

Medical Malpractice Claims Study



2001

Casualty Actuarial Section

George H. Ryan
GOVERNOR

Nathaniel S. Shapo
DIRECTOR



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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 reported medical malpractice claims closed in Illinois from January 1, 1980 through December 31, 1999. The form used for reporting medical malpractice closed claims information, the NAIC Medical Professional Liability Insurance Uniform Claims Report, is in Appendix A. This study 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). If a claimant sued more than one doctor associated with the injury, then each of these associated claims is considered a separate claim in the study. All closed claims for physicians and surgeons are included; however, hospitals, clinics, and other professionals are not included in this study. Since a large percentage of hospitals are self insured, and the Department only receives claims reports from admitted insurance writers, our data is not complete.

In the first section, the data is analyzed on a yearly basis, revealing the trends apparent in comparisons. For the remainder of the report, the data is consolidated into four groupings by year of closure date: 1980-1984, 1985-1989, 1990-1994, and 1995-1999. For the purposes of this report, these groupings allow comparisons of the data to be manageable.

Please note that the data used in the previous medical malpractice closed claims study and that used in the 2001 Medical Malpractice Closed Claims Study does not completely reconcile. The discrepancies are due to changes in the review process as reports are filed. The data in the 2001 study is more complete and, thus, more accurate.

This study is intended to be a complete statistical analysis of medical professional liability claims 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 Yoko I. Chism, Actuarial Assistant, at the Illinois Department of Insurance.

1. Yearly Comparison

Indemnity Paid

In this section the data is shown on a yearly basis, allowing year-to-year comparisons to be made and trends to be revealed.

Table 1-1 shows the closed claims data by the year the claim was closed. It lists the total number of closed claims, the number of claims closed with payment, the number of claims closed without payment, the average indemnity of claims closed with payment and the total indemnity paid. The total indemnity paid and average indemnity paid numbers only 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 table shows, the total number of closed claims for all years combined was 48,096; of that total 11,527 were closed with an indemnity payment. The percent of claims closed with payment was 24.0%. Total indemnity paid on all claims was \$3.56 billion.

The total number of closed claims increased annually from 1980 to 1987. In the next three years, the number of closed claims dropped more than 28% from 3,225 to 2,308. In 1991 and 1992 the claims increased again to more than 3,200, but since 1993 the numbers have remained steady.

Graph 1-1 displays the total number of closed claims. 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. Beginning around 1993, the number of claims closed with payment and claims closed without payment remained steady.

Graph 1-2 shows that the total indemnity paid has increased dramatically up to the early 1990s. In the past several years, however, the total indemnity paid for medical malpractice insurance claims appeared to be fairly stable.

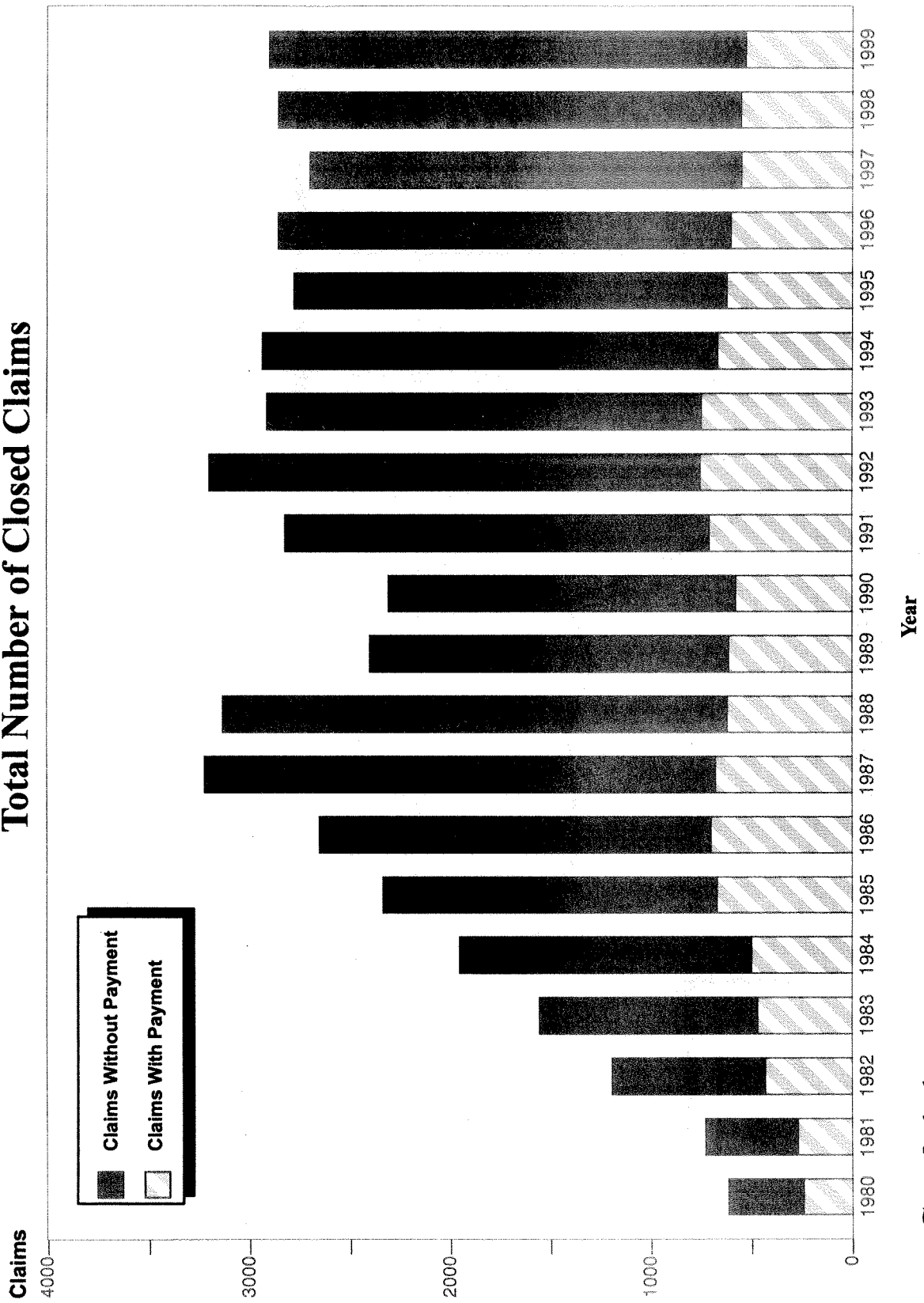
Graph 1-3 displays average indemnity paid by date the claim closed. This graph only includes claims that closed with an indemnity payment. It shows how average payments have increased over the years. The largest increase in the amount of average payment was between 1990 and 1991, which was about a \$122,845 increase, or an increase of 53.6%. The largest percentage increase, 148.8%, was between 1981 and 1982 when average indemnities increased from \$58,601 to \$145,804.

Yearly Comparison of Indemnity Paid

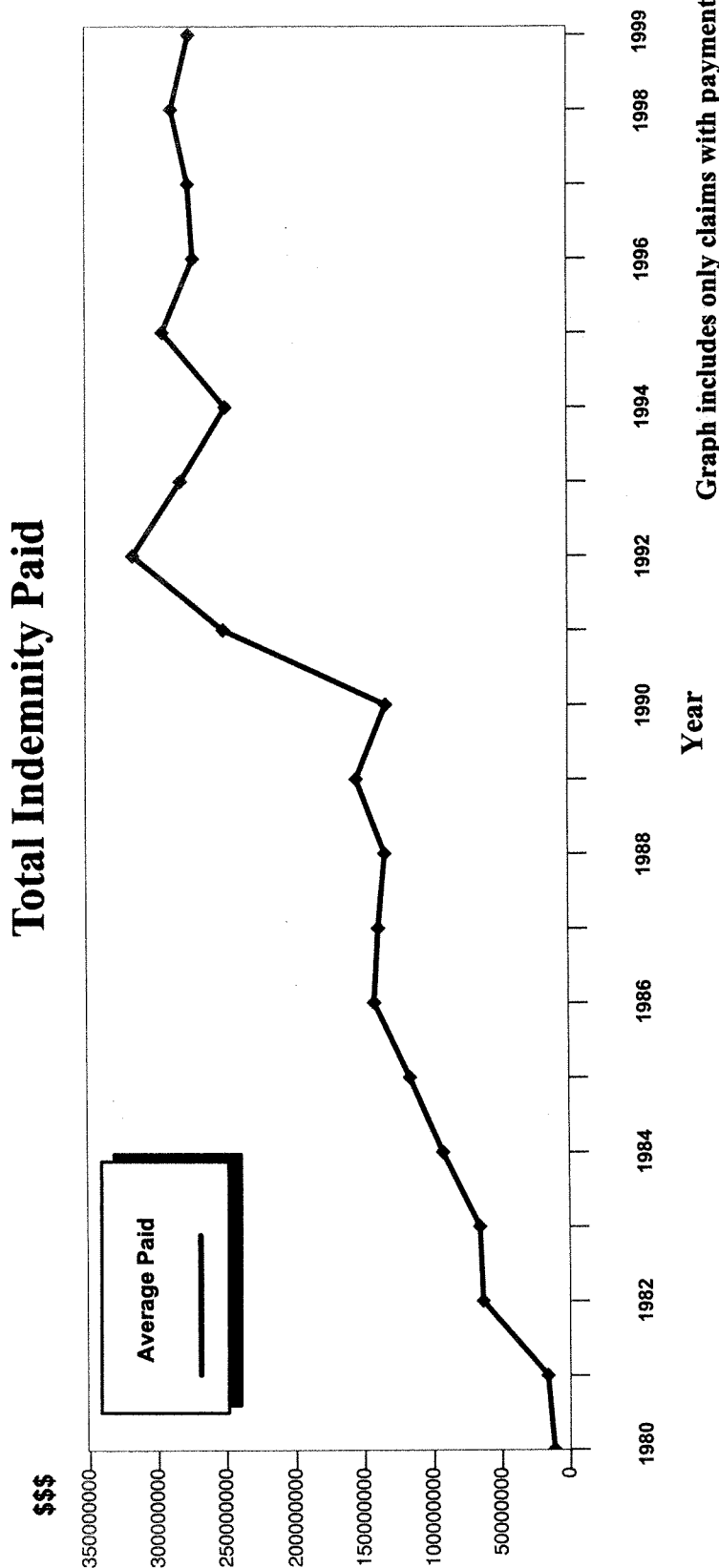
Year	Total # Closed Claims	Claims w/Payment	Claims w/o Payment	Average Indemnity of Paid Claims	Total Indemnity
1980	617	243	374	\$ 45,729	\$ 11,112,093
1981	730	272	458	58,601	15,939,532
1982	1,192	432	760	145,804	62,987,203
1983	1,556	470	1,086	138,190	64,949,203
1984	1,953	499	1,454	184,254	91,942,558
1985	2,336	672	1,664	171,648	115,347,366
1986	2,654	702	1,952	201,321	141,327,569
1987	3,225	678	2,547	203,733	138,130,869
1988	3,134	622	2,512	213,838	133,007,128
1989	2,403	613	1,790	250,335	153,455,555
1990	2,308	578	1,730	229,243	132,502,524
1991	2,824	710	2,114	352,088	249,982,642
1992	3,204	755	2,449	418,483	315,954,518
1993	2,915	750	2,165	374,917	281,188,099
1994	2,938	669	2,269	371,200	248,332,805
1995	2,782	623	2,159	472,497	294,365,552
1996	2,860	604	2,256	450,013	271,807,842
1997	2,701	551	2,150	500,416	275,729,285
1998	2,859	554	2,305	518,794	287,412,137
1999	2,905	530	2,375	518,952	275,044,711
Total	48,096	11,527	36,569		\$3,560,519,191

