

1994
Medical Malpractice Claims Study



Casualty Actuarial Section



STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS 62767

OFFICE OF THE DIRECTOR

Honorable Jim Edgar
Governor
State of Illinois
Springfield, Illinois

Dear Governor Edgar:

Section 155.19 of the Illinois Insurance Code (215 ILCS 5/155.19) requires the Department of Insurance to periodically release a medical malpractice claims study. With medical malpractice insurance being a major part of the current health care reform debate, I am pleased to release this study.

The study encompasses closed claims information that is filed with the Department by insurance companies with medical malpractice claims in Illinois.

Respectfully,

A handwritten signature in black ink that reads "James W. Schacht".

James W. Schacht
Acting Director of Insurance

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Introduction

Section 155.19 of the Illinois Insurance Code requires insurance companies to report medical liability claims or suits occurring in Illinois to the Department of Insurance. This section also requires the Director of Insurance to release, from time to time, statistical reports based on such data and information. This reporting statute was created to assist the Department of Insurance in monitoring medical malpractice insurance, which is a long-tailed and volatile line of insurance business.

The following study is based on medical malpractice claims closed in Illinois from January 1, 1981 through December 31, 1992. The form used for reporting medical malpractice closed claims information, the NAIC Medical Professional Liability Insurance Uniform Claims Report, is in Appendix A. This report gives a factual, statistical analysis of the data reported to the Department. It tries to encompass all important areas of analysis, including "Indemnity Paid" and "Amounts Paid to Defense Counsel." "Indemnity Paid" is the total amount of dollars of loss settlement paid by the insurance company. "Amount Paid to Defense Counsel" refers just to defense attorneys' fees paid by the insurance company.

Each closed claim covers one defendant (doctor). Therefore, if a claimant sued more than one doctor associated with the injury, then each of these associated claims is used in the study. This report analyzes all closed claims for physicians and surgeons. Hospitals are not included in this survey. Since a large percent of hospitals are self insured, particularly in the Chicago metropolitan area, and the Department of Insurance only receives closed claims reports from admitted insurance writers, this information would be biased because not all hospital data is on file with the Department.

The first eight pages analyze the data on a yearly basis. This shows the trends occurring by year and year comparisons. For the rest of the report, the data is consolidated into three groups by year of the date the claim closed: 1981-1984, 1985-1988, 1989-1992. This makes the data more manageable for the purposes of this report, and allows comparisons of the groups of data.

This study is intended to be a complete statistical analysis of medical professional liability claim data received by the Illinois Department of Insurance. If there are any questions or comments on the content of the report, or requests for additional copies of the report, please contact Judy L. Pool, Actuarial Assistant, or Caryn C. Carmean, Actuarial Assistant, at the Illinois Department of Insurance.

Comparison of Data on a Yearly Basis

The first chart, on the next page, shows the closed claims data by the year of the date the claim closed. It lists the total number of closed claims, the number of claims closed with payment, the number of claims closed without payment, average indemnity of claims closed with payment and total indemnity paid. Keep in mind, the indemnity paid and average indemnity paid numbers just reflect the payment made by the insurance company representing the doctor. Any payments made by the doctor, or any other party, are not a part of this study.

As the chart shows, the total number of closed claims for all years combined is 29,055; of that 7,346 are closed with an indemnity payment. The percent of claims closed with payment is 25.3%. Total indemnity paid on all claims is \$1.6 billion. Forty percent of the \$1.6 billion has been paid out in the latest three years.

The total number of closed claims rose consistently over the years through 1987. In 1989 the number of closed claims dropped almost 30% from the years before and remained relatively steady for two years. But since 1991, the steady increase seems to have developed again.

The total indemnity paid has increased dramatically throughout the past 13 years. In 1980 the total indemnity paid for medical malpractice insurance claims was \$11.1 million, compared to \$278.7 million in 1992.

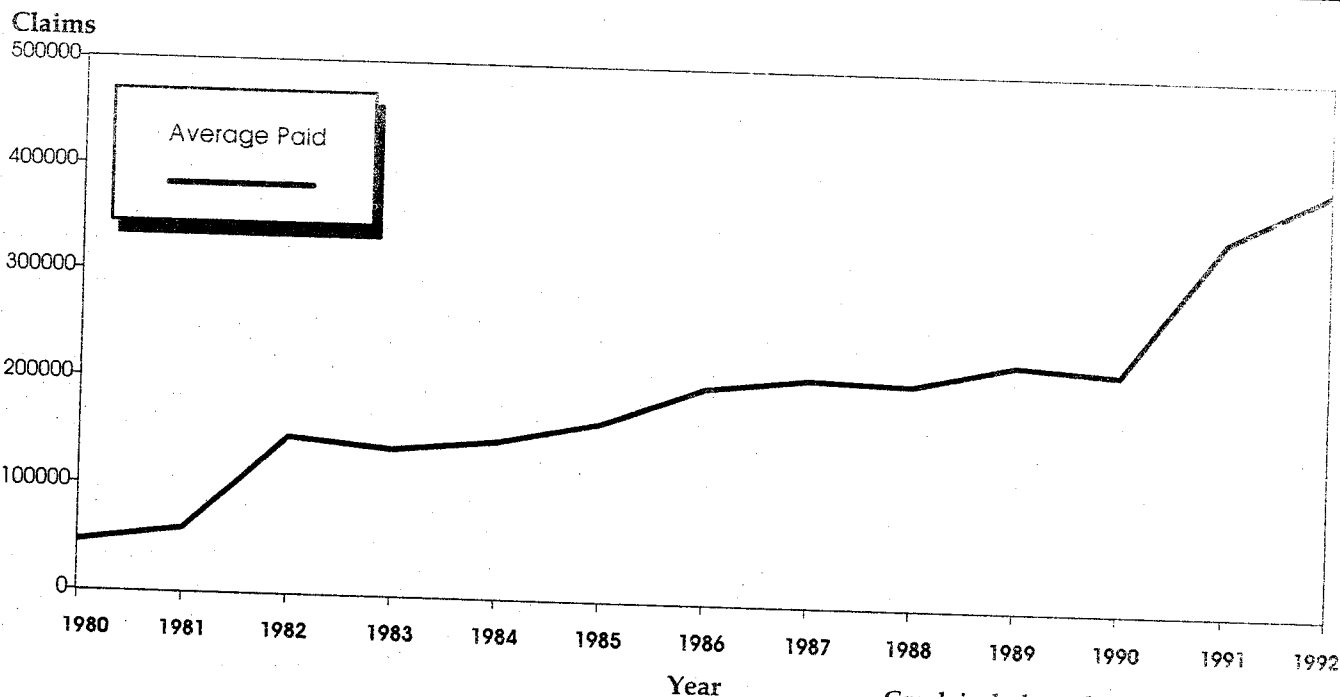
The graph at the bottom of the next page displays average indemnity paid by date the claim closed. This graph only includes claims that closed with an indemnity payment. It shows how average payments have increased over the years. The largest increase in amount of average payment was between 1990 and 1991, which shows a \$127,000 increase. Between 1981 and 1982, average indemnity increased by 146.3%, which is the largest percentage increase.

The graph on page 3 reflects the total number of closed claims. It shows claims that closed with an indemnity payment along with those that closed without payment. Each bar is broken into two segments to illustrate the portion of claims that closed with payment compared to the portion that closed without payment. The greatest increase in total closed claims occurred between 1986 and 1987, the increase was by 627 claims. The greatest percentage increase was 59.7% which occurred between 1981 and 1982.

**Yearly
Comparison
of
Indemnity
Paid**

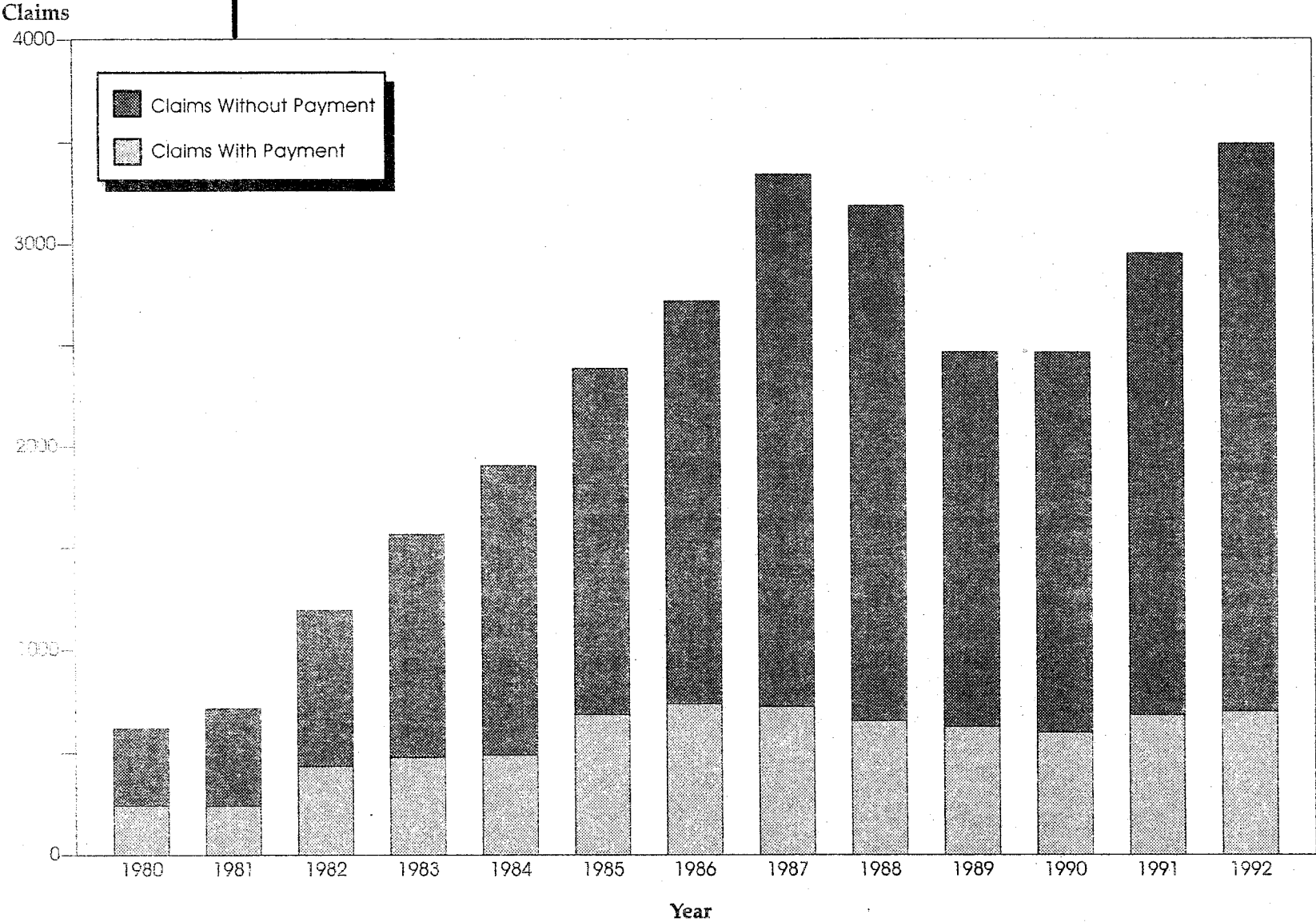
Year	Total # Closed Claims	Claims With Payment	Claims Without Payment	Average Indemnity of Paid Claims	Total Indemnity
1980	620	243	377	\$45,843.90	\$11,140,067.70
1981	747	272	475	\$58,745.70	\$15,978,830.40
1982	1,193	435	758	\$144,682.29	\$62,936,796.15
1983	1,568	480	1,088	\$135,706.95	\$65,139,336.00
1984	1,907	491	1,416	\$144,593.57	\$70,995,442.87
1985	2,385	687	1,698	\$164,257.58	\$112,844,957.46
1986	2,720	739	1,981	\$199,667.42	\$147,554,223.38
1987	3,347	726	2,621	\$210,347.67	\$152,712,408.42
1988	3,189	657	2,532	\$207,210.65	\$136,137,397.05
1989	2,466	628	1,838	\$227,958.27	\$143,157,793.56
1990	2,464	600	1,864	\$220,882.28	\$132,529,368.00
1991	2,955	685	2,270	\$348,076.67	\$238,432,518.95
1992	3,494	703	2,791	\$396,544.60	\$278,770,853.80
TOTAL	29,055	7,346	21,709		\$1,568,329,993.74

**Average
Indemnity
Paid by Date
Claim
Closed**



Graph includes only claims with payment.

Total Number of Closed Claims



This section of the yearly comparison data is devoted to analyzing defense costs for medical malpractice closed claims. Another important issue related to this topic is plaintiff attorney fees, which are charged by the attorney representing the injured person in the medical malpractice claims. According to the Code of Civil Procedure 735 ILCS 5/2-114, contingent fees for plaintiff attorneys in medical malpractice actions shall not exceed the following amounts:

33 1/3% of the first \$150,000 of the sum recovered;
25% of the next \$850,000 of the sum recovered; and
20% of any amount recovered over \$1,000,000 of the sum recovered.

For example, if the amount of indemnity paid equals \$500,000, then contingent attorney fees can be as high as \$137,450. This example does not consider plaintiff attorney fees that are charged on an hourly basis. The actual amounts paid to plaintiff attorneys are not required to be filed with the Illinois Department of Insurance, therefore further analysis is not available.

The charts and the graphs that follow illustrate the amounts paid to defense counsel by the insurance company. The first chart shows the total number of closed claims by year. The following columns represent the number of claims closed with payment to defense counsel. This is broken down into two categories: 1) number of claims without indemnity payment, but payment to defense counsel; and 2) number of claims with an indemnity payment and payment to defense counsel.

The percent of claims with payment to defense counsel is calculated by taking the total number of claims with payment to defense counsel divided by the total number of closed claims. This column shows that a higher percent of claims had payment to defense counsel in the mid-1980's.

The bottom chart refers to average payment to defense counsel on claims with payment, average payment to defense counsel on claims closed without payment and total payment to defense counsel. As you can see, a staggering \$209 million was spent on defense costs of medical malpractice claims in the past thirteen years. Remember, these amounts just represent the amounts paid by the insurance company.

The graph on page 7 represents the total number of closed claims with payment to defense counsel. It has the number of claims with indemnity payment and payment to defense counsel versus the number of claims without indemnity payment but with payment to defense counsel. The largest increase in the total number of closed claims with payment to defense counsel occurred between 1986 and 1987, which was 523 claims. The largest percentage increase was 75.4%, occurring between 1981 and 1982.

The graph on page 8 shows average payment to defense counsel. This is broken down into three bars: 1) average payment to defense counsel on claims without indemnity payment; 2) average payment to defense counsel on claims closed with indemnity payment; and 3) the overall average payment to defense counsel of all claims with a defense counsel payment.

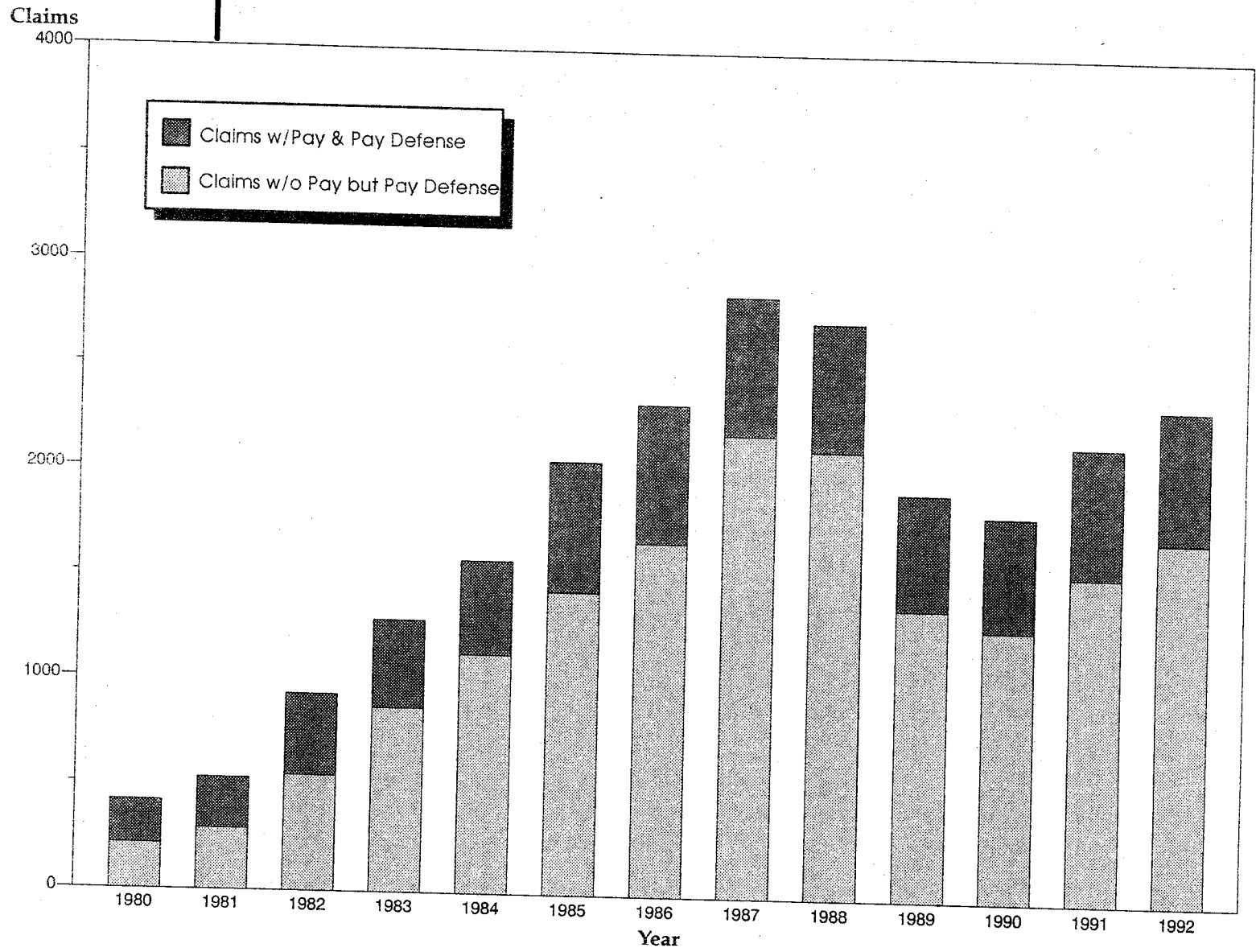
From this graph you can see that average payment to defense counsel on claims closed with an indemnity payment is much greater than average payment to defense counsel on claims without an indemnity payment. It also illustrates that average payment to defense counsel on medical malpractice claims is on the rise.

Yearly Comparison of Defense Costs

Year	Total # Closed Claims	# of Claims W/O Payment but W/ Payment to Defense Counsel	# of Claims W/ Payment and W/ Payment to Defense Counsel	Total # of Claims W/ Payment to Defense Counsel	% of Claims W/ Payment to Defense Counsel
1980	620	213	203	416	67.10%
1981	747	287	241	528	70.68%
1982	1,193	544	382	926	77.62%
1983	1,568	868	414	1,282	81.76%
1984	1,907	1,126	446	1,572	82.43%
1985	2,385	1,431	620	2,051	86.00%
1986	2,720	1,669	662	2,331	85.70%
1987	3,347	2,191	663	2,854	85.27%
1988	3,189	2,122	613	2,735	85.76%
1989	2,466	1,375	550	1,925	78.06%
1990	2,464	1,281	543	1,824	74.03%
1991	2,955	1,543	619	2,162	73.16%
1992	3,494	1,717	630	2,347	67.17%
TOTAL	29,055	16,367	6,586	22,953	

Year	Average Payment to Defense Counsel on Claims W/O Payment	Average Payment to Defense Counsel on Claims W/ Payment	Total Payment to Defense Counsel
1980	\$3,101.82	\$4,756.34	\$1,626,224.68
1981	\$2,799.40	\$5,741.83	\$2,187,208.83
1982	\$3,089.06	\$6,391.84	\$4,122,131.52
1983	\$3,294.90	\$6,262.14	\$5,452,499.16
1984	\$3,924.78	\$8,613.50	\$8,260,923.28
1985	\$4,201.33	\$8,165.61	\$11,074,781.43
1986	\$4,408.70	\$9,823.07	\$13,860,992.64
1987	\$5,177.19	\$12,615.15	\$19,707,067.74
1988	\$6,484.97	\$14,393.08	\$22,584,064.38
1989	\$8,995.86	\$19,641.46	\$23,172,110.50
1990	\$10,811.10	\$22,348.87	\$25,984,455.51
1991	\$13,389.78	\$25,131.60	\$36,216,890.94
1992	\$10,705.35	\$25,637.84	\$34,532,925.15
TOTAL			\$208,782,275.76

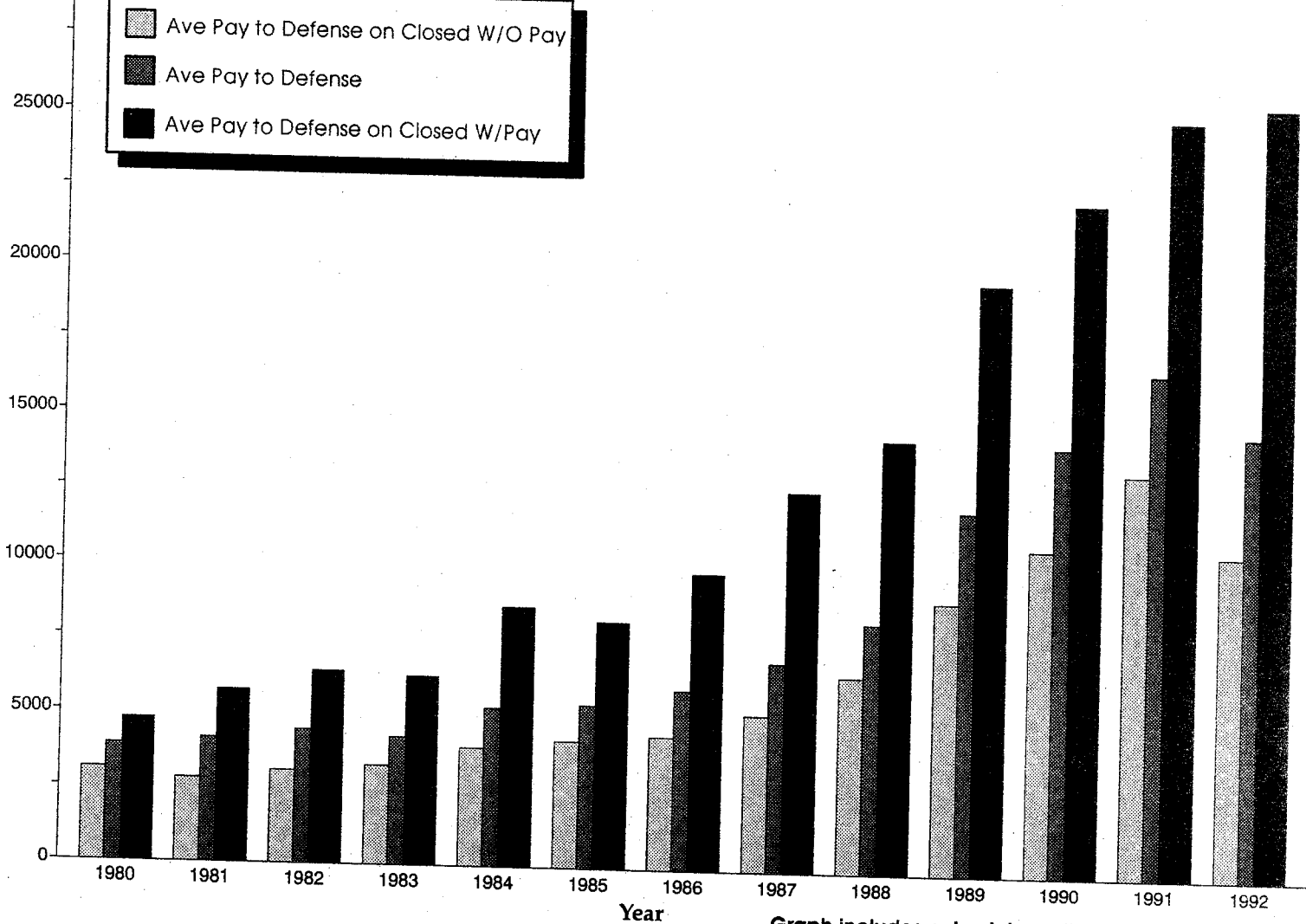
Claims with Payment to Defense



Average Payment to Defense Counsel

Claims

30000



Graph includes only claims with defense counsel payment.

