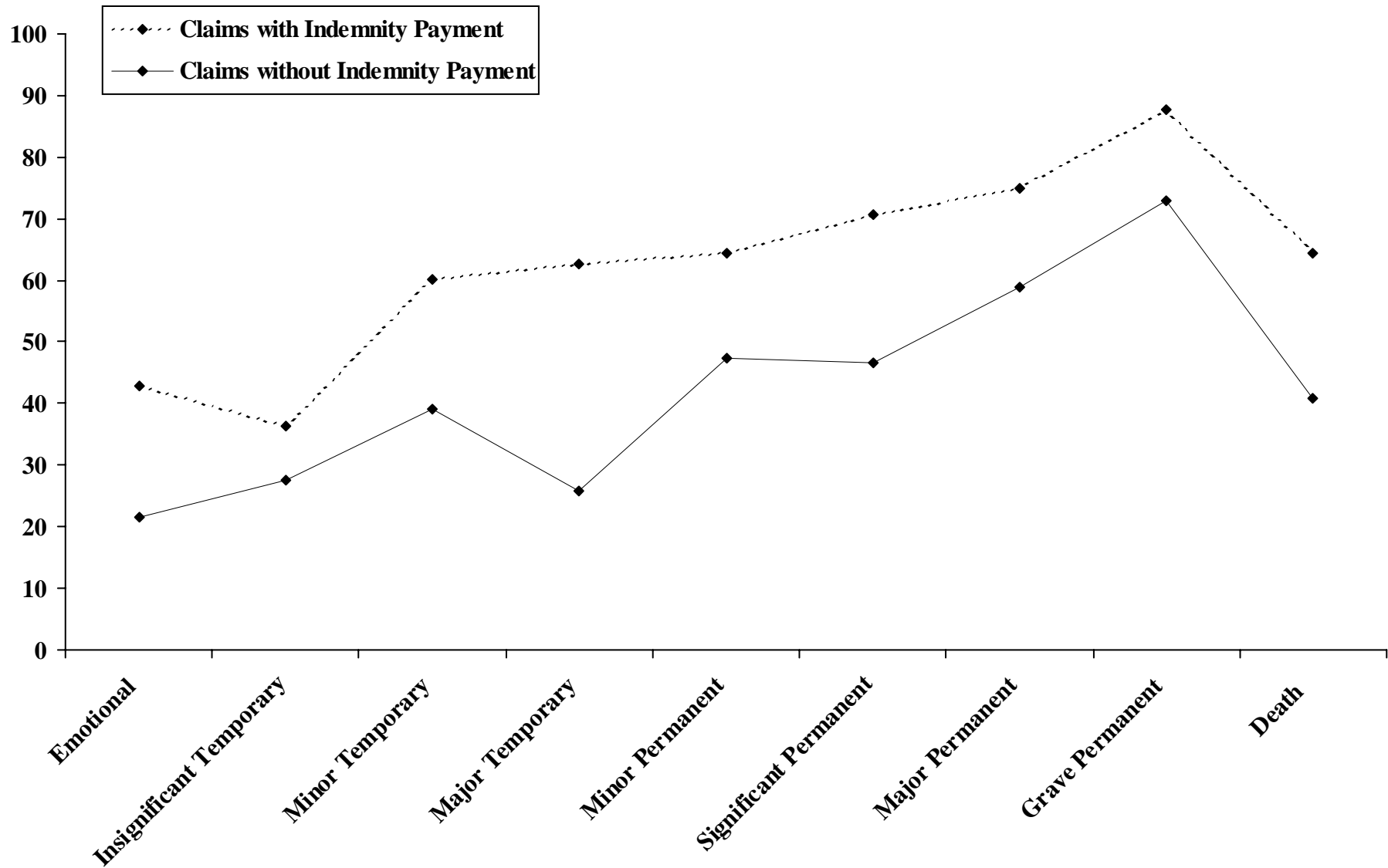
2000 - 2004 in Aggregate



Graph 10 - 2

# Average Months from Injury to Closure Date

2000 - 2004 in Aggregate



Graph 10 - 3

## Indemnity Payments by Severity of Injury by Age of Injured Party

Table 11-1 and Graph 11-1 compare aggregate 2000-2004 data about the injured party's severity of injury to the amount of indemnity payment, according to the age of the injured party. Table 11-1 is separated into four groupings according to the age of the injured party:

- Infant (age 0 to 3);
- Minor (age 4 to 17);
- Adult (age 18 and older);
- Unknown.

### Key Findings:

#### Number and Percent of Claims with Indemnity Payment – Table 11-1

- Of the 1,945 claims with indemnity payment:
  - Infants were the injured party in 291 claims, or 15.0% of claims with indemnity payment.<sup>(1)</sup>
  - Minors were the injured party in 97 claims, or 5.0% of claims with indemnity payment.<sup>(2)</sup>
  - Adults were the injured party in 1,439 claims, or 74.0% of claims with indemnity payment.<sup>(3)</sup>
- Of the 291 Infant claims with indemnity payment, 59.1% were Death (89) or Grave Permanent (83) claims.<sup>(4)</sup>
- Of the 97 Minor claims with indemnity payment, over ½ of the claims were Death (30) or Minor Permanent (21) claims.
- Of the 1,439 Adult claims with indemnity payment, 541 (37.6%) of the claims were Death claims. Emotional claims represented the smallest number of adult claims with indemnity payment at 10.

### Total Indemnity Payments – Table 11-1

- Of the \$954,030,172 total indemnity paid over the report period:
  - \$191,005,806 (20.0%) was paid for claims in which Infants were the injured party.<sup>(5)</sup>
  - \$42,867,912 (4.5%) was paid for claims in which Minors were the injured party.<sup>(6)</sup>
  - \$668,263,306 (70.0%) was paid for claims in which Adults were the injured party.<sup>(7)</sup>
- Of the \$191,005,806 paid on Infant claims, \$76,898,567 (40.3%) was paid on Grave Permanent claims.<sup>(8)</sup>
- Of the \$42,867,912 paid on Minor claims, \$22,175,000 (51.7%) was paid on Death claims.<sup>(9)</sup>
- Of the \$668,263,306 paid on Adult claims, \$289,398,123 (43.3%) was paid on Death claims.<sup>(10)</sup>

### Average Indemnity of Paid Claims – Table 11-1 and Graph 11-1

- The average indemnity of paid claims was highest for Infant claims (\$656,377) and lowest for Minor claims (\$441,937), while the average indemnity of paid Adult claims was \$464,394.
- As illustrated by Graph 11-1:
  - Of the Infant claims, the highest average indemnity of paid claims (\$926,489) occurred on Grave Permanent claims and the lowest (\$10,750) occurred on Emotional claims.
  - Of the Minor claims, the highest average indemnity of paid claims (\$786,667) occurred on Major Permanent claims and the lowest (\$23,969) occurred on Insignificant Temporary claims.
  - Of the Adult claims, the highest average indemnity of paid claims (\$977,969) occurred on Grave Permanent claims and the lowest (\$73,286) occurred on Insignificant Temporary claims.



# Indemnity Payments by Severity of Injury by Age of Injured Party 2000 - 2004 in Aggregate

Age	Severity of Injury	Number of Claims with Indemnity Payment	Percent of Claims with Indemnity Payment	Total Indemnity Payments	Average Indemnity of Paid Claims
<b>Infant - 0 to 3 Years Old</b>					
	Emotional	2	0.7%	\$21,500	\$10,750
	Insignificant Temporary	0	0.0%	\$0	\$0
	Minor Temporary	7	2.4%	\$2,377,927	\$339,704
	Major Temporary	13	4.5%	\$4,391,423	\$337,802
	Minor Permanent	11	3.8%	\$5,862,500	\$532,955
	Significant Permanent	33	11.3%	\$21,358,506	\$647,227
	Major Permanent	53	18.2%	\$41,499,883	\$783,017
	Grave Permanent	83	28.5%	\$76,898,567	\$926,489
	Death	89	30.6%	\$38,595,500	\$433,657
<b>Total - Infant - 0 to 3 Years Old</b>		<b>291</b>	<b>100.0%</b>	<b>\$191,005,806</b>	<b>\$656,377</b>
<b>Minor - 4 to 17 Years Old</b>					
	Emotional	0	0.0%	\$0	\$0
	Insignificant Temporary	2	2.1%	\$47,937	\$23,969
	Minor Temporary	10	10.3%	\$718,500	\$71,850
	Major Temporary	9	9.3%	\$1,401,938	\$155,771
	Minor Permanent	21	21.6%	\$5,530,750	\$263,369
	Significant Permanent	16	16.5%	\$6,081,858	\$380,116
	Major Permanent	6	6.2%	\$4,720,000	\$786,667
	Grave Permanent	3	3.1%	\$2,191,929	\$730,643
	Death	30	30.9%	\$22,175,000	\$739,167
<b>Total - Minor - 4 to 17 Years Old</b>		<b>97</b>	<b>100.0%</b>	<b>\$42,867,912</b>	<b>\$441,937</b>

Table 11 - 1

<b>Age</b>	<b>Severity of Injury</b>	<b>Number of Claims with Indemnity Payment</b>	<b>Percent of Claims with Indemnity Payment</b>	<b>Total Indemnity Payments</b>	<b>Average Indemnity of Paid Claims</b>
<b>Adult - 18 Years and Older</b>					
	Emotional	10	0.7%	\$945,750	\$94,575
	Insignificant Temporary	14	1.0%	\$1,026,000	\$73,286
	Minor Temporary	100	6.9%	\$19,995,590	\$199,956
	Major Temporary	173	12.0%	\$52,753,551	\$304,934
	Minor Permanent	207	14.4%	\$68,377,058	\$330,324
	Significant Permanent	184	12.8%	\$81,639,705	\$443,694
	Major Permanent	151	10.5%	\$96,427,360	\$638,592
	Grave Permanent	59	4.1%	\$57,700,169	\$977,969
	Death	541	37.6%	\$289,398,123	\$534,932
<b>Total - Adult - 18 Years and Older</b>		<b>1,439</b>	<b>100.0%</b>	<b>\$668,263,306</b>	<b>\$464,394</b>
<b>Unknown</b>					
	Emotional	5	4.2%	\$655,000	\$131,000
	Insignificant Temporary	9	7.6%	\$108,006	\$12,001
	Minor Temporary	13	11.0%	\$1,496,401	\$115,108
	Major Temporary	12	10.2%	\$1,237,724	\$103,144
	Minor Permanent	20	16.9%	\$10,302,718	\$515,136
	Significant Permanent	10	8.5%	\$5,058,000	\$505,800
	Major Permanent	15	12.7%	\$10,165,000	\$677,667
	Grave Permanent	7	5.9%	\$6,325,000	\$903,571
	Death	27	22.9%	\$16,545,299	\$612,789
<b>Total - Unknown</b>		<b>118</b>	<b>100.0%</b>	<b>\$51,893,148</b>	<b>\$439,772</b>
<b>Total - Overall</b>		<b>1,945</b>	<b>100.0%</b>	<b>\$954,030,172</b>	<b>\$490,504</b>