Table 1-1

Total Number of Closed Claims

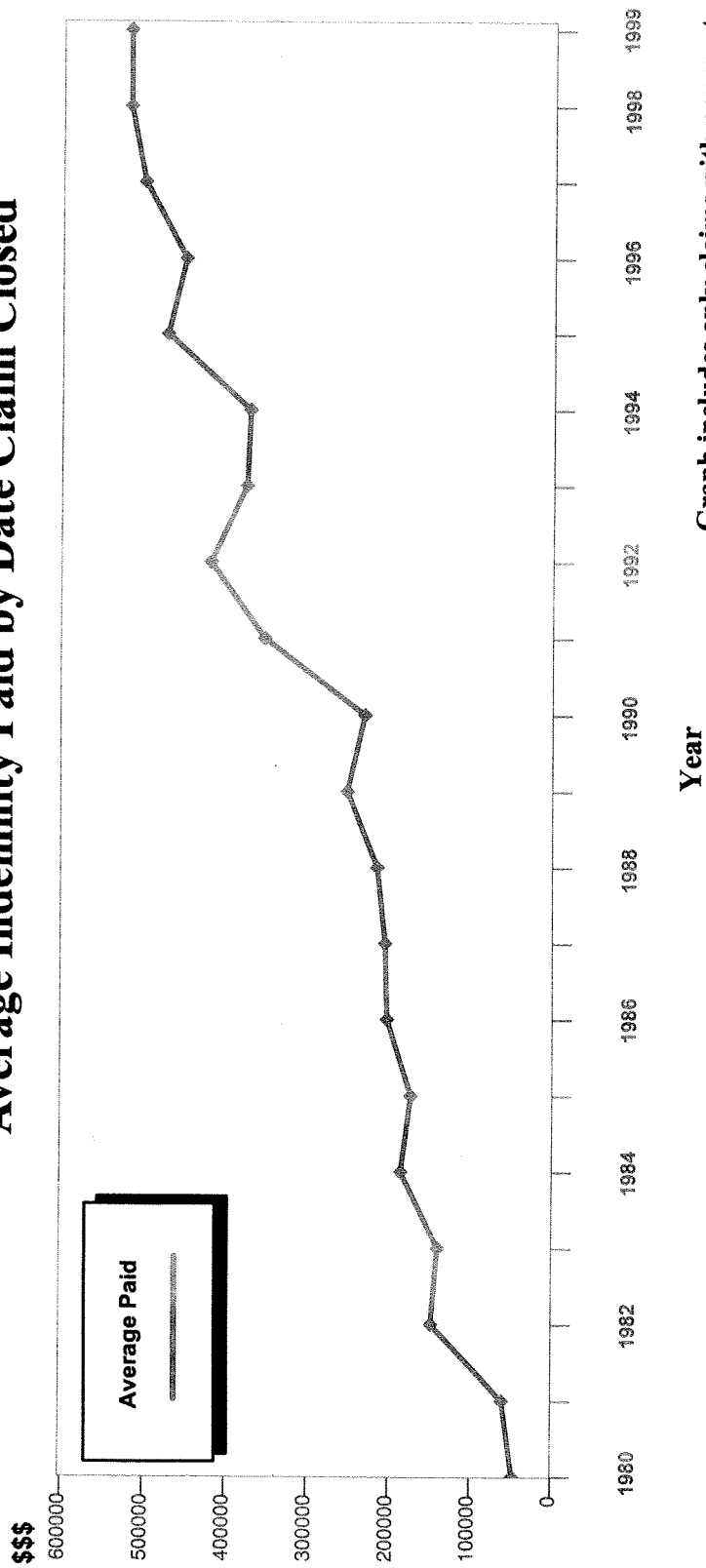


Graph 1-1



Graph 1-2

Average Indemnity Paid by Date Claim Closed



Graph includes only claims with payment.

Graph 1-3

Defense Costs Paid

This part of the yearly comparison data is devoted to the analysis of defense costs paid for closed claims. Plaintiff attorney fees are charged by the attorney representing an injured person. According to the Code of Civil Procedure 753 ILCS 5/2-1114, 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 \$137,500. 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.

Tables 1-2, Graph 1-4 and Graph 1-5 illustrate the amounts paid to defense counsel by the insurance company. Tables 1-2 show the total number of closed claims by year. The next three columns represent the number of claims closed with payment to defense counsel. The first of these three columns shows the number of claims without indemnity payment but with payment to defense counsel; the second shows the number of claims with an indemnity payment and payment to defense counsel; and the third shows the total number of closed claims with 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 to late 1980s and the mid to late 1990s than the overall average.

The next half of Table 1-2 refers to average payment to defense counsel on claims without indemnity payment, average payment to defense counsel on claims closed with indemnity payment, and total payment to defense counsel. As can be seen, over \$496 million was spent on defense costs of medical malpractice in the last twenty years. Of the \$496 million, \$383 million (77%) was spent in the last ten years. Furthermore, \$264 million, which was over 50%, was spent in the last six years. As previously stated, these amounts only represent the amounts paid by the insurance company.

Graph 1-4 displays the total number of closed claims with payment to defense counsel. 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 496 claims. The largest decrease was between 1988 and 1989, which was 792 claims.

Graph 1-5 shows the average payment to defense counsel, broken down into three bars. The bars represent average payment to defense counsel on claims without indemnity payment, average payment to defense counsel on claims closed with indemnity payment, and overall average payment to defense counsel of all claims with a defense counsel payment.

In this graph, it is apparent that average payment to defense counsel on claims closed with an indemnity payment was much greater than average payment to defense counsel on claims without an indemnity payment. It also illustrates that the recent average payment to defense counsel on medical malpractice claims in the 1990s was much higher than in the 1980s.

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	617	212	201	413	66.94%
1981	730	275	241	516	70.68%
1982	1,192	546	379	925	77.60%
1983	1,556	867	409	1,276	82.01%
1984	1,953	1,144	454	1,598	81.82%
1985	2,336	1,401	607	2,008	85.96%
1986	2,654	1,658	634	2,292	86.36%
1987	3,225	2,154	634	2,788	86.45%
1988	3,134	2,116	587	2,703	86.25%
1989	2,403	1,363	548	1,911	79.53%
1990	2,308	1,260	526	1,786	77.38%
1991	2,824	1,550	650	2,200	77.90%
1992	3,204	1,660	672	2,332	72.78%
1993	2,915	1,701	695	2,396	82.20%
1994	2,938	1,840	630	2,470	84.07%
1995	2,782	1,771	558	2,329	83.72%
1996	2,860	1,816	531	2,347	82.06%
1997	2,701	1,854	508	2,362	87.45%
1998	2,859	1,918	510	2,428	84.92%
1999	2,905	1,780	500	2,280	78.49%
Total	48,096	28,886	10,474	39,360	81.84%

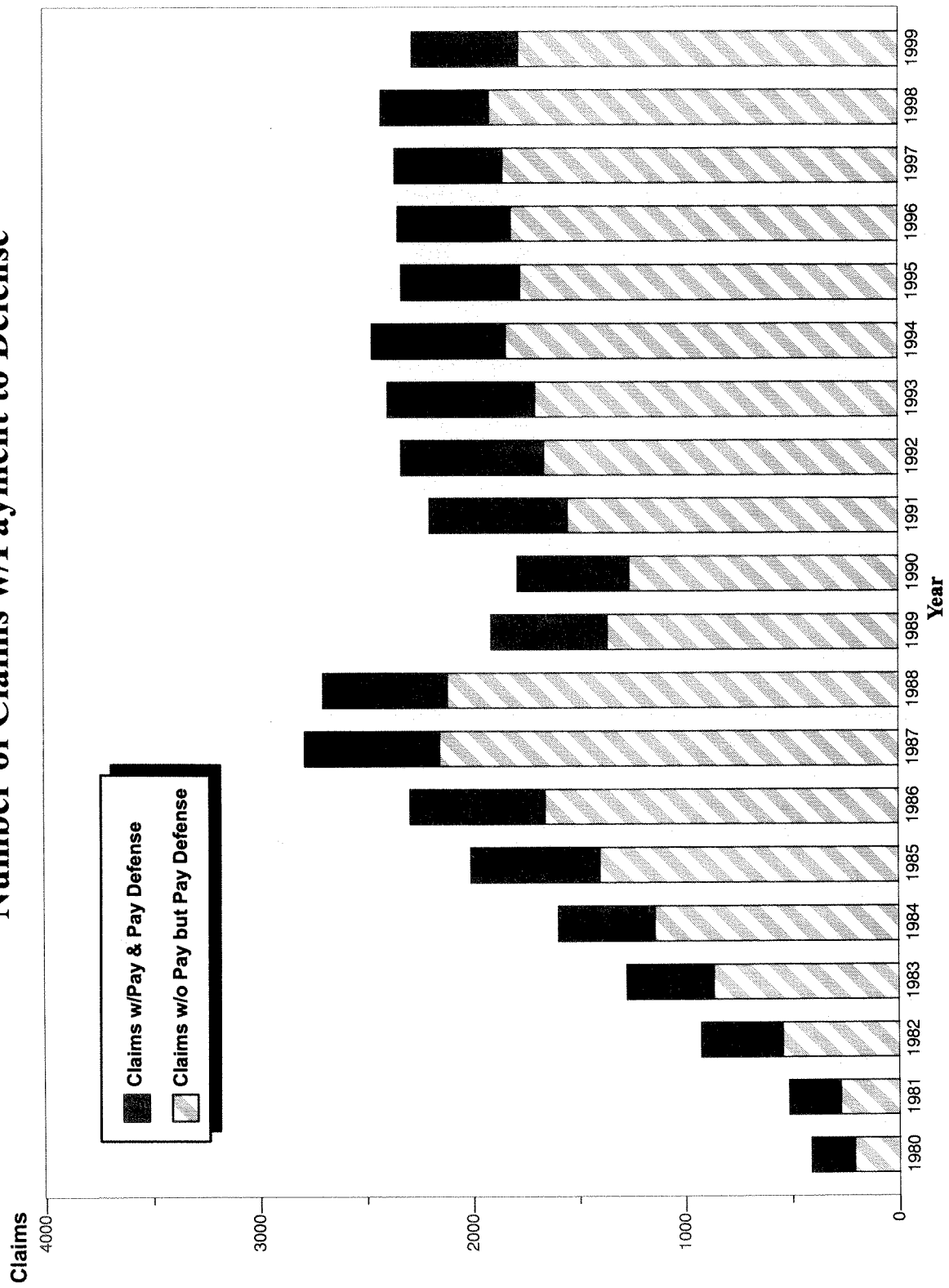
Table 1-2(a)

Yearly Comparison of Defense Costs

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	\$ 3,173	\$ 4,631	\$ 1,603,507
1981	2,775	5,721	2,141,886
1982	3,086	6,437	4,124,579
1983	3,298	6,295	5,434,021
1984	4,059	8,938	8,701,348
1985	3,173	4,631	7,256,390
1986	4,493	9,951	13,758,328
1987	5,178	12,778	19,254,664
1988	6,468	23,434	27,442,046
1989	9,064	19,479	23,028,724
1990	10,872	22,648	25,611,477
1991	13,532	25,645	37,643,503
1992	11,188	25,630	35,796,264
1993	10,384	29,035	20,179,529
1994	12,887	30,334	42,822,484
1995	13,424	33,391	42,406,320
1996	13,494	32,463	41,743,219
1997	12,843	34,545	41,359,556
1998	15,252	40,009	49,657,399
1999	13,822	43,187	46,197,471
Total	\$172,466	\$419,183	\$496,162,715

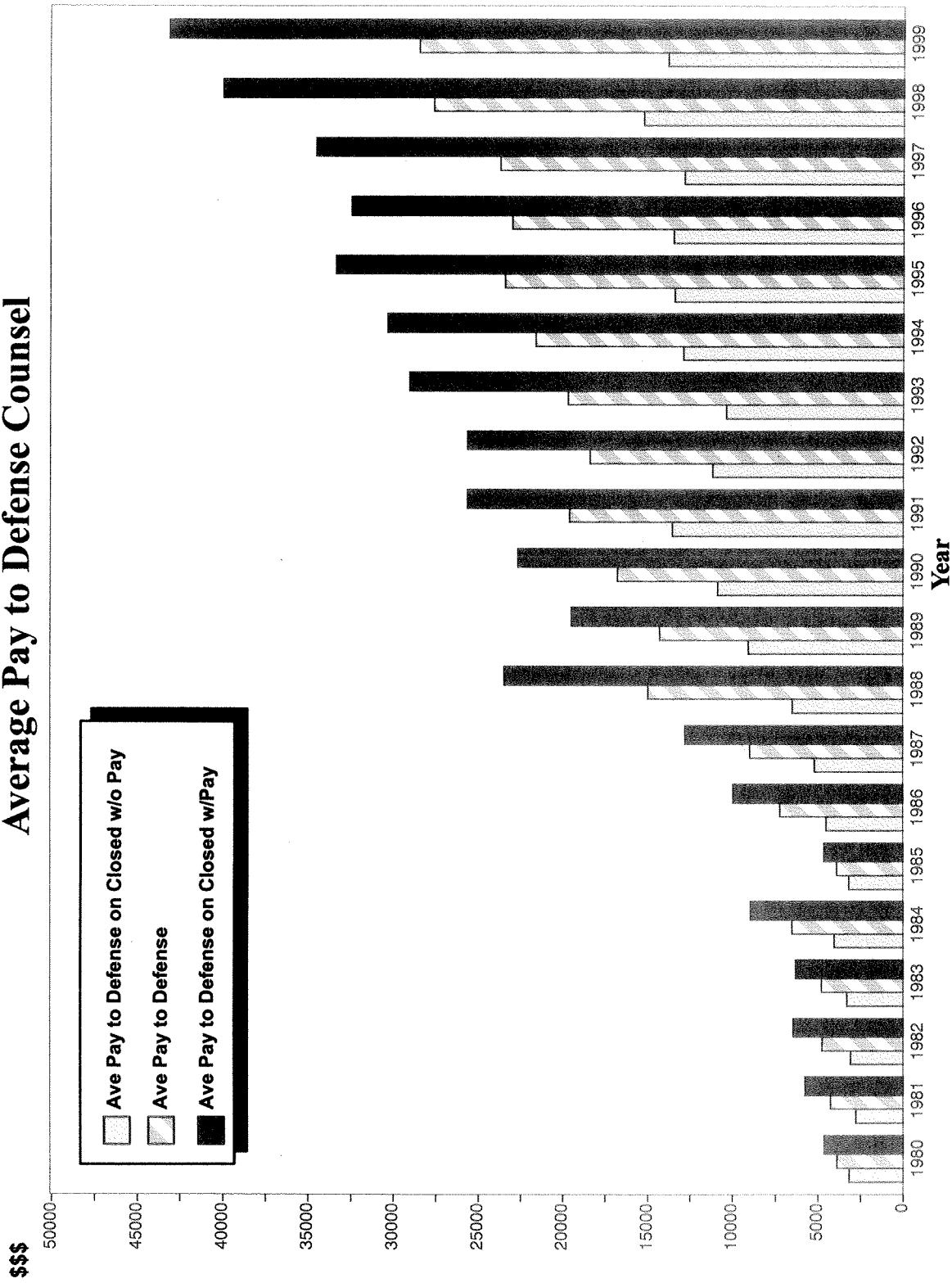
Table 1-2(b)

Number of Claims w/Payment to Defense



Graph 1-4

Average Pay to Defense Counsel



Graph includes only claims with defense counsel payment.