The graph on page 8 shows average payment to defense counsel. This is broken down into three bars: 1) average payment to defense counsel on claims without indemnity payment; 2) average payment to defense counsel on claims closed with indemnity payment; and 3) the overall average payment to defense counsel of all claims with a defense counsel payment.

From this graph you can see that average payment to defense counsel on claims closed with an indemnity payment is much greater than average payment to defense counsel on claims without an indemnity payment. It also illustrates that average payment to defense counsel on medical malpractice claims is on the rise.

Indemnity Paid per Claim

For the remainder of this report, the data will be analyzed in three groups. Each group represents four years of data: 1981 through 1984; 1985 through 1988; and 1989 through 1992. Although thirteen years of data are available, to make the groups equal in the number of years they contain, only the most recent twelve were used here.

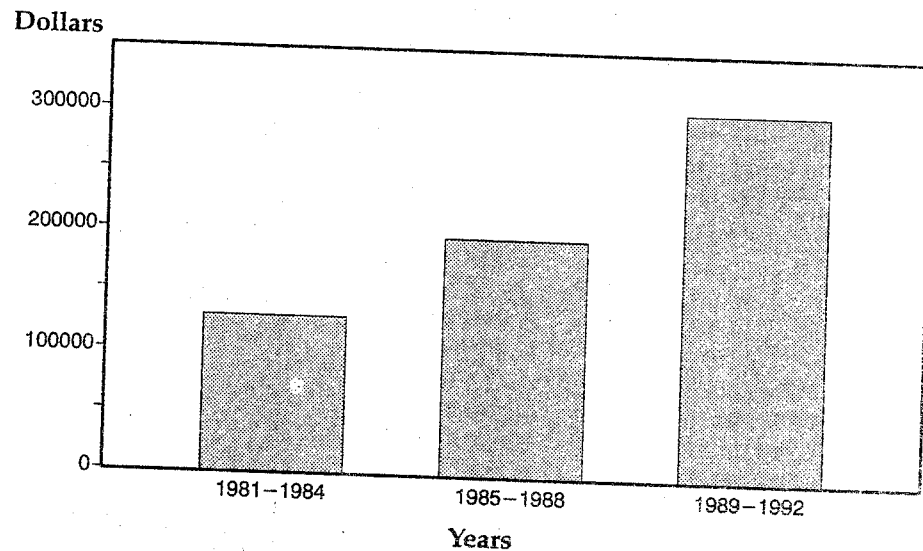
The charts on the following page represent the claims by the amount of indemnity paid. The indemnity paid column breaks the data down into eleven categories at \$100,000 intervals of amount paid. The rest of the chart shows the number of claims with payment relative to the amount paid, total indemnity paid, average indemnity of paid claims and percent of total indemnity paid by category. The charts can then be compared to show changes that have occurred between the different years.

Most of the claims with payment are in the \$1 - 99,999 range. For this reason, the data for this category is broken down even further in the next section. The \$1,000,000 & over category consistently has the highest percent of total indemnity paid. Of the \$1.6 billion of indemnity paid over the last twelve years, this category accounted for 41.5%, but only accounted for 4.6% of the total number of closed claims with an indemnity payment. Total indemnity paid shows a 155.4% increase from 1981-1984 to 1985-1988, while from 1985-1988 to 1989-1992 the increase was 44.4%.

The graph on this page illustrates the increase of average indemnity paid over the years. Between 1981-1984 and 1985-1988 the increase was 52.6% compared to the 55.1% increase between 1985-1988 and 1989-1992.

The graph on page 12 reflects the total number of claims by each indemnity paid category. Each four year group is represented by a bar. This illustrates the changes in the distribution.

Average Indemnity Paid



Indemnity Paid per Claim

1981-
1984

Indemnity Paid	# of Claims W/ Payment	Total Indemnity	Average Indemnity of Paid Claims	% of Total Indemnity Paid
\$1 - 99,999	1,246	\$31,540,432.29	\$25,313.35	14.67%
\$100,000 - 199,999	188	\$26,095,185.96	\$138,804.18	12.13%
\$200,000 - 299,999	84	\$18,987,253.00	\$226,038.73	8.83%
\$300,000 - 399,999	34	\$11,516,753.00	\$338,728.03	5.36%
\$400,000 - 499,999	24	\$10,286,463.62	\$428,602.65	4.78%
\$500,000 - 599,999	8	\$4,313,364.00	\$539,170.50	2.01%
\$600,000 - 699,999	20	\$12,738,949.00	\$636,947.45	5.92%
\$700,000 - 799,999	10	\$7,296,451.00	\$729,645.10	3.39%
\$800,000 - 899,999	13	\$10,938,770.00	\$841,443.85	5.09%
\$900,000 - 999,999	7	\$6,550,068.00	\$935,724.00	3.05%
\$1,000,000 & Over	44	\$74,786,716.00	\$1,699,698.09	34.78%
Total of Paid Claims	1,678	\$215,050,405.87	\$128,158.76	100.00%

1985-
1988

Indemnity Paid	# of Claims W/ Payment	Total Indemnity	Average Indemnity of Paid Claims	% of Total Indemnity Paid
\$1 - 99,999	1,792	\$51,705,177.25	\$28,853.34	9.41%
\$100,000 - 199,999	368	\$48,526,887.66	\$131,866.54	8.84%
\$200,000 - 299,999	209	\$47,875,342.00	\$229,068.62	8.72%
\$300,000 - 399,999	111	\$37,812,714.00	\$340,655.08	6.88%
\$400,000 - 499,999	55	\$23,741,282.16	\$431,659.68	4.32%
\$500,000 - 599,999	54	\$28,373,934.00	\$525,443.22	5.17%
\$600,000 - 699,999	40	\$25,449,997.00	\$636,249.93	4.63%
\$700,000 - 799,999	23	\$17,000,712.00	\$739,161.39	3.10%
\$800,000 - 899,999	24	\$20,213,362.00	\$842,223.42	3.68%
\$900,000 - 999,999	25	\$23,225,297.00	\$929,011.88	4.23%
\$1,000,000 & Over	108	\$225,324,288.16	\$2,086,336.00	41.02%
Total of Paid Claims	2,809	\$549,248,993.23	\$195,531.86	100.00%

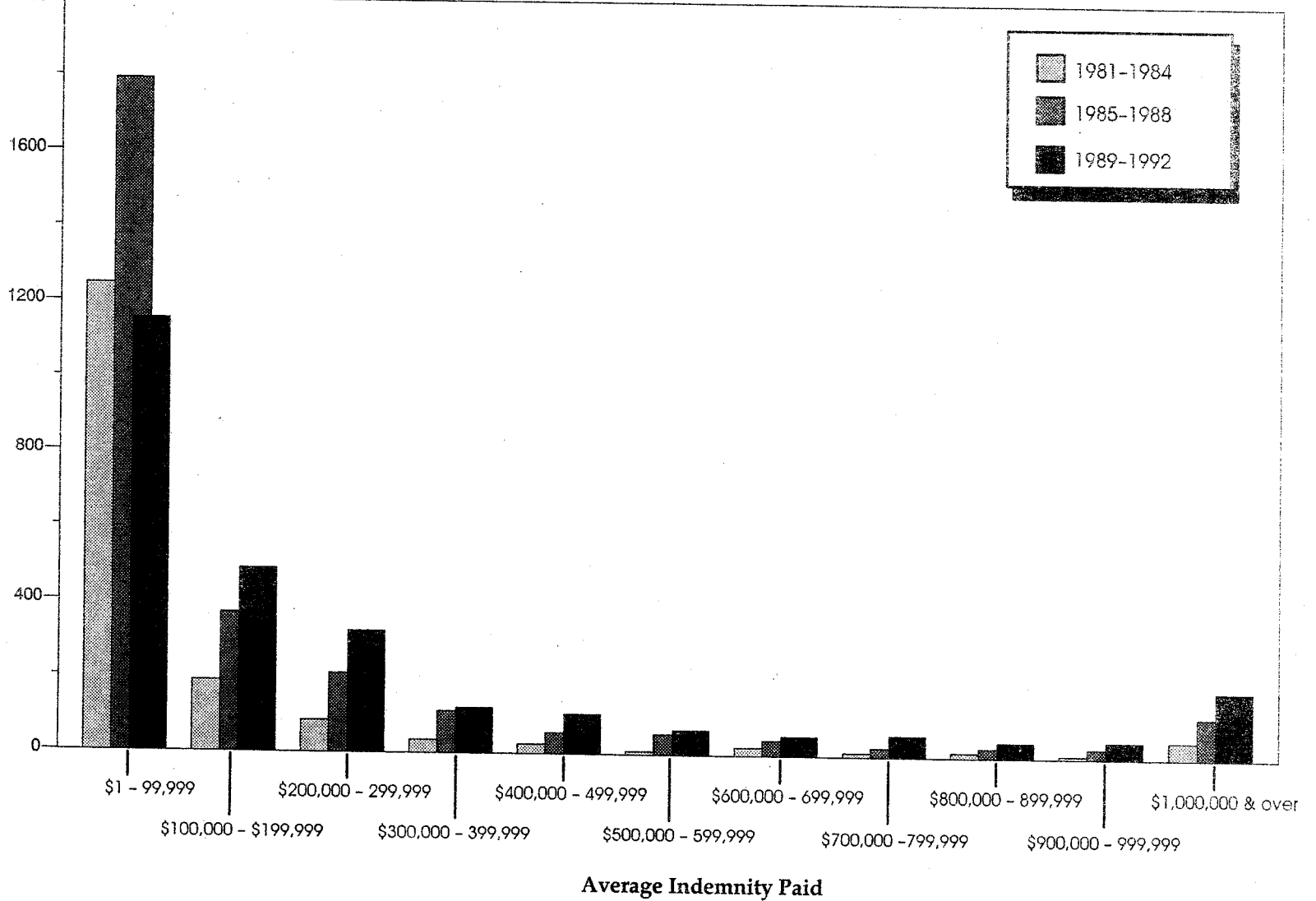
1989-
1992

Indemnity Paid	# of Claims W/ Payment	Total Indemnity	Average Indemnity of Paid Claims	% of Total Indemnity Paid
\$1 - 99,999	1,153	\$40,023,103.80	\$34,712.15	5.05%
\$100,000 - 199,999	486	\$65,360,189.00	\$134,485.99	8.24%
\$200,000 - 299,999	322	\$75,053,217.00	\$233,084.52	9.47%
\$300,000 - 399,999	119	\$39,868,022.00	\$335,025.39	5.03%
\$400,000 - 499,999	105	\$45,935,185.00	\$437,477.95	5.79%
\$500,000 - 599,999	65	\$34,229,875.00	\$526,613.46	4.32%
\$600,000 - 699,999	51	\$32,041,760.00	\$628,269.80	4.04%
\$700,000 - 799,999	56	\$41,489,869.00	\$740,890.52	5.23%
\$800,000 - 899,999	40	\$33,270,503.00	\$831,762.58	4.20%
\$900,000 - 999,999	43	\$40,112,581.00	\$932,850.72	5.06%
\$1,000,000 & Over	176	\$345,506,227.00	\$1,963,103.56	43.58%
Total of Paid Claims	2,616	\$792,890,531.80	\$303,092.71	100.00%

Number of Claims by Indemnity Paid

of Claims w/Payment

2000



**Claims with
Indemnity
Paid Less
Than
\$100,000**

For the purpose of further analyses, the \$1 - 99,999 category is broken down into subcategories of \$10,000 intervals of amounts paid. The chart on page 14 analyzes the data by these subcategories. Over the last twelve years, 7,103 claims closed with an indemnity payment. Of these, 4,191 claims, or 59.0%, are in the category of less than \$100,000 of indemnity paid; yet, this category only represents 7.9% of the \$1.6 billion paid in indemnity over the past twelve years.

The chart illustrates that the \$1 - 9,999 group consistently has the highest frequency of claims over the years. It also shows that the total indemnity paid over the years increased from 1981-1984 to 1985-1988 by approximately 63.9% but decreased by approximately 22.6% from 1985-1988 to 1989-1992. The average indemnity paid on claims closed with indemnity payment under \$100,000 has gradually increased over the years. From 1981-1984 to 1985-1988 it increased by 14.0% and from 1985-1988 to 1989-1992 the increase was 20.3%.

The graph on page 15 compares the number of closed claims with indemnity paid less than \$100,000 over the years. It illustrates that the distribution is not consistent.

**Claims with
Indemnity
Paid Less
than
\$100,000**

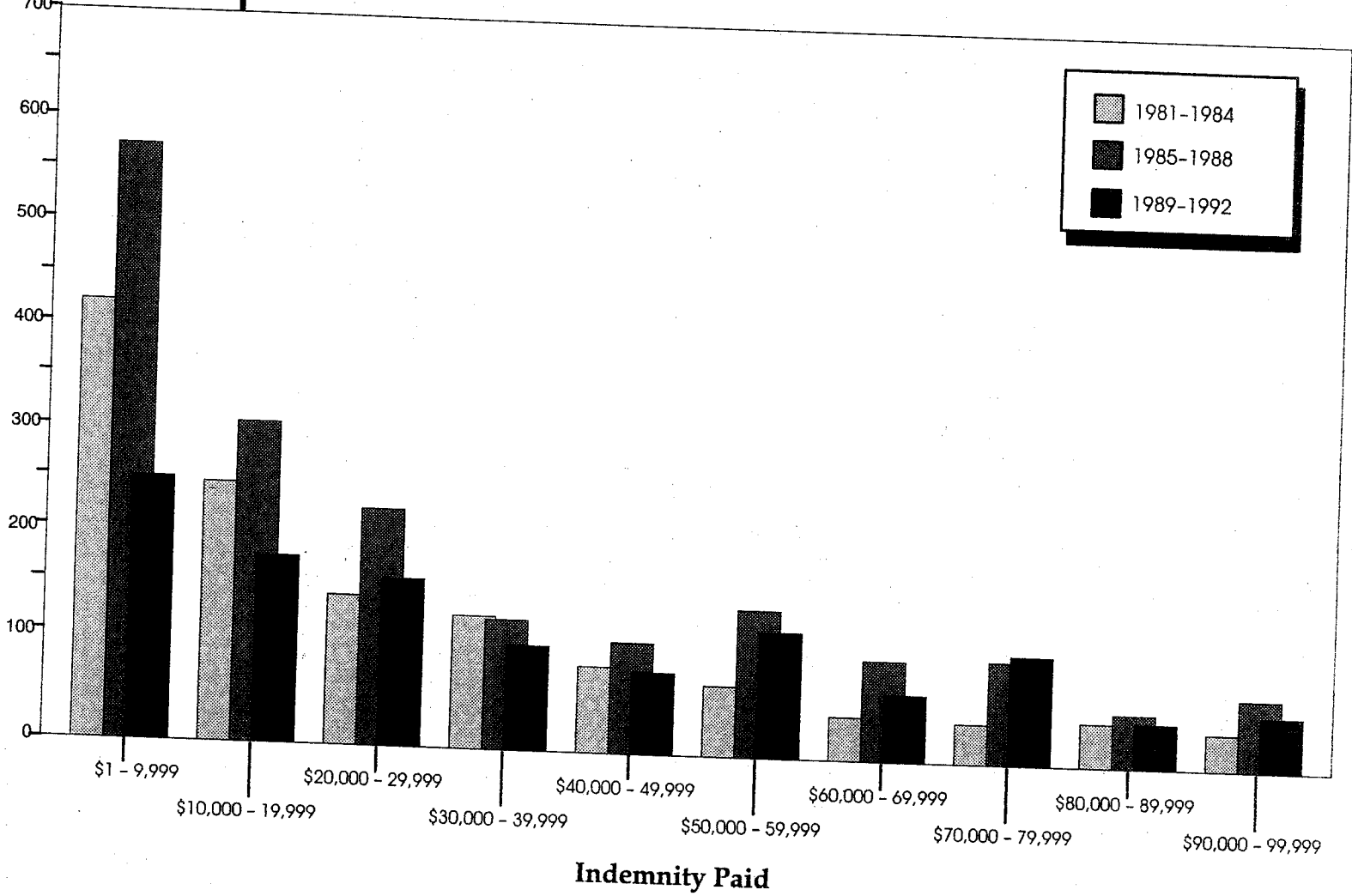
1981-1984	Indemnity Paid	# of Claims W/ Payment	Total Indemnity	Average Indemnity of Paid Claims
	\$1 - 9,999	422	\$1,628,530.58	\$3,859.08
	\$10,000 - 19,999	249	\$3,234,253.00	\$12,988.97
	\$20,000 - 29,999	143	\$3,277,836.00	\$22,921.93
	\$30,000 - 39,999	127	\$4,225,775.55	\$33,273.82
	\$40,000 - 49,999	82	\$3,546,432.16	\$43,249.17
	\$50,000 - 59,999	67	\$3,484,562.00	\$52,008.39
	\$60,000 - 69,999	41	\$2,571,895.00	\$62,729.15
	\$70,000 - 79,999	38	\$2,816,000.00	\$74,105.26
	\$80,000 - 89,999	42	\$3,497,668.00	\$83,277.81
	\$90,000 - 99,999	35	\$3,257,480.00	\$93,070.86
	Total	1,246	\$31,540,432.29	\$25,313.35

1985-1988	Indemnity Paid	# of Claims W/ Payment	Total Indemnity	Average Indemnity of Paid Claims
	\$1 - 9,999	573	\$2,496,978.83	\$4,357.73
	\$10,000 - 19,999	308	\$4,066,870.00	\$13,204.12
	\$20,000 - 29,999	227	\$5,302,163.53	\$23,357.55
	\$30,000 - 39,999	124	\$4,168,966.00	\$33,620.69
	\$40,000 - 49,999	106	\$4,614,421.00	\$43,532.27
	\$50,000 - 59,999	141	\$7,253,475.00	\$51,443.09
	\$60,000 - 69,999	96	\$6,035,477.56	\$62,869.56
	\$70,000 - 79,999	98	\$7,220,947.00	\$73,683.13
	\$80,000 - 89,999	51	\$4,246,991.00	\$83,274.33
	\$90,000 - 99,999	68	\$6,298,887.33	\$92,630.70
	Total	1,792	\$51,705,177.25	\$28,853.34

1989-1992	Indemnity Paid	# of Claims W/ Payment	Total Indemnity	Average Indemnity of Paid Claims
	\$1 - 9,999	253	\$936,329.50	\$3,700.91
	\$10,000 - 19,999	179	\$2,380,034.00	\$13,296.28
	\$20,000 - 29,999	160	\$3,766,044.00	\$23,537.78
	\$30,000 - 39,999	100	\$3,351,331.00	\$33,513.31
	\$40,000 - 49,999	78	\$3,324,289.00	\$42,619.09
	\$50,000 - 59,999	120	\$6,192,325.30	\$51,602.71
	\$60,000 - 69,999	64	\$4,031,519.00	\$62,992.48
	\$70,000 - 79,999	104	\$7,653,500.00	\$73,591.35
	\$80,000 - 89,999	43	\$3,583,916.00	\$83,346.88
	\$90,000 - 99,999	52	\$4,803,816.00	\$92,381.08
	Total	1,153	\$40,023,103.80	\$34,712.15

**Number of Claims Paid
(with indemnity less than \$100,000)**

of Claims w/Payment
700



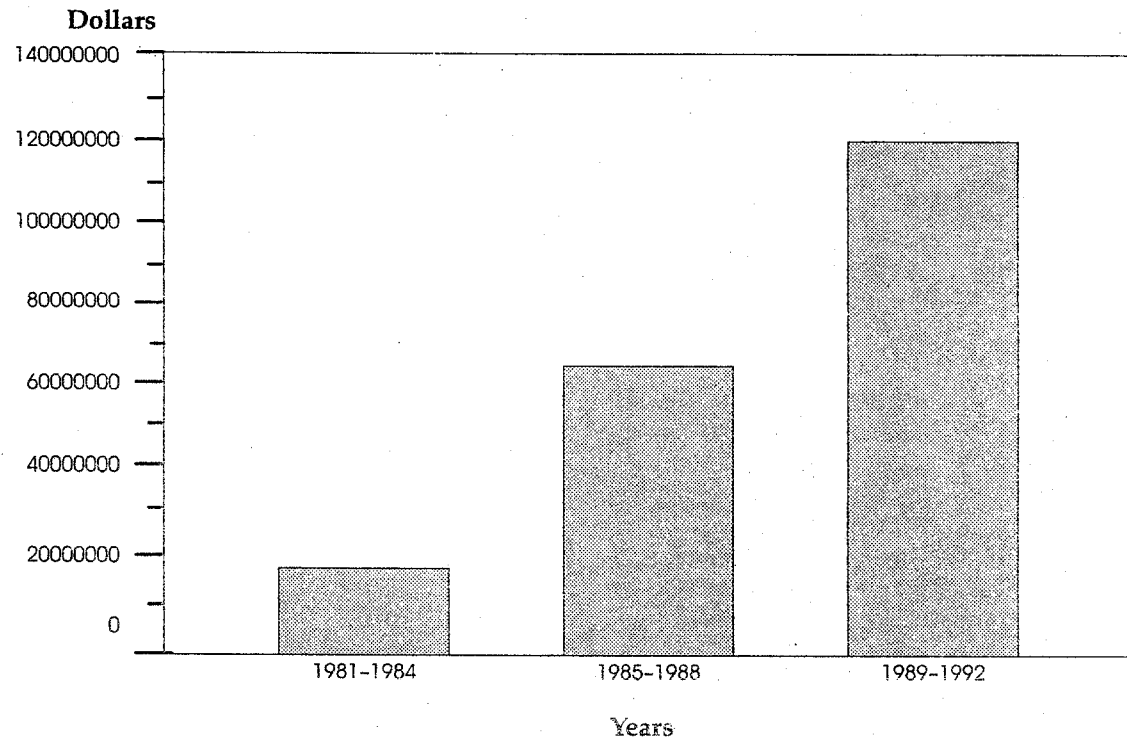
Amount Paid to Defense Counsel per Claim

Again the charts in this section look at the data with respect to the amount of indemnity paid on the claim. They show the total number of closed claims in each category, the number of claims with payment to defense counsel by indemnity paid, total paid to defense, average payment to defense and percent of total amount paid.