(1) 15.0% = (291 / 1,945) \* 100

(2) 5.0% = (97 / 1,945) \* 100

(3) 74.0% = (1,439 / 1,945) \* 100

(4) 59.1% = ((89 + 83) / 291) \* 100

(5) 20.0% = (\$191,005,806 / \$954,030,172) \* 100

(6) 4.5% = (\$42,867,912 / \$954,030,172) \* 100

(7) 70.0% = (\$668,263,306 / \$954,030,172) \* 100

(8) 40.3% = (\$76,898,567 / \$191,005,806) \* 100

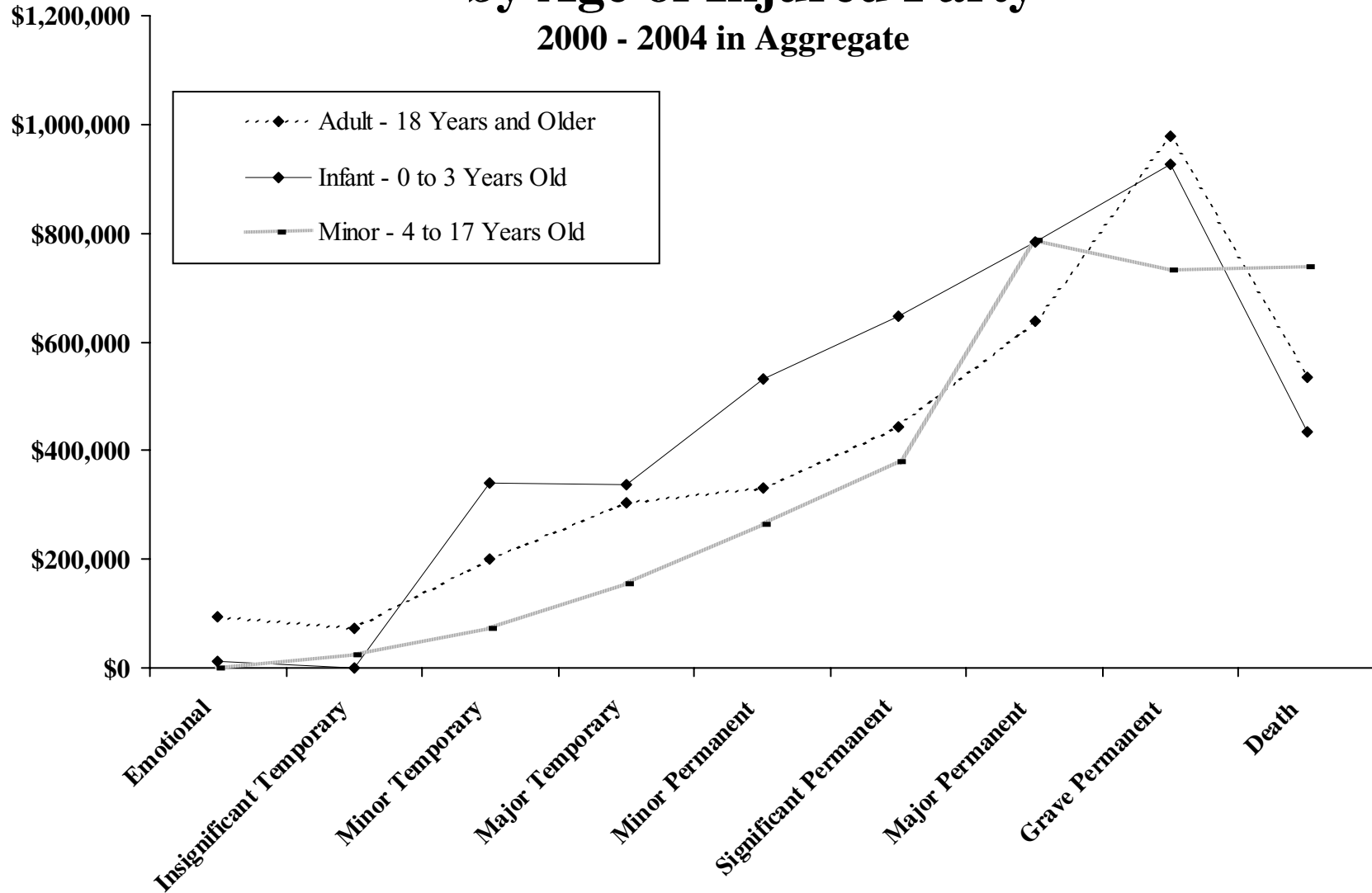
(9) 51.7% = (\$22,175,000 / \$42,867,912) \* 100

(10) 43.3% = (\$289,398,123 / \$668,263,306) \* 100

**Table 11 - 1**

# Average Indemnity Payment by Severity of Injury by Age of Injured Party

2000 - 2004 in Aggregate



Graph 11 - 1

## **Defense Counsel Payments by Severity of Injury – Claims with Indemnity Payment**

Table 12-1 and Graph 12-1 provide information about the defense costs paid for claims with an indemnity payment sorted by severity of injury. This section shows the data in aggregate only.

### **Key Findings:**

#### Number of Claims with Indemnity and Defense Counsel Payment – Table 12-1

- Of the 1,945 claims with indemnity payment, 1,757 (90.3%) also had a defense counsel payment.<sup>(1)</sup>
- Of the 1,757 claims with indemnity and defense counsel payment:
  - The largest number, 633 (36.0%), were Death claims.<sup>(2)</sup>
  - The smallest number, 14 (0.8%), were Emotional claims.<sup>(3)</sup>

#### Total Payment to Defense Counsel for Claims with Indemnity and Defense Counsel Payment – Table 12-1

- Of the \$84,131,163 total payment to defense counsel for claims with indemnity and defense counsel payment:
  - The largest amount, \$30,203,989 (35.9%), was paid on Death claims.<sup>(4)</sup>
  - The smallest amount, \$410,785 (0.5%), was paid on Insignificant Temporary claims.<sup>(5)</sup>

#### Average Payment to Defense Counsel for Claims with Indemnity and Defense Counsel Payment – Table 12-1 and Graph 12-1

- The overall “average payment to defense counsel for claims with indemnity and defense counsel payment” was \$47,883.
- The highest “average payment to defense counsel for claims with indemnity and defense counsel payment” of \$66,331 was associated with Grave Permanent claims.

- The lowest “average payment to defense counsel for claims with indemnity and defense counsel payment” of \$25,674 was associated with Insignificant Temporary claims.
- As illustrated by Graph 12-1, “average payment to defense counsel for claims with indemnity and defense counsel payment” increased as the severity of injury worsens.

# Defense Counsel Payments by Severity of Injury Claims with Indemnity Payment 2000 - 2004 in Aggregate

Severity of Injury	Number of Claims with Indemnity Payment	(*) Number of Claims with Indemnity and Defense Counsel Payment	Total Payment to Defense Counsel for Claims in (*)	Average Payment to Defense Counsel for Claims in (*)
Emotional	17	14	\$434,794	\$31,057
Insignificant Temporary	25	16	\$410,785	\$25,674
Minor Temporary	130	103	\$3,573,103	\$34,690
Major Temporary	207	184	\$6,359,691	\$34,564
Minor Permanent	259	234	\$12,155,556	\$51,947
Significant Permanent	243	226	\$10,109,533	\$44,732
Major Permanent	225	202	\$11,265,766	\$55,771
Grave Permanent	152	145	\$9,617,946	\$66,331
Death	687	633	\$30,203,989	\$47,716
<b>Total</b>	<b>1,945</b>	<b>1,757</b>	<b>\$84,131,163</b>	<b>\$47,883</b>

(1) 90.3% = (1,757 / 1,945) \* 100

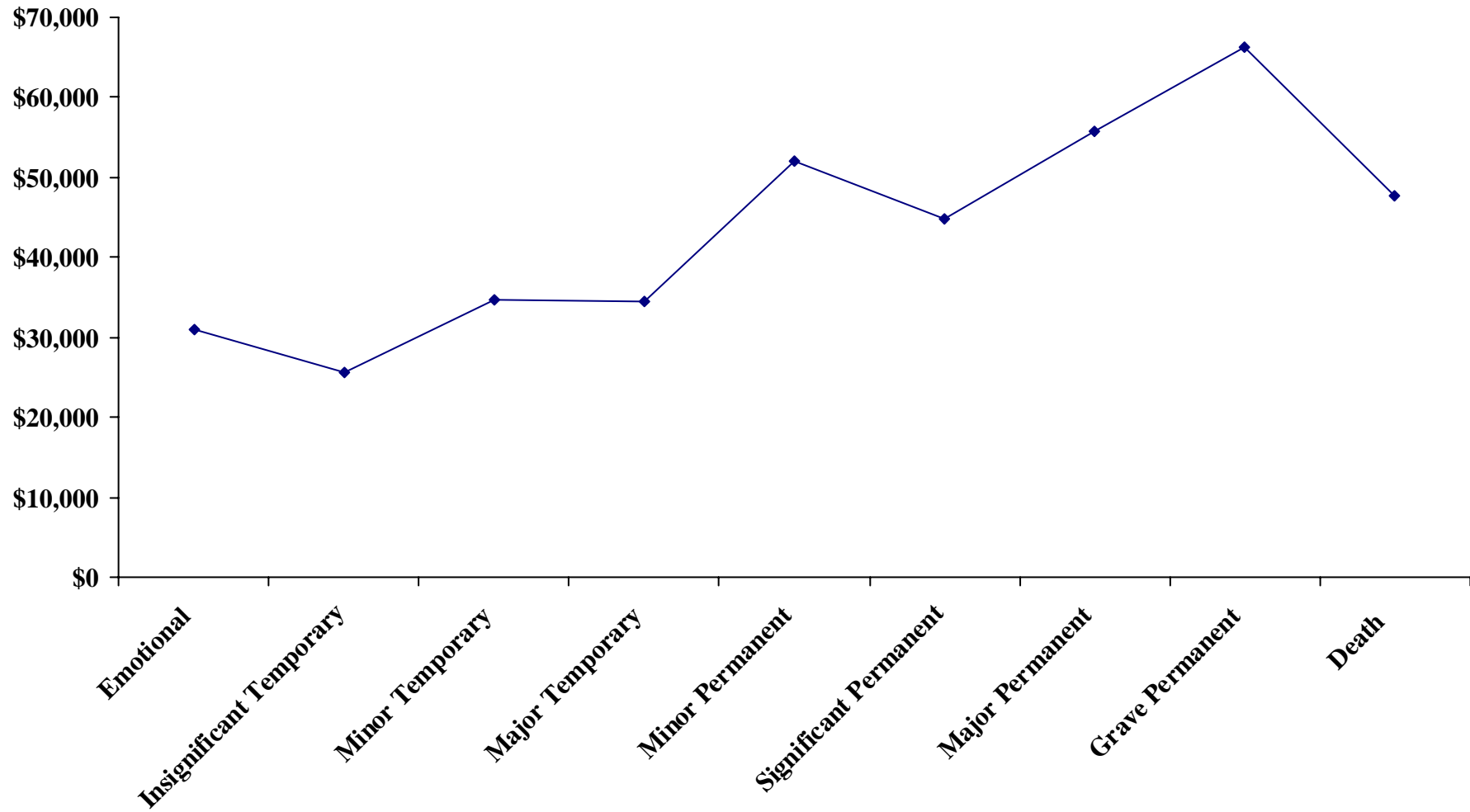
(2) 36.0% = (633 / 1,757) \* 100

(3) 0.8% = (14 / 1,757) \* 100

(4) 35.9% = (\$30,203,989 / \$84,131,163) \* 100

(5) 0.5% = (\$410,785 / \$84,131,163) \* 100

# Average Payment to Defense Counsel by Severity of Injury Claims with Indemnity Payment 2000 - 2004 in Aggregate



Graph 12 - 1

## **Defense Counsel Payments by Severity of Injury – Claims without Indemnity Payment**

Table 13-1 and Graph 13-1 provide information about the defense counsel payments for claims without indemnity payment sorted by severity of injury. This section shows the data in aggregate only.