Graph 1-5

2. Indemnity Paid per Claim

For the remainder of this report, the data is analyzed in four groupings, each consisting of five years of data: 1980 through 1984, 1985 through 1989, 1990 through 1994, and 1995 through 1999. These groupings make the data more manageable and allow for comparisons.

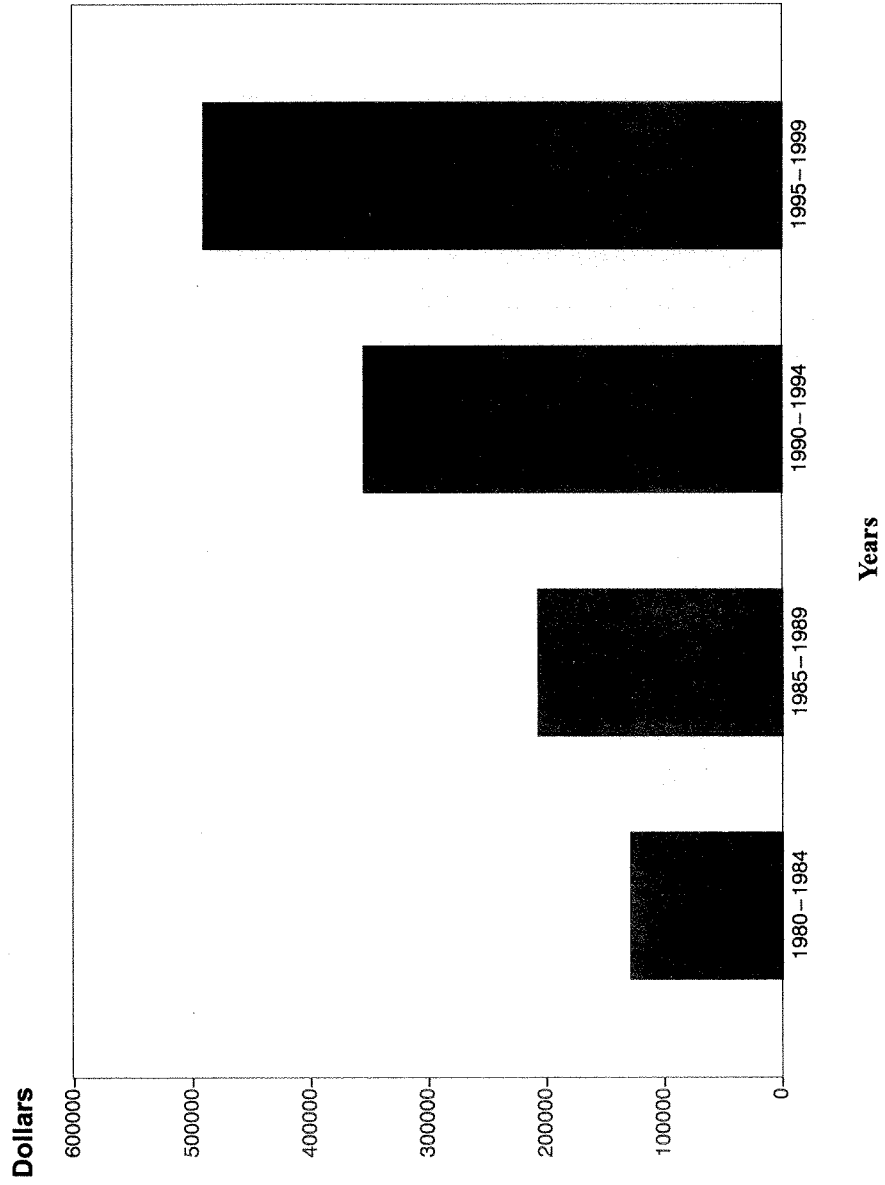
Graph 2-1 illustrates the historical increase of average indemnity paid. Between 1980-1984 and 1985-1989 the increase was 61%; between 1985-1989 and 1990-1994 the increase was 71%; and between 1990-1994 and 1995-1999 the increase was 38%.

Tables 2-1 represent the average indemnity paid per claim. The indemnity paid column separates the data into eleven categories at \$100,000 intervals. The rest of the columns show the number of claims with payment relative to the corresponding category, the total indemnity paid, the average indemnity of paid claims, and the percent of total indemnity paid by category.

The majority of claims with payment were in the \$1-\$99,999 range. The data for that category is, therefore, separated even further later in this section. The \$1,000,000 and over category consistently showed the highest percent of total indemnity paid. Of the \$3.56 billion of indemnity paid over the last twenty years, this category accounted for 45.6%. However, it only accounted for 7.1% of the total number of closed claims with an indemnity payment. Total indemnity paid showed a 175.9% increase from 1980-1984 to 1985-1989, and an 80% increase from 1985-1989 to 1990-1994. A slight increase was shown from 1990-1994 to 1995-1999.

Graph 2-2 reflects the total number of claims by each indemnity paid category. Each five-year grouping is represented by a bar, which illustrates changes in the distribution.

Average Indemnity Paid



Graph 2-1

Indemnity Paid

Indemnity Paid	# of Claims w/Payment	Total Indemnity	Average Indemnity of Paid Claims	% of Total Indemnity Paid
\$1 - 99,999	1,458	\$ 35,288,456.03	\$ 24,203.33	14.29%
\$100,000 - 199,999	204	27,942,515.00	136,973.11	11.32%
\$200,000 - 299,999	86	19,373,253.00	225,270.38	7.85%
\$300,000 - 399,999	34	11,544,604.66	339,547.20	4.68%
\$400,000 - 499,999	28	11,965,775.00	427,349.11	4.85%
\$500,000 - 599,999	8	4,313,364.00	539,170.50	1.75%
\$600,000 - 699,999	21	13,338,949.00	635,188.05	5.40%
\$700,000 - 799,999	11	8,046,451.00	731,495.55	3.26%
\$800,000 - 899,999	13	10,938,770.00	841,443.85	4.43%
\$900,000 - 999,999	8	7,492,380.00	936,547.50	3.03%
\$1,000,000 & Over	45	96,686,363.00	2,148,585.84	39.16%
Total Paid Claims	1,916	\$246,930,880.69	\$128,878.33	100.00%

1980-1984

Table 2-1(a)

Indemnity Paid	# of Claims w/Payment	Total Indemnity	Average Indemnity of Paid Claims	% of Total Indemnity Paid
\$1 - 99,999	1,994	\$59,718,626.05	\$29,949.16	8.77%
\$100,000 - 199,999	486	64,692,610.66	133,112.37	9.50%
\$200,000 - 299,999	256	58,570,454.00	228,790.84	8.60%
\$300,000 - 399,999	142	48,170,620.00	339,229.72	7.07%
\$400,000 - 499,999	72	31,220,839.16	433,622.77	4.58%
\$500,000 - 599,999	65	33,901,734.00	521,565.14	4.98%
\$600,000 - 699,999	46	29,199,997.00	634,782.54	4.29%
\$700,000 - 799,999	28	20,760,740.00	741,455.00	3.05%
\$800,000 - 899,999	32	26,802,996.00	837,593.63	3.93%
\$900,000 - 999,999	27	25,035,886.00	927,255.04	3.67%
\$1,000,000 & Over	139	283,193,984.16	2,037,366.79	41.57%
Total Paid Claims	3,287	\$681,268,487.03	\$207,261.48	100.00%

1985-1989

Table 2-1(b)

Indemnity Paid

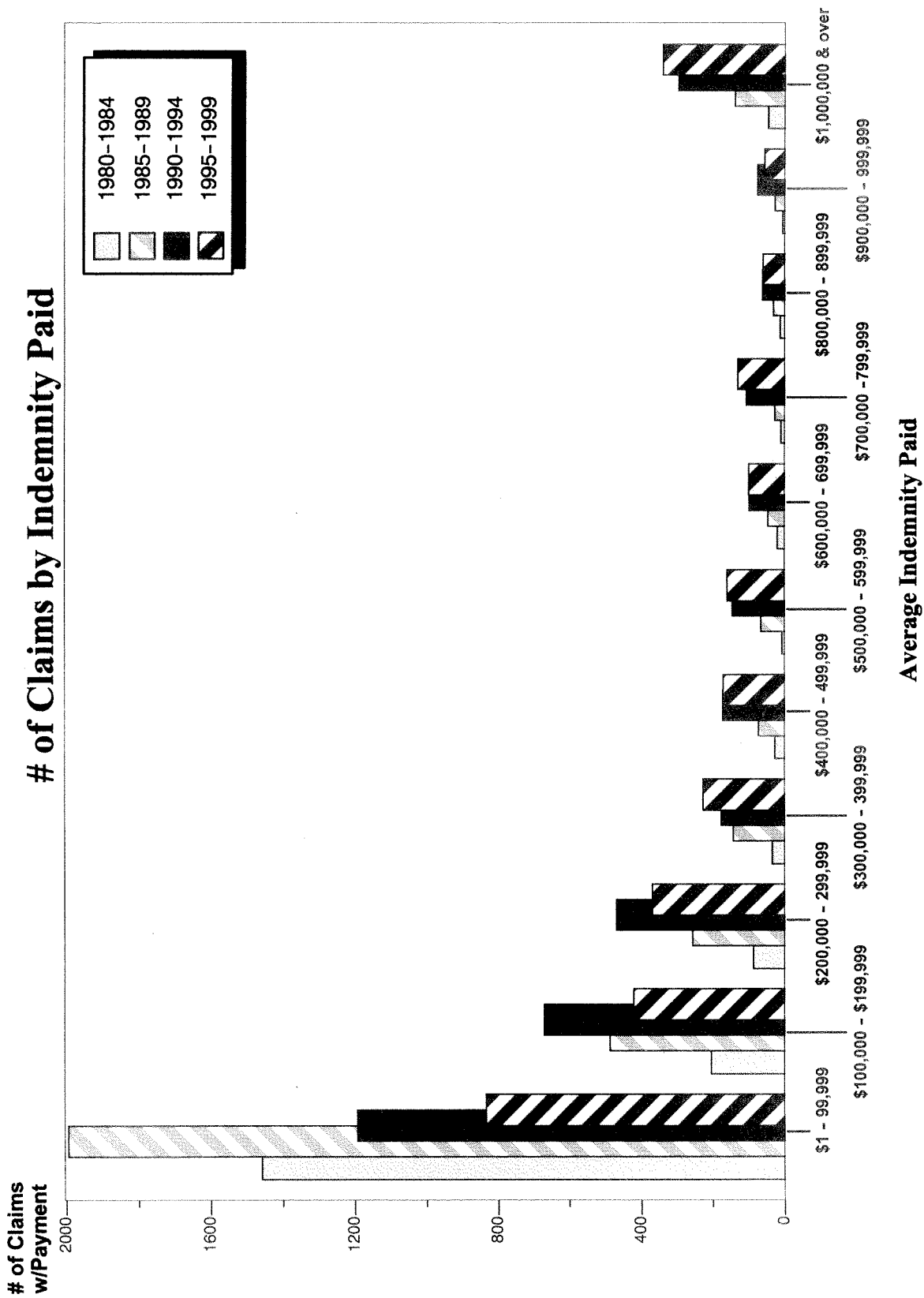
Indemnity Paid	# of Claims w/Payment	Total Indemnity	Average Indemnity of Paid Claims	% of Total Indemnity Paid
\$1 - 99,999	1,193	\$45,190,874.68	\$37,880.03	3.68%
\$100,000 - 199,999	671	89,407,401.97	133,245.01	7.28%
\$200,000 - 299,999	469	109,103,633.00	232,630.35	8.88%
\$300,000 - 399,999	176	59,034,607.00	335,423.90	4.81%
\$400,000 - 499,999	177	77,253,126.00	436,458.34	6.29%
\$500,000 - 599,999	145	75,985,144.00	524,035.48	6.19%
\$600,000 - 699,999	98	61,909,190.00	631,726.43	5.04%
\$700,000 - 799,999	107	79,097,023.00	739,224.51	6.44%
\$800,000 - 899,999	61	50,945,230.00	835,167.70	4.15%
\$900,000 - 999,999	75	70,042,406.00	933,898.75	5.70%
\$1,000,000 & Over	290	509,991,952.00	1,758,592.94	41.53%
Total Paid Claims	3,462	\$1,227,960,587.65	\$354,696.88	100.00%