The exhibits illustrate how the amount of indemnity paid relates to the amount of defense costs paid. The total paid to defense is consistently largest in the \$0 range, yet the average amount paid is the smallest from year to year. It can also be seen in the chart that average payment to defense counsel is on the rise, by comparing the corresponding parts in the chart from year to year.

The graph on this page reflects how total payment to defense is increasing over the years. This may be because the number of closed claims with payment to defense increased from 1981-1984 to 1985-1988 by 5,663, which is an increase of 131.5%.

The graph on page 19, illustrates average payment to defense counsel by the indemnity paid categories. Each bar represents the data grouped by the year of the date the claim closed. As the graph shows, overall the greatest increases in defense counsel payment occur between 1985-1988 and 1989-1992 data. Defense costs appear to be on the rise.



**Amount Paid
to Defense
Counsel per
Claim**

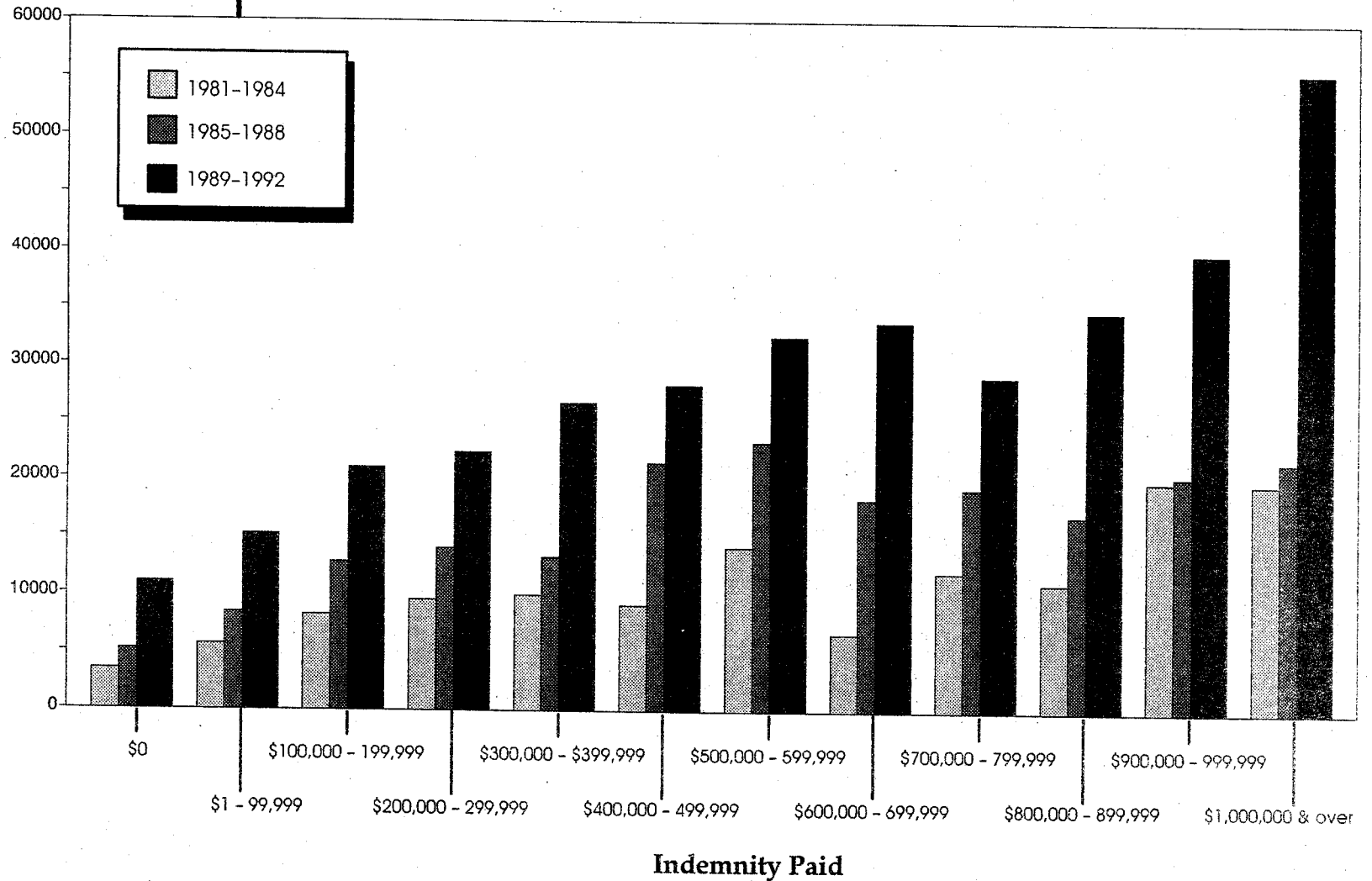
1981-1984	Indemnity Paid	Total # Closed Claims	# of Claims With Payment to Defense	Total Paid to Defense	Average Payment to Defense	% of Total Amount Paid
	\$0	3,737	2,825	\$9,763,149.89	\$3,455.98	48.76%
	\$1 - 99,999	1,246	1,072	\$6,067,804.15	\$5,660.27	30.30%
	\$100,000 - 199,999	188	179	\$1,472,756.98	\$8,227.69	7.36%
	\$200,000 - 299,999	84	78	\$745,785.39	\$9,561.35	3.72%
	\$300,000 - 399,999	34	33	\$329,605.40	\$9,988.04	1.65%
	\$400,000 - 499,999	24	24	\$219,225.00	\$9,134.38	1.09%
	\$500,000 - 599,999	8	8	\$113,327.00	\$14,165.88	0.57%
	\$600,000 - 699,999	20	20	\$133,796.00	\$6,689.80	0.67%
	\$700,000 - 799,999	10	10	\$120,345.25	\$12,034.53	0.60%
	\$800,000 - 899,999	13	13	\$144,142.00	\$11,087.85	0.72%
	\$900,000 - 999,999	7	7	\$139,746.00	\$19,963.71	0.70%
	\$1,000,000 & Over	44	39	\$773,077.50	\$19,822.50	3.86%
	Total	5,415	4,308	\$20,022,760.56	\$4,647.81	100.00%

1985-1988	Indemnity Paid	Total # Closed Claims	# of Claims With Payment to Defense	Total Paid to Defense	Average Payment to Defense	% of Total Amount Paid
	\$0	8,832	7,413	\$38,474,542.74	\$5,190.14	57.23%
	\$1 - 99,999	1,792	1,570	\$13,218,888.21	\$8,419.67	19.66%
	\$100,000 - 199,999	368	354	\$4,522,028.31	\$12,774.09	6.73%
	\$200,000 - 299,999	209	205	\$2,875,897.63	\$14,028.77	4.28%
	\$300,000 - 399,999	111	109	\$1,444,914.00	\$13,256.09	2.15%
	\$400,000 - 499,999	55	55	\$1,181,827.23	\$21,487.77	1.76%
	\$500,000 - 599,999	54	50	\$1,168,282.00	\$23,365.64	1.74%
	\$600,000 - 699,999	40	38	\$697,125.51	\$18,345.41	1.04%
	\$700,000 - 799,999	23	23	\$444,633.00	\$19,331.87	0.66%
	\$800,000 - 899,999	24	24	\$407,314.00	\$16,971.42	0.61%
	\$900,000 - 999,999	25	25	\$510,137.00	\$20,405.48	0.76%
	\$1,000,000 & Over	108	105	\$2,281,306.00	\$21,726.72	3.39%
	Total	11,641	9,971	\$67,226,895.63	\$6,742.24	100.00%

1989-1992	Indemnity Paid	Total # Closed Claims	# of Claims With Payment to Defense	Total Paid to Defense	Average Payment to Defense	% of Total Amount Paid
	\$0	8,763	5,916	\$65,259,837.36	\$11,031.07	54.43%
	\$1 - 99,999	1,153	937	\$14,245,622.39	\$15,203.44	11.88%
	\$100,000 - 199,999	486	466	\$9,781,136.03	\$20,989.56	8.16%
	\$200,000 - 299,999	322	302	\$6,755,903.80	\$22,370.54	5.63%
	\$300,000 - 399,999	119	114	\$3,046,277.46	\$26,721.73	2.54%
	\$400,000 - 499,999	105	103	\$2,914,793.26	\$28,298.96	2.43%
	\$500,000 - 599,999	65	62	\$2,019,117.05	\$32,566.40	1.68%
	\$600,000 - 699,999	51	50	\$1,694,903.00	\$33,898.06	1.41%
	\$700,000 - 799,999	56	56	\$1,629,826.00	\$29,104.04	1.36%
	\$800,000 - 899,999	40	39	\$1,358,812.00	\$34,841.33	1.13%
	\$900,000 - 999,999	43	42	\$1,677,310.00	\$39,935.95	1.40%
	\$1,000,000 & Over	176	171	\$9,522,839.79	\$55,689.12	7.94%
	Total	11,379	8,258	\$119,906,378.14	\$14,520.03	100.00%

Average Payment to Defense by Indemnity Paid

Dollars



Time Lapse from Date Reported to Date Claim Closed

1981-
1992

Report to Closure Date	Total # Closed Claims	% of Total Claims	# of Claims W/ Payment	% of Total Claims W/ Payment
0 - 6 MTHS	3,590	12.63%	389	5.48%
7 MTHS - 1.0 YRS	3,738	13.15%	471	6.63%
13 MTHS - 1.5 YRS	2,969	10.44%	550	7.74%
19 MTHS - 2.0 YRS	2,686	9.45%	622	8.76%
25 MTHS - 2.5 YRS	2,638	9.28%	702	9.88%
31 MTHS - 3.0 YRS	2,169	7.63%	660	9.29%
37 MTHS - 3.5 YRS	1,891	6.65%	628	8.84%
43 MTHS - 4.0 YRS	1,565	5.50%	502	7.07%
49 MTHS - 4.5 YRS	1,338	4.71%	451	6.35%
55 MTHS - 5.0 YRS	1,157	4.07%	394	5.55%
61 MTHS - 5.5 YRS	992	3.49%	367	5.17%
67 MTHS - 6.0 YRS	897	3.15%	343	4.83%
73 MTHS - 6.5 YRS	750	2.64%	275	3.87%
79 MTHS - 7.0 YRS	600	2.11%	234	3.29%
Over 7 YRS	1,455	5.12%	515	7.25%
Total	28,435	100.00%	7,103	100.00%
Average Time Lapse		2.8 Years		3.5 Years

For the next three sections of the report, the data was analyzed to determine how the lapse of time affected claims. There are three important dates associated with each claim. The date of injury is the approximate date the injury occurred. The report date is the date the insurance company became aware of the claim. The closure date is the date the insurance company considered the claim to be settled.

First, the focus will be on the time lapse between the report date and the date the claim closed. The chart on this page, and the charts and graph on the following pages, show claims data based on the length of time between these two dates. The intervals for this are six months in length, up to seven years.

The data in this chart is for the years 1981-1992 combined. Because medical malpractice insurance is such a long-tailed line of business, it takes an average of 2.8 years to close the claims after they are reported. Of the claims closed with an indemnity payment, 38.5% of these were closed within two and a half years of the report date. It takes an average of 3.5 years to close a claim with an indemnity payment.

The charts on the following page represent the time lapse between date reported and date claim closed in the three data groups by year of the date the claim closed. The charts show the total number of closed claims, then the number of claims with an indemnity payment. These two columns are used to arrive at the paid ratio, which is the number of claims with payment divided by the total number of closed claims within each six month interval. As an example, 25.92% comes from 127/490. This shows the number of claims closed with an indemnity payment as a percent of total closed claims within each six month interval.

The average paid ratio for 1981-1984 is 31.0%; for 1985-1988, it is 24.1%; and for 1989-1992 it is 23.0%. By observing each chart, it is apparent that the paid ratios for claims lasting longer than two and a half years are higher than their corresponding averages.

The charts that follow also represent total indemnity paid in each interval, the percent of total indemnity paid, and average indemnity paid of the claims with a payment. By looking at the most recent four years of data, the 1989-1992 data group, it would seem that as a claim matures, the average indemnity paid on those claims increases. Claims closing within seven years of the reported date have an average payment of approximately \$282,000, while those closing more than seven years after the reported date average about \$463,000. The latter category is 64% larger than the former. This again shows the nature of the long tail business and represents how claims that take longer to close are hard to predict the ultimate indemnity paid. The graph on page 25 shows that these distributions are not consistent. This graph illustrates the average indemnity paid by the age of the claim. Each line represents the data in the groups by the year of the date the claim closed.

1981-1984

Report to Closure Date	Total # Closed Claims	# of Claims W/ Payment	Paid Ratio*	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
0 - 6 MTHS	490	127	25.92%	\$11,638,460.90	5.41%	\$91,641.42
7 MTHS - 1.0 YR	671	110	16.39%	\$17,664,596.62	8.21%	\$160,587.24
13 MTHS - 1.5 YRS	780	160	20.51%	\$23,799,897.00	11.07%	\$148,749.36
19 MTHS - 2.0 YRS	718	178	24.79%	\$19,576,279.00	9.10%	\$109,979.10
25 MTHS - 2.5 YRS	729	225	30.86%	\$31,956,340.00	14.86%	\$142,028.18
31 MTHS - 3.0 YRS	525	217	41.33%	\$25,865,381.51	12.03%	\$119,195.31
37 MTHS - 3.5 YRS	429	176	41.03%	\$27,932,813.30	12.99%	\$158,709.17
43 MTHS - 4.0 YRS	332	138	41.57%	\$11,865,951.33	5.52%	\$85,985.15
49 MTHS - 4.5 YRS	218	111	50.92%	\$10,407,286.05	4.84%	\$93,759.33
55 MTHS - 5.0 YRS	172	66	38.37%	\$7,524,186.00	3.50%	\$114,002.82
61 MTHS - 5.5 YRS	107	44	41.12%	\$7,322,706.00	3.41%	\$166,425.14
67 MTHS - 6.0 YRS	83	44	53.01%	\$5,945,862.00	2.76%	\$135,133.23
73 MTHS - 6.5 YRS	46	20	43.48%	\$1,523,288.00	0.71%	\$76,164.40
79 MTHS - 7.0 YRS	43	20	46.51%	\$3,748,358.16	1.74%	\$187,417.91
Over 7 YRS	72	42	58.33%	\$8,279,000.00	3.85%	\$197,119.05
Total	5,415	1,678	30.99%	\$215,050,405.87	100.00%	\$128,158.76

1985-1988

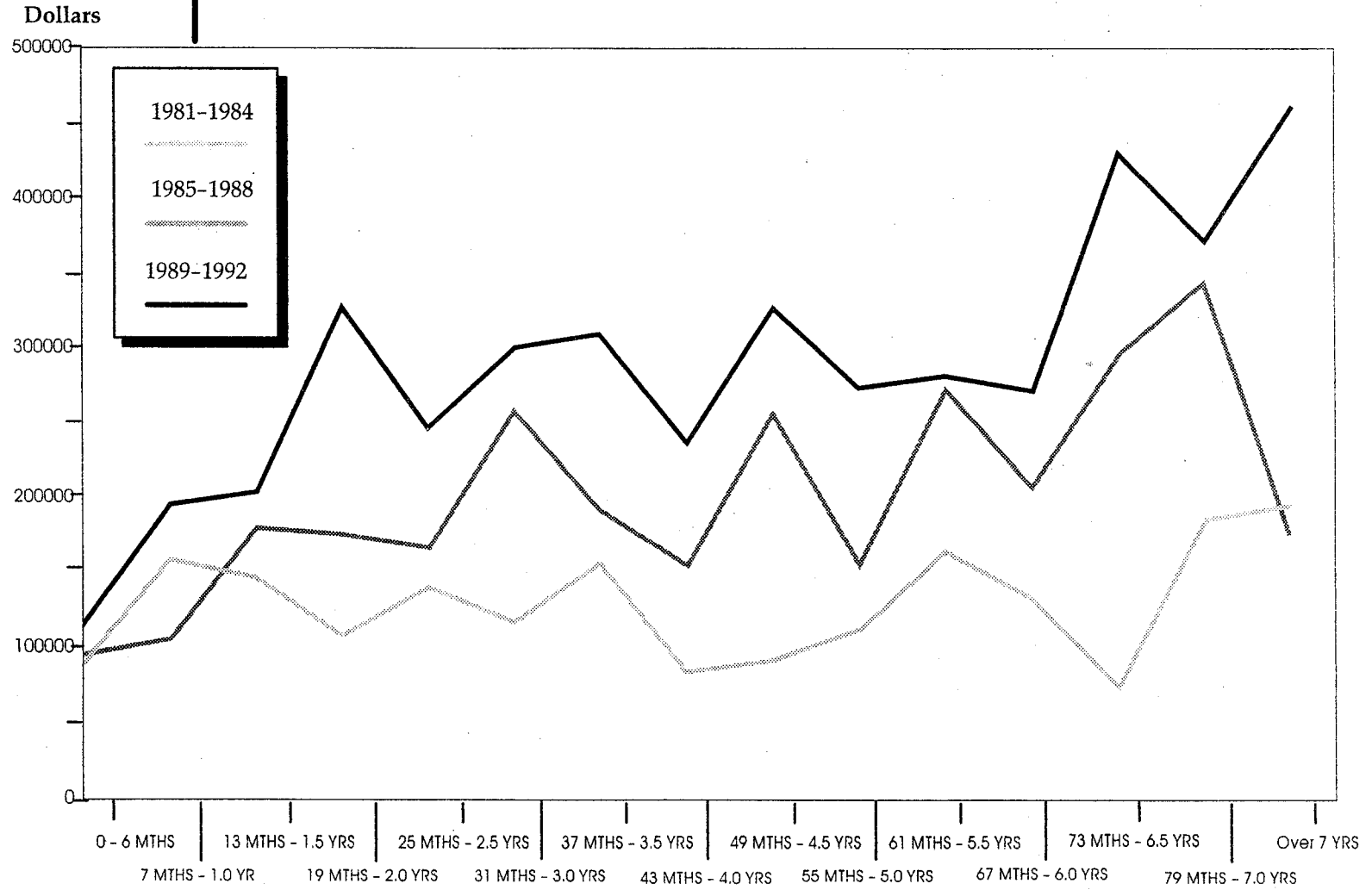
Report to Closure Date	Total # Closed Claims	# of Claims W/ Payment	Paid Ratio*	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
0 - 6 MTHS	793	129	16.27%	\$12,484,906.93	2.27%	\$96,782.22
7 MTHS - 1.0 YR	1,169	169	14.46%	\$18,083,729.30	3.29%	\$107,004.32
13 MTHS - 1.5 YRS	1,176	224	19.05%	\$40,699,521.47	7.41%	\$181,694.29
19 MTHS - 2.0 YRS	1,220	261	21.39%	\$46,280,139.90	8.43%	\$177,318.54
25 MTHS - 2.5 YRS	1,380	329	23.84%	\$55,439,160.33	10.09%	\$168,508.09
31 MTHS - 3.0 YRS	1,263	311	24.62%	\$80,955,974.75	14.74%	\$260,308.60
37 MTHS - 3.5 YRS	1,035	281	27.15%	\$54,523,567.66	9.93%	\$194,034.05
43 MTHS - 4.0 YRS	734	197	26.84%	\$31,006,649.16	5.65%	\$157,394.16
49 MTHS - 4.5 YRS	649	171	26.35%	\$44,344,652.00	8.07%	\$259,325.45
55 MTHS - 5.0 YRS	545	174	31.93%	\$27,655,122.77	5.04%	\$158,937.49
61 MTHS - 5.5 YRS	436	139	31.88%	\$38,251,540.80	6.96%	\$275,190.94
67 MTHS - 6.0 YRS	319	113	35.42%	\$23,716,848.16	4.32%	\$209,883.61
73 MTHS - 6.5 YRS	217	74	34.10%	\$22,002,514.00	4.01%	\$297,331.27
79 MTHS - 7.0 YRS	184	70	38.04%	\$24,273,370.00	4.42%	\$346,762.43
Over 7 YRS	521	167	32.05%	\$29,531,296.00	5.38%	\$176,834.11
Total	11,641	2,809	24.13%	\$549,248,993.23	100.00%	\$195,531.86

1989-1992

Report to Closure Date	Total # Closed Claims	# of Claims W/ Payment	Paid Ratio*	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
0 - 6 MTHS	2,307	133	5.77%	\$15,704,446.00	1.98%	\$118,078.54
7 MTHS - 1.0 YR	1,898	192	10.12%	\$37,800,492.00	4.77%	\$196,877.56
13 MTHS - 1.5 YRS	1,013	166	16.39%	\$34,096,407.00	4.30%	\$205,400.04
19 MTHS - 2.0 YRS	748	183	24.47%	\$60,478,188.00	7.63%	\$330,481.90
25 MTHS - 2.5 YRS	529	148	27.98%	\$36,815,212.00	4.64%	\$248,751.43
31 MTHS - 3.0 YRS	381	132	34.65%	\$39,847,214.00	5.03%	\$301,872.83
37 MTHS - 3.5 YRS	427	171	40.05%	\$53,238,097.00	6.71%	\$311,333.90
43 MTHS - 4.0 YRS	499	167	33.47%	\$39,986,376.00	5.04%	\$239,439.38
49 MTHS - 4.5 YRS	471	169	35.88%	\$55,692,790.00	7.02%	\$329,543.14
55 MTHS - 5.0 YRS	440	154	35.00%	\$42,410,440.00	5.35%	\$275,392.47
61 MTHS - 5.5 YRS	449	184	40.98%	\$52,127,006.50	6.57%	\$283,298.95
67 MTHS - 6.0 YRS	495	186	37.58%	\$50,873,611.00	6.42%	\$273,514.04
73 MTHS - 6.5 YRS	487	181	37.17%	\$78,393,298.00	9.89%	\$433,112.14
79 MTHS - 7.0 YRS	373	144	38.61%	\$53,900,383.00	6.80%	\$374,308.22
Over 7 YRS	862	306	35.50%	\$141,526,571.30	17.85%	\$462,505.13
Total	11,379	2,616	22.99%	\$792,890,531.80	100.00%	\$303,092.71

*Paid ratio = # of claims with payment/total # closed claims for each time lapse category.