### **Key Findings:**

#### Number of Claims with Payment to Defense Counsel Only – Table 13-1

- Of the 14,071 claims without indemnity payment, 6,870 (48.8%) had a defense counsel payment.<sup>(1)</sup>
- Of the 6,870 “claims with payment to defense counsel only”:
  - The largest number, 2,129 (31.0%), were Major Temporary claims.<sup>(2)</sup>
  - The second largest number, 2,008 (29.2%), were Death claims.<sup>(3)</sup>
  - The smallest number, 65 (0.9%), were Emotional claims.<sup>(4)</sup>

#### Total Payment to Defense Counsel for Claims with Payment to Defense Counsel Only – Table 13-1

- Of the \$120,460,063 total payment to defense counsel for “claims with payment to defense counsel only”:
  - The largest amount, \$45,227,839 (37.5%), was paid on Death claims.<sup>(5)</sup>
  - The smallest amount, \$757,071 (0.6%), was paid on Insignificant Temporary claims.<sup>(6)</sup>

#### Average Payment to Defense Counsel for Claims with Payment to Defense Counsel Only – Table 13-1 and Graph 13-1

- The overall “average payment to defense counsel for claims with payment to defense counsel only” was \$17,534.
- The highest “average payment to defense counsel for claims with payment to defense counsel only,” \$41,197, was associated with Grave Permanent claims.



- The lowest “average payment to defense counsel for claims with payment to defense counsel only,” \$7,968, was associated with Major Temporary claims.
- As illustrated by Graph 13-1, “average payment to defense counsel for claims with payment to defense counsel only” remains level until Minor Permanent claims, when it begins to increase as severity worsens, peaking at Grave Permanent and declining again for Death claims.

# Defense Counsel Payments by Severity of Injury Claims without Indemnity Payment 2000 - 2004 in Aggregate

Severity of Injury	Number of Claims without Indemnity Payment	(#) Number of Claims with Payment to Defense Counsel Only	Total Payment to Defense Counsel for Claims in (#)	Average Payment to Defense Counsel for Claims in (#)
Emotional	211	65	\$790,352	\$12,159
Insignificant Temporary	220	85	\$757,071	\$8,907
Minor Temporary	990	540	\$6,975,203	\$12,917
Major Temporary	6,019	2,129	\$16,964,289	\$7,968
Minor Permanent	1,078	683	\$14,350,928	\$21,012
Significant Permanent	1,063	652	\$14,006,245	\$21,482
Major Permanent	712	494	\$12,572,025	\$25,449
Grave Permanent	287	214	\$8,816,111	\$41,197
Death	3,491	2,008	\$45,227,839	\$22,524
<b>Total</b>	<b>14,071</b>	<b>6,870</b>	<b>\$120,460,063</b>	<b>\$17,534</b>

(1) 48.8% = (6,870 / 14,071) \* 100

(2) 31.0% = (2,129 / 6,870) \* 100

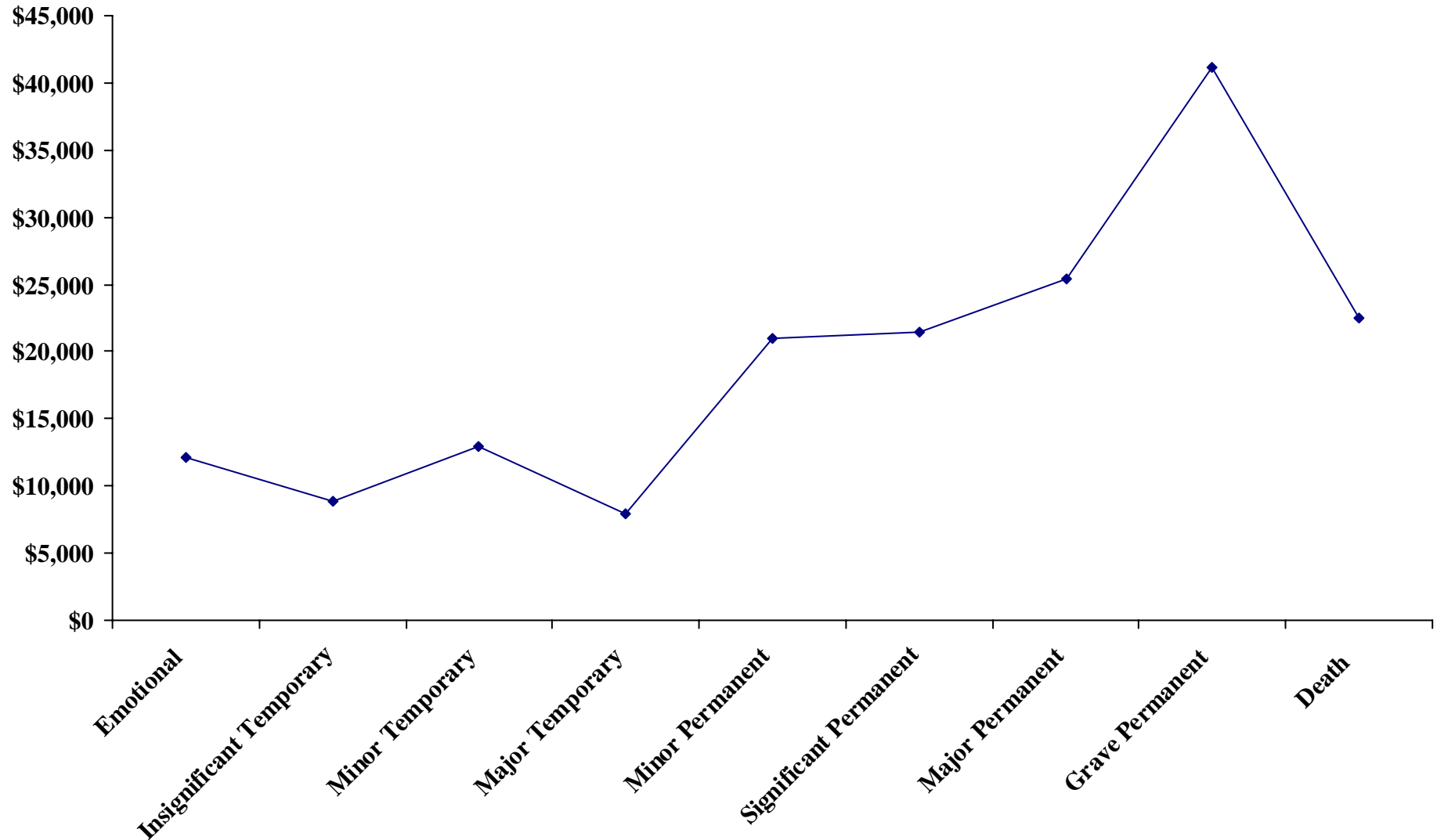
(3) 29.2% = (2,008 / 6,870) \* 100

(4) 0.9% = (65 / 6,870) \* 100

(5) 37.5% = (\$45,227,839 / \$120,460,063) \* 100

(6) 0.6% = (\$757,071 / \$120,460,063) \* 100

# Average Payment to Defense Counsel by Severity of Injury Claims without Indemnity Payment 2000 - 2004 in Aggregate



Graph 13 - 1

## Indemnity Payments by Type of Medical Provider Specialty

Tables 14-1 and 14-2 and Graphs 14-1, 14-2 and 14-3 sort the data by the physician's or surgeon's type of medical provider specialty. Table 14-1 and Graphs 14-1, 14-2 and 14-3 show the information in the aggregate for the five-year time period studied (2000-2004) and Table 14-2 shows the information by year. The data in all of the tables in this section show the twenty specialties with the largest amount of total indemnity payments in the aggregate for the report period.

Note that in the "Number of Claims with Indemnity Payment" and "Total Indemnity Payments" columns on the tables below, the largest category both in aggregate and by year is "Other." The "Other" category is comprised of all other specialties not individually listed, as well as claims with apparent coding issues that could not be verified or corrected prior to printing. Because the number of claims and total indemnity reported in the "Other" category is significant, it is difficult to draw conclusions from this data.

Definitions of specialties are listed in Appendix B.

### Key Findings:

#### Number of Claims with Indemnity Payment

For 2000-2004 in aggregate – Table 14-1 and Graph 14-1:

- Of the 1,945 claims with payment:
  - Nearly 1/3 of all claims reported were claims against physicians/surgeons in the top three specialty codes of Obstetrics – Gynecology Surgery, General Surgery, and Internal Medicine (No Surgery).<sup>(1)</sup>
  - 289 (14.9%) were for claims against physicians/surgeons specializing in Obstetrics – Gynecology Surgery.<sup>(2)</sup>
  - 180 (9.3%) were for claims against physicians/surgeons specializing in General Surgery.<sup>(3)</sup>
  - 164 (8.4%) were for claims against physicians/surgeons specializing in Internal Medicine (No Surgery).<sup>(4)</sup>

On a yearly basis – Table 14-2:

- Each year, a significant percentage of claims with indemnity payment were against the top three specialty codes of Obstetrics – Gynecology Surgery, General Surgery, and Internal Medicine (No Surgery), ranging from a low of 26.8% in 2004 to a high of 40.6% in 2000.<sup>(5)</sup>
- Each year, with the exception of the “Other” category, the highest percentage of claims with indemnity payment was for claims against physicians/surgeons specializing in Obstetrics – Gynecology Surgery.

### Total Indemnity Payments

For 2000-2004 in aggregate – Table 14-1 and Graph 14-2:

- Of the \$954,030,172 of total indemnity paid:
  - Nearly 1/3 of the total indemnity paid was for claims against physicians/surgeons in the top three specialty codes of Obstetrics – Gynecology Surgery, General Surgery, and Internal Medicine (No Surgery).<sup>(6)</sup>
  - \$154,336,732 (16.2%) was paid on claims against physicians/surgeons specializing in Obstetrics – Gynecology Surgery.<sup>(7)</sup>
  - \$79,722,869 (8.4%) was paid on claims against physicians/surgeons specializing in Internal Medicine (No Surgery).<sup>(8)</sup>
  - \$66,084,471 (6.9%) was paid on claims against physicians/surgeons specializing in General Surgery.<sup>(9)</sup>

On a yearly basis – Table 14-2:

- Each year, the top three specialty codes resulted in a significant percentage of the total indemnity paid, from a low of 24.6% in 2004 to a high of 35.0% in 2000.<sup>(10)</sup>
- Each year, physicians/surgeons specializing in Obstetrics – Gynecology Surgery accounted for the largest percentage of total indemnity paid, ranging from a low of 13.7% in 2004 to a high of 18.7% in 2000.<sup>(11)</sup>

### Average Indemnity of Paid Claims

For 2000-2004 in aggregate – Table 14-1 and Graph 14-3:

- The highest average indemnity paid, \$964,241, was for claims against physicians/surgeons specializing in Pathology (Minor Surgery).
- The smallest average indemnity paid, \$324,949, was for claims against physicians/surgeons specializing in Orthopaedic Surgery (Without Spinal Surgery or Chemonucleolysis).