Table 2-1(c)

Indemnity Paid	# of Claims w/Payment	Total Indemnity	Average Indemnity of Paid Claims	% of Total Indemnity Paid
\$1 - 99,999	833	\$33,948,268.26	\$40,754.22	2.42%
\$100,000 - 199,999	421	57,952,749.42	137,654.99	4.13%
\$200,000 - 299,999	368	85,988,653.00	233,664.82	6.12%
\$300,000 - 399,999	227	75,978,776.66	334,708.27	5.41%
\$400,000 - 499,999	171	73,992,168.99	432,702.74	5.27%
\$500,000 - 599,999	159	81,517,042.00	512,685.80	5.80%
\$600,000 - 699,999	99	62,404,664.00	630,350.14	4.44%
\$700,000 - 799,999	130	96,125,920.45	739,430.16	6.84%
\$800,000 - 899,999	60	49,901,083.00	831,684.72	3.55%
\$900,000 - 999,999	55	51,591,669.00	938,030.35	3.67%
\$1,000,000 & Over	339	734,958,531.58	2,168,019.27	52.33%
Total Paid Claims	2,862	\$1,404,359,526.36	\$490,691.66	100.00%

Table 2-1(d)

of Claims by Indemnity Paid



Graph 2-2

Claims with Indemnity Paid less than \$100,000

For further analysis, the \$1-\$99,999 category is divided into subintervals of \$10,000. Tables 2-2 distribute the data according to these subintervals. Five thousand four hundred seventy-eight (5,478) claims, or 47.5% of the total 11,527 claims, were less than \$100,000; however, this category represented only 4.9% of the \$3.56 billion paid.

Tables 2-2 illustrate that the \$1-\$9,999 group consistently had the highest frequency of claims until the mid 1990s. Total indemnity paid was highest during 1985-1989 but began to trend downward over the next two groupings. Total indemnity decreased 43.2% from 1985-1989 to 1995-1999. The average indemnity paid on claims closed with indemnity payment under \$100,000 had gradually increased over the years. From 1980-1984 to 1985-1989 it increased by 23.7%, from 1985-1989 to 1990-1994 it increased 26.5%, and from 1990-1994 to 1995-1999 it increased 7.6%.

Graph 2-3 compares the number of closed claims with payment to the subintervals of the \$1-\$99,999 range. Each indemnity paid subcategory had a decreasing trend in recent years.

Claims w/Indemnity Paid Less than \$100,000

Indemnity Paid	# of Claims w/Payment	Total Indemnity	Average Indemnity of Paid Claims
\$1 - 9,999	539	\$2,087,139.50	\$3,872.24
\$10,000 - 19,999	288	3,756,201.00	13,042.36
\$20,000 - 29,999	162	3,701,336.00	22,847.75
\$30,000 - 39,999	130	4,346,242.37	33,432.63
\$40,000 - 49,999	87	3,762,432.16	43,246.35
\$50,000 - 59,999	73	3,797,062.00	52,014.55
\$60,000 - 69,999	48	3,011,895.00	62,747.81
\$70,000 - 79,999	48	3,548,500.00	73,927.08
\$80,000 - 89,999	45	3,752,668.00	83,392.62
\$90,000 - 99,999	38	3,524,980.00	92,762.63
Total	1,458	\$35,288,456.03	\$24,203.33

1980-
1984

Table 2-2(a)

Indemnity Paid	# of Claims w/Payment	Total Indemnity	Average Indemnity of Paid Claims
\$1 - 9,999	581	\$2,561,258.63	\$4,408.36
\$10,000 - 19,999	357	4,688,677.00	13,133.55
\$20,000 - 29,999	264	6,224,663.53	23,578.27
\$30,000 - 39,999	140	4,693,763.00	33,526.88
\$40,000 - 49,999	124	5,371,885.00	43,321.65
\$50,000 - 59,999	160	8,179,084.00	51,119.28
\$60,000 - 69,999	108	6,763,304.56	62,623.19
\$70,000 - 79,999	120	8,828,447.00	73,570.39
\$80,000 - 89,999	62	5,188,657.00	83,688.02
\$90,000 - 99,999	78	7,218,886.33	92,549.82
Total	1,994	\$59,718,626.05	\$29,949.16

1985-
1989

Table 2-2(b)

Claims w/Indemnity Paid Less than \$100,000

Indemnity Paid	# of Claims w/Payment	Total Indemnity	Average Indemnity of Paid Claims
\$1 - 9,999	206	\$836,100.00	\$4,058.74
\$10,000 - 19,999	167	2,243,440.00	13,433.77
\$20,000 - 29,999	176	4,068,832.00	23,118.36
\$30,000 - 39,999	117	3,948,251.00	33,745.74
\$40,000 - 49,999	80	3,451,218.00	43,140.23
\$50,000 - 59,999	142	7,323,667.00	51,575.12
\$60,000 - 69,999	82	5,157,000.68	62,890.25
\$70,000 - 79,999	108	7,958,000.00	73,685.19
\$80,000 - 89,999	47	3,908,212.00	83,153.45
\$90,000 - 99,999	68	6,296,154.00	92,590.50
Total	1,193	\$45,190,874.68	\$37,880.03

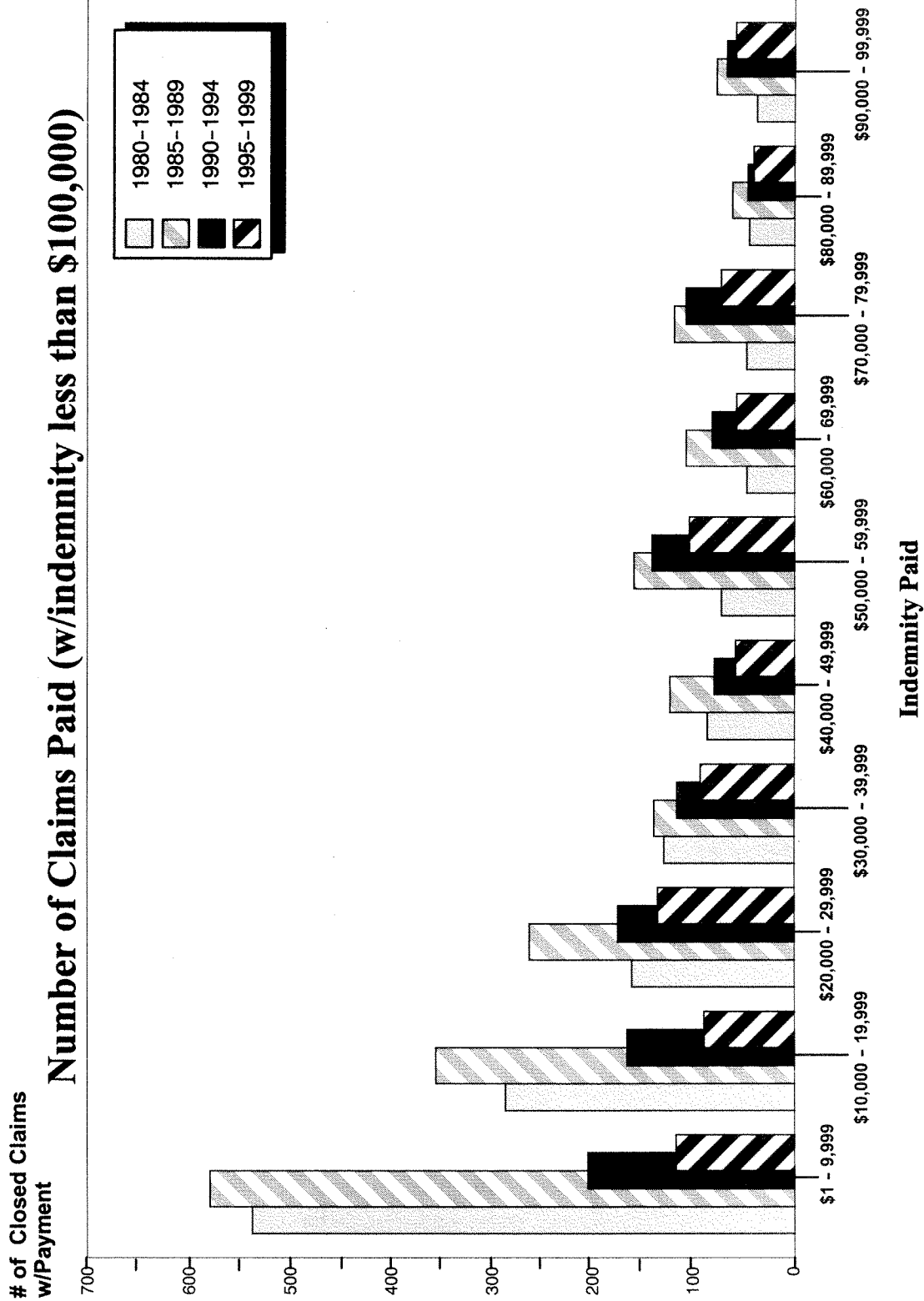
1990-
1994

Table 2-2(c)

Indemnity Paid	# of Claims w/Payment	Total Indemnity	Average Indemnity of Paid Claims
\$1 - 9,999	118	\$554,550.62	\$4,699.58
\$10,000 - 19,999	90	1,213,128.03	13,479.20
\$20,000 - 29,999	136	3,249,365.00	23,892.39
\$30,000 - 39,999	94	3,098,647.00	32,964.33
\$40,000 - 49,999	59	2,500,699.00	42,384.73
\$50,000 - 59,999	105	5,395,163.88	51,382.51
\$60,000 - 69,999	58	3,645,375.00	62,851.29
\$70,000 - 79,999	73	5,400,871.13	73,984.54
\$80,000 - 89,999	41	3,410,933.00	83,193.49
\$90,000 - 99,999	59	5,479,535.60	92,873.48
Total	833	\$33,948,268.26	\$40,754.22

1995-
1999

Table 2-2(d)



Graph 2-3

3. Amount Paid to Defense Counsel per Claim

The charts in this section look at the data with respect to the amount of indemnity paid on a claim. Tables 3-1 show, by category, the total number of closed claims in each interval, the number of claims with payment to defense counsel, the total paid to defense counsel, the average payment to defense counsel, and the percentage of total amount paid. Graph 3-1 illustrates a significant increase in the total amount paid to defense counsel.

Tables 3-1 illustrate how the amount of indemnity paid relates to the amount of defense costs paid. The total paid to defense counsel was consistently largest in the \$0 range, yet the average amount paid was the smallest from year to year. By comparing the total average payment to defense counsel in each grouping, it can also be seen that average payment to defense counsel was on the rise. From 1980-1984 to 1985-1989 it increased 73.4%; from 1985-1989 to 1990-1994 it increased 99.1%; and from 1990-1994 to 1995-1999 it increased 17.3%.

Graph 3-2 illustrates average payment to defense counsel by the indemnity paid categories. Each bar represents the data grouped by the year the claim was closed. This graph also shows a rise in defense costs over time.