Average Indemnity Paid by Age of Claim



Time Lapse from Report Date to Closure Date

Time Lapse from Date of Injury to Date Reported

1981-
1992

Injury to Report Date	Total # Closed Claims	% of Total Claims	# of Claims W/ Payment	% of Total Claims W/ Payment
0 - 6 MTHS	3,431	12.07%	858	12.08%
7 MTHS - 1.0 YR	3,178	11.18%	971	13.67%
13 MTHS - 1.5 YRS	3,006	10.57%	929	13.08%
19 MTHS - 2.0 YRS	4,679	16.46%	1,396	19.65%
25 MTHS - 2.5 YRS	7,632	26.84%	1,547	21.78%
31 MTHS - 3.0 YRS	1,632	5.74%	338	4.76%
37 MTHS - 3.5 YRS	1,050	3.69%	237	3.34%
43 MTHS - 4.0 YRS	807	2.84%	174	2.45%
49 MTHS - 4.5 YRS	877	3.08%	157	2.21%
55 MTHS - 5.0 YRS	310	1.09%	65	0.92%
61 MTHS - 5.5 YRS	292	1.03%	47	0.66%
67 MTHS - 6.0 YRS	223	0.78%	44	0.62%
73 MTHS - 6.5 YRS	195	0.69%	39	0.55%
79 MTHS - 7.0 YRS	183	0.64%	36	0.51%
Over 7 YRS	940	3.31%	265	3.73%
Total	28,435	100.00%	7,103	100.00%
Average Time Lapse		2.2 Years		2.2 Years

This section of the study will focus on the length of time between the date of injury and the report date, and how this affects the closed claims data. Again, this data is presented in six month intervals, up to seven years.

The chart on this page analyzes the data for the years 1981-1992 combined. Approximately 77.1% of the closed claims had a time lapse of two and a half years between the injury date and the report date. Of the claims closed with payment, 80.3% of these had a two and a half year time lapse. The average time lapse between injury date and report date for all closed claims is 2.2 years or 2 years and 2 months, which is also the average time lapse for claims that closed with payment. These numbers are not surprising because for adults, under the Statute of Limitations law, all claims need to be reported within two years of the date of injury or the date of discovery of the injury, but not to exceed four years from the date of injury. If the injured person is under the age of 18, the claim must be reported by the age of 22 or eight years after the discovery of the injury, whichever comes first.

The charts on the following pages represent the time lapse between the date of injury and the date reported in the three data groups, by year of the date the claim closed. The charts show the total number of claims closed, the number of claims with an indemnity payment and the paid ratios. The paid ratio column is calculated the same way here, as previously explained. It equals the number of claims with an indemnity payment divided by the total number of closed claims in each six month interval. The paid ratios do not seem to be affected by the length of time between the date of injury and the date reported.

Also represented in these charts are the total indemnity paid in each interval, the percent of the total indemnity paid and the average indemnity paid of the claims with payment.

The graph on page 31 illustrates the average indemnity paid by the time lapse of the claim. Each line represents the data in the groups by the year of the date the claim closed. As with the graph for the time lapse between date reported and date claim closed, it is apparent that these distributions are not consistent.

1981-1984

Injury to Report Date	Total # Closed Claims	# of Claims W/ Payment	Paid Ratio*	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
0 - 6 MTHS	576	194	33.68%	\$24,329,754.02	11.31%	\$125,411.10
7 MTHS - 1.0 YR	599	223	37.23%	\$25,939,071.64	12.06%	\$116,318.71
13 MTHS - 1.5 YRS	596	226	37.92%	\$38,889,657.16	18.08%	\$172,078.13
19 MTHS - 2.0 YRS	1,017	347	34.12%	\$40,960,099.96	19.05%	\$118,040.63
25 MTHS - 2.5 YRS	1,552	386	24.87%	\$41,477,982.09	19.29%	\$107,455.91
31 MTHS - 3.0 YRS	280	65	23.21%	\$7,823,026.00	3.64%	\$120,354.25
37 MTHS - 3.5 YRS	198	62	31.31%	\$11,353,520.00	5.28%	\$183,121.29
43 MTHS - 4.0 YRS	129	33	25.58%	\$8,034,766.00	3.74%	\$243,477.76
49 MTHS - 4.5 YRS	149	32	21.48%	\$5,438,800.00	2.53%	\$169,962.50
55 MTHS - 5.0 YRS	63	22	34.92%	\$3,078,859.00	1.43%	\$139,948.14
61 MTHS - 5.5 YRS	33	10	30.30%	\$832,250.00	0.39%	\$83,225.00
67 MTHS - 6.0 YRS	39	5	12.82%	\$250,500.00	0.12%	\$50,100.00
73 MTHS - 6.5 YRS	34	10	29.41%	\$1,572,480.00	0.73%	\$157,248.00
79 MTHS - 7.0 YRS	31	7	22.58%	\$676,631.00	0.31%	\$96,661.57
Over 7 YRS	119	56	47.06%	\$4,393,009.00	2.04%	\$78,446.59
Total	5,415	1,678	30.99%	\$215,050,405.87	100.00%	\$128,158.76

1985-1988

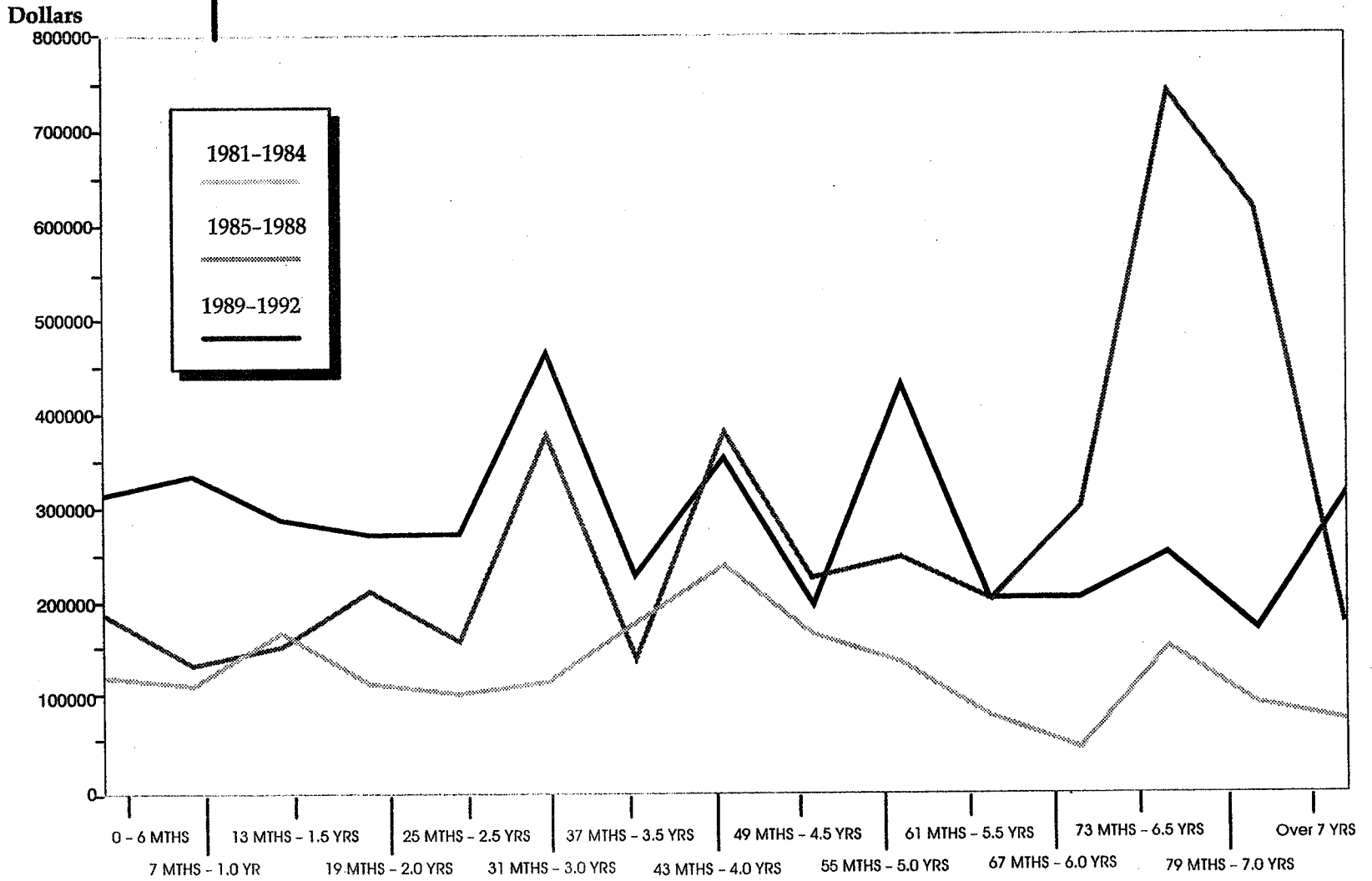
Injury to Report Date	Total # Closed Claims	# of Claims W/ Payment	Paid Ratio*	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
0 - 6 MTHS	1,088	327	30.06%	\$62,679,686.20	11.41%	\$191,681.00
7 MTHS - 1.0 YR	1,327	396	29.84%	\$54,400,141.14	9.90%	\$137,374.09
13 MTHS - 1.5 YRS	1,304	375	28.76%	\$58,923,067.92	10.73%	\$157,128.18
19 MTHS - 2.0 YRS	2,004	578	28.84%	\$124,875,644.18	22.74%	\$216,047.83
25 MTHS - 2.5 YRS	3,179	608	19.13%	\$99,351,034.13	18.09%	\$163,406.31
31 MTHS - 3.0 YRS	767	135	17.60%	\$47,046,013.00	8.57%	\$348,488.99
37 MTHS - 3.5 YRS	466	95	20.39%	\$14,082,072.00	2.56%	\$148,232.34
43 MTHS - 4.0 YRS	391	67	17.14%	\$25,915,894.00	4.72%	\$386,804.39
49 MTHS - 4.5 YRS	393	65	16.54%	\$14,912,047.00	2.71%	\$229,416.11
55 MTHS - 5.0 YRS	106	19	17.92%	\$4,777,280.00	0.87%	\$251,435.79
61 MTHS - 5.5 YRS	115	17	14.78%	\$3,516,533.00	0.64%	\$206,854.88
67 MTHS - 6.0 YRS	80	18	22.50%	\$5,466,721.00	1.00%	\$303,706.72
73 MTHS - 6.5 YRS	68	12	17.65%	\$8,931,964.00	1.63%	\$744,330.33
79 MTHS - 7.0 YRS	67	16	23.88%	\$9,882,364.00	1.80%	\$617,647.75
Over 7 YRS	286	81	28.32%	\$14,488,531.66	2.64%	\$178,870.76
Total	11,641	2,809	24.13%	\$549,248,993.23	100.00%	\$195,531.86

1989-1992

Injury to Report Date	Total # Closed Claims	# of Claims W/ Payment	Paid Ratio*	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
0 - 6 MTHS	1,767	337	19.07%	\$106,942,024.30	13.49%	\$317,335.38
7 MTHS - 1.0 YR	1,252	352	28.12%	\$118,991,880.00	15.01%	\$338,045.11
13 MTHS - 1.5 YRS	1,106	328	29.66%	\$95,587,510.00	12.06%	\$291,425.34
19 MTHS - 2.0 YRS	1,658	471	28.41%	\$129,639,588.50	16.35%	\$275,243.29
25 MTHS - 2.5 YRS	2,901	553	19.06%	\$152,745,846.00	19.26%	\$276,213.10
31 MTHS - 3.0 YRS	585	138	23.59%	\$64,987,743.00	8.20%	\$470,925.67
37 MTHS - 3.5 YRS	386	80	20.73%	\$18,774,067.00	2.37%	\$234,675.84
43 MTHS - 4.0 YRS	287	74	25.78%	\$26,483,827.00	3.34%	\$357,889.55
49 MTHS - 4.5 YRS	335	60	17.91%	\$12,201,240.00	1.54%	\$203,354.00
55 MTHS - 5.0 YRS	141	24	17.02%	\$10,484,774.00	1.32%	\$436,865.58
61 MTHS - 5.5 YRS	144	20	13.89%	\$4,157,250.00	0.52%	\$207,862.50
67 MTHS - 6.0 YRS	104	21	20.19%	\$4,371,102.00	0.55%	\$208,147.71
73 MTHS - 6.5 YRS	93	17	18.28%	\$4,352,203.00	0.55%	\$256,011.94
79 MTHS - 7.0 YRS	85	13	15.29%	\$2,290,674.00	0.29%	\$176,205.69
Over 7 YRS	535	128	23.93%	\$40,880,803.00	5.16%	\$319,381.27
Total	11,379	2,616	22.99%	\$792,890,531.80	100.00%	\$303,092.71

*Paid ratio = # of claims with payment/total # closed claims for each time lapse category.

Average Indemnity Paid



Time Lapse from Injury Date to Report Date

Time Lapse from Date of Injury to Date Claim Closed

1981-
1992

Injury to Closure Date	Total # Closed Claims	% of Total Claims	# of Claims W/ Payment	% of Total Claims W/ Payment
0 - 6 MTHS	447	7.66%	58	0.82%
7 MTHS - 1.0 YR	67	1.15%	140	1.97%
13 MTHS - 1.5 YRS	114	1.95%	169	2.38%
19 MTHS - 2.0 YRS	172	2.95%	219	3.08%
25 MTHS - 2.5 YRS	512	8.77%	304	4.28%
31 MTHS - 3.0 YRS	531	9.10%	371	5.22%
37 MTHS - 3.5 YRS	642	11.00%	446	6.28%
43 MTHS - 4.0 YRS	596	10.21%	535	7.53%
49 MTHS - 4.5 YRS	603	10.33%	603	8.49%
55 MTHS - 5.0 YRS	457	7.83%	481	6.77%
61 MTHS - 5.5 YRS	351	6.01%	534	7.52%
67 MTHS - 6.0 YRS	295	5.05%	457	6.43%
73 MTHS - 6.5 YRS	269	4.61%	437	6.15%
79 MTHS - 7.0 YRS	199	3.41%	410	5.77%
Over 7 YRS	582	9.97%	1,939	27.30%
Total	5,837	100.00%	7,103	100.00%
Average Time Lapse		5 Years		5.7 Years

In this part of the study the time lapse from the date of injury to the date the claim closed will be analyzed. The chart on this page and the charts and graph on the following pages, again, look at this information in six month intervals, up to seven years. Essentially, these charts analyze the total length of the claim, from the date of injury to the date reported to the date the claim closed, encompassing the last two sections.

The chart above shows the claims data for 1981-1992 years combined. Most of the claims closed between 25 months and five years of the injury date. This represents 57.2% of closed claims. Yet only 38.6% of claims with an indemnity payment fall within this same range. The average time lapse for closed claims is five years between the date of injury and the date the claim closed, but this average is five years and eight months on claims closed with an indemnity payment. This illustrates the long-tailed nature of medical malpractice liability insurance.

Again, the charts on the following pages illustrate the time lapse between the date of injury and the date the claim closed for the data in three groups, by the year of the date the claim closed. These charts show the same types of data as the two previous sections. It is apparent, with this data, that the paid ratio does not fluctuate consistently. Therefore, it does not seem to be predictable by the length of time between the date of injury and the date the claim closed.

Also shown are the total indemnity paid at each interval, the percent of total indemnity paid and the average indemnity paid of the claims with payment. None of this data shows a consistent distribution from year to year.

The graph on page 37 represents the average indemnity paid by the length of time between the date of injury and the date the claim closed.

1981-1984

Injury to Closure Date	Total # Closed Claims	# of Claims W/ Payment	Paid Ratio*	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
0 - 6 MTHS	25	11	44.00%	\$73,810.69	0.03%	\$6,710.06
7 MTHS - 1.0 YR	67	36	53.73%	\$534,633.46	0.25%	\$14,850.93
13 MTHS - 1.5 YRS	114	39	34.21%	\$4,576,400.00	2.13%	\$117,343.59
19 MTHS - 2.0 YRS	172	61	35.47%	\$9,317,759.00	4.33%	\$152,750.15
25 MTHS - 2.5 YRS	512	94	18.36%	\$9,298,723.75	4.32%	\$98,922.59
31 MTHS - 3.0 YRS	531	95	17.89%	\$21,352,004.00	9.93%	\$224,757.94
37 MTHS - 3.5 YRS	642	155	24.14%	\$22,571,667.62	10.50%	\$145,623.66
43 MTHS - 4.0 YRS	596	182	30.54%	\$16,925,335.18	7.87%	\$92,996.35
49 MTHS - 4.5 YRS	603	190	31.51%	\$23,274,678.33	10.82%	\$122,498.31
55 MTHS - 5.0 YRS	457	142	31.07%	\$26,816,590.33	12.47%	\$188,849.23
61 MTHS - 5.5 YRS	351	125	35.61%	\$14,399,416.00	6.70%	\$115,195.33
67 MTHS - 6.0 YRS	295	115	38.98%	\$11,600,168.30	5.39%	\$100,871.03
73 MTHS - 6.5 YRS	269	104	38.66%	\$13,152,074.05	6.12%	\$126,462.25
79 MTHS - 7.0 YRS	199	74	37.19%	\$9,224,611.00	4.29%	\$124,656.91
Over 7 YRS	582	255	43.81%	\$31,932,534.16	14.85%	\$125,225.62
Total	5,415	1,678	30.99%	\$215,050,405.87	100.00%	\$128,158.76