On a yearly basis – Table 14-2:

- No consistent pattern was evident among the lowest and highest average paid indemnity from year to year.

# Indemnity Payments by Type of Medical Provider Specialty

2000 - 2004 in Aggregate

Medical Provider Specialty	Number of Claims with Indemnity Payment	Total Indemnity Payments	Average Indemnity of Paid Claims
Obstetrics - Gynecology Surgery	289	\$154,336,732	\$534,037
Internal Medicine (No Surgery)	164	\$79,722,869	\$486,115
General Surgery	180	\$66,084,471	\$367,136
Emergency Medicine - (No Major Surgery)	90	\$37,051,508	\$411,683
Orthopaedic Surgery	99	\$36,729,653	\$371,007
Radiology (Diagnostic - Minor Surgery)	59	\$32,550,000	\$551,695
Pediatrics (No Surgery)	53	\$28,701,500	\$541,538
Cardiovascular Disease (Minor Surgery)	45	\$24,495,611	\$544,347
Neurology Surgery (Including Child)	38	\$23,471,000	\$617,658
Anesthesiology	39	\$22,506,391	\$577,087
Family Practice (No Surgery)	44	\$22,273,749	\$506,222
Gastroenterology (No Surgery)	24	\$22,073,488	\$919,729
Family Practice (Minor Surgery)	46	\$18,630,163	\$405,004
Radiology (Diagnostic - No Surgery)	26	\$14,989,623	\$576,524
Orthopaedic Surgery (Without Spinal Surgery Or Chemonucleolysis)	43	\$13,972,826	\$324,949
Urological Surgery	28	\$13,547,095	\$483,825
Plastic Surgery	34	\$12,158,281	\$357,597
General / Family Practice Surgery	28	\$11,245,000	\$401,607
Pathology (Minor Surgery)	11	\$10,606,650	\$964,241
Internal Medicine (Minor Surgery)	23	\$9,978,178	\$433,834
Other	582	\$298,905,384	\$513,583
<b>Total</b>	<b>1,945</b>	<b>\$954,030,172</b>	<b>\$490,504</b>

(1) 32.5% = [(289 + 180 + 164) / 1,945] \* 100

(2) 14.9% = (289 / 1,945) \* 100

(3) 9.3% = (180 / 1,945) \* 100

(4) 8.4% = (164 / 1,945) \* 100

(6) 31.5% = [(\$154,336,732 + \$79,722,869 + \$66,084,471) / \$954,030,172] \* 100

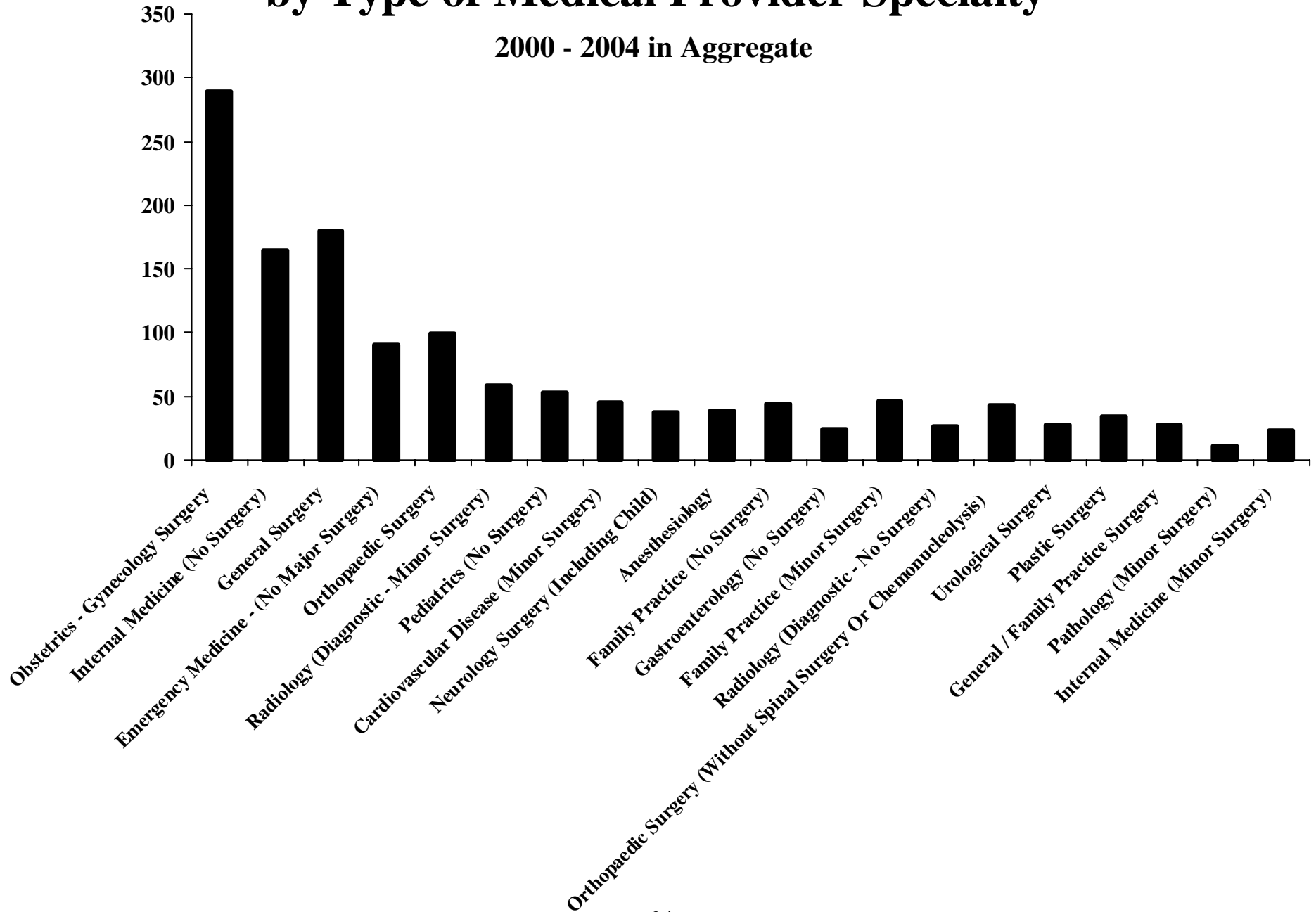
(7) 16.2% = (\$154,336,732 / \$954,030,172) \* 100