Amount Paid to Defense Counsel per Claim

Indemnity Paid	Total # Closed Claims	# of Claims w/Payment to Defense	Total Paid to Defense	Average Payment to Defense	% of Total Amount Paid
\$0	4,132	3,044	\$10,623,799.04	\$3,490.08	48.28%
\$1 - 99,999	1,458	1,247	\$6,926,737.53	\$5,554.72	31.48%
\$100,000 - 199,999	204	194	\$1,616,186.49	\$8,330.86	7.34%
\$200,000 - 299,999	86	82	\$823,888.55	\$10,047.42	3.74%
\$300,000 - 399,999	34	33	\$315,204.40	\$9,551.65	1.43%
\$400,000 - 499,999	28	27	\$250,337.50	\$9,271.76	1.14%
\$500,000 - 599,999	8	8	\$113,327.00	\$14,165.88	0.51%
\$600,000 - 699,999	21	21	\$139,596.00	\$6,647.43	0.63%
\$700,000 - 799,999	11	11	\$127,032.25	\$11,548.39	0.58%
\$800,000 - 899,999	13	13	\$144,142.00	\$11,087.85	0.66%
\$900,000 - 999,999	8	8	\$142,383.00	\$17,797.88	0.65%
\$1,000,000 & Over	45	40	\$782,974.50	\$19,574.36	3.56%
Total	6,048	4,728	\$22,005,608.26	\$4,654.32	100.00%

1980-
1984

Table 3-1(a)

Indemnity Paid	Total # Closed Claims	# of Claims w/Payment to Defense	Total Paid to Defense	Average Payment to Defense	% of Total Amount Paid
\$0	10,465	8,692	\$50,528,060.30	\$5,813.17	53.49%
\$1 - 99,999	1,994	1,758	\$21,458,594.32	\$12,206.25	22.72%
\$100,000 - 199,999	486	468	\$6,747,101.31	\$14,416.88	7.14%
\$200,000 - 299,999	256	250	\$3,858,274.93	\$15,433.10	4.08%
\$300,000 - 399,999	142	137	\$2,548,375.00	\$18,601.28	2.70%
\$400,000 - 499,999	72	71	\$1,628,325.00	\$22,934.15	1.72%
\$500,000 - 599,999	65	62	\$1,251,077.00	\$20,178.66	1.32%
\$600,000 - 699,999	46	44	\$774,612.51	\$17,604.83	0.82%
\$700,000 - 799,999	28	28	\$583,168.00	\$20,827.43	0.62%
\$800,000 - 899,999	32	32	\$718,315.00	\$22,447.34	0.76%
\$900,000 - 999,999	27	26	\$570,209.00	\$21,931.12	0.60%
\$1,000,000 & Over	139	134	\$3,798,791.00	\$28,349.19	4.02%
Total	13,752	11,702	\$94,464,903.37	\$8,072.54	100.00%

1985-
1989

Table 3-1(b)

Amount Paid to Defense Counsel per Claim

Indemnity Paid	Total # Closed Claims	# of Claims w/Payment to Defense	Total Paid to Defense	Average Payment to Defense	% of Total Amount Paid
\$0	10,727	8,011	\$94,621,367.30	\$11,811.43	51.44%
\$1 - 99,999	1,193	987	\$18,206,220.78	\$18,446.02	9.90%
\$100,000 - 199,999	671	642	\$14,645,092.84	\$22,811.67	7.96%
\$200,000 - 299,999	469	441	\$11,552,110.52	\$26,195.26	6.28%
\$300,000 - 399,999	176	173	\$3,843,115.02	\$22,214.54	2.09%
\$400,000 - 499,999	177	173	\$5,187,886.13	\$29,987.78	2.89%
\$500,000 - 599,999	145	141	\$4,944,480.75	\$35,067.24	2.75%
\$600,000 - 699,999	98	94	\$3,141,538.25	\$33,420.62	1.71%
\$700,000 - 799,999	107	103	\$3,295,580.78	\$31,995.93	1.83%
\$800,000 - 899,999	61	60	\$2,531,212.00	\$42,186.87	1.38%
\$900,000 - 999,999	75	75	\$3,008,878.00	\$40,118.37	1.64%
\$1,000,000 & Over	290	284	\$14,739,698.18	\$51,900.35	8.20%
Total	14,189	11,184	\$179,717,180.55	\$16,069.13	100.00%

1990-
1994

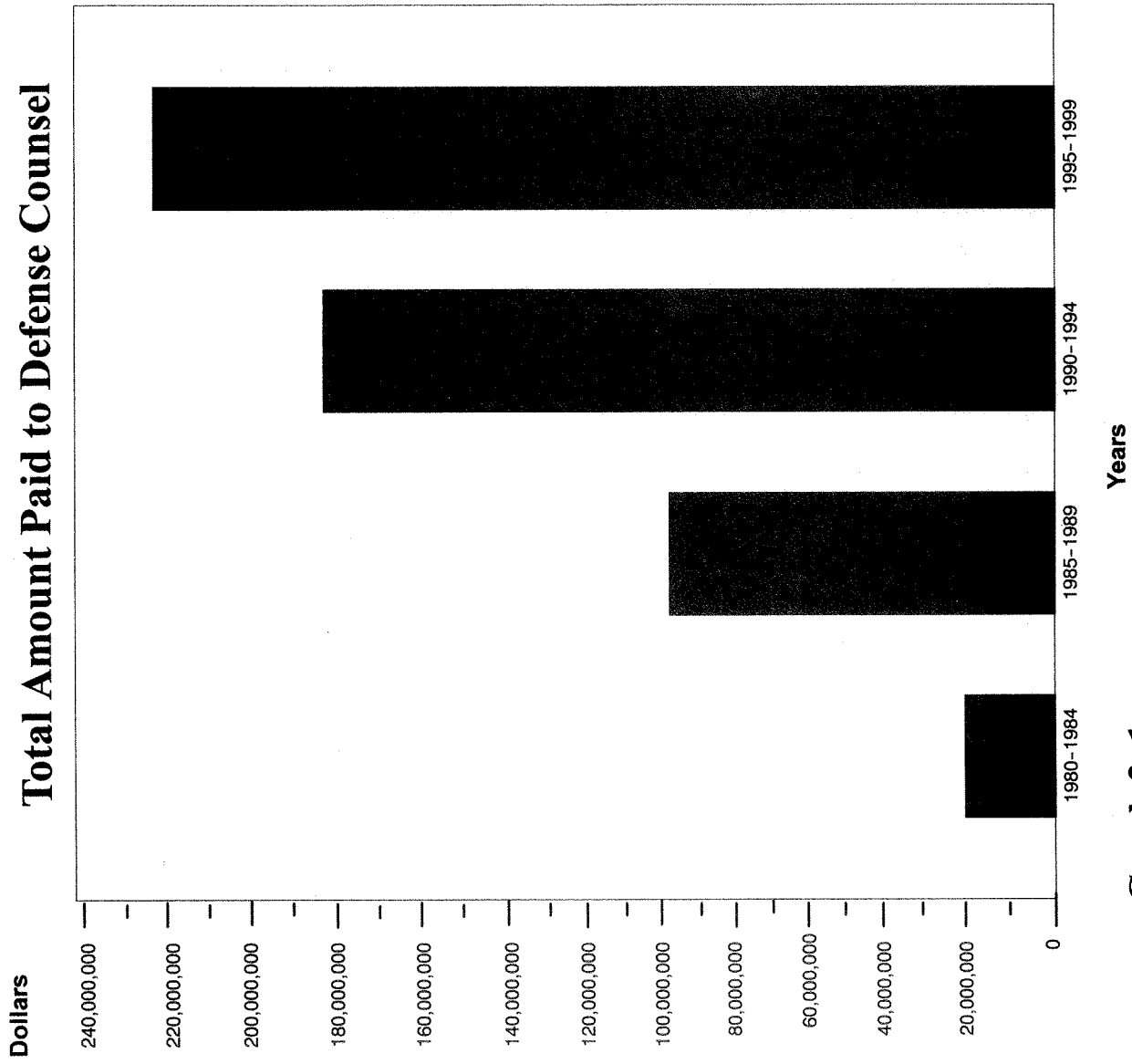
Table 3-1(c)

Indemnity Paid	Total # Closed Claims	# of Claims w/Payment to Defense	Total Paid to Defense	Average Payment to Defense	% of Total Amount Paid
\$0	11,245	9,139	\$125,946,666.97	\$13,781.23	56.90%
\$1 - 99,999	833	648	\$16,159,401.66	\$24,937.35	7.30%
\$100,000 - 199,999	421	399	\$12,958,927.63	\$32,478.52	5.85%
\$200,000 - 299,999	368	355	\$11,347,732.28	\$31,965.44	5.13%
\$300,000 - 399,999	227	214	\$8,584,780.98	\$40,115.80	3.88%
\$400,000 - 499,999	171	166	\$6,366,445.91	\$38,352.08	2.88%
\$500,000 - 599,999	159	156	\$6,709,167.19	\$43,007.48	3.03%
\$600,000 - 699,999	99	97	\$4,206,652.10	\$43,367.55	1.90%
\$700,000 - 799,999	130	128	\$5,424,933.19	\$42,382.29	2.45%
\$800,000 - 899,999	60	57	\$2,700,910.27	\$47,384.39	1.22%
\$900,000 - 999,999	55	55	\$2,463,445.88	\$44,789.93	1.11%
\$1,000,000 & Over	339	332	\$18,494,890.58	\$55,707.50	8.35%
Total	14,107	11,746	\$221,363,954.64	\$18,845.90	100.00%

1995-
1999

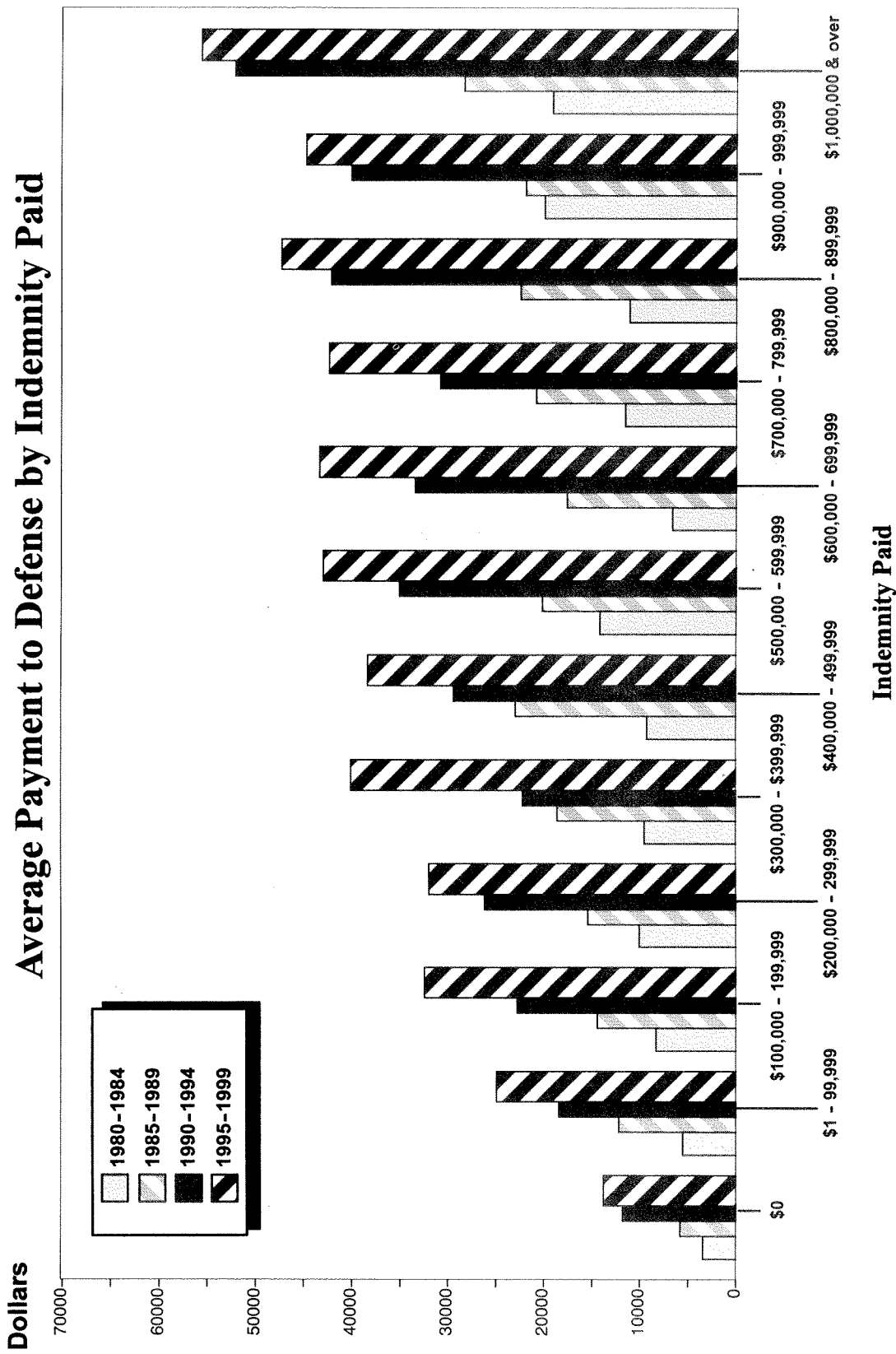
Table 3-1(d)

Total Amount Paid to Defense Counsel



Graph 3-1

Average Payment to Defense by Indemnity Paid



Graph 3-2

4. Time Lapse from Report Date to Closure Date

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

The charts in this section focus on the time lapse between the report date and the closure date. Claims data is based on the length of time between these two dates, with the intervals of six months in length for ten years.