1985-1988

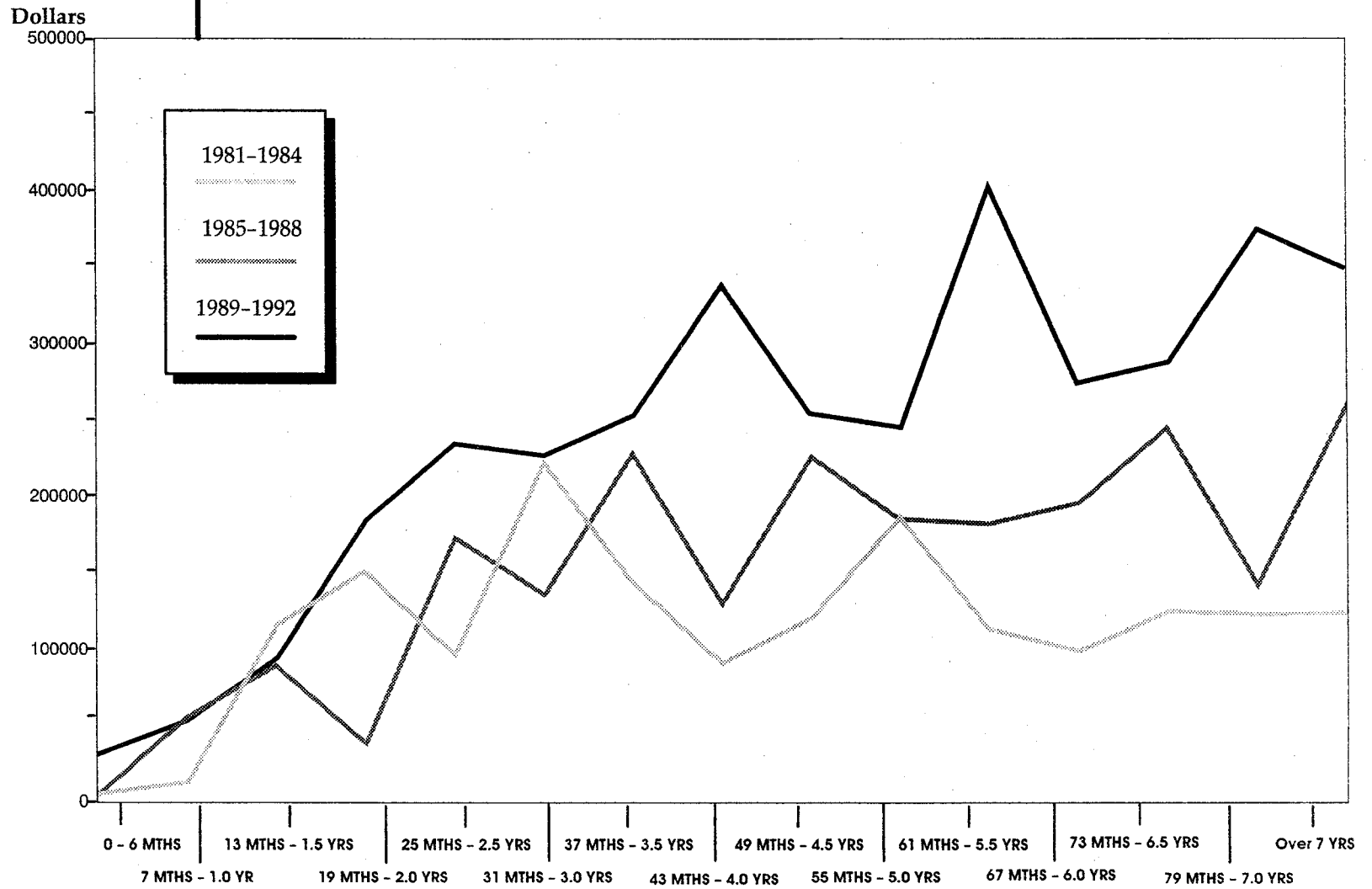
Injury to Closure Date	Total # Closed Claims	# of Claims W/ Payment	Paid Ratio*	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
0 - 6 MTHS	45	15	33.33%	\$97,637.00	0.02%	\$6,509.13
7 MTHS - 1.0 YR	137	50	36.50%	\$2,868,471.20	0.52%	\$57,369.42
13 MTHS - 1.5 YRS	229	71	31.00%	\$6,500,975.93	1.18%	\$91,563.04
19 MTHS - 2.0 YRS	284	80	28.17%	\$3,284,663.00	0.60%	\$41,058.29
25 MTHS - 2.5 YRS	734	125	17.03%	\$21,903,391.47	3.99%	\$175,227.13
31 MTHS - 3.0 YRS	959	152	15.85%	\$20,952,145.00	3.81%	\$137,843.06
37 MTHS - 3.5 YRS	961	190	19.77%	\$43,852,674.10	7.98%	\$230,803.55
43 MTHS - 4.0 YRS	987	239	24.21%	\$31,731,330.00	5.78%	\$132,767.07
49 MTHS - 4.5 YRS	1,026	263	25.63%	\$60,022,617.23	10.93%	\$228,222.88
55 MTHS - 5.0 YRS	1,035	200	19.32%	\$37,371,484.53	6.80%	\$186,857.42
61 MTHS - 5.5 YRS	935	238	25.45%	\$43,751,754.22	7.97%	\$183,830.90
67 MTHS - 6.0 YRS	845	195	23.08%	\$38,544,417.16	7.02%	\$197,663.68
73 MTHS - 6.5 YRS	651	173	26.57%	\$42,816,420.77	7.80%	\$247,493.76
79 MTHS - 7.0 YRS	592	165	27.87%	\$23,948,575.80	4.36%	\$145,142.88
Over 7 YRS	2,221	653	29.40%	\$171,602,435.82	31.24%	\$262,790.87
Total	11,641	2,809	24.13%	\$549,248,993.23	100.00%	\$195,531.86

1989-1992

Injury to Closure Date	Total # Closed Claims	# of Claims W/ Payment	Paid Ratio*	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
0 - 6 MTHS	377	32	8.49%	\$1,049,344.00	0.13%	\$32,792.00
7 MTHS - 1.0 YR	637	54	8.48%	\$2,985,535.00	0.38%	\$55,287.69
13 MTHS - 1.5 YRS	543	59	10.87%	\$5,651,571.00	0.71%	\$95,789.34
19 MTHS - 2.0 YRS	484	78	16.12%	\$14,485,896.00	1.83%	\$185,716.62
25 MTHS - 2.5 YRS	829	85	10.25%	\$20,084,762.00	2.53%	\$236,291.32
31 MTHS - 3.0 YRS	966	124	12.84%	\$28,342,366.00	3.57%	\$228,567.47
37 MTHS - 3.5 YRS	679	101	14.87%	\$25,716,056.00	3.24%	\$254,614.42
43 MTHS - 4.0 YRS	595	114	19.16%	\$38,869,744.00	4.90%	\$340,962.67
49 MTHS - 4.5 YRS	590	150	25.42%	\$38,397,453.00	4.84%	\$255,983.02
55 MTHS - 5.0 YRS	528	139	26.33%	\$34,360,398.00	4.33%	\$247,197.11
61 MTHS - 5.5 YRS	535	171	31.96%	\$69,563,662.00	8.77%	\$406,805.04
67 MTHS - 6.0 YRS	488	147	30.12%	\$40,616,553.00	5.12%	\$276,303.08
73 MTHS - 6.5 YRS	499	160	32.06%	\$46,337,348.00	5.84%	\$289,608.43
79 MTHS - 7.0 YRS	489	171	34.97%	\$64,501,059.00	8.13%	\$377,199.18
Over 7 YRS	3,140	1,031	32.83%	\$361,928,784.80	45.65%	\$351,046.35
Total	11,379	2,616	22.99%	\$792,890,531.80	100.00%	\$303,092.71

*Paid ratio = # of claims with payment/total # closed claims for each time lapse category.

Average Amount of Indemnity Paid



Time Lapse from Injury Date to Closure Date

Indemnity Paid by Severity of Injury

The next two sections of the report relate the claimant's severity of injury to the amount of indemnity paid by the insurance company on behalf of the doctor/defendant. On each closed claim received by the Illinois Department of Insurance, the severity of injury is coded. Examples of the codes are as follows:

Emotional - 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 delayed.

Minor Permanent - loss of fingers, loss or damage to organs; includes nondisabling injuries.

Significant Permanent - deafness, loss of limbs, loss of eye, loss of one kidney or lung.

Major Permanent - paraplegia, blindness, loss of two limbs, brain damage.

Grave Permanent - quadraplegia, severe brain damage, lifelong care or fatal prognosis.

The charts on the following page represent the number of claims with payment and the amount of indemnity paid, by the severity of injury. It is apparent that most of the indemnity paid each year is on claims with a severity of major permanent, grave permanent and death. In the 1981-1984 group, these three severities combined represented 64.6% of the total indemnity paid, yet these three severities only represented 35.3% of the number of claims with an indemnity payment. The other two groups of data appear to be similar: in 1985-1988, major permanent, grave permanent and death represented 70.2% of total indemnity paid while they were only 39.6% of the number of paid claims, and in 1989-1992 the three severities mentioned were 71.2% of total indemnity paid, with 48.6% of the number of claims with payment.

It appears that grave permanent has the single highest average indemnity paid compared to the other severities coded. In 1981-1984 the average for this severity was approximately \$483,000, which is well above the overall average payout of \$128,000. In 1985-1988, the average payout for grave permanent was \$753,000, again, well above the overall average of \$196,000, and in 1989-1992 grave permanent averaged \$839,000 in indemnity paid, while the overall average was \$303,000. Average indemnity paid on claims with a grave permanent severity are two times greater than the overall average indemnity paid on claims with payment on all types of severity, but grave permanent has one of the lowest percent of claims with payment.

Death claims had the highest percentage of payout, and it appears to be increasing. In 1981-1984, the percent of claims with an indemnity payment for the death severity code was 22.2%. In 1985-1988 the percentage increased to 25.8% and in 1989-1992 it increased again to 29%.

The graph on page 41 illustrates the average indemnity payment by the severity of injury. Each line represents the groups of data by the year of the date the claim closed. The distributions appear to be consistent. This is especially apparent when observing the peak at the grave permanent severity.

1981-
1984

Severity of Injury	# of Claims With Payment	% of Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	% of Total Indemnity Paid
Other	2	0.12%	\$832,500.00	\$416,250.00	0.39%
Emotional	45	2.68%	\$330,044.05	\$7,334.31	0.15%
Insignificant	90	5.36%	\$1,440,198.74	\$16,002.21	0.67%
Minor Temp	280	16.69%	\$15,225,597.46	\$54,377.13	7.08%
Major Temp	195	11.62%	\$10,957,621.00	\$56,192.93	5.10%
Minor Perm	302	18.00%	\$20,088,039.29	\$66,516.69	9.34%
Significant Perm	171	10.19%	\$27,335,598.00	\$159,857.30	12.71%
Major Perm	102	6.08%	\$35,128,128.37	\$344,393.42	16.33%
Grave Perm	118	7.03%	\$56,963,124.78	\$482,738.35	26.49%
Death	373	22.23%	\$46,749,554.18	\$125,333.93	21.74%
Total	1,678	100.00%	\$215,050,405.87	\$128,158.76	100.00%

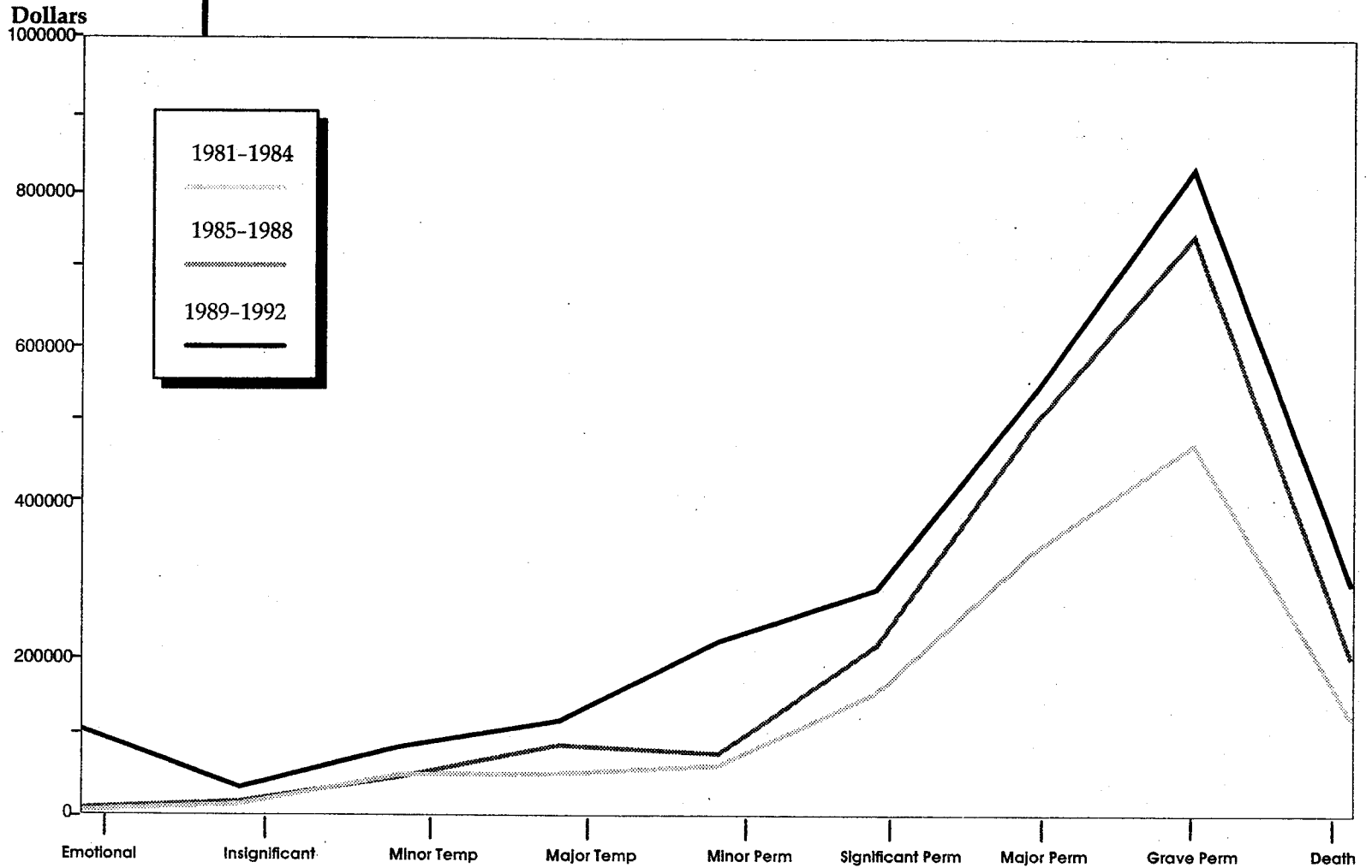
1985-
1988

Severity of Injury	# of Claims With Payment	% of Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	% of Total Indemnity Paid
Other	1	0.04%	\$260,000.00	\$260,000.00	0.05%
Emotional	52	1.85%	\$551,933.51	\$10,614.11	0.10%
Insignificant	135	4.81%	\$2,615,930.35	\$19,377.26	0.48%
Minor Temp	399	14.21%	\$20,435,295.80	\$51,216.28	3.72%
Major Temp	419	14.91%	\$38,698,217.10	\$92,358.51	7.05%
Minor Perm	371	13.21%	\$30,278,236.76	\$81,612.50	5.51%
Significant Perm	320	11.39%	\$70,747,363.00	\$221,085.51	12.88%
Major Perm	218	7.76%	\$111,173,206.22	\$509,968.84	20.24%
Grave Perm	169	6.02%	\$127,270,562.16	\$753,080.25	23.17%
Death	725	25.80%	\$147,218,248.33	\$203,059.65	26.80%
Total	2,809	100.00%	\$549,248,993.23	\$195,531.86	100.00%

1989-
1992

Severity of Injury	# of Claims With Payment	% of Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	% of Total Indemnity Paid
Other	1	0.04%	\$87,500.00	\$87,500.00	0.01%
Emotional	30	1.15%	\$3,371,256.50	\$112,375.22	0.43%
Insignificant	109	4.16%	\$4,131,931.00	\$37,907.62	0.52%
Minor Temp	294	11.24%	\$26,319,448.00	\$89,521.93	3.32%
Major Temp	313	11.97%	\$38,851,551.30	\$124,126.36	4.90%
Minor Perm	297	11.35%	\$67,380,672.00	\$226,870.95	8.50%
Significant Perm	301	11.51%	\$88,371,786.00	\$293,593.97	11.15%
Major Perm	319	12.19%	\$175,444,481.00	\$549,982.70	22.13%
Grave Perm	194	7.41%	\$162,836,606.00	\$839,363.95	20.54%
Death	758	28.98%	\$226,095,300.00	\$298,278.76	28.52%
Total	2,616	100.00%	\$792,890,531.80	\$303,092.71	100.00%

Average Indemnity Paid by Severity of Injury



Severity of Injury

Indemnity Paid by Severity of Injury-- Minor vs. Adult

This section analyzes how the claimant's severity of injury relates to the amount of indemnity paid. Which is similar to the last section, but it takes into consideration the age of the injured party. Each of the charts on the next page are separated into three sections: one for minors (injureds under the age of 18); adults (injureds aged 18 and older); and unknown.

When comparing the data on minors to that of adults, it appears that the overall average indemnity paid is higher for minors than for adults. In general, significant permanent, major permanent and grave permanent averages of indemnity paid are considerably higher for minors than for adults. The graphs on page 44 illustrate this point.

In 1981-1984 the total indemnity paid was about \$215 million, of that \$75 million, or 34.9%, was for claims of minors and \$127 million, or 59.3%, was for claims of adults. Of the 1,678 claims that closed with an indemnity payment in this time period, 295 or 17.6% were for claims of minors, while 1,140 or 67.9% were for adults.

The total indemnity paid in 1985-1988 was approximately \$549 million. Of that amount, \$183 million, or 33.3%, went to claims of minors, and \$347 million, or 63.2%, went to claims of adults. The number of claims closed with an indemnity payment in this time period was 2,809. Of these, 524 or 18.7% were for claims of minors, while 2,043 or 72.7% were for adults.

In 1989-1992 the total indemnity paid was \$793 million. Of that amount, \$259 million, or 32.7%, was for claims of minors, and \$514 million, or 64.8%, was for claims of adults. During this time period, 2,616 claims were closed with an indemnity payment. Five hundred forty-six of these claims were for minors, which represents 20.9% of the paid claims, and 1,920, or 73.4%, were claims for adults.

Overall, the amount of indemnity paid between 1981 and 1992 was approximately \$1.6 billion. Minors' claims over this time period totalled \$518 million, which represents 33.2% of the total indemnity paid. Adults' claims equalled \$988 million, which is 63.4% of the total paid. The total number of claims with an indemnity payment over this same 12 year period was 7,103. Claims closed with payment for minors equalled 1,365, or 19.2% of the 7,103, while 5,103, or 71.8%, were adults' claims.

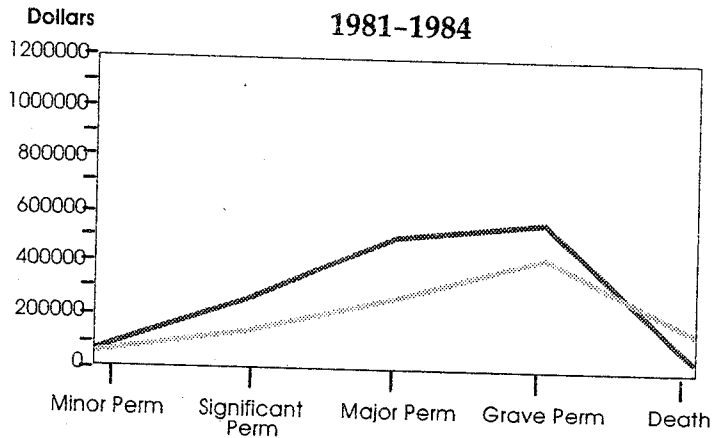
1981-1984												
Severity of Injury	MINOR*				ADULT				UNKNOWN			
	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims
Other	0	0.00%	\$0.00	\$0.00	2	0.12%	\$832,500.00	\$416,250.00	0	0.00%	\$0.00	\$0.00
Emotional	1	0.06%	\$1,200.00	\$1,200.00	29	1.73%	\$226,394.05	\$7,806.69	15	0.89%	\$102,450.00	\$6,830.00
Insignificant	13	0.77%	\$1,099,861.75	\$84,604.75	55	3.28%	\$253,526.99	\$4,609.58	22	1.31%	\$86,810.00	\$3,945.91
Minor Temp	34	2.03%	\$7,950,663.00	\$233,843.03	206	12.28%	\$6,756,184.46	\$32,797.01	40	2.38%	\$518,750.00	\$12,968.75
Major Temp	19	1.13%	\$2,470,800.00	\$130,042.11	157	9.36%	\$7,958,571.00	\$50,691.54	19	1.13%	\$528,250.00	\$27,802.63
Minor Perm	32	1.91%	\$2,004,378.00	\$62,636.81	219	13.05%	\$15,845,698.00	\$72,354.79	51	3.04%	\$2,237,963.29	\$43,881.63
Significant Per	31	1.85%	\$8,449,325.00	\$272,558.87	113	6.73%	\$16,777,775.00	\$148,475.88	27	1.61%	\$2,108,498.00	\$78,092.52
Major Perm	39	2.32%	\$20,331,357.00	\$521,316.85	50	2.98%	\$14,202,938.00	\$284,058.76	13	0.77%	\$593,833.37	\$45,679.49
Grave Perm	50	2.98%	\$29,080,704.16	\$581,614.08	54	3.22%	\$24,010,223.00	\$444,633.76	14	0.83%	\$3,872,197.62	\$276,585.54
Death	76	4.53%	\$3,696,249.00	\$48,634.86	255	15.20%	\$40,589,314.00	\$159,173.78	42	2.50%	\$2,463,991.18	\$58,666.46
Total	295	17.58%	\$75,084,537.91	\$254,523.86	1,140	67.94%	\$127,453,124.50	\$111,800.99	243	14.48%	\$12,512,743.46	\$51,492.77

1985-1988												
Severity of Injury	MINOR*				ADULT				UNKNOWN			
	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims
Other	0	0.00%	\$0.00	\$0.00	1	0.04%	\$260,000.00	\$260,000.00	0	0.00%	\$0.00	\$0.00
Emotional	5	0.18%	\$135,500.00	\$27,100.00	36	1.28%	\$333,583.51	\$9,266.21	11	0.39%	\$82,850.00	\$7,531.82
Insignificant	18	0.64%	\$185,170.00	\$10,287.22	105	3.74%	\$2,273,630.35	\$21,653.62	12	0.43%	\$157,130.00	\$13,094.17
Minor Temp	46	1.64%	\$2,852,623.00	\$62,013.54	325	11.57%	\$17,287,714.10	\$53,192.97	28	1.00%	\$294,958.70	\$10,534.24
Major Temp	57	2.03%	\$6,058,168.00	\$106,283.65	338	12.03%	\$29,720,209.00	\$87,929.61	24	0.85%	\$2,919,840.10	\$121,660.00
Minor Perm	53	1.89%	\$8,605,204.00	\$162,362.34	280	9.97%	\$20,432,082.76	\$72,971.72	38	1.35%	\$1,240,950.00	\$32,656.58
Significant Per	41	1.46%	\$6,671,364.00	\$162,716.20	256	9.11%	\$61,766,249.00	\$241,274.41	23	0.82%	\$2,309,750.00	\$100,423.91
Major Perm	72	2.56%	\$63,881,323.00	\$887,240.60	128	4.56%	\$45,367,954.66	\$354,437.15	18	0.64%	\$1,923,928.56	\$106,884.92
Grave Perm	96	3.42%	\$78,969,697.16	\$822,601.01	59	2.10%	\$46,717,115.00	\$791,815.51	14	0.50%	\$1,583,750.00	\$113,125.00
Death	136	4.84%	\$15,643,230.38	\$115,023.75	515	18.33%	\$122,892,001.62	\$238,625.25	74	2.63%	\$8,683,016.33	\$117,338.06
Total	524	18.65%	\$183,002,279.54	\$349,240.99	2,043	72.73%	\$347,050,540.00	\$169,873.00	242	8.62%	\$19,196,173.69	\$79,323.03

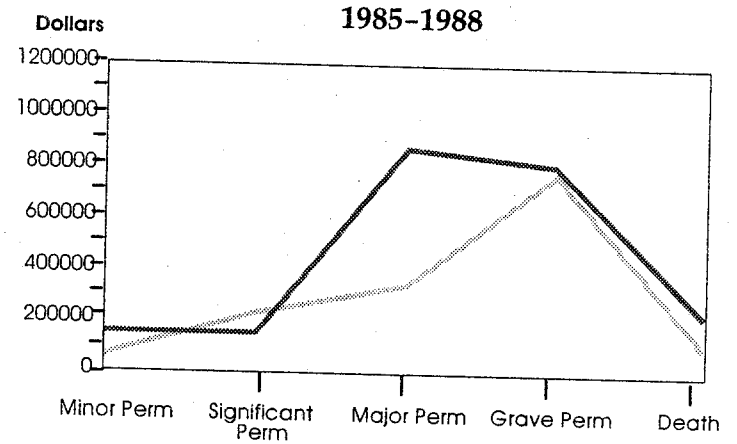
1989-1992												
Severity of Injury	MINOR*				ADULT				UNKNOWN			
	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims
Other	0	0.00%	\$0.00	\$0.00	1	0.04%	\$87,500.00	\$87,500.00	0	0.00%	\$0.00	\$0.00
Emotional	4	0.15%	\$2,761,062.50	\$690,265.63	22	0.84%	\$598,425.00	\$27,201.14	4	0.15%	\$11,769.00	\$2,942.25
Insignificant	10	0.38%	\$653,770.00	\$65,377.00	84	3.21%	\$3,100,024.00	\$36,905.05	15	0.57%	\$378,137.00	\$25,209.13
Minor Temp	36	1.38%	\$5,862,779.00	\$162,854.97	238	9.10%	\$19,075,536.00	\$80,149.31	20	0.76%	\$1,381,133.00	\$69,056.65
Major Temp	25	0.96%	\$4,154,646.00	\$166,185.84	281	10.74%	\$34,316,239.00	\$122,121.85	7	0.27%	\$380,666.30	\$54,380.90
Minor Perm	37	1.41%	\$24,608,407.00	\$665,092.08	244	9.33%	\$41,505,765.00	\$170,105.59	16	0.61%	\$1,266,500.00	\$79,156.25
Significant Per	51	1.95%	\$11,202,569.00	\$219,658.22	243	9.29%	\$75,131,717.00	\$309,184.02	7	0.27%	\$2,037,500.00	\$291,071.43
Major Perm	106	4.05%	\$82,219,885.00	\$775,659.29	193	7.38%	\$89,478,536.00	\$463,619.36	20	0.76%	\$3,746,060.00	\$187,303.00
Grave Perm	101	3.86%	\$83,887,640.00	\$830,570.69	78	2.98%	\$73,723,966.00	\$945,179.05	15	0.57%	\$5,225,000.00	\$348,333.33
Death	176	6.73%	\$44,165,241.00	\$250,938.87	536	20.49%	\$176,515,263.00	\$329,319.52	46	1.76%	\$5,414,796.00	\$117,712.96
Total	546	20.87%	\$259,515,999.50	\$475,304.03	1,920	73.39%	\$513,532,971.00	\$267,465.09	150	5.73%	\$19,841,561.30	\$132,277.08

*Minor: < 18 years of age.