(8) 8.4% = (\$79,722,869 / \$954,030,172) \* 100

(9) 6.9% = (\$66,084,471 / \$954,030,172) \* 100

# Number of Claims with Indemnity Payment by Type of Medical Provider Specialty

2000 - 2004 in Aggregate

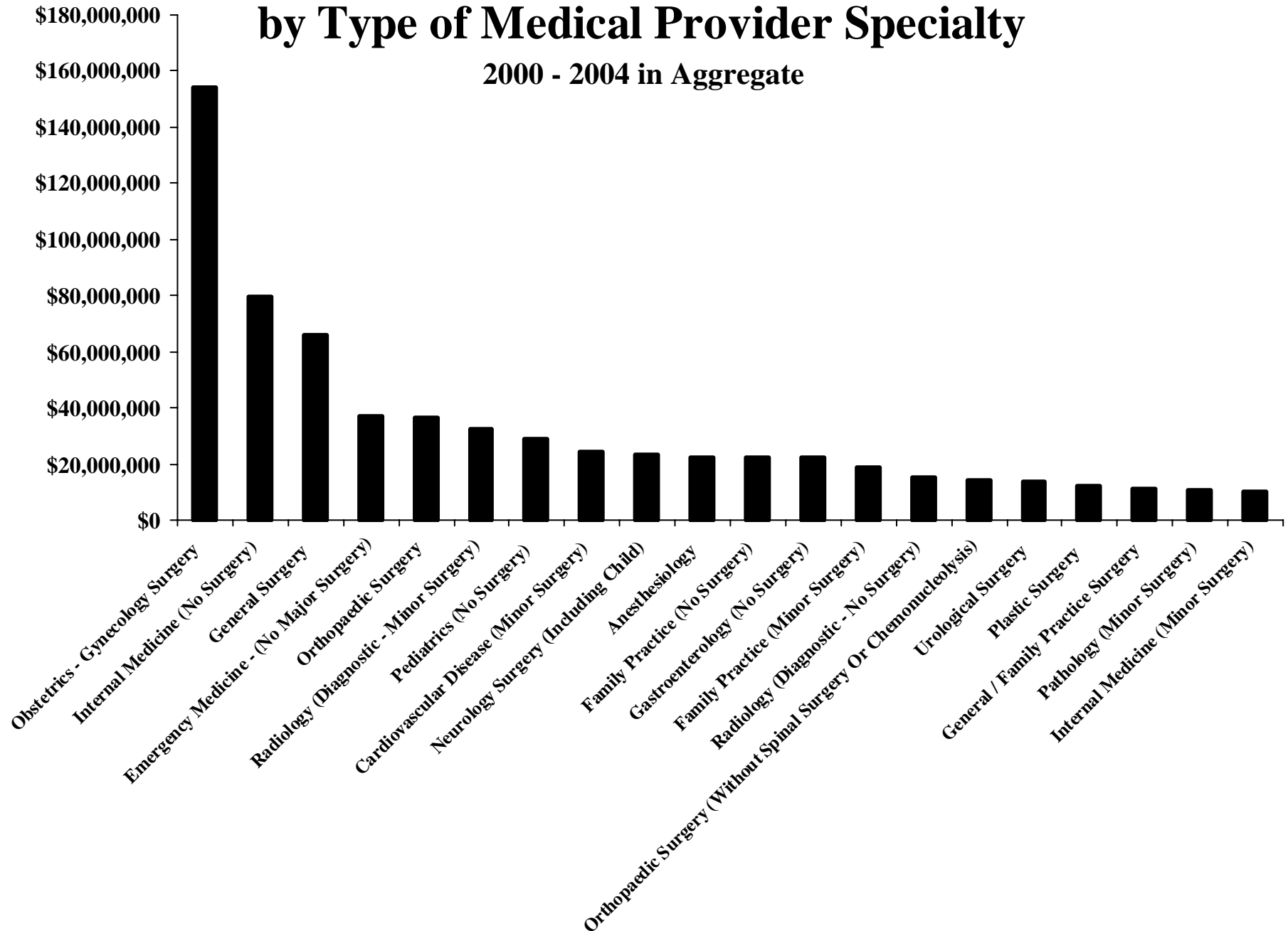


Graph 14 - 1



# Total Indemnity Payments by Type of Medical Provider Specialty

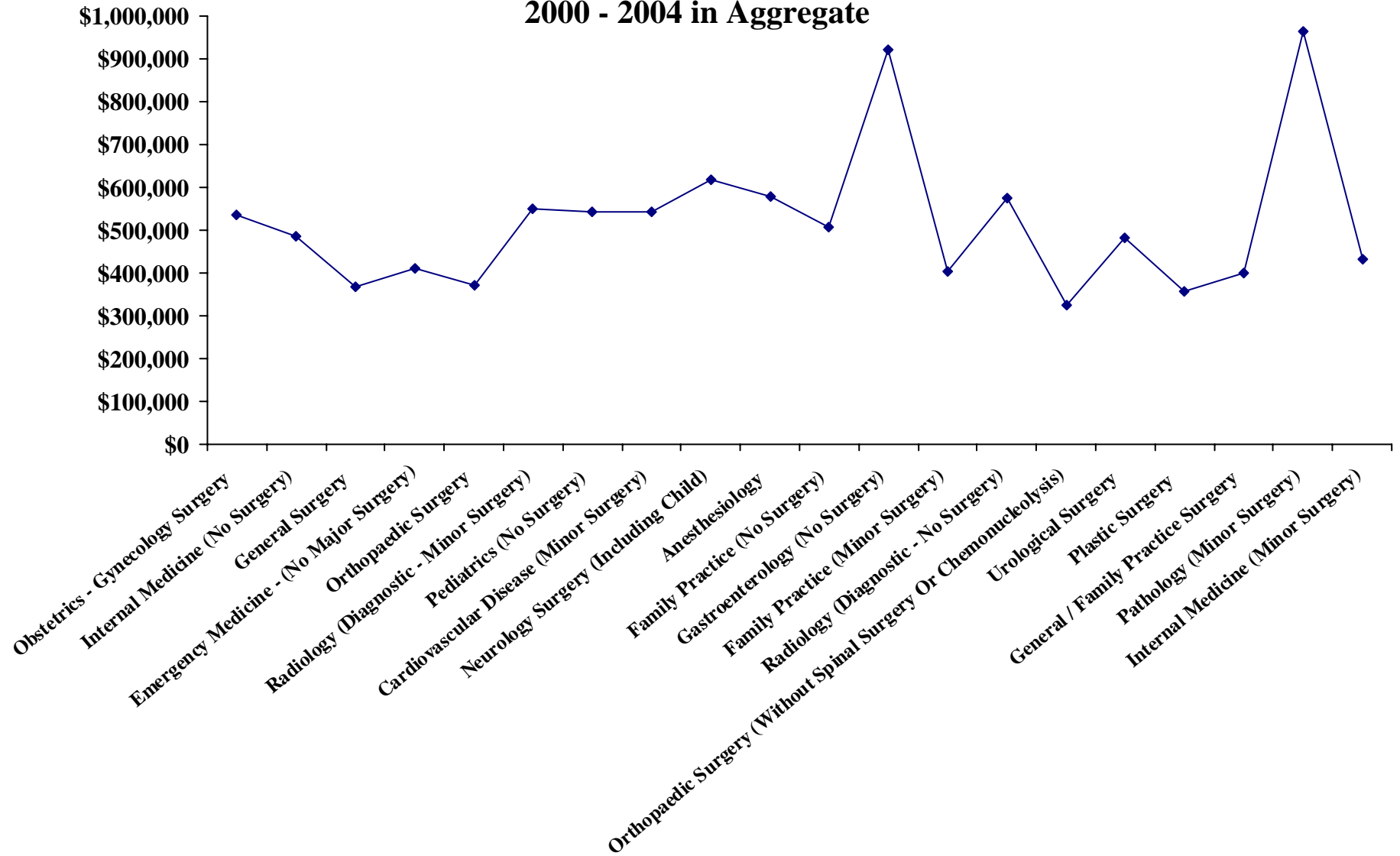
2000 - 2004 in Aggregate



Graph 14 - 2

# Average Indemnity Paid by Type of Medical Provider Specialty

2000 - 2004 in Aggregate



Graph 14 - 3

# Indemnity Payments by Type of Medical Provider Specialty

Year	Medical Provider Specialty	Number of Claims with Indemnity Payment	Total Indemnity Payments	Average Indemnity of Paid Claims
<b>2000</b>				
	Obstetrics - Gynecology Surgery	75	\$31,085,456	\$414,473
	Internal Medicine (No Surgery)	38	\$12,157,793	\$319,942
	General Surgery	55	\$15,094,389	\$274,443
	Emergency Medicine - (No Major Surgery)	22	\$8,102,927	\$368,315
	Orthopaedic Surgery	15	\$4,765,398	\$317,693
	Radiology (Diagnostic - Minor Surgery)	14	\$8,714,167	\$622,441
	Pediatrics (No Surgery)	10	\$5,431,500	\$543,150
	Cardiovascular Disease (Minor Surgery)	5	\$1,595,611	\$319,122
	Neurology Surgery (Including Child)	7	\$3,838,500	\$548,357
	Family Practice (No Surgery)	6	\$3,226,666	\$537,778
	Anesthesiology	5	\$4,283,333	\$856,667
	Gastroenterology (No Surgery)	6	\$5,824,155	\$970,693
	Family Practice (Minor Surgery)	14	\$4,867,095	\$347,650
	Radiology (Diagnostic - No Surgery)	3	\$2,750,000	\$916,667
	Orthopaedic Surgery (Without Spinal Surgery Or Chemonucleolysis)	6	\$1,905,000	\$317,500
	Urological Surgery	3	\$1,750,000	\$583,333
	Plastic Surgery	9	\$3,443,000	\$382,556
	General / Family Practice Surgery	3	\$1,085,000	\$361,667
	Pathology (Minor Surgery)	0	\$0	\$0
	Internal Medicine (Minor Surgery)	4	\$1,400,000	\$350,000
	Other	114	\$45,145,884	\$396,017
<b>Total</b>		<b>414</b>	<b>\$166,465,874</b>	<b>\$402,091</b>

(5)  $40.6\% = [(75 + 38 + 55) / 414] * 100$

(10)  $35.0\% = [(\$31,085,456 + \$12,157,793 + \$15,094,389) / \$166,465,874] * 100$

(11)  $18.7\% = (\$31,085,456 / \$166,465,874) * 100$

<b>Year</b>	<b>Medical Provider Specialty</b>	<b>Number of Claims with Indemnity Payment</b>	<b>Total Indemnity Payments</b>	<b>Average Indemnity of Paid Claims</b>
<b>2001</b>				
	Obstetrics - Gynecology Surgery	58	\$27,008,274	\$465,660
	Internal Medicine (No Surgery)	27	\$12,594,298	\$466,455
	General Surgery	38	\$13,519,500	\$355,776
	Emergency Medicine - (No Major Surgery)	22	\$5,361,667	\$243,712
	Orthopaedic Surgery	18	\$5,271,938	\$292,885
	Radiology (Diagnostic - Minor Surgery)	10	\$4,275,000	\$427,500
	Pediatrics (No Surgery)	13	\$8,487,500	\$652,885
	Cardiovascular Disease (Minor Surgery)	8	\$3,860,000	\$482,500
	Neurology Surgery (Including Child)	3	\$1,780,000	\$593,333
	Family Practice (No Surgery)	4	\$2,220,000	\$555,000
	Anesthesiology	6	\$2,425,000	\$404,167
	Gastroenterology (No Surgery)	2	\$500,000	\$250,000
	Family Practice (Minor Surgery)	9	\$3,759,847	\$417,761
	Radiology (Diagnostic - No Surgery)	5	\$2,312,500	\$462,500
	Orthopaedic Surgery (Without Spinal Surgery Or Chemonucleolysis)	15	\$2,797,692	\$186,513
	Urological Surgery	4	\$2,233,626	\$558,407
	Plastic Surgery	4	\$1,685,000	\$421,250
	General / Family Practice Surgery	8	\$1,387,500	\$173,438
	Pathology (Minor Surgery)	0	\$0	\$0
	Internal Medicine (Minor Surgery)	1	\$100,000	\$100,000
	Other	106	\$50,935,649	\$480,525
<b>Total</b>		<b>361</b>	<b>\$152,514,991</b>	<b>\$422,479</b>

<b>Year</b>	<b>Medical Provider Specialty</b>	<b>Number of Claims with Indemnity Payment</b>	<b>Total Indemnity Payments</b>	<b>Average Indemnity of Paid Claims</b>
<b>2002</b>				
	Obstetrics - Gynecology Surgery	48	\$28,389,115	\$591,440
	Internal Medicine (No Surgery)	30	\$13,951,928	\$465,064
	General Surgery	27	\$9,774,488	\$362,018
	Emergency Medicine - (No Major Surgery)	13	\$7,465,000	\$574,231
	Orthopaedic Surgery	22	\$8,177,425	\$371,701
	Radiology (Diagnostic - Minor Surgery)	5	\$500,000	\$100,000
	Pediatrics (No Surgery)	10	\$3,860,000	\$386,000
	Cardiovascular Disease (Minor Surgery)	5	\$1,645,000	\$329,000
	Neurology Surgery (Including Child)	5	\$2,162,500	\$432,500
	Family Practice (No Surgery)	10	\$3,255,833	\$325,583
	Anesthesiology	6	\$2,998,750	\$499,792
	Gastroenterology (No Surgery)	6	\$3,099,333	\$516,556
	Family Practice (Minor Surgery)	10	\$4,075,000	\$407,500
	Radiology (Diagnostic - No Surgery)	3	\$1,287,500	\$429,167
	Orthopaedic Surgery (Without Spinal Surgery Or Chemonucleolysis)	9	\$4,260,000	\$473,333
	Urological Surgery	14	\$7,236,836	\$516,917
	Plastic Surgery	6	\$1,960,500	\$326,750
	General / Family Practice Surgery	3	\$955,000	\$318,333
	Pathology (Minor Surgery)	5	\$7,401,650	\$1,480,330
	Internal Medicine (Minor Surgery)	5	\$1,102,500	\$220,500
	Other	106	\$50,022,028	\$471,906
<b>Total</b>		<b>348</b>	<b>\$163,580,386</b>	<b>\$470,059</b>

<b>Year</b>	<b>Medical Provider Specialty</b>	<b>Number of Claims with Indemnity Payment</b>	<b>Total Indemnity Payments</b>	<b>Average Indemnity of Paid Claims</b>
<b>2003</b>				
	Obstetrics - Gynecology Surgery	55	\$36,369,714	\$661,268
	Internal Medicine (No Surgery)	44	\$28,553,850	\$648,951
	General Surgery	35	\$15,204,082	\$434,402
	Emergency Medicine - (No Major Surgery)	17	\$10,282,069	\$604,828
	Orthopaedic Surgery	23	\$11,737,500	\$510,326
	Radiology (Diagnostic - Minor Surgery)	13	\$6,897,500	\$530,577
	Pediatrics (No Surgery)	11	\$4,712,500	\$428,409
	Cardiovascular Disease (Minor Surgery)	19	\$13,220,000	\$695,789
	Neurology Surgery (Including Child)	10	\$7,290,000	\$729,000
	Family Practice (No Surgery)	5	\$3,150,000	\$630,000
	Anesthesiology	15	\$10,350,373	\$690,025
	Gastroenterology (No Surgery)	6	\$7,250,000	\$1,208,333
	Family Practice (Minor Surgery)	5	\$2,113,221	\$422,644
	Radiology (Diagnostic - No Surgery)	8	\$4,297,956	\$537,245
	Orthopaedic Surgery (Without Spinal Surgery Or Chemonucleolysis)	7	\$2,322,634	\$331,805
	Urological Surgery	4	\$1,825,000	\$456,250
	Plastic Surgery	8	\$3,255,000	\$406,875
	General / Family Practice Surgery	7	\$5,610,000	\$801,429
	Pathology (Minor Surgery)	3	\$150,000	\$50,000
	Internal Medicine (Minor Surgery)	5	\$2,112,500	\$422,500
	Other	138	\$64,940,658	\$470,584
<b>Total</b>		<b>438</b>	<b>\$241,644,557</b>	<b>\$551,700</b>