Table 4-1 summarizes data for all years 1980-1999. Because medical malpractice insurance is a long-tailed line of business, it took an average of approximately 2.6 years, which was a little over 2 years and 7 months, to close claims after they were reported. Of the claims closed with an indemnity payment, only 38.1% were closed within two and a half years of the report date. On average, it took 3.5 years to close a claim with an indemnity payment.

Tables 4-2 on the following pages represent the time lapse between the report date and the closure date for each of the four data groups, which were determined by the year the claim closed. The tables show the total number of closed claims, as well as the number of claims with an indemnity payment. The paid ratio is the number of claims with payment divided by the total number of closed claims within each six-month interval. For example, 26.40% came from 146/553. This ratio shows the number of closed claims with an indemnity payment as a percent of total closed claims for each six-month interval.

The average paid ratio was 31.68% for 1980-1984, 23.90% for 1985-1989, 24.40% for 1990-1994, and 20.29% for 1995-1999. By observing each table, it is apparent that the paid ratios for claims lasting longer than two and a half years were higher than their corresponding averages.

These tables also represent total indemnity paid in each interval, percent of total indemnity paid, and average indemnity paid for claims. Graph 4-1 illustrates the average indemnity paid by age of the claim and shows that these distributions were not consistent. Each line represents the data by groupings according to the year the claim closed.

Time Lapse from Report Date to Closure Date

Report to Closure Date	Total # Closed Claims	% of Total Claims	# of Claims w/Payment	% of Total Claims w/Payment
0 - 6 MTHS	8,946	18.60%	502	4.35%
7 MTHS - 1.0 YRS	6,623	13.77%	712	6.18%
13 MTHS - 1.5 YRS	4,636	9.64%	936	8.12%
19 MTHS - 2.0 YRS	4,157	8.64%	1,072	9.30%
25 MTHS - 2.5 YRS	3,916	8.14%	1,166	10.12%
31 MTHS - 3.0 YRS	3,326	6.92%	1,051	9.12%
37 MTHS - 3.5 YRS	2,959	6.15%	1,025	8.89%
43 MTHS - 4.0 YRS	2,573	5.35%	895	7.76%
49 MTHS - 4.5 YRS	2,257	4.69%	805	6.98%
55 MTHS - 5.0 YRS	1,935	4.02%	734	6.37%
61 MTHS - 5.5 YRS	1,486	3.09%	623	5.40%
67 MTHS - 6.0 YRS	1,231	2.56%	499	4.33%
73 MTHS - 6.5 YRS	1,009	2.10%	379	3.29%
79 MTHS - 7.0 YRS	735	1.53%	287	2.49%
85 MTHS - 7.5 YRS	503	1.05%	182	1.58%
91 MTHS - 8.0 YRS	357	0.74%	115	1.00%
97 MTHS - 8.5 YRS	275	0.57%	92	0.80%
103 MTHS - 9.0 YRS	296	0.62%	129	1.12%
109 MTHS - 9.5 YRS	242	0.50%	86	0.75%
115 MTHS - 10.0 YRS	154	0.32%	55	0.48%
Over 10 YRS	480	1.00%	182	1.58%
Total	48,096	100.00%	11,527	100.00%
Average Time Lapse		2.6 Years		3.5 Years

Table 4-1

1980-
1999

1980-1984

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	553	146	26.40%	\$ 11,677,821.12	4.73%	\$ 79,985.08
7 MTHS - 1.0 YR	764	133	17.41%	19,012,672.66	7.70%	142,952.43
13 MTHS - 1.5 YRS	919	203	22.09%	25,882,779.00	10.48%	127,501.37
19 MTHS - 2.0 YRS	808	207	25.62%	20,683,867.00	8.38%	99,922.06
25 MTHS - 2.5 YRS	773	253	32.73%	32,645,357.00	13.22%	129,033.03
31 MTHS - 3.0 YRS	573	237	41.36%	50,035,030.37	20.26%	211,118.27
37 MTHS - 3.5 YRS	482	201	41.70%	29,448,010.00	11.93%	146,507.51
43 MTHS - 4.0 YRS	370	160	43.24%	13,499,601.33	5.47%	84,372.51
49 MTHS - 4.5 YRS	228	113	49.56%	10,209,936.05	4.13%	90,353.42
55 MTHS - 5.0 YRS	196	81	41.33%	8,275,686.00	3.35%	102,168.96
61 MTHS - 5.5 YRS	130	53	40.77%	8,133,206.00	3.29%	153,456.72
67 MTHS - 6.0 YRS	94	55	58.51%	5,350,529.00	2.17%	97,282.35
73 MTHS - 6.5 YRS	48	17	35.42%	901,527.00	0.37%	53,031.00
79 MTHS - 7.0 YRS	43	19	44.19%	3,423,358.16	1.39%	180,176.75
85 MTHS - 7.5 YRS	25	15	60.00%	3,987,000.00	1.61%	265,800.00
91 MTHS - 8.0 YRS	9	4	44.44%	67,000.00	0.03%	16,750.00
97 MTHS - 8.5 YRS	15	7	46.67%	2,780,000.00	1.13%	397,142.86
103 MTHS - 9.0 YRS	0	0	---	---	---	---
109 MTHS - 9.5 YRS	10	7	70.00%	580,000.00	0.23%	82,857.14
115 MTHS - 10.0 YRS	1	0	0.00%	0.00	0.00%	---
Over 10 YRS	7	5	71.43%	337,500.00	0.14%	67,500.00
Total	6,048	1,916	31.68%	\$246,930,880.69	100.00%	\$128,878.33

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

Table 4-2(a)

1985-1989

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	1,046	139	13.29%	\$ 16,243,621.93	2.38%	\$ 116,860.59
7 MTHS - 1.0 YR	1,414	199	14.07%	25,072,555.10	3.68%	125,992.74
13 MTHS - 1.5 YRS	1,306	249	19.07%	45,569,871.47	6.69%	183,011.53
19 MTHS - 2.0 YRS	1,314	279	21.23%	49,046,143.90	7.20%	175,792.63
25 MTHS - 2.5 YRS	1,452	355	24.45%	62,282,139.33	9.14%	175,442.65
31 MTHS - 3.0 YRS	1,328	320	24.10%	87,874,134.75	12.90%	274,606.67
37 MTHS - 3.5 YRS	1,140	312	27.37%	66,642,849.66	9.78%	213,598.88
43 MTHS - 4.0 YRS	976	250	25.61%	40,009,002.16	5.87%	160,036.01
49 MTHS - 4.5 YRS	858	226	26.34%	56,338,512.00	8.27%	249,285.45
55 MTHS - 5.0 YRS	660	208	31.52%	38,443,017.77	5.64%	184,822.20
61 MTHS - 5.5 YRS	528	165	31.25%	43,878,539.80	6.44%	265,930.54
67 MTHS - 6.0 YRS	400	140	35.00%	30,169,348.16	4.43%	215,495.34
73 MTHS - 6.5 YRS	312	103	33.01%	40,307,206.00	5.92%	391,332.10
79 MTHS - 7.0 YRS	257	98	38.13%	17,155,870.00	2.52%	175,059.90
85 MTHS - 7.5 YRS	168	50	29.76%	15,001,654.00	2.20%	300,033.08
91 MTHS - 8.0 YRS	141	35	24.82%	10,016,001.00	1.47%	286,171.46
97 MTHS - 8.5 YRS	117	34	29.06%	5,547,364.00	0.81%	163,157.76
103 MTHS - 9.0 YRS	114	41	35.96%	7,722,000.00	1.13%	188,341.46
109 MTHS - 9.5 YRS	82	27	32.93%	8,485,514.00	1.25%	314,278.30
115 MTHS - 10.0 YRS	61	25	40.98%	7,264,927.00	1.07%	290,597.08
Over 10 YRS	78	32	41.03%	8,198,215.00	1.20%	256,194.22
Total	13,752	3,287	23.90%	\$681,268,487.03	100.00%	\$207,261.48

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

Table 4-2(b)

1990-1994

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	3,293	151	4.59%	\$26,126,813.00	2.13%	\$ 173,025.25
7 MTHS - 1.0 YR	2,320	237	10.22%	58,184,635.00	4.74%	245,504.79
13 MTHS - 1.5 YRS	1,216	249	20.48%	100,884,501.71	8.22%	405,158.64
19 MTHS - 2.0 YRS	996	273	27.41%	103,558,506.30	8.43%	379,335.19
25 MTHS - 2.5 YRS	758	243	32.06%	81,786,330.00	6.66%	336,569.26
31 MTHS - 3.0 YRS	561	220	39.22%	82,172,418.00	6.69%	373,510.99
37 MTHS - 3.5 YRS	605	250	41.32%	87,867,518.00	7.16%	351,470.07
43 MTHS - 4.0 YRS	498	210	42.17%	71,478,929.00	5.82%	340,375.85
49 MTHS - 4.5 YRS	503	205	40.76%	70,891,741.00	5.77%	345,813.37
55 MTHS - 5.0 YRS	569	243	42.71%	76,968,686.00	6.27%	316,743.56
61 MTHS - 5.5 YRS	538	269	50.00%	93,396,718.00	7.61%	347,199.70
67 MTHS - 6.0 YRS	519	205	39.50%	71,896,271.00	5.85%	350,713.52
73 MTHS - 6.5 YRS	483	194	40.17%	80,850,196.31	6.58%	416,753.59
79 MTHS - 7.0 YRS	343	131	38.19%	47,327,141.00	3.85%	361,275.89
85 MTHS - 7.5 YRS	226	91	40.27%	53,703,917.00	4.37%	590,152.93
91 MTHS - 8.0 YRS	149	58	38.93%	19,946,178.00	1.62%	343,899.62
97 MTHS - 8.5 YRS	119	36	30.25%	9,292,840.00	0.76%	258,134.44
103 MTHS - 9.0 YRS	127	62	48.82%	30,112,295.67	2.45%	485,682.19
109 MTHS - 9.5 YRS	103	43	41.75%	19,873,606.66	1.62%	462,176.90
115 MTHS - 10.0 YRS	57	21	36.84%	8,962,846.00	0.73%	426,802.19
Over 10 YRS	206	71	34.47%	32,678,500.00	2.66%	460,260.56
Total	14,189	3,462	24.40%	\$1,227,960,587.70	100.00%	\$354,696.88

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

Table 4-2(c)