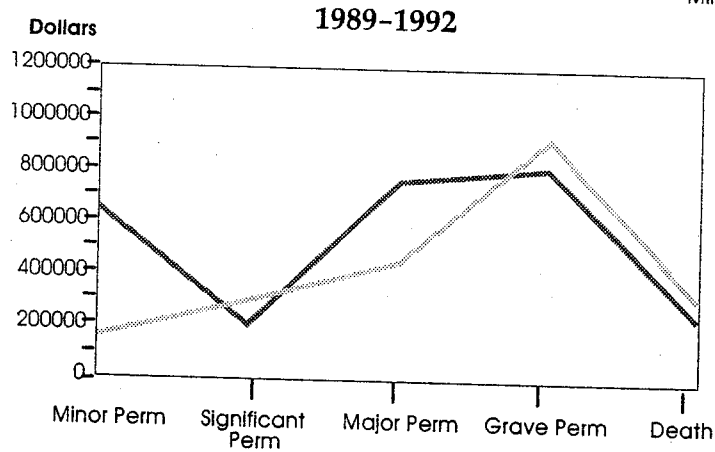
Average Indemnity Paid by Severity of Injury-- Minor vs. Adult



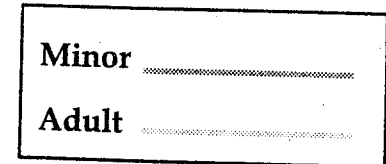
Severity of Injury



Severity of Injury



Severity of Injury



Defense Costs for Closed Claims with Payment

This section of the report analyzes the defense costs paid by the insurance company for claims that closed with an indemnity payment. The charts on page 48 represent the data by severity of injury, showing the number of claims with payment, and how many of those had a defense counsel payment. They also illustrate the amounts of defense costs paid for claims with an indemnity payment according to the severity of injury of the claim.

In 1981-1984, 1,678 claims closed with an indemnity payment. Of these, 1,483, which is 88.4%, also paid defense counsel fees. During this time period \$10 million were paid to defense counsel, giving an average defense cost of \$6,918 for claims which also had an indemnity payment.

In 1985-1988, 2,809 claims closed with an indemnity payment and 91.1%, or 2,558 of those claims, also made a payment to defense counsel. The total paid to defense counsel on claims that closed with an indemnity payment was almost \$29 million. Therefore, the average payment to defense counsel on these claims was \$11,240.

The total number of claims closed with an indemnity payment in 1989-1992 was 2,616. Of these 2,342 or 89.5% made a payment to defense counsel. The total paid for defense costs for claims with payment was approximately \$55 million, making the average payment to defense counsel \$23,333.

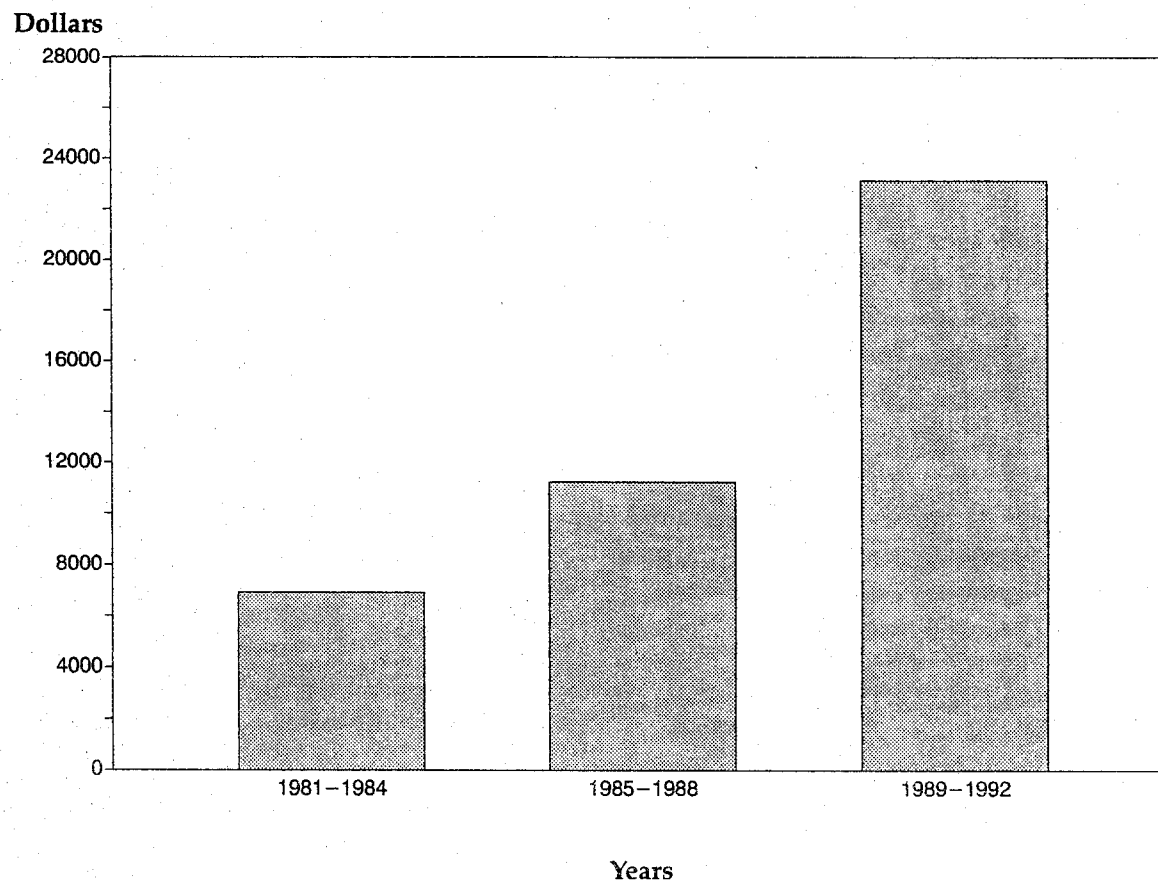
It is apparent from the information provided here that defense costs are on the rise. Average defense costs on claims with an indemnity payment rose 62.5% between 1981-1984 and 1985-1988. The increase was over 100% between 1985-1988 and 1989-1992. The graph on the next page illustrates this point.

Cumulatively, the average payment to defense counsel for claims with an indemnity payment rose 237.3% from 1981-1984 to 1989-1992. The biggest increases were in the severity codes emotional and grave permanent. Average defense costs rose 356.8% in the emotional severity code from 1981-1984 to 1989-1992. From 1981-1984 to 1985-1988, average defense counsel payment rose 48.2% compared to 208.2% from 1985-1988 to 1989-1992, for emotional claims. The average defense counsel payments rose 295.7% for severity code grave permanent from 1981-1984 to 1989-1992. From 1981-1984 to 1985-1988, this average increased 63.8% compared to 141.6% increase from 1985-1988 to 1989-1992.

The severity code death has consistently been the code with the most spent on defense counsel for claims with an indemnity payment, with a total of \$27.2 million spent over the last 12 years. This represents 29.0% of the total amount paid to defense counsel on claims with an indemnity payment over the same time frame.

The graphs on page 49 illustrate the average payment to defense counsel on claims closed with an indemnity payment by the severity of injury of the claim. Each graph represents the groups of data formed by the year of the date the claims closed. Although the graphs do not appear to be consistent, it is again apparent that overall defense costs on claims closed with payment are increasing.

**Average Pay
to Defense
Counsel (on
claims with
payment)**

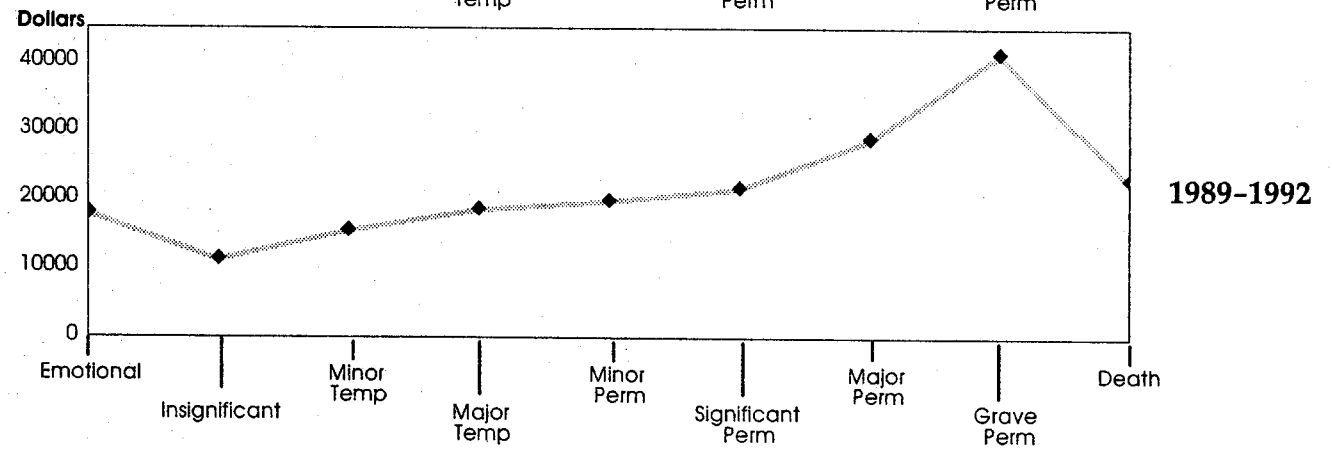
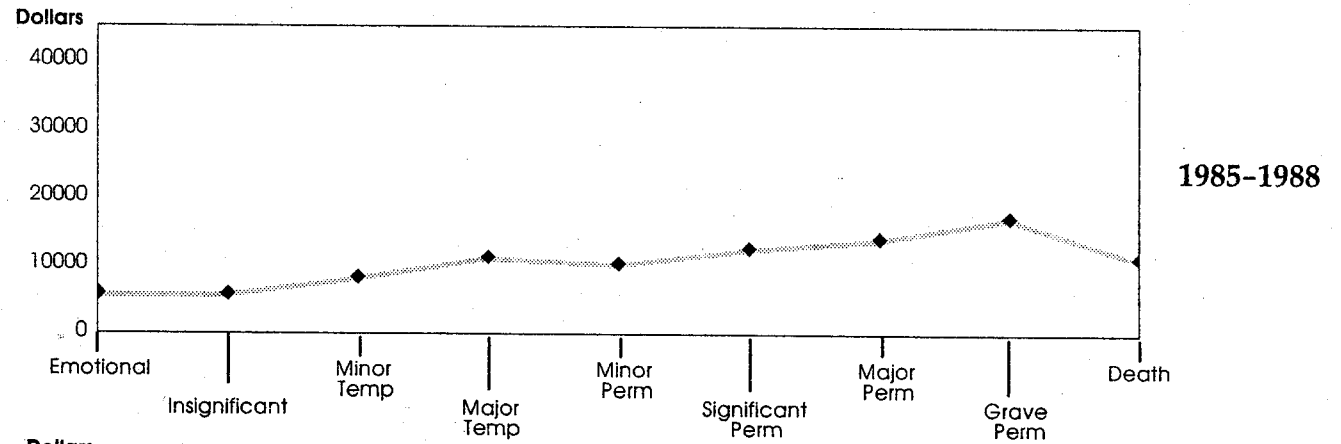
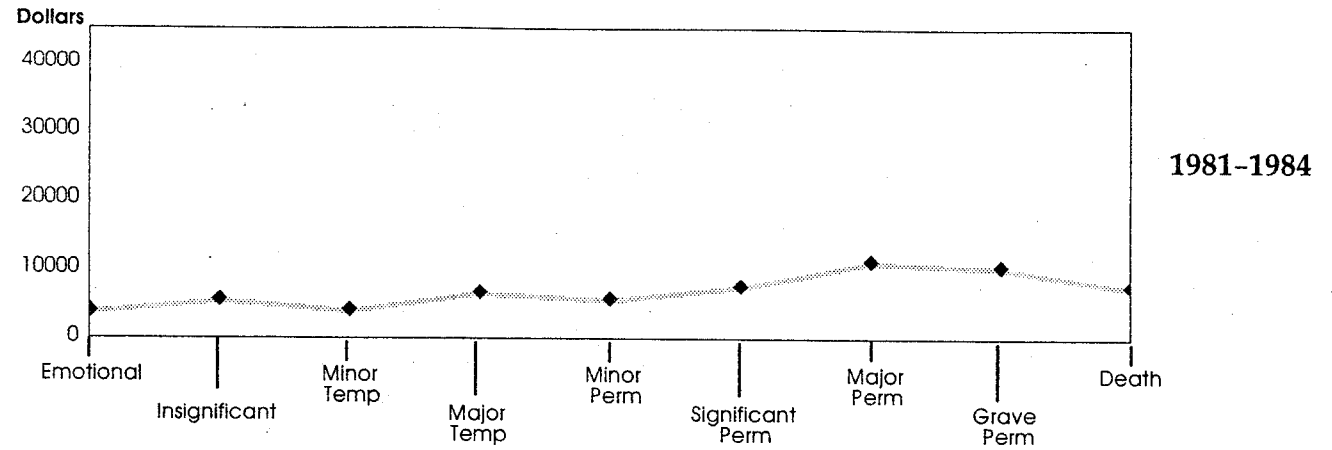


1981-1984	Severity of Injury	# of Claims With Payment	# of Claims With Payment W/Defense Costs	Total Paid for Defense Costs for Claims with Payment	Average Defense Costs for Claims with Payment
	Other	2	2	\$47,347.00	\$23,673.50
	Emotional	45	30	\$118,878.75	\$3,962.63
	Insignificant	90	54	\$301,622.22	\$5,585.60
	Minor Temp	280	235	\$978,004.50	\$4,161.72
	Major Temp	195	175	\$1,164,251.60	\$6,652.87
	Minor Perm	302	269	\$1,539,086.45	\$5,721.51
	Significant Perm	171	161	\$1,223,320.96	\$7,598.27
	Major Perm	102	95	\$1,067,396.26	\$11,235.75
	Grave Perm	118	112	\$1,173,822.72	\$10,480.56
	Death	373	350	\$2,645,880.21	\$7,559.66
	Total	1,678	1,483	\$10,259,610.67	\$6,918.15

1985-1988	Severity of Injury	# of Claims With Payment	# of Claims With Payment W/Defense Costs	Total Paid for Defense Costs for Claims with Payment	Average Defense Costs for Claims with Payment
	Other	1	1	\$14,449.00	\$14,449.00
	Emotional	52	41	\$240,807.78	\$5,873.36
	Insignificant	135	89	\$518,858.40	\$5,829.87
	Minor Temp	399	341	\$2,831,795.26	\$8,304.38
	Major Temp	419	377	\$4,248,534.17	\$11,269.32
	Minor Perm	371	336	\$3,473,839.92	\$10,338.81
	Significant Perm	320	305	\$3,857,835.95	\$12,648.64
	Major Perm	218	210	\$2,964,826.65	\$14,118.22
	Grave Perm	169	164	\$2,815,783.00	\$17,169.41
	Death	725	694	\$7,785,622.76	\$11,218.48
	Total	2,809	2,558	\$28,752,352.89	\$11,240.17

1989-1992	Severity of Injury	# of Claims With Payment	# of Claims With Payment W/Defense Costs	Total Paid for Defense Costs for Claims with Payment	Average Defense Costs for Claims with Payment
	Other	1	1	\$32,267.00	\$32,267.00
	Emotional	30	22	\$398,226.04	\$18,101.18
	Insignificant	109	63	\$721,407.31	\$11,450.91
	Minor Temp	294	228	\$3,570,438.83	\$15,659.82
	Major Temp	313	253	\$4,749,256.93	\$18,771.77
	Minor Perm	297	268	\$5,368,846.03	\$20,033.01
	Significant Perm	301	284	\$6,213,360.82	\$21,878.03
	Major Perm	319	312	\$9,076,888.67	\$29,092.59
	Grave Perm	194	187	\$7,755,878.66	\$41,475.29
	Death	758	724	\$16,759,970.49	\$23,149.13
	Total	2,616	2,342	\$54,646,540.78	\$23,333.28

Average Pay to Defense Counsel on Claims with Payment (by severity of injury)



Defense Costs for Closed Claims Without Payment

This section is similar to the previous one in that it again looks at defense costs paid by the insurance company, but it focuses on claims that closed without an indemnity payment. The data is sorted by the severity of injury coded on the closed claim report. The number of claims closed without payment are shown by severity, along with the number of those that had payment to defense counsel and amount of the payment.

In 1981-1984, 3,737 claims closed without an indemnity payment. Of those, 2,825 or 75.6%, made a payment to defense counsel. The total amount paid to defense counsel within this time frame on closed claims without payment was almost \$10 million, for an average of \$3,455 per claim.

In 1985-1988 the total number of closed claims without payment equalled 8,832. The number of those with a payment to defense counsel was 7,413, or 83.9%. The total paid for defense costs for claims without payment was about \$38 million, giving an average payment to defense counsel of \$5,190.

In 1989-1992, 8,763 claims closed without an indemnity payment. Of these, 5,916 or 67.5%, included a defense counsel payment. In this time period, the total amount paid in defense counsel fees was \$65 million, for an average of \$11,031 per claim.

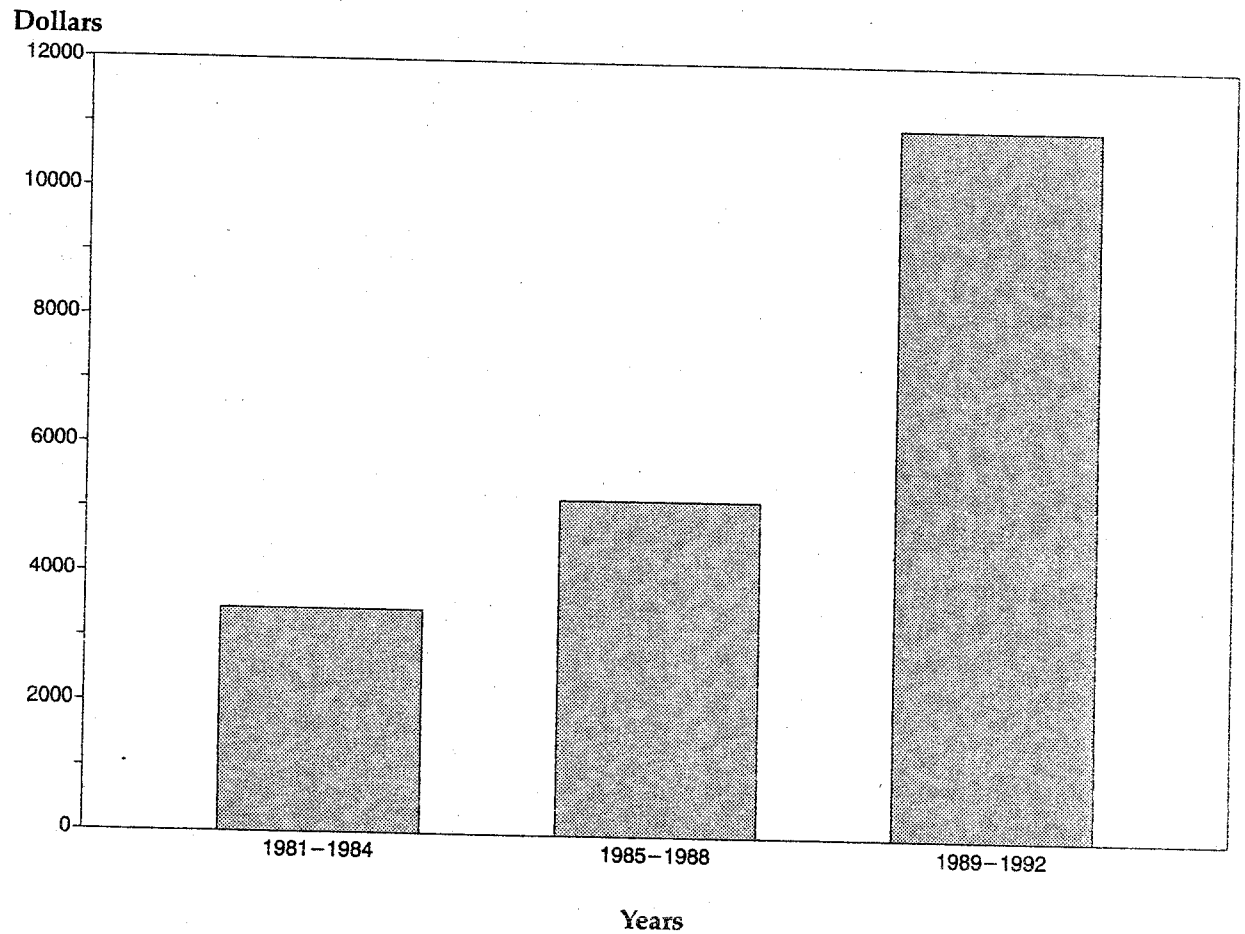
In looking at the data overall, again it appears that defense costs are rising. Average defense costs increased by 50.2% from 1981-1984 to 1985-1988, while the increase between 1985-1988 and 1989-1992 was almost 112.5%. Again, the graph on the following page illustrates this point.