**Table 14 - 2**

<b>Year</b>	<b>Medical Provider Specialty</b>	<b>Number of Claims with Indemnity Payment</b>	<b>Total Indemnity Payments</b>	<b>Average Indemnity of Paid Claims</b>
<b>2004</b>				
	Obstetrics - Gynecology Surgery	53	\$31,484,173	\$594,041
	Internal Medicine (No Surgery)	25	\$12,465,000	\$498,600
	General Surgery	25	\$12,492,012	\$499,680
	Emergency Medicine - (No Major Surgery)	16	\$5,839,845	\$364,990
	Orthopaedic Surgery	21	\$6,777,392	\$322,733
	Radiology (Diagnostic - Minor Surgery)	17	\$12,163,333	\$715,490
	Pediatrics (No Surgery)	9	\$6,210,000	\$690,000
	Cardiovascular Disease (Minor Surgery)	8	\$4,175,000	\$521,875
	Neurology Surgery (Including Child)	13	\$8,400,000	\$646,154
	Family Practice (No Surgery)	19	\$10,421,250	\$548,487
	Anesthesiology	7	\$2,448,935	\$349,848
	Gastroenterology (No Surgery)	4	\$5,400,000	\$1,350,000
	Family Practice (Minor Surgery)	8	\$3,815,000	\$476,875
	Radiology (Diagnostic - No Surgery)	7	\$4,341,667	\$620,238
	Orthopaedic Surgery (Without Spinal Surgery Or Chemonucleolysis)	6	\$2,687,500	\$447,917
	Urological Surgery	3	\$501,633	\$167,211
	Plastic Surgery	7	\$1,814,781	\$259,254
	General / Family Practice Surgery	7	\$2,207,500	\$315,357
	Pathology (Minor Surgery)	3	\$3,055,000	\$1,018,333
	Internal Medicine (Minor Surgery)	8	\$5,263,178	\$657,897
	Other	118	\$87,861,165	\$744,586
<b>Total</b>		<b>384</b>	<b>\$229,824,364</b>	<b>\$598,501</b>

(5) 26.8% = ((53 + 25 + 25) / 384) \* 100

(10) 24.6% = ((\$31,484,173 + \$12,465,000 + \$12,492,012) / \$229,824,364) \* 100

(11) 13.7% = (\$31,484,173 / \$229,824,364) \* 100

## Indemnity Payments by Region

Tables 15-1 and 15-2 and Graphs 15-1 and 15-2 provide information about the claims with indemnity payment by region within the state. For purposes of this study, claims filed in Illinois are grouped into the following regions, based on the insured's location within the state:

- Region 1 – Cook, Madison, McHenry, St. Clair and Will counties
- Region 2 – DuPage, Kane and Lake counties
- Region 3 – Champaign, Jackson, Macon, Sangamon and Vermilion counties
- Region 4 – Remainder of State
- Out of State – Used when the injury occurred while the physician/surgeon was located in Illinois but, prior to reporting the closed claim information, the physician/surgeon moved out of Illinois.

Table 15-1 and Graph 15-1 show the information in aggregate for the report period and Table 15-2 and Graph 15-2 show the information by year.

### Key Findings:

#### Number and Percent of Claims with Indemnity Payment

For 2000-2004 in aggregate – Table 15-1:

- Of the 1,945 claims closed with payment, 57.8% were against physicians/surgeons located in Region 1.

On a yearly basis – Table 15-2:

- Region 1 had the most claims with payment each year.



- Except for the time period from 2002 to 2003, when there was a 35.6% increase, the number of claims with payment in Region 1 decreased from year to year.<sup>(1)</sup>

#### Total Indemnity and Percent of Total Indemnity Payments

For 2000-2004 in aggregate – Table 15-1:

- Of the \$954,030,172 total indemnity paid, \$592,216,253 (62.1%) was paid on claims against physicians/surgeons located in Region 1.

On a yearly basis – Table 15-2:

- Each year more than 50% of the indemnity paid was paid on claims against physicians/surgeons located in Region 1.
- There is no steady pattern from year to year of the amount of indemnity paid in Region 1.

#### Average Indemnity of Paid Claims

For 2000-2004 in aggregate – Table 15-1 and Graph 15-1:

- The average indemnity of paid claims was highest, \$637,572, for claims against physicians/surgeons located Out of State.
- Within Illinois the highest average indemnity, \$526,883, was for claims against physicians/surgeons located in Region 1.
- The lowest average indemnity, \$353,959, was for claims against physicians/surgeons located in Region 3.

On a yearly basis – Table 15-2 and Graph 15-2:

- The highest average indemnity of paid claims:

- In 2000, 2001 and 2003 was for claims against physicians/surgeons located in Region 1, which were \$430,381, \$480,838 and \$599,617, respectively.
  - In 2002, \$559,624, was paid for claims in Region 2.
  - In 2004, \$1,205,775, was paid for claims against physicians/surgeons located Out of State, while \$653,818 was the highest average indemnity paid on claims within Illinois in Region 1.
- The lowest average indemnity of paid claims:
    - In 2000, 2002 and 2003 was for claims against physicians/surgeons located in Region 3, which were \$282,905, \$363,165 and \$388,422, respectively.
    - In 2001, \$310,299, was paid for claims in Region 2.
    - In 2004, \$309,343, was paid for claims in Region 4.

# Indemnity Payments by Region

## 2000 - 2004 in Aggregate

Region	Number of Claims with Indemnity Payment	Percent of Total Claims with Indemnity Payment	Total Indemnity Payments	Average Indemnity of Paid Claims	Percent of Total Indemnity Payments
Region 1	1,124	57.8%	\$592,216,253	\$526,883	62.1%
Region 2	289	14.9%	\$138,380,909	\$478,827	14.5%
Region 3	125	6.4%	\$44,244,884	\$353,959	4.6%
Region 4	311	16.0%	\$117,981,225	\$379,361	12.4%
Out of State	96	4.9%	\$61,206,901	\$637,572	6.4%
<b>Total</b>	<b>1,945</b>	<b>100.0%</b>	<b>\$954,030,172</b>	<b>\$490,503</b>	<b>100.0%</b>

Region 1 - Cook, Madison, McHenry, St. Clair, and Will Counties

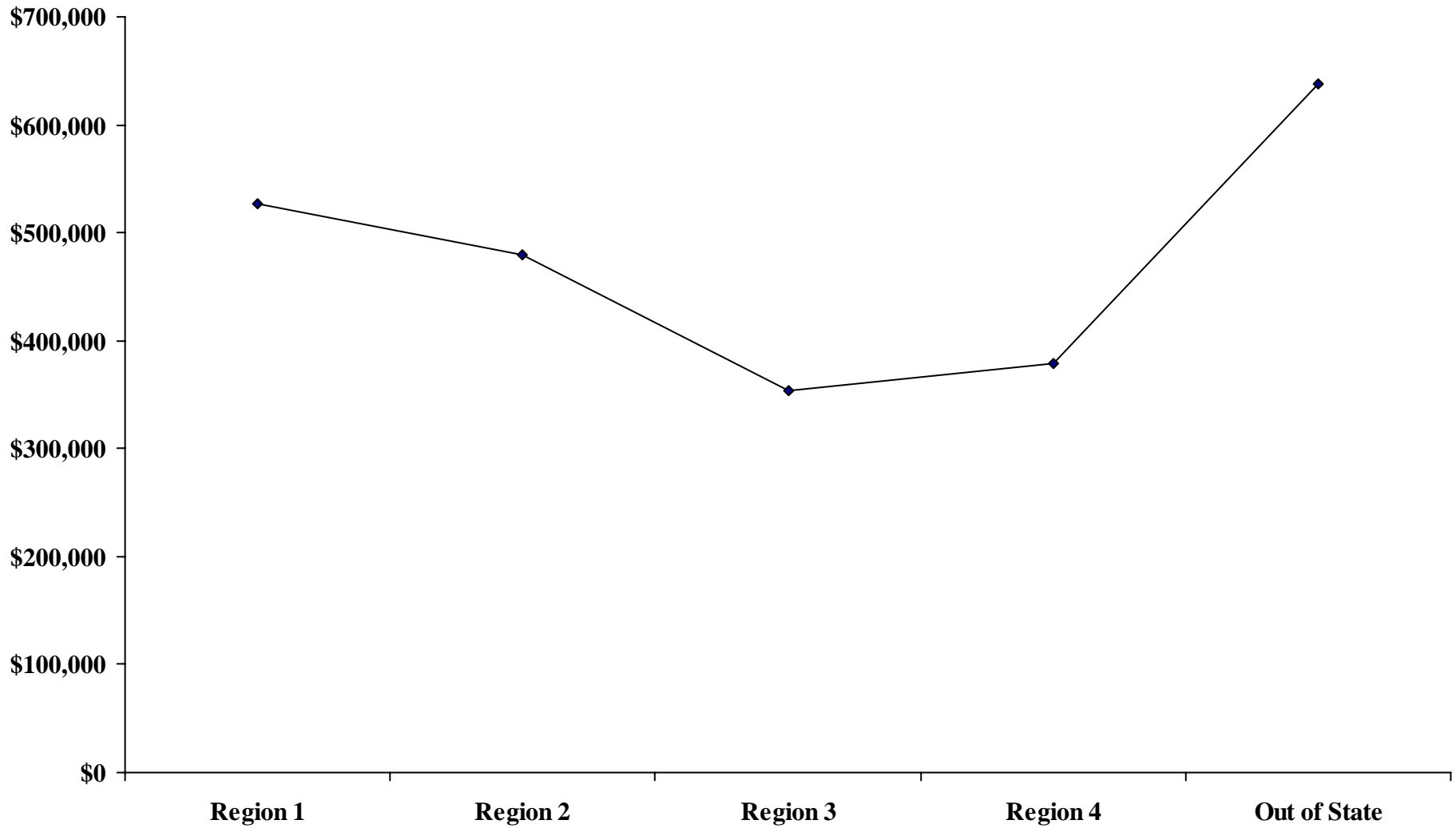
Region 2 - DuPage, Kane, and Lake Counties