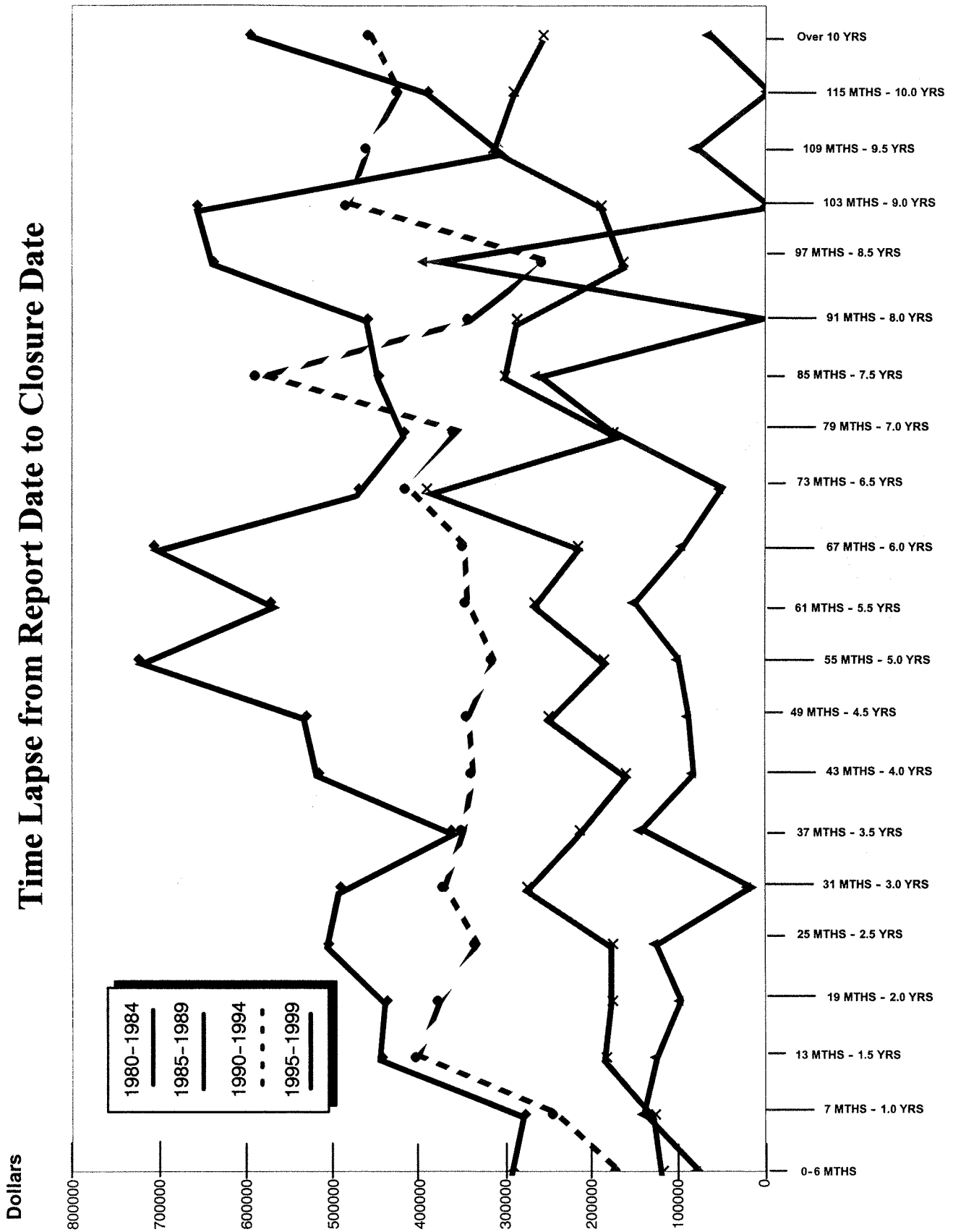
1995-1999

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	4,054	66	1.63%	\$19,198,553.00	1.37%	\$ 290,887.17
7 MTHS - 1.0 YR	2,125	143	6.73%	39,629,949.94	2.82%	277,132.52
13 MTHS - 1.5 YRS	1,195	235	19.67%	104,289,673.51	7.43%	443,785.84
19 MTHS - 2.0 YRS	1,039	313	30.13%	137,000,044.38	9.76%	437,699.82
25 MTHS - 2.5 YRS	933	315	33.76%	159,132,564.00	11.33%	505,182.74
31 MTHS - 3.0 YRS	864	274	31.71%	134,553,139.88	9.58%	491,069.85
37 MTHS - 3.5 YRS	732	262	35.79%	95,046,228.00	6.77%	362,771.86
43 MTHS - 4.0 YRS	729	275	37.72%	141,921,716.99	10.11%	516,078.97
49 MTHS - 4.5 YRS	668	261	39.07%	138,492,087.00	9.86%	530,621.02
55 MTHS - 5.0 YRS	510	202	39.61%	146,142,816.45	10.41%	723,479.29
61 MTHS - 5.5 YRS	290	136	46.90%	77,717,451.00	5.53%	571,451.85
67 MTHS - 6.0 YRS	218	99	45.41%	69,924,779.13	4.98%	706,310.90
73 MTHS - 6.5 YRS	166	65	39.16%	30,547,711.66	2.18%	469,964.79
79 MTHS - 7.0 YRS	92	39	42.39%	16,287,112.00	1.16%	417,618.26
85 MTHS - 7.5 YRS	84	26	30.95%	11,620,809.00	0.83%	446,954.19
91 MTHS - 8.0 YRS	58	18	31.03%	8,275,800.00	0.59%	459,766.67
97 MTHS - 8.5 YRS	39	15	38.46%	9,569,623.00	0.68%	637,974.87
103 MTHS - 9.0 YRS	40	19	47.50%	12,481,244.00	0.89%	656,907.58
109 MTHS - 9.5 YRS	47	16	34.04%	4,920,000.00	0.35%	307,500.00
115 MTHS - 10.0 YRS	35	9	25.71%	3,510,221.00	0.25%	390,024.56
Over 10 YRS	189	74	39.15%	44,098,002.42	3.14%	595,918.95
Total	14,107	2,862	20.29%	\$1,404,359,526.40	100.00%	\$490,691.66

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

Table 4-2(d)

Time Lapse from Report Date to Closure Date



Graph 4-1

5. Time Lapse from Injury Date to Report Date

This section of the study focuses on the length of time between injury date and report date, and how the time lapse affects the closed claims data. Claims data is classified by the length of time between these two days. Intervals are six months in length for ten years.

Table 5-1 summarizes the data for the years 1980-1999. Approximately 75.5% of the closed claims had a time lapse of two and a half years or less between injury date and report date. About 79.9% of the claims closed with payment had less than a two and a half year time lapse. The average time lapse was 2.3 years for all closed claims and 2.2 years for closed claims with payment. These numbers are not surprising. Under the Statutes of Limitations law, all claims by adults 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 an 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.

Tables 5-2 represent the time lapse between injury date and report date using the four data groupings, categorized by the year the claim closed. The tables 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 in the same manner, as explained in the previous section. The paid ratios did not seem to be affected by the length of time between injury date and report date.

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

Graph 5-1 illustrates the average indemnity paid by the time lapse of the claim. Each line represents the data by group according to the year the claim closed. As with the graph for the time lapse between report date and closure date, it is apparent that these distributions were not consistent.

Time Lapse from Injury Date to Report Date

Injury to Report Date	Total # Closed Claims	% of Total Claims	# of Claims w/Payment	% of Total Claims w/Payment
0 - 6 MTHS	5,260	10.94%	1,240	10.76%
7 MTHS - 1.0 YR	5,402	11.23%	1,533	13.30%
13 MTHS - 1.5 YRS	4,969	10.33%	1,560	13.53%
19 MTHS - 2.0 YRS	8,077	16.79%	2,327	20.19%
25 MTHS - 2.5 YRS	12,615	26.23%	2,548	22.10%
31 MTHS - 3.0 YRS	2,756	5.73%	539	4.68%
37 MTHS - 3.5 YRS	1,884	3.92%	384	3.33%
43 MTHS - 4.0 YRS	1,417	2.95%	271	2.35%
49 MTHS - 4.5 YRS	1,531	3.18%	261	2.26%
55 MTHS - 5.0 YRS	674	1.40%	108	0.94%
61 MTHS - 5.5 YRS	566	1.18%	67	0.58%
67 MTHS - 6.0 YRS	469	0.98%	88	0.76%
73 MTHS - 6.5 YRS	391	0.81%	71	0.62%
79 MTHS - 7.0 YRS	338	0.70%	56	0.49%
85 MTHS - 7.5 YRS	237	0.49%	51	0.44%
91 MTHS - 8.0 YRS	225	0.47%	53	0.46%
97 MTHS - 8.5 YRS	268	0.56%	53	0.46%
103 MTHS - 9.0 YRS	135	0.28%	37	0.32%
109 MTHS - 9.5 YRS	132	0.27%	29	0.25%
115 MTHS - 10.0 YRS	72	0.15%	15	0.13%
Over 10 YRS	678	1.41%	236	2.05%
Total	48,096	100.00%	11,527	100.00%
Average Time Lapse		2.3 Years		2.2 Years

1980-
1999

Table 5-1

1980-1984

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	657	222	33.79%	\$25,511,406.24	10.33%	\$114,916.24
7 MTHS - 1.0 YR	688	262	38.08%	31,701,789.46	12.84%	120,999.20
13 MTHS - 1.5 YRS	673	265	39.38%	40,516,107.82	16.41%	152,890.97
19 MTHS - 2.0 YRS	1,149	403	35.07%	62,069,778.00	25.14%	154,019.30
25 MTHS - 2.5 YRS	1,701	441	25.93%	42,827,752.17	17.34%	97,115.08
31 MTHS - 3.0 YRS	295	73	24.75%	8,166,026.00	3.31%	111,863.37
37 MTHS - 3.5 YRS	227	71	31.28%	12,136,054.00	4.91%	170,930.34
43 MTHS - 4.0 YRS	143	37	25.87%	7,684,349.00	3.11%	207,685.11
49 MTHS - 4.5 YRS	162	35	21.60%	5,445,500.00	2.21%	155,585.71
55 MTHS - 5.0 YRS	68	23	33.82%	3,114,759.00	1.26%	135,424.30
61 MTHS - 5.5 YRS	44	10	22.73%	887,250.00	0.36%	88,725.00
67 MTHS - 6.0 YRS	42	5	11.90%	222,500.00	0.09%	44,500.00
73 MTHS - 6.5 YRS	35	8	22.86%	1,522,480.00	0.62%	190,310.00
79 MTHS - 7.0 YRS	30	7	23.33%	792,370.00	0.32%	113,195.71
85 MTHS - 7.5 YRS	15	6	40.00%	140,500.00	0.06%	23,416.67
91 MTHS - 8.0 YRS	16	5	31.25%	2,360,000.00	0.96%	472,000.00
97 MTHS - 8.5 YRS	9	3	33.33%	85,009.00	0.03%	28,336.33
103 MTHS - 9.0 YRS	12	8	66.67%	161,000.00	0.07%	20,125.00
109 MTHS - 9.5 YRS	19	4	21.05%	203,500.00	0.08%	50,875.00
115 MTHS - 10.0 YRS	2	0	0.00%	0.00	0.00%	----
Over 10 YRS	61	28	45.90%	1,382,750.00	0.56%	49,383.93
Total	6,048	1,916	31.68%	\$246,930,880.69	100.00%	\$128,878.33

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

Table 5-2(a)

1985-1989

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	1,268	364	28.71%	\$80,703,488.00	11.85%	\$221,712.88
7 MTHS - 1.0 YR	1,547	472	30.51%	81,605,682.14	11.98%	172,893.39
13 MTHS - 1.5 YRS	1,547	449	29.02%	73,037,055.92	10.72%	162,666.05
19 MTHS - 2.0 YRS	2,324	639	27.50%	133,179,784.18	19.55%	208,419.07
25 MTHS - 2.5 YRS	3,793	721	19.01%	133,906,389.13	19.66%	185,723.15
31 MTHS - 3.0 YRS	867	152	17.53%	50,968,258.00	7.48%	335,317.49
37 MTHS - 3.5 YRS	545	109	20.00%	20,106,879.00	2.95%	184,466.78
43 MTHS - 4.0 YRS	447	77	17.23%	21,016,894.00	3.08%	272,946.68
49 MTHS - 4.5 YRS	464	79	17.03%	17,183,422.00	2.52%	217,511.67
55 MTHS - 5.0 YRS	124	22	17.74%	5,955,054.00	0.87%	270,684.27
61 MTHS - 5.5 YRS	142	24	16.90%	4,009,783.00	0.59%	167,074.29
67 MTHS - 6.0 YRS	101	26	25.74%	8,655,242.00	1.27%	332,893.92
73 MTHS - 6.5 YRS	91	21	23.08%	10,706,964.00	1.57%	509,855.43
79 MTHS - 7.0 YRS	86	18	20.93%	10,154,864.00	1.49%	564,159.11
85 MTHS - 7.5 YRS	54	16	29.63%	3,948,342.00	0.58%	246,771.38
91 MTHS - 8.0 YRS	62	9	14.52%	2,966,221.00	0.44%	329,580.11
97 MTHS - 8.5 YRS	48	7	14.58%	8,123,402.00	1.19%	1,160,486.00
103 MTHS - 9.0 YRS	32	10	31.25%	2,547,250.00	0.37%	254,725.00
109 MTHS - 9.5 YRS	28	6	21.43%	4,338,696.00	0.64%	723,116.00
115 MTHS - 10.0 YRS	17	0	0.00%	0.00	0.00%	----
Over 10 YRS	165	66	40.00%	8,154,816.66	1.20%	123,557.83
Total	13,752	3,287	23.90%	\$681,268,487.03	100.00%	\$207,261.48

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

Table 5-2(b)