Cumulatively, the average payment to defense counsel for claims closed without an indemnity payment rose 219.2% from 1981-1984 to 1989-1992. The biggest increases were in the severity codes major temporary and death. The average defense cost rose 238.8% for the severity code major temporary from 1981-1984 to 1989-1992. From 1981-1984 to 1985-1988, average defense counsel payment rose 72.6% compared to 96.3% from 1985-1988 to 1989-1992 for major temporary claims. Average defense costs increased 234.6% for the severity code death from 1981-1984 to 1989-1992. From 1981-1984 to 1985-1988, the average increased 50.8% compared to 121.8% from 1985-1988 to 1989-1992.

The severity code death has consistently been the code with the most spent on defense counsel for claims with no indemnity payment. The amount spent on defense counsel for these claims was about \$30 million, or 26.8%, of the total amount spent between 1981 and 1992 for claims closed without an indemnity payment.

The graphs on page 54 represent the average payment to defense counsel on claims closed without an indemnity payment by the severity of injury of the claim. Each graph shows a group of data by the year of the date the claim closed.

**Average Pay
to Defense
Counsel (on
claims
without
payment)**

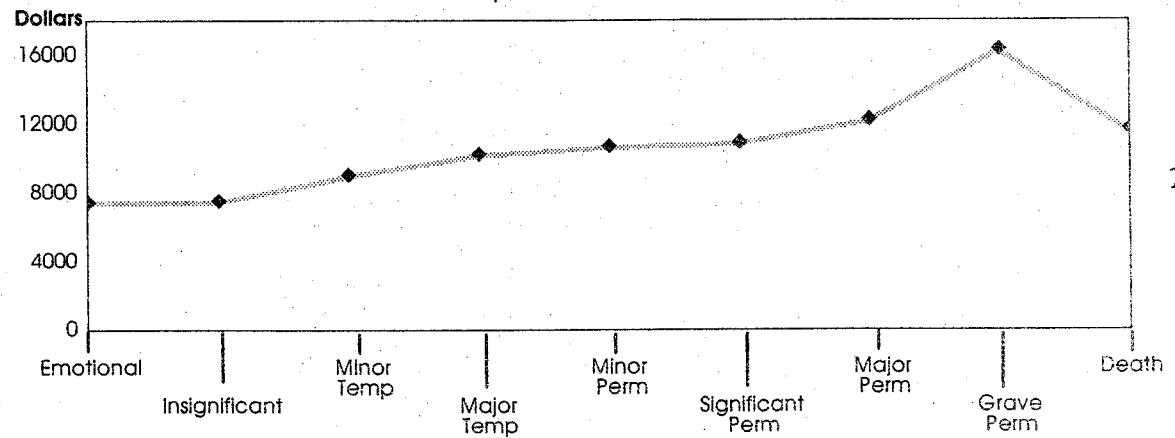
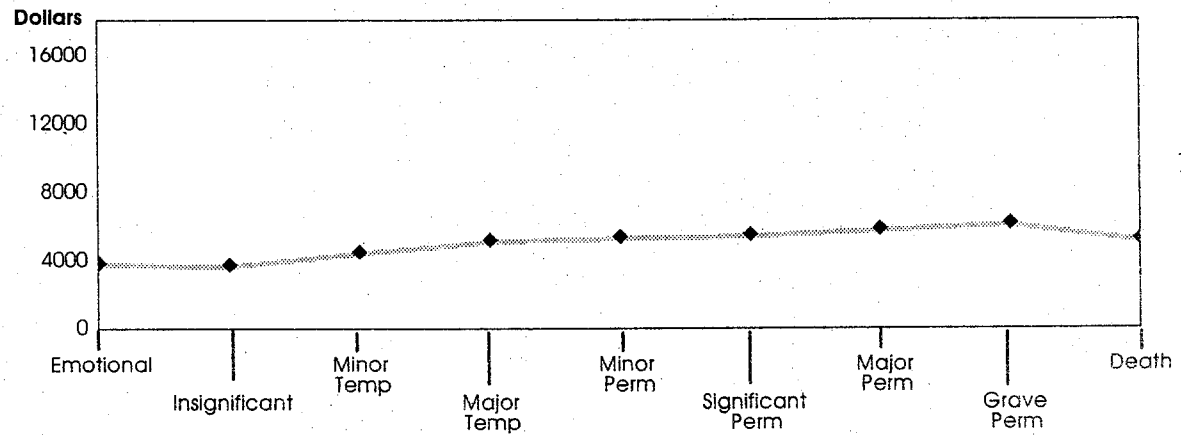
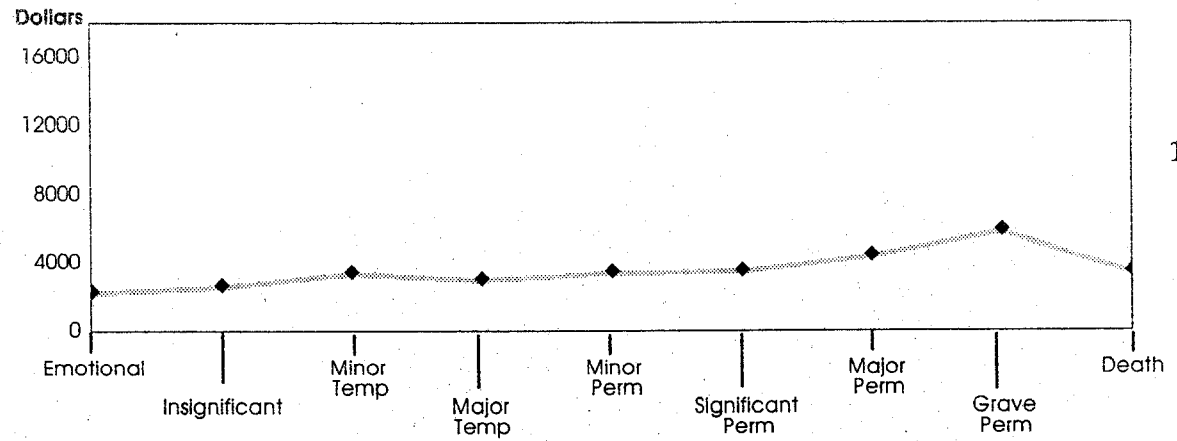


1981-1984	Severity of Injury	# of Claims W/O Payment	# of Claims W/O Payment W/Defense Costs	Total Paid for Defense Costs for Claims W/O Payment	Average Defense Costs for Claims W/O Payment
	No Injury	10	4	\$4,953.00	\$1,238.25
	Emotional	93	56	\$130,236.50	\$2,325.65
	Insignificant	281	182	\$483,726.44	\$2,657.84
	Minor Temp	747	546	\$1,873,888.74	\$3,432.03
	Major Temp	646	490	\$1,485,684.88	\$3,032.01
	Minor Perm	592	465	\$1,617,538.60	\$3,478.58
	Significant Perm	311	260	\$922,954.16	\$3,549.82
	Major Perm	165	120	\$535,345.58	\$4,461.21
	Grave Perm	132	106	\$624,396.45	\$5,890.53
	Death	760	596	\$2,084,425.54	\$3,497.36
	Total	3,737	2,825	\$9,763,149.89	\$3,455.98

1985-1988	Severity of Injury	# of Claims W/O Payment	# of Claims W/O Payment W/Defense Costs	Total Paid for Defense Costs for Claims W/O Payment	Average Defense Costs for Claims W/O Payment
	No Injury	34	25	\$186,592.39	\$7,463.70
	Emotional	193	134	\$520,323.48	\$3,883.01
	Insignificant	407	271	\$1,024,214.90	\$3,779.39
	Minor Temp	1,667	1,306	\$5,936,047.92	\$4,545.21
	Major Temp	1,595	1,348	\$7,054,139.04	\$5,233.04
	Minor Perm	1,155	1,000	\$5,428,366.34	\$5,428.37
	Significant Perm	910	791	\$4,389,523.61	\$5,549.33
	Major Perm	566	497	\$2,918,505.15	\$5,872.24
	Grave Perm	305	270	\$1,673,804.55	\$6,199.28
	Death	2,000	1,771	\$9,343,025.36	\$5,275.56
	Total	8,832	7,413	\$38,474,542.74	\$5,190.14

1989-1992	Severity of Injury	# of Claims W/O Payment	# of Claims W/O Payment W/Defense Costs	Total Paid for Defense Costs for Claims W/O Payment	Average Defense Costs for Claims W/O Payment
	No Injury	97	33	\$99,625.00	\$3,018.94
	Emotional	181	74	\$554,073.19	\$7,487.48
	Insignificant	390	154	\$1,164,387.50	\$7,560.96
	Minor Temp	1,458	869	\$7,882,712.39	\$9,071.02
	Major Temp	1,341	881	\$9,049,207.36	\$10,271.52
	Minor Perm	946	686	\$7,389,275.35	\$10,771.54
	Significant Perm	880	665	\$7,311,736.15	\$10,995.09
	Major Perm	763	595	\$7,314,833.40	\$12,293.84
	Grave Perm	430	336	\$5,498,889.00	\$16,365.74
	Death	2,277	1,623	\$18,995,098.02	\$11,703.70
	Total	8,763	5,916	\$65,259,837.36	\$11,031.07

**Average Pay
to Defense
Counsel on
Claims
Without
Payment (by
severity of
injury)**



Indemnity Paid by Type of Practice

This section of the closed claims report looks at the data by the doctor's type of practice/specialty. The chart on page 57 is separated into the three groups of data by the year of the date the claim closed. Each of the sections represents the number of claims with payment by the specialty code of the physician. They also show the average amount of indemnity paid within each specialty.

The twenty specialties with the highest number of claims with an indemnity payment are listed. As seen in the chart, the specialties with the most claims with payment usually involve some sort of surgery. Explanations of the specialties listed in the chart are located in Appendix B.

The chart lists the specialties in decreasing order of occurrence. Therefore, claims of doctors specializing in OB/GYN Surgery occurred the most over the 1981 to 1992 time period, totalling 858 claims with an indemnity payment over the past twelve years. General Surgery had the second most number of claims with 755, and Family/General Practice, Minor Surgery was third, with 700.

Looking at increases in claim counts more specifically by specialty code, it is apparent that the number of claims with payment increased most for OB/GYN Surgery over the past twelve years. In 1981-1984 there were 169 claims with an indemnity payment in this specialty, while in 1989-1992 there were 362. This increase totals 193 claims. The specialty with the greatest percentage increase of claims with payment from 1981-1984 to 1989-1992 is Cardiac/Cardiovascular Surgery, which increased 361.5%.

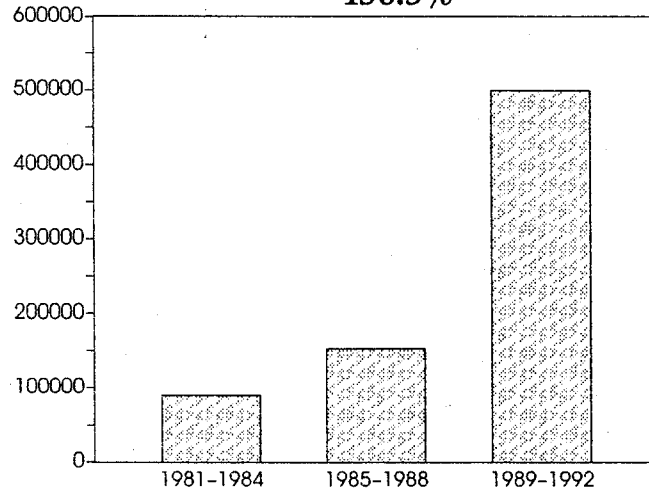
It appears that the average amount of indemnity paid on these claims is increasing for all types of specialties. Thoracic Surgery has increased the greatest percentage over the last twelve years by the average amount of indemnity paid on these claims. In 1981-1984, average indemnity paid equalled almost \$90,000. In 1985-1989 it rose to \$153,000, which was a 70.2% increase. Then, in 1989-1992 the average totalled approximately \$500,000 per claim, which is a 227.0% increase from 1985-1988. The cumulative increase from 1981-1984 to 1989-1992 was a staggering 456.5%.

The graphs on pages 58 thru 60 show the twelve specialties that increased the most by percentage of average amount of indemnity paid over the last twelve years. They are shown in descending order of percent increase, which is shown on the graphs. The first graph, for Thoracic Surgery, illustrates the greatest percent increase. The next graph on Neurosurgery shows the average amount of indemnity paid on these claims increased 408.1% from 1981-1984 to 1989-1992. Although the increases on the graphs are by amounts paid, not by the percent of the increase, it is obvious that average payment on these claims is increasing at an alarming rate. Remember, this data only includes the indemnity paid by the insurance company representing the doctor/defendant.

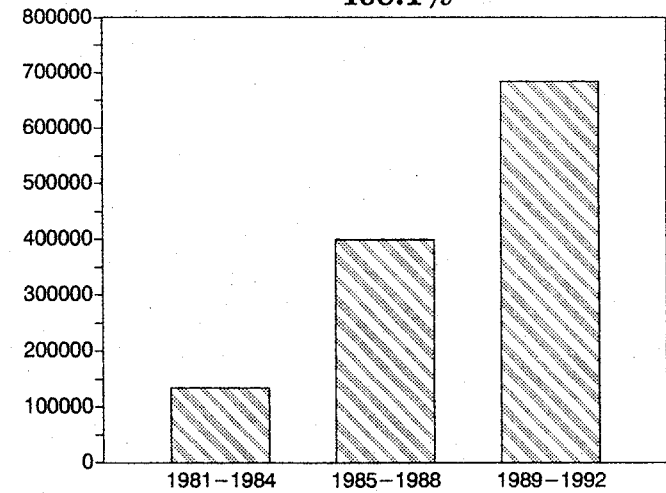
Specialty Code	1981-1984			1985-1988			1989-1992		
	# of Claims With Payment	% of Claims With Payment	Average Indemnity of Paid Claims	# of Claims With Payment	% of Claims With Payment	Average Indemnity of Paid Claims	# of Claims With Payment	% of Claims With Payment	Average Indemnity of Paid Claims
OB/GYN Surgery	169	10.1%	\$102,786.33	327	11.6%	\$266,120.22	362	13.8%	\$363,670.87
General Surgery	200	11.9%	\$111,829.03	301	10.7%	\$163,988.29	254	9.7%	\$272,744.17
Fam/Gen Practice Minor Surgery	158	9.4%	\$116,095.20	323	11.5%	\$151,669.04	219	8.4%	\$371,246.31
Orthopaedic Surgery	166	9.9%	\$100,321.62	236	8.4%	\$109,209.89	215	8.2%	\$233,068.32
Internal Medicine No Surgery	109	6.5%	\$109,133.61	203	7.2%	\$174,231.25	191	7.3%	\$205,155.56
Anesthesiology	65	3.9%	\$285,355.60	101	3.6%	\$303,216.61	102	3.9%	\$475,659.41
Pediatrics No Surgery	52	3.1%	\$238,458.05	95	3.4%	\$340,207.11	119	4.6%	\$344,774.64
Fam/Gen Practice No Surgery	64	3.8%	\$57,793.19	80	2.9%	\$175,697.96	88	3.4%	\$285,485.85
Internal Medicine Minor Surgery	39	2.3%	\$128,048.39	73	2.6%	\$266,979.78	55	2.1%	\$345,665.04
Neurosurgery	34	2.0%	\$134,637.91	66	2.4%	\$399,354.14	61	2.3%	\$684,062.03
Radiology No Surgery	40	2.4%	\$201,240.43	67	2.4%	\$198,683.93	52	2.0%	\$368,334.12
Radiology Minor Surgery	21	1.3%	\$108,996.81	48	1.7%	\$168,587.75	84	3.2%	\$392,804.85
Urological Surgery	42	2.5%	\$215,917.66	54	1.9%	\$137,388.28	53	2.0%	\$190,593.08
Ophthalmic Surgery	45	2.7%	\$59,062.53	54	1.9%	\$206,796.26	48	1.8%	\$214,802.17
Otorhinolaryngology	36	2.2%	\$81,974.81	37	1.3%	\$103,083.35	48	1.8%	\$361,104.08
Cardiac/Cardiovascular Surgery	13	0.8%	\$293,835.77	42	1.5%	\$185,663.74	60	2.3%	\$399,213.48
Emergency Medicine	24	1.4%	\$135,385.54	40	1.4%	\$122,574.83	30	1.2%	\$211,324.43
Thoracic Surgery	21	1.3%	\$89,838.19	39	1.4%	\$152,922.59	29	1.1%	\$499,934.62
Vascular Surgery	18	1.1%	\$80,462.94	39	1.4%	\$271,550.56	31	1.2%	\$215,654.39
Plastic Surgery	21	1.3%	\$46,283.33	33	1.2%	\$101,896.58	30	1.2%	\$112,765.80
Other	341	20.3%	\$140,213.32	551	19.6%	\$187,779.21	485	18.5%	\$208,674.10
Total Claims With Payment	1,678	100.0%	\$128,158.76	2,809	100.0%	\$195,531.86	2,616	100.0%	\$303,092.71