Region 3 - Champaign, Jackson, Macon, Sangamon, and Vermilion Counties

Region 4 - Remainder of State

# Average Indemnity of Paid Claims

2000 - 2004 in Aggregate



Graph 15 - 1

# Indemnity Payment by Region

Year	Region	Number of Claims with Indemnity Payment	Percent of Total Claims with Indemnity Payment	Total Indemnity Payments	Average Indemnity of Paid Claims	Percent of Total Indemnity Payments
<b>2000</b>						
	Region 1	238	57.5%	\$102,430,608	\$430,381	61.5%
	Region 2	59	14.3%	\$25,226,234	\$427,563	15.2%
	Region 3	23	5.6%	\$6,506,818	\$282,905	3.9%
	Region 4	75	18.1%	\$25,178,381	\$335,712	15.1%
	Out of State	19	4.6%	\$7,123,833	\$374,939	4.3%
	<b>Total</b>	<b>414</b>	<b>100.0%</b>	<b>\$166,465,874</b>	<b>\$402,091</b>	<b>100.0%</b>
<b>2001</b>						
	Region 1	230	63.7%	\$110,592,626	\$480,838	72.5%
	Region 2	44	12.2%	\$13,653,136	\$310,299	9.0%
	Region 3	23	6.4%	\$7,909,931	\$343,910	5.2%
	Region 4	51	14.1%	\$15,829,298	\$310,378	10.4%
	Out of State	13	3.6%	\$4,530,000	\$348,462	3.0%
	<b>Total</b>	<b>361</b>	<b>100.0%</b>	<b>\$152,514,991</b>	<b>\$422,479</b>	<b>100.0%</b>

Region 1 - Cook, Madison, McHenry, St. Clair, and Will Counties

Region 2 - DuPage, Kane, and Lake Counties

Region 3 - Champaign, Jackson, Macon, Sangamon, and Vermilion Counties

Region 4 - Remainder of State

**Table 15 - 2**

<b>Year</b>	<b>Region</b>	<b>Number of Claims with Indemnity Payment</b>	<b>Percent of Total Claims with Indemnity Payment</b>	<b>Total Indemnity Payments</b>	<b>Average Indemnity of Paid Claims</b>	<b>Percent of Total Indemnity Payments</b>
<b>2002</b>						
	Region 1	191	54.9%	\$89,205,699	\$467,046	54.5%
	Region 2	51	14.7%	\$28,540,819	\$559,624	17.4%
	Region 3	27	7.8%	\$9,805,449	\$363,165	6.0%
	Region 4	61	17.5%	\$26,097,169	\$427,822	16.0%
	Out of State	18	5.2%	\$9,931,250	\$551,736	6.1%
	<b>Total</b>	<b>348</b>	<b>100.0%</b>	<b>\$163,580,386</b>	<b>\$470,058</b>	<b>100.0%</b>
<b>2003</b>						
	Region 1	259	59.1%	\$155,300,796	\$599,617	64.3%
	Region 2	71	16.2%	\$34,483,138	\$485,678	14.3%
	Region 3	26	5.9%	\$10,098,975	\$388,422	4.2%
	Region 4	60	13.7%	\$31,078,427	\$517,974	12.9%
	Out of State	22	5.0%	\$10,683,221	\$485,601	4.4%
	<b>Total</b>	<b>438</b>	<b>100.0%</b>	<b>\$241,644,557</b>	<b>\$551,699</b>	<b>100.0%</b>

(1) 35.6% = [(259 / 191) - 1] \* 100

Region 1 - Cook, Madison, McHenry, St. Clair, and Will Counties

Region 2 - DuPage, Kane, and Lake Counties

Region 3 - Champaign, Jackson, Macon, Sangamon, and Vermilion Counties

Region 4 - Remainder of State

<b>Year</b>	<b>Region</b>	<b>Number of Claims with Indemnity Payment</b>	<b>Percent of Total Claims with Indemnity Payment</b>	<b>Total Indemnity Payments</b>	<b>Average Indemnity of Paid Claims</b>	<b>Percent of Total Indemnity Payments</b>
<b>2004</b>						
	Region 1	206	53.6%	\$134,686,524	\$653,818	58.6%
	Region 2	64	16.7%	\$36,477,582	\$569,962	15.9%
	Region 3	26	6.8%	\$9,923,711	\$381,681	4.3%
	Region 4	64	16.7%	\$19,797,950	\$309,343	8.6%
	Out of State	24	6.3%	\$28,938,597	\$1,205,775	12.6%
	<b>Total</b>	<b>384</b>	<b>100.0%</b>	<b>\$229,824,364</b>	<b>\$598,500</b>	<b>100.0%</b>

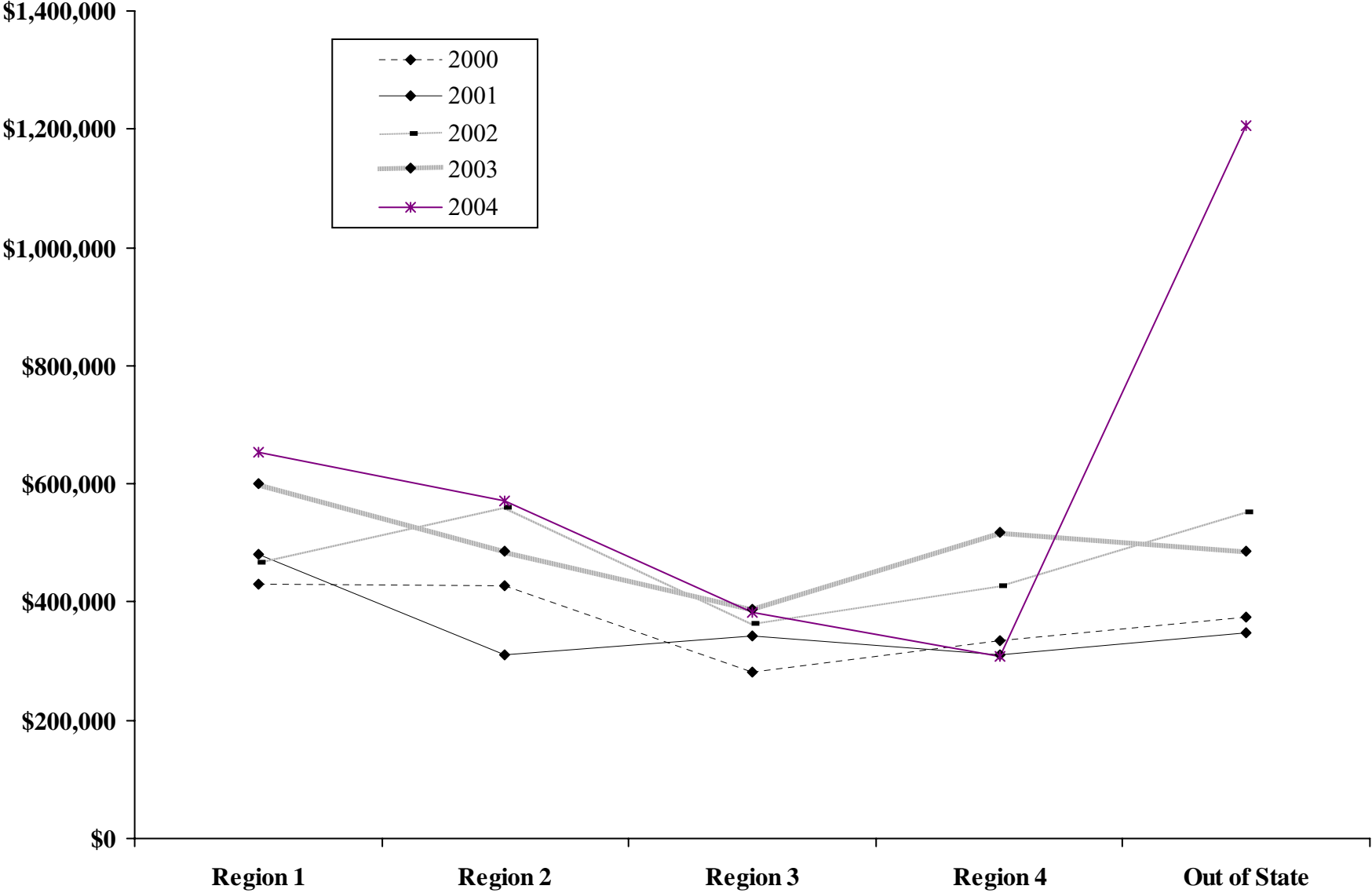
Region 1 - Cook, Madison, McHenry, St. Clair, and Will Counties

Region 2 - DuPage, Kane, and Lake Counties

Region 3 - Champaign, Jackson, Macon, Sangamon, and Vermilion Counties

Region 4 - Remainder of State

# Average Indemnity of Paid Claims



Graph 15 - 2



# Appendix A

**ILLINOIS MEDICAL PROFESSIONAL LIABILITY INSURANCE UNIFORM CLAIMS REPORT**

File one report for each defendant insured by filing insurer. Include claims closed without payment. Complete all requested information on each report. If information is unknown, enter **UK**, if not applicable, enter **NA**. When an item calls for a dollar amount and no amount is involved, enter 0 in the space. Each entry marked (CODE) requires a specific code which is described on page two of the instructions (Also see 50 Ill. Adm. Code 928 Exhibit C). Record all amounts in whole dollars only, all dates as MM/DD/YY and all ages (on date of occurrence) as YY.

1a. Name of Insurer:		1b. Claim File ID#:	
2a. Date of Injury:	2b. Date Reported to Insurer:	2c. Date Reopened:	2d. Date of <u>Original Closure</u> (if reopened):
3a. Insured's Name:	3b. Insured's Age:	3c. City:	3d. State:
3e. Zip:	4a. Profession or Business (CODE):	4b. Specialty (CODE):	4c. Type of Practice (CODE):
5a. Board Certification (Y or N):	5b. <u>Foreign Medical Graduate?</u>	5c. <u>Country:</u>	
6a. Place where injury occurred (CODE):	6b. City:	6c. State:	6d. Zip:
7a. Name of Institution (if injury occurred in institution):	7b. Location in Institution (CODE):		
8a. Injured Person's Name:	8b. Injured Person's Age:	8c. Injured Person's Sex :	
9a. <u>Total Defendants Involved in Claim:</u>	9b. Derivative Claim (CODE):		
10. Amount of reserve for indemnity if still outstanding: \$	11. Amount of reserve for expenses if still outstanding: \$		
12a. Attorney for Plaintiff:	12b. City:	12c. State:	12d. Zip:
13. Describe action which caused claim to be made:			
14a. <u>Final diagnosis</u> for which treatment was sought or rendered (patient's actual condition):			
14b. Describe <u>misdiagnosis</u> made, if any, of patient's actual condition:			
15. Operation, diagnostic or treatment <u>procedure</u> causing the injury:			
16a. Describe principal <u>injury</u> giving rise to the claim:			
16b. Severity of Injury (CODE):			
17a. Misadventures in Procedures (CODE):		17b. Misadventures in Diagnosis (CODE):	
18a. Others Contributing to Injury (CODE):	18b. Associated Issues (CODE):	18c. Coverage (CODE):	
19. Companion Claim File ID#:			
1.	2.	3.	4.
20a. Date of this payment or closure:	20b. Claim Disposition (CODE):	20c. Settlement (CODE):	
21a. Court (CODE):	21b. Binding Arbitration (CODE):	21c. Review Panel (CODE):	
22. Indemnity paid by insurer on behalf of named insurer/defendant:		\$	
23. Other indemnity paid by or on behalf of named insurer/defendant:		\$	<u>D</u> <u>E</u>
24. Indemnity paid by all parties (for all defendants):		\$	
25. Loss adjustment <u>expense paid</u> to defense counsel:		\$	
26. <u>All other</u> allocated loss adjustment expense paid by insurer:		\$	
27. Injured person's incurred medical expense:		\$	
28. Injured person's anticipated <u>future medical expense</u> :		\$	
29. Injured person's incurred wage loss:		\$	
30. Injured person's <u>anticipated wage loss</u> :		\$	
31. Injured person's other expense:		\$	
32. Total amount allocated for <u>future periodic payments</u> (for all defendants):		\$	
33. Person Responsible for Preparing Report:			
34. Contact Person and Telephone Number:			
35. Mailing Address for Insurer/Contact Person:			
36. City:	37. State:	38. Zip:	

April 20, 2001 (Source: Amended at 24 Ill. Reg. \_\_\_\_\_, effective January 1, 2001)

**ILLINOIS MEDICAL PROFESSIONAL LIABILITY INSURANCE UNIFORM CLAIMS REPORT INSTRUCTIONS**

- 2d. Enter the [original closure date](#) if the claim is a reopened claim.
- 4a. [Profession or Business Code](#): 1) physicians and surgeons, 2) hospitals, 3) other medical professionals, 4) other health care facilities. (When 3 is entered specify type of professional in addition.)
- 4b. [Specialty Code](#): (five digits) from current ISO Common Statistical Base classifications. Please check with ISO annually for possible changes to specialty codes.
- 4c. [Type of Practice Code](#): 1) institutional (academic), 2) professional corporation or partnership (group), 3) self-employed, 4) employed physician, 5) employed nurse, 6) all other employees, 7) intern or resident.
- 5b. Indicate **yes** or **no** if insured physician is a [Foreign Medical Graduate](#).
- 5c. Enter [Country](#) in which primary medical education was received if other than U.S.
- 6a. Enter the appropriate code of the [Place Where](#) the principal [Injury Occurred](#): 1) hospital inpatient facility, 2) emergency room, 3) hospital outpatient facility, 4) nursing home, 5) physician’s office, 6) patient’s home, 7) other outpatient facility, 8) other, 9) other hospital/institutional location. Use only one code. If code 8, other, is used enter description of the place.
- 7b. Enter appropriate code if [Location of Institutional Injury](#) Was: 1) patient’s room, 2) labor or delivery room, 3) operating suite, 4) recovery room, 5) critical care unit, 6) special procedure room, 7) nursery, 8) radiology, 9) physical therapy department.
- 9a. Enter the [Total Number of Defendants](#) (persons and institutions other than John Does) [Involved in Claim](#).
- 9b. Enter the appropriate code(s) if a [Derivative Claim](#) (on behalf of someone other than the medically injured) was made by: 1) spouse, 2) children, 3) parent, 4) personal representative.
- 14a. Use nomenclature and/or descriptions to enter the [Final Diagnosis for which Treatment was Sought or Rendered](#) (actual abnormal condition), and also 14b. the [Misdiagnosis](#), if any, of the [Patient’s Actual Condition](#).
- 15. Use nomenclature and/or descriptions of the [procedure](#) used. Include method of anesthesia, or name of drug used for treatment, with detail of administration and type of adverse effect where applicable.
- 16a. Use nomenclature and/or descriptions of the [injury](#). Include type of adverse effect from drugs where applicable.
- 16b. Enter one digit code for [Severity of Injury](#) from scale provided below. Enter the code for the most serious injury if several are involved.

	Severity of Injury Scale	Examples
	1) Emotional only	Fright, no physical damage.
Temporary	2) Insignificant	Lacerations, contusions, minor scars, rash. No delay.
	3) Minor	Infections, misset fracture, fall in hospital. Recovery delayed.
	4) Major	Burns, surgical material left, drug side-effect, brain damage. Recovery delayed.
Permanent	5) Minor	Loss of fingers, loss or damage to organs. Includes non-disabling injuries.
	6) Significant	Deafness, loss of limb, loss of eye, loss of one kidney or lung.
	7) Major	Paraplegia, blindness, loss of two limbs, brain damage.
	8) Grave	Quadraplegia, severe brain damage, lifelong care or fatal prognosis.
	9) Death	

- 17a. Enter the appropriate [Misadventure Code\(s\)](#) if the [Procedure](#) was: 1) not adequately indicated, 2) contraindicated, 3) there was a more appropriate alternative, 4) delayed, 5) improperly performed, 6) not performed, 7) occasioned by misdiagnosis, 8) inadequate assessment, 9) mis-identification of the patient, 10) delay in notifying physician, 11) failure to notice an improper order, 12) failure to obtain a proper order, 13) failure to instruct patient.
- 17b. Enter the appropriate code if the following [Misadventures in Diagnosis](#) caused or aggravated the injury: 1) delay in diagnosis, 2) misdiagnosis of the abnormal condition, 3) misdiagnosis in the absence of an abnormal condition.

- 18a. Enter the appropriate code(s) if any [Other](#) person(s) caused or [Contributed to the Injury](#): 1) attending physician, 2) house staff, 3) consultant, 4) nurse R.N., 5) nurse L.P.N. or L.V.N., 6) aide, 7) orderly, 8) pharmacist, 9) radiologist, 10) radiology technician, 11) anesthesiologist, 12) anesthetist, 13) pathologist, 14) laboratory technician, 15) physician's assistant, 16) O.R. technician, 17) physical therapist, 18) inhalation therapist, 19) other therapists, 20) other technicians, 21) dietitian, 22) maintenance personnel, 23) engineer, 24) administrator, 25) other personnel, 26) patient, 27) another patient.
- 18b. Enter the appropriate code(s) if one or more of the following factors were [Associated Issues](#) in the claim: 1) abandonment, 2) premature discharge from institution, 3) false imprisonment, 4) lack or delay of consultation, 5) lack of supervision, 6) breach of confidentiality, 7) failure to prevent an abnormal condition, 8) failure to accomplish intended result, 9) failure to conform with regulation or statutory rule, 10) lack of adequate facilities or equipment, 11) laboratory error, 12) pharmacy error, 13) products liability, 14) failure to timely disclose, 15) failure to provide warning instructions, 16) lack of consent from proper person, 17) inadequate information for informed consent, 18) procedure exceeded consensual understanding, 19) breach of contract, 20) warranty, 21) assault and battery, 22) res ipsa loquitur, 23) emergency equipment, 24) cooling devices, 25) heating devices, 26) cautery equipment, 27) x-ray equipment, 28) radiation therapy equipment, 29) traction equipment, 30) anesthesia equipment, 31) operative equipment, 32) surgical instruments and materials, 33) food preparation equipment, 34) laboratory equipment, 35) laboratory mislabeling, 36) laboratory computation error, 37) inadequate laboratory specimen, 38) lost laboratory specimen, 39) laboratory interpretation, 40) laboratory reporting error, 41) laboratory delay in reporting, 42) sterilization of equipment, 43) skin preparation, 44) aseptic technique, 45) isolation for infection control, 46) records, 47) billing and collection, 48) inter-professional relations, 49) vicarious liability, 50) statute of limitations, 51) punitive damages.
- 18c. Enter the appropriate [Coverage Code](#) for the type of policy covering the claim: 1) claims made-basic (policy covers all claims made during the term of the policy), 2) claims made-tail (policy covers all claims made during the policy term for events which occurred during a designated previous policy term), 3) occurrence (policy covers all claims whenever presented for events which occur during the policy term).
- 20b. Enter final method of [Claim Disposition](#): 1) settled by parties, 2) disposed of by a court, 3) disposed of by binding arbitration.
- 20c. If settled by agreement of the parties, enter appropriate [Settlement Code](#): 1) before filing suit or demanding hearing, 2) before trial or hearing, 3) during trial or hearing, 4) after trial or hearing, but before judgment or decision (award), 5) after judgment or decision, but before appeal, 6) during appeal, 7) after appeal, 8) claim or suit abandoned, 9) during review panel or non-binding arbitration.
- 21a. Enter the appropriate [Court Disposition Code](#): 0) no court proceedings, 1) directed verdict for plaintiff, 2) directed verdict for defendant, 3) judgment notwithstanding the verdict (plaintiff), 4) judgment notwithstanding the verdict (defendant), 5) judgment for the plaintiff, 6) judgment for the defendant, 7) decision for plaintiff on appeal, 8) decision for defendant on appeal, 9) all other.
- 21b. Enter appropriate [Binding Arbitration Code](#): 0) claim not subject to arbitration, 1) claim subject to arbitration, but previously coded disposition reached in lieu of award, 2) award for plaintiff, 3) award for defendant.
- 21c. If a [review panel](#) or non-binding arbitration was used in disposition, enter appropriate code: 1) finding for plaintiff, 2) finding for defendant.
23. Mark appropriate box if this amount was a [deductible](#) paid by the insured or indemnity paid under an [excess](#) limits policy by another insurer.
25. Enter [fees paid](#) to defense counsel for this defendant.
26. Enter filing fees, telephone charges, photocopy fees, expenses of defense counsel, [etc.](#)
28. Enter best estimate of [future medical expense](#) if it appears the claimant will incur expenses in the future.
30. Enter best estimate of [future wage loss](#) if it appears the claimant will incur wage loss in the future.
32. If a reserve, annuity, trust fund or similar mechanism was established to provide [future periodic payments](#), enter total amount thereof.

# Appendix B

## Appendix B

### Definitions of medical provider specialties:

Anesthesiology – The medical study of how to eliminate pain and sensation in people undergoing surgery and other medical procedures.

Cardiovascular Disease – Disease pertaining to the heart and blood vessels.

Gastroenterology – The diagnosis and treatment of diseases and disorders affecting the stomach, intestines, and associated organs.

Gynecology – A branch of medicine dealing with the diagnosis and treatment of disorders affecting the female reproductive organs.

Internal Medicine – The specialty of the general medicine of the internal organs.

Neurology – The branch of medicine dealing with the nervous system, its structures and diseases.

Obstetrics – A branch of medicine dealing with the care of women during pregnancy, childbirth, and the period during which they recover from childbirth.

Orthopaedic Surgery – A branch of medicine dealing with the use of surgery to remedy disorders in joints, muscles, tendons, ligaments, cartilage and related structures.

Pathology – The branch of medicine concerned with disease, especially its structure and its functional effects on the body.

Pediatrics – The branch of medicine dealing with the development and care of infants and children and with the treatment of their diseases.

Radiology – The study of X-rays in the diagnosis of a disease.

Urology – A branch of medicine concerned with the diagnosis and treatment of diseases of the urinary tract and urogenital system.

### Sources:

*The On-line Medical Dictionary of CancerWEB 1997-2003 under license from Academic Medical Publishing.* <http://cancerweb.ncl.ac.uk/> Whilst all efforts have been made to ensure the accuracy of the information, The On-line Medical Dictionary and its maintainers cannot be held responsible for the accuracy of the information contained on these pages, nor for any actions made on the basis of information provided by OMD.

*Webster's World Dictionary, Second College Edition, 1980.*

# Appendix C

# ILLINOIS COUNTY MAP