**Average
Indemnity
of Paid
Claims by
Specialty
Code**

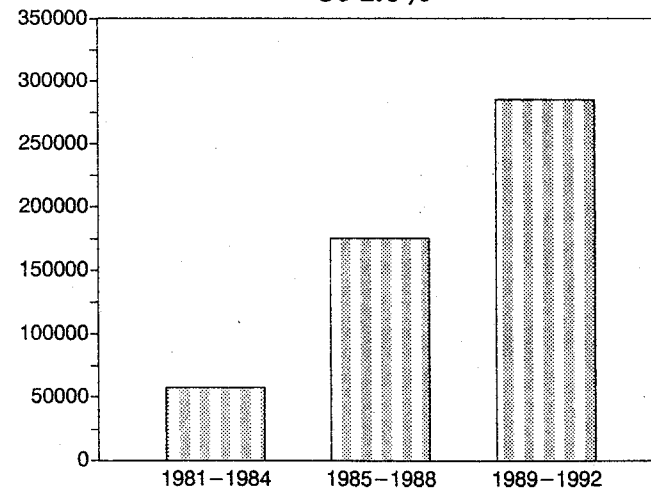
**Thoracic Surgery
456.5%**



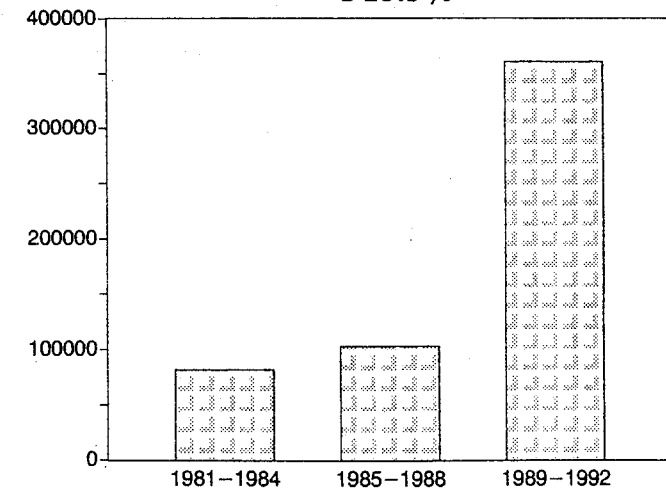
**Neurosurgery
408.1%**



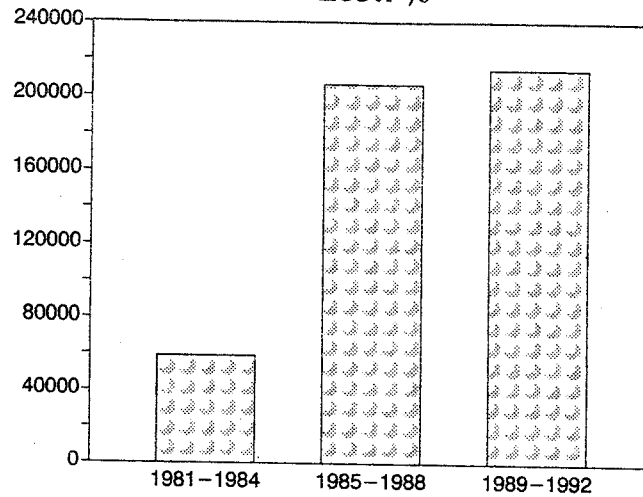
**FAM/GEN Practice No Surgery
394.0%**



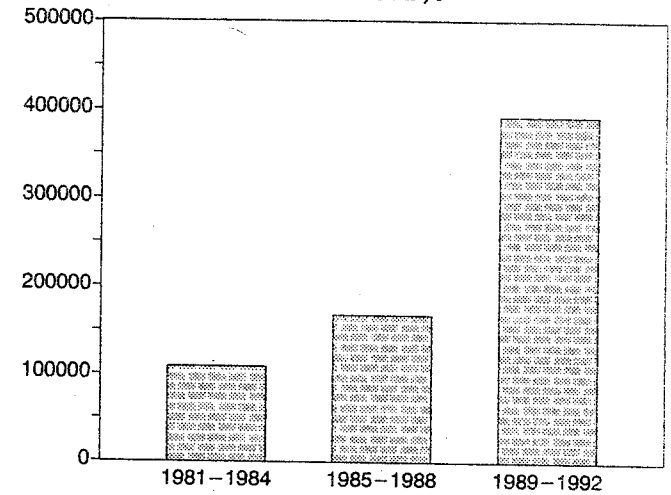
**Otorhinolaryngology
340.5%**



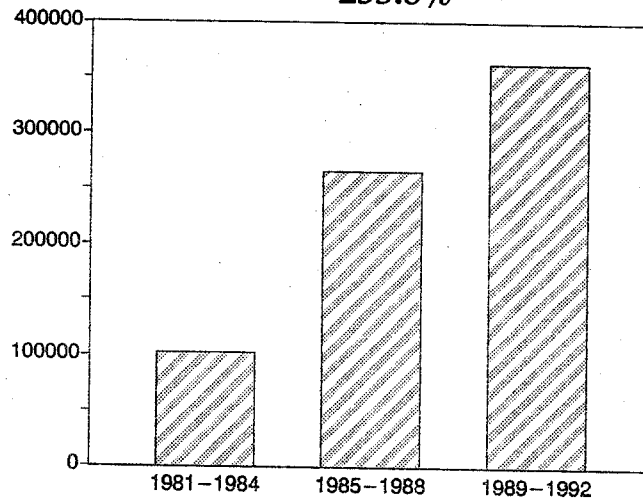
Ophthalmic Surgery
263.7%



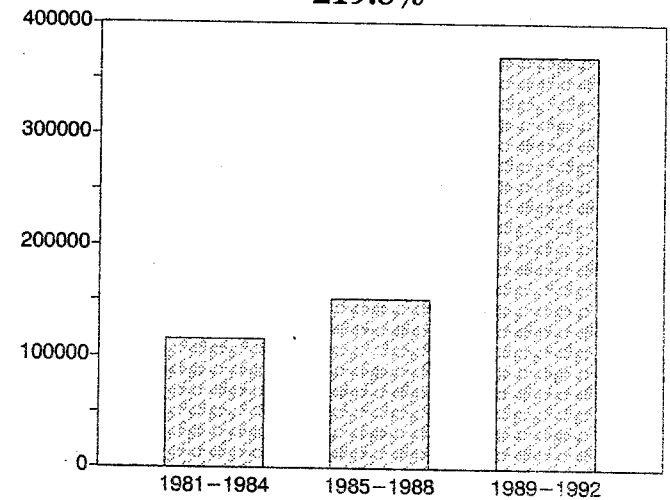
Radiology Minor Surgery
260.4%



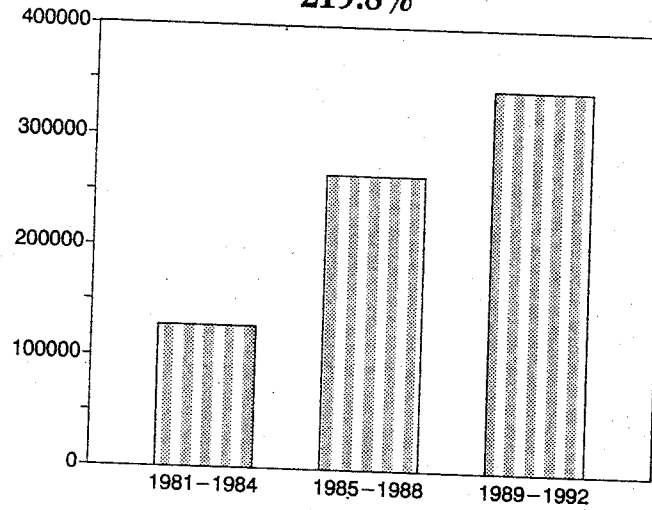
OB/GYN Surgery
253.8%



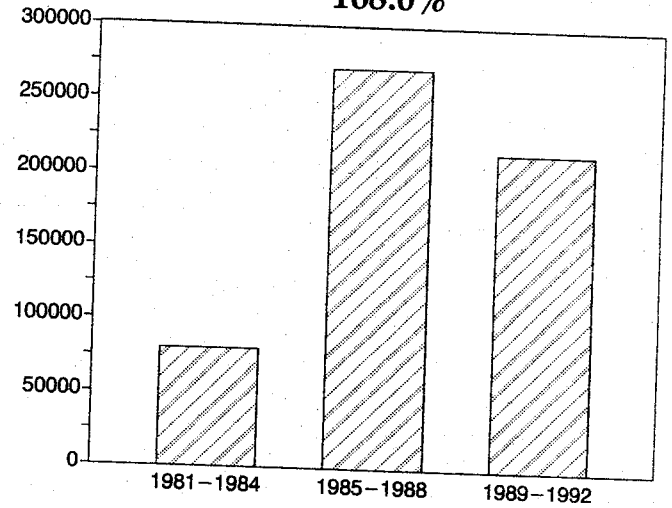
Fam/General Practice Minor Surgery
219.8%



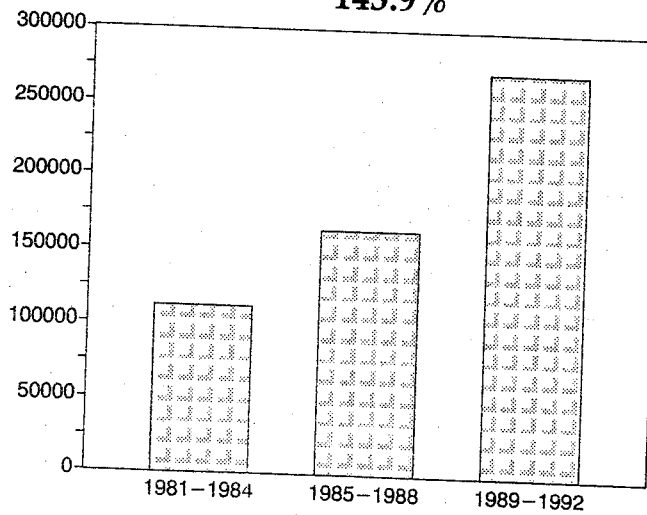
Internal Medicine Minor Surgery
219.8%



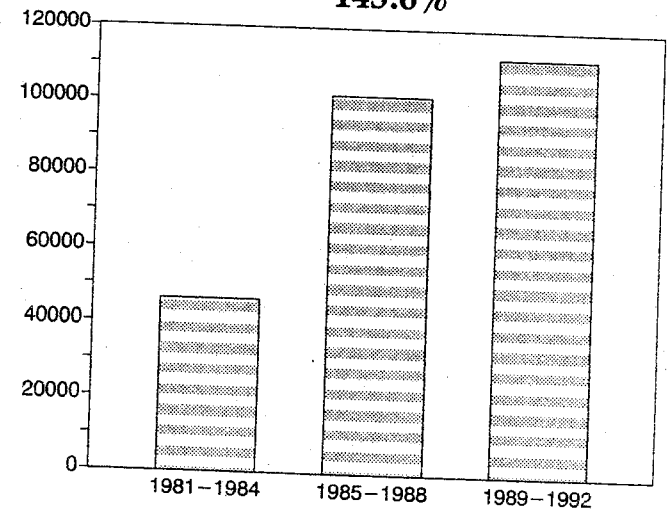
Vascular Surgery
168.0%



General Surgery
143.9%



Plastic Surgery
143.6%



Time Lapse for Closed Claims by Severity of Injury

This section compares the average length, in months, of claims that closed with an indemnity payment against those that closed without payment. The data here is analyzed by the severity of injury of the claim.

The charts on page 64 represent the number of claims with payment in each severity of injury category, which can be compared to the number of closed claims without an indemnity payment. The charts then show the average months from the date of injury to the date reported and the average months from the date reported to the date the claim closed. These two columns add up to equal the average months from the date of injury to the date the claim closed.

Looking specifically at claims with payment, it is apparent the average months from the date of injury to the date the claim closed is on the rise. In 1981-1984, the average months in this category was 60, but in 1985-1988, it increased to 66 months and in 1989-1992 it grew to 77 months. This increase in the length of the claim occurs in the average months from the date reported to the date the claim closed. The average months from the date of injury to the date reported is consistent from year to year. This is illustrated on the graph on page 65. In 1981-1984, the average time lapse between injury date and report date was 26 months. This time lapse was the same in 1985-1988 and in 1989-1992, it only increased by one month. Yet the average months from the date reported to the date the claim closed was 34 in 1981-1984; 41 in 1985-1988; and 50 in 1989-1992. Again, these numbers refer to the section for claims closed with an indemnity payment.

Comparing this same data from year to year on the claims closed without payment, there is not a consistent increase. The average months from the date of injury to the date the claim closed in 1981-1984 was 52; in 1985-1988, it was 61; and in 1989-1992, it was 58.

In comparing claims closed with an indemnity payment versus claims closed without an indemnity payment it is apparent that, on the average, it takes longer to close a claim with payment. In 1981-1984, the average time lapse between date of injury and date the claim closed was 60 months for claims with payment, yet it was only 52 months on claims without payment. In 1985-1988, the average was 66 months on claims with payment, and only 61 months on claims without payment. In 1989-1992, the average for claims with an indemnity payment was 77 months, yet it was only 58 months on claims closed without payment.

In looking at the different severities of injury for claims with an indemnity payment, the average length of time from the date of injury to the date the claim closed is longest for the claims with a grave permanent severity code. For years 1981-1984, it took an average of 71 months from the date of injury to the date the claim closed. This increased to 82 months in 1985-1988 and to 97 in 1989-1992.

Claims with the severity code insignificant have the shortest average time from injury date to closure date. In 1981-1984, this average for claims that closed with an indemnity payment was 42 months, while the average for all claims with an indemnity payment was 60 months. In 1985-1988, the average for insignificant severity claims that closed with payment was 53 months, and the overall average for claims with payment was 66 months. The average for insignificant severity claims with an indemnity payment was 52 months in 1989-1992, while the overall average of claims with payment was 77 months.

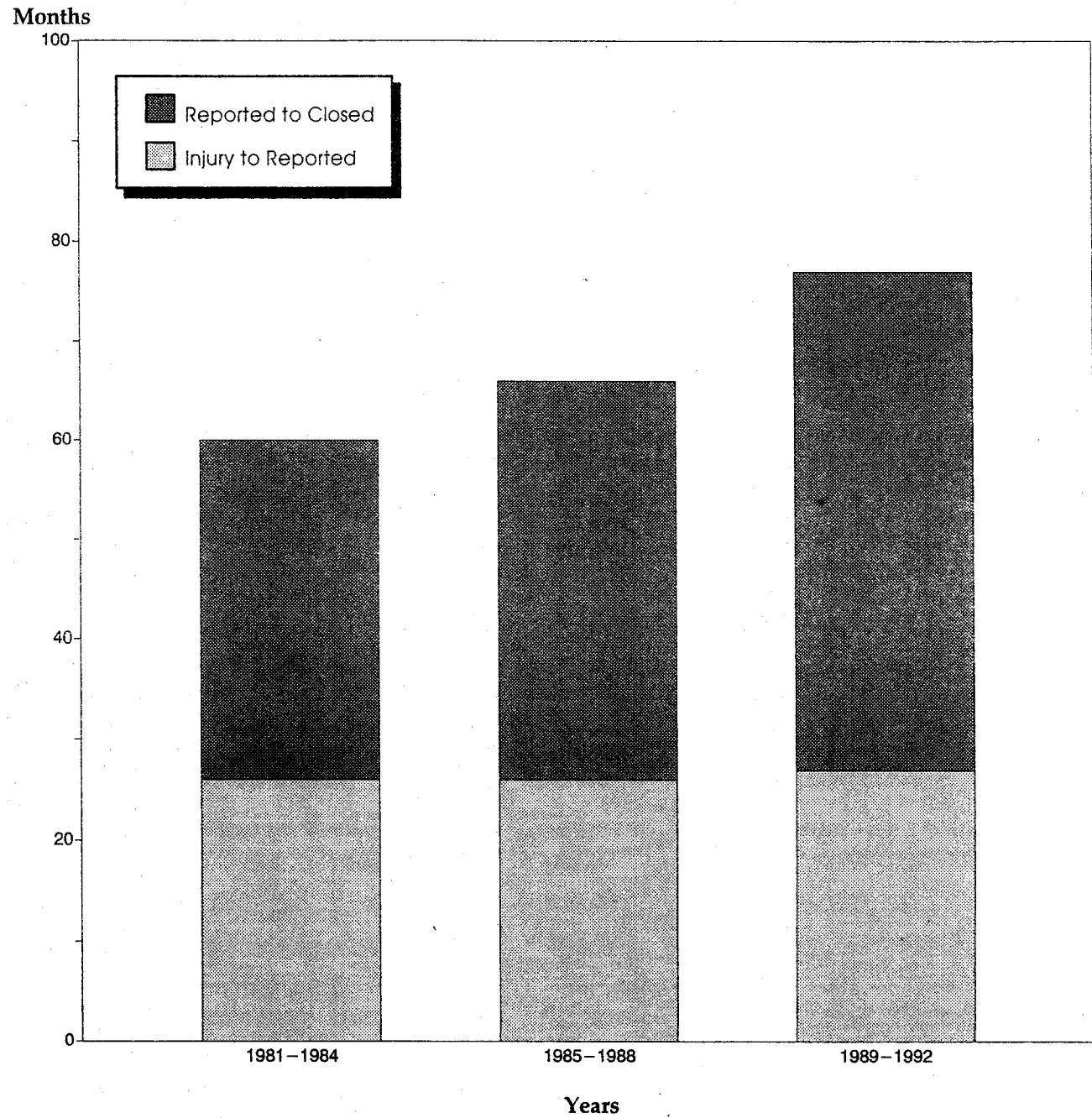
Claims Without Payment Compared to Claims With Payment

1981-1984		Claims with Payment			Claims without Payment			
Severity of Injury	# of Claims With Payment	Average Months From Date of Injury to Date Reported	Average Months From Date Reported to Date Claim Closed	Average Months From Date of Injury to Date Claim Closed	# of Claims W/O Payment	Average Months From Date of Injury to Date Reported	Average Months From Date Reported to Date Claim Closed	Average Months From Date of Injury to Date Claim Closed
Other	2	32	38	70	10	25	19	44
Emotional	45	36	23	59	93	27	21	48
Insignificant	90	20	22	42	281	22	30	52
Minor Temp	280	22	31	53	747	23	25	48
Major Temp	195	23	31	53	646	24	25	49
Minor Perm	302	32	35	68	592	30	26	57
Significant Perm	171	26	39	65	311	27	26	53
Major Perm	102	35	41	76	165	32	28	60
Grave Perm	118	35	36	71	132	31	27	57
Death	373	21	36	57	760	25	25	51
Total	1,678	26	34	60	3,737	26	26	52

1985-1988		Claims with Payment			Claims without Payment			
Severity of Injury	# of Claims With Payment	Average Months From Date of Injury to Date Reported	Average Months From Date Reported to Date Claim Closed	Average Months From Date of Injury to Date Claim Closed	# of Claims W/O Payment	Average Months From Date of Injury to Date Reported	Average Months From Date Reported to Date Claim Closed	Average Months From Date of Injury to Date Claim Closed
Other	1	23	35	58	34	25	27	52
Emotional	52	30	35	66	193	29	32	61
Insignificant	135	23	30	53	407	20	30	50
Minor Temp	399	22	36	59	1,667	24	31	56
Major Temp	419	23	39	62	1,595	26	34	60
Minor Perm	371	27	43	70	1,155	29	35	65
Significant Perm	320	28	47	74	910	29	36	65
Major Perm	218	33	41	75	566	34	32	65
Grave Perm	169	37	45	82	305	45	40	85
Death	725	23	42	65	2,000	26	34	60
Total	2,809	26	41	66	8,832	27	34	61

1989-1992		Claims with Payment			Claims without Payment			
Severity of Injury	# of Claims With Payment	Average Months From Date of Injury to Date Reported	Average Months From Date Reported to Date Claim Closed	Average Months From Date of Injury to Date Claim Closed	# of Claims W/O Payment	Average Months From Date of Injury to Date Reported	Average Months From Date Reported to Date Claim Closed	Average Months From Date of Injury to Date Claim Closed
Other	1	107	16	123	97	24	9	34
Emotional	30	18	37	54	181	24	16	40
Insignificant	109	18	33	52	390	19	21	40
Minor Temp	294	20	44	64	1,458	23	27	50
Major Temp	313	23	47	70	1,341	26	30	56
Minor Perm	297	30	52	82	946	29	34	63
Significant Perm	301	30	50	80	880	31	33	65
Major Perm	319	39	53	92	763	42	32	74
Grave Perm	194	43	54	97	430	47	37	83
Death	758	22	53	75	2,277	24	29	53
Total	2,616	27	50	77	8,763	28	30	58

Average Months from Date of Injury to Date Closed



Appendix A

NAIC MEDICAL PROFESSIONAL LIABILITY INSURANCE UNIFORM CLAIMS REPORT

Report each claim closed on or after July 1, 1976. Submit a report for each defendant insured by filing insurer, including claims closed without payment. Complete all blocks on the form. If information is unknown, enter "U/I/K," if not applicable, enter "NA." When an item calls for a dollar amount and no amount is involved, enter 0 in the space after the \$ sign. When you prepare a report on a reopened case on which a previous report has been made, mark "Previously Reported" at the top of the report. Record all amounts in whole dollars only, all dates as MM YY and all ages (on date of occurrence) as YY.

1a. Name of insurer	1b. Claim file identification	
2a. Date of injury	2b. Date reported to insurer	2c. Date reopened
3a. Insured's name	3b. Age	3c. City
		3d. State
		3e. Zip
4a. Profession or business (CODE)	4b. Specialty (CODE)	4c. Type of practice (CODE)
5a. Board certification (CODE)	5b. Foreign medical graduate?	5c. Country
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)	7c. Hospital identification (Leave Blank)
8a. Injured person's name	8b. Age	8c. Sex
9a. Total defendants involved in claim	9b. Derivative claim (CODE)	
10. Amount of reserve for indemnity if still outstanding \$	11. Amount of reserve for expense if still outstanding \$	
12a. Plaintiff attorney's name	12b. City	12c. State
		12d. Zip
13. Describe action which caused claim to be made		
14a. Final diagnosis for which treatment was sought or rendered (patient's actual condition)		
14b. Describe misdiagnosis made, if any, of patient's actual condition		
15. Operation, diagnostic or treatment procedure causing the injury		
16a. Describe principal injury 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 identification		
1. _____	2. _____	3. _____
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 you on behalf of this defendant	\$	
23. Other indemnity paid by or on behalf of this defendant	\$	
24. Indemnity paid by all parties (for all defendants)	\$	
25. Loss adjustment expense paid to defense counsel	\$	
26. All other allocated loss adjustment expense paid by you	\$	
27. Injured person's incurred medical expense	\$	
28. Injured person's anticipated future medical expense	\$	
29. Injured person's incurred wage loss	\$	
30. Injured person's anticipated wage loss	\$	
31. Injured person's other expense	\$	
32. Total amount allocated for future periodic payments (for all defendants)	\$	
Contact Person and Telephone Number		
Address		
	Person Responsible for Report	

NANCIAL MEDICAL PROFESSIONAL LIABILITY INSURANCE UNIFORM CLAIMS REPORT INSTRUCTIONS

- 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 ISO Common Statistical Base classifications.
- 4c. **Type of Practice Code:** 1) instructional (academic), 2) professional corporation or partnership (group), 3) self-employed, 4) employed physician, 5) employed nurse, 6) all other employees, 7) intern or resident.
- 5a. Enter appropriate code if insured physician is Board Certified in 1) specialty coded in 4b, 2) a different specialty, 3) both specialty coded in 4b and another specialty 4) insured physician is not board-certified. If 2 or 3 is entered, also enter the additional specialty code (5 digits) in this line.
- 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 and 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.
- 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.
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.
5) Minor	Loss of fingers, loss or damage to organs. Includes nondisabling 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. 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 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) policy covers all claims made during the term of the policy, 2) policy covers all claims made during the policy term for events which occurred during a designated previous policy term, 3) 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 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 Code: 0) no court proceedings, 1) directed verdict for plaintiff, 2) directed verdict for defendant, 3) judgment notwithstanding the verdict for the plaintiff, 4) judgment notwithstanding the verdict for the defendant, 5) judgment for the plaintiff, 6) judgment for the defendant, 7) for plaintiff after appeal, 8) for defendant after 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 your 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

Definitions of the types of practices/ specialties, that may need clarification:

Anesthesiology--the branch of medicine specializing in the pharmacological depression of nerve function

Cardiac--pertaining to the heart and the esophageal opening of the stomach

Cardiovascular--relating to the heart and the blood vessels or the circulation

Internal Medicine--the branch of medicine concerned with nonsurgical diseases in adults, but not including diseases limited to the skin or to the nervous system

Neurosurgery--specializing in the surgery of the brain and nervous system

OB/GYN Surgery--surgery for the female genital tract; surgery for women during pregnancy and childbirth

Ophthalmology--the study of the eye and its diseases

Orthopedic--the branch of medicine dealing with the surgery of bones and joints

Otorhinolaryngology--the study of the combined specialties of diseases of the ear, nose and larynx

Pediatrics--the medical specialty concerned with the study and treatment of children

Radiology--the branch of medicine using radiant energy, such as x-rays, in the diagnosis and treatment of disease

Thoracic Surgery--surgery of the chest

Vascular Surgery--surgery pertaining to blood vessels

Urology--the medical specialty concerned with the study, diagnosis and treatment of diseases of the urinary tract

Sources:

Home Medical Dictionary, P.S.I & Associates, Inc., 1988 Ottenheimer Publishers, Inc.
Stedman's Medical Dictionary, William R. Hensyl, 1990 Williams & Wilkins