1990-1994

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	1,633	333	20.39%	\$119,838,122.00	9.76%	\$359,874.24
7 MTHS - 1.0 YR	1,411	408	28.92%	150,834,737.31	12.28%	369,692.98
13 MTHS - 1.5 YRS	1,328	425	32.00%	149,339,501.71	12.16%	351,387.06
19 MTHS - 2.0 YRS	2,229	665	29.83%	211,312,630.30	17.21%	317,763.35
25 MTHS - 2.5 YRS	3,854	813	21.09%	276,444,488.66	22.51%	340,030.12
31 MTHS - 3.0 YRS	776	193	24.87%	95,921,015.00	7.81%	497,000.08
37 MTHS - 3.5 YRS	522	93	17.82%	26,111,305.00	2.13%	280,766.72
43 MTHS - 4.0 YRS	412	95	23.06%	42,191,122.00	3.44%	444,117.07
49 MTHS - 4.5 YRS	471	94	19.96%	27,376,203.00	2.23%	291,236.20
55 MTHS - 5.0 YRS	215	36	16.74%	16,107,723.00	1.31%	447,436.75
61 MTHS - 5.5 YRS	190	26	13.68%	6,372,996.00	0.52%	245,115.23
67 MTHS - 6.0 YRS	149	29	19.46%	7,017,081.00	0.57%	241,968.31
73 MTHS - 6.5 YRS	129	17	13.18%	7,137,203.00	0.58%	419,835.47
79 MTHS - 7.0 YRS	127	18	14.17%	6,310,674.00	0.51%	350,593.00
85 MTHS - 7.5 YRS	97	15	15.46%	6,318,623.00	0.51%	421,241.53
91 MTHS - 8.0 YRS	89	27	30.34%	14,012,667.00	1.14%	518,987.67
97 MTHS - 8.5 YRS	129	36	27.91%	27,235,417.00	2.22%	756,539.36
103 MTHS - 9.0 YRS	56	15	26.79%	5,383,100.00	0.44%	358,873.33
109 MTHS - 9.5 YRS	59	15	25.42%	3,772,500.00	0.31%	251,500.00
115 MTHS - 10.0 YRS	37	11	29.73%	5,427,126.00	0.44%	493,375.09
Over 10 YRS	276	98	35.51%	23,496,352.67	1.91%	239,758.70
Total	14,189	3,462	24.40%	\$1,227,960,587.70	100.00%	\$354,696.88

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

Table 5-2(c)

1995-1999

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	1,702	321	18.86%	\$129,255,024.19	9.20%	\$402,663.63
7 MTHS - 1.0 YR	1,756	391	22.27%	189,503,569.99	13.49%	484,663.86
13 MTHS - 1.5 YRS	1,421	421	29.63%	196,528,769.66	13.99%	466,814.18
19 MTHS - 2.0 YRS	2,375	620	26.11%	291,435,494.03	20.75%	470,057.25
25 MTHS - 2.5 YRS	3,267	573	17.54%	252,055,755.81	17.95%	439,887.88
31 MTHS - 3.0 YRS	818	121	14.79%	88,547,902.00	6.31%	731,800.84
37 MTHS - 3.5 YRS	590	111	18.81%	80,678,491.58	5.74%	726,833.26
43 MTHS - 4.0 YRS	415	62	14.94%	38,034,409.42	2.71%	613,458.22
49 MTHS - 4.5 YRS	434	53	12.21%	21,469,801.00	1.53%	405,090.58
55 MTHS - 5.0 YRS	267	27	10.11%	13,045,932.00	0.93%	483,182.67
61 MTHS - 5.5 YRS	190	7	3.68%	4,910,000.00	0.35%	701,428.57
67 MTHS - 6.0 YRS	177	28	15.82%	34,880,142.00	2.48%	1,245,719.36
73 MTHS - 6.5 YRS	136	25	18.38%	5,210,712.68	0.37%	208,428.51
79 MTHS - 7.0 YRS	95	13	13.68%	5,737,110.00	0.41%	441,316.15
85 MTHS - 7.5 YRS	71	14	19.72%	7,559,995.00	0.54%	539,999.64
91 MTHS - 8.0 YRS	58	12	20.69%	4,747,927.00	0.34%	395,660.58
97 MTHS - 8.5 YRS	82	7	8.54%	7,915,000.00	0.56%	1,130,714.29
103 MTHS - 9.0 YRS	35	4	11.43%	1,250,000.00	0.09%	312,500.00
109 MTHS - 9.5 YRS	26	4	15.38%	1,800,000.00	0.13%	450,000.00
115 MTHS - 10.0 YRS	16	4	25.00%	2,350,000.00	0.17%	587,500.00
Over 10 YRS	176	44	25.00%	27,443,490.00	1.95%	623,715.68
Total	14,107	2,862	20.29%	\$1,404,359,526.40	100.00%	\$490,691.66

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

Table 5-2(d)

Time Lapse from Injury Date to Report Date

Dollars

1300000

1200000

1100000

1000000

900000

800000

700000

600000

500000

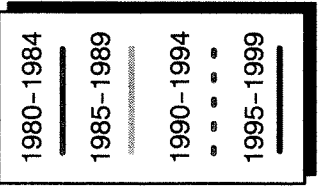
400000

300000

200000

100000

0



- Over 10 YRS
- 115 MTHS - 10.0 YRS
- 109 MTHS - 9.5 YRS
- 103 MTHS - 9.0 YRS
- 97 MTHS - 8.5 YRS
- 91 MTHS - 8.0 YRS
- 85 MTHS - 7.5 YRS
- 79 MTHS - 7.0 YRS
- 73 MTHS - 6.5 YRS
- 67 MTHS - 6.0 YRS
- 61 MTHS - 5.5 YRS
- 55 MTHS - 5.0 YRS
- 49 MTHS - 4.5 YRS
- 43 MTHS - 4.0 YRS
- 37 MTHS - 3.5 YRS
- 31 MTHS - 3.0 YRS
- 25 MTHS - 2.5 YRS
- 19 MTHS - 2.0 YRS
- 13 MTHS - 1.5 YRS
- 7 MTHS - 1.0 YRS
- 0-6 MTHS

Graph 5-1

6. Time Lapse from Injury Date to Closure Date

In this section the time lapse from injury date to closure date is analyzed. In Table 6-1, Tables 6-2, and Graph 6-1, the data is divided into six-month intervals, up to ten years. This section encompasses the previous two sections by focusing on the entire length of claims, from injury date to report date to closure date.

Table 6-1 summarizes the claims data for the years 1980-1999. Most of the claims closed between 25 months and six years after the injury date. Those claims represented approximately 60.0% of the total closed claims. The average time lapse between injury date and the closure date for all closed claims was 4.7 years. The average time lapse was, however, 5.2 years on claims closed with an indemnity payment.

Tables 6-2 illustrate the time lapse between injury date and closure date using four data groupings, categorized by the year the claim closed. These tables include the same types of data as the two previous sections. The paid ratio did not appear to fluctuate in any particular pattern. This finding is consistent with ones in the two previous sections on the paid ratio.

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 showed a consistent distribution from year to year.

Graph 6-1 represents the average indemnity paid by the length of time between injury date and closure date.

Time Lapse from Injury Date to Closure Date

Injury to Closure Date	Total # Closed Claims	% of Total Claims	# of Claims w/Payment	% of Total Claims w/Payment
0 - 6 MTHS	890	1.85%	57	0.49%
7 MTHS - 1.0 YR	1,544	3.21%	173	1.50%
13 MTHS - 1.5 YRS	1,746	3.63%	251	2.18%
19 MTHS - 2.0 YRS	1,804	3.75%	362	3.14%
25 MTHS - 2.5 YRS	3,991	8.30%	477	4.14%
31 MTHS - 3.0 YRS	4,463	9.28%	594	5.15%
37 MTHS - 3.5 YRS	3,753	7.80%	764	6.63%
43 MTHS - 4.0 YRS	3,620	7.53%	891	7.73%
49 MTHS - 4.5 YRS	3,552	7.39%	961	8.34%
55 MTHS - 5.0 YRS	3,327	6.92%	819	7.11%
61 MTHS - 5.5 YRS	3,036	6.31%	905	7.85%
67 MTHS - 6.0 YRS	2,722	5.66%	784	6.80%
73 MTHS - 6.5 YRS	2,372	4.93%	734	6.37%
79 MTHS - 7.0 YRS	2,118	4.40%	683	5.93%
85 MTHS - 7.5 YRS	1,695	3.52%	571	4.95%
91 MTHS - 8.0 YRS	1,361	2.83%	472	4.09%
97 MTHS - 8.5 YRS	1,092	2.27%	328	2.85%
103 MTHS - 9.0 YRS	920	1.91%	304	2.64%
109 MTHS - 9.5 YRS	641	1.33%	205	1.78%
115 MTHS - 10.0 YRS	594	1.24%	188	1.63%
Over 10 YRS	2,855	5.94%	1,004	8.71%
Total	48,096	100.00%	11,527	100.00%
Average Time Lapse		4.7 Years		5.2 Years

1980-
1999

Table 6-1

1980—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	29	14	48.28%	\$ 48,144.91	0.02%	\$ 3,438.92
7 MTHS - 1.0 YR	86	41	47.67%	566,169.46	0.23%	13,809.01
13 MTHS - 1.5 YRS	136	46	33.82%	4,652,450.00	1.88%	101,140.22
19 MTHS - 2.0 YRS	209	81	38.76%	10,046,634.00	4.07%	124,032.52
25 MTHS - 2.5 YRS	574	114	19.86%	10,786,973.41	4.37%	94,622.57
31 MTHS - 3.0 YRS	591	112	18.95%	21,635,204.00	8.76%	193,171.46
37 MTHS - 3.5 YRS	717	179	24.97%	24,448,541.00	9.90%	136,584.03
43 MTHS - 4.0 YRS	661	205	31.01%	21,282,141.00	8.62%	103,815.32
49 MTHS - 4.5 YRS	654	214	32.72%	23,596,176.33	9.56%	110,262.51
55 MTHS - 5.0 YRS	512	166	32.42%	47,144,890.37	19.09%	284,005.36
61 MTHS - 5.5 YRS	413	155	37.53%	16,164,916.00	6.55%	104,289.78
67 MTHS - 6.0 YRS	336	129	38.39%	11,961,115.00	4.84%	92,721.82
73 MTHS - 6.5 YRS	296	116	39.19%	13,474,274.05	5.46%	116,157.53
79 MTHS - 7.0 YRS	221	89	40.27%	10,790,445.00	4.37%	121,240.96
85 MTHS - 7.5 YRS	171	66	38.60%	5,228,506.00	2.12%	79,219.79
91 MTHS - 8.0 YRS	111	48	43.24%	4,121,000.00	1.67%	85,854.17
97 MTHS - 8.5 YRS	78	26	33.33%	8,578,999.16	3.47%	329,961.51
103 MTHS - 9.0 YRS	39	21	53.85%	3,454,172.00	1.40%	164,484.38
109 MTHS - 9.5 YRS	34	12	35.29%	353,000.00	0.14%	29,416.67
115 MTHS - 10.0 YRS	37	15	40.54%	2,319,131.00	0.94%	154,608.73
Over 10 YRS	143	67	46.85%	6,277,998.00	2.54%	93,701.46
Total	6,048	1,916	31.68%	\$246,930,880.69	100.00%	\$128,878.33

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

Table 6-2(a)

1985—1989

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	62	17	27.42%	\$ 642,219.00	0.09%	\$ 37,777.59
7 MTHS - 1.0 YR	174	52	29.89%	2,940,447.00	0.43%	56,547.06
13 MTHS - 1.5 YRS	284	81	28.52%	7,317,746.93	1.07%	90,342.55
19 MTHS - 2.0 YRS	333	80	24.02%	5,403,850.00	0.79%	67,548.13
25 MTHS - 2.5 YRS	855	130	15.20%	24,275,331.47	3.56%	186,733.32
31 MTHS - 3.0 YRS	1,126	179	15.90%	26,251,447.00	3.85%	146,656.13
37 MTHS - 3.5 YRS	1,039	192	18.48%	42,063,164.10	6.17%	219,078.98
43 MTHS - 4.0 YRS	1,051	257	24.45%	41,498,312.00	6.09%	161,472.03
49 MTHS - 4.5 YRS	1,175	301	25.62%	69,949,303.23	10.27%	232,389.71
55 MTHS - 5.0 YRS	1,165	241	20.69%	43,792,883.53	6.43%	181,713.21
61 MTHS - 5.5 YRS	1,064	264	24.81%	60,635,204.22	8.90%	229,678.80
67 MTHS - 6.0 YRS	985	231	23.45%	44,219,532.16	6.49%	191,426.55
73 MTHS - 6.5 YRS	800	215	26.88%	51,119,418.77	7.50%	237,764.74
79 MTHS - 7.0 YRS	706	199	28.19%	36,181,652.80	5.31%	181,817.35
85 MTHS - 7.5 YRS	545	151	27.71%	28,510,927.00	4.18%	188,814.09
91 MTHS - 8.0 YRS	434	113	26.04%	37,602,733.16	5.52%	332,767.55
97 MTHS - 8.5 YRS	379	88	23.22%	29,523,576.00	4.33%	335,495.18
103 MTHS - 9.0 YRS	307	99	32.25%	26,190,973.00	3.84%	264,555.28
109 MTHS - 9.5 YRS	208	64	30.77%	13,944,349.00	2.05%	217,880.45
115 MTHS - 10.0 YRS	236	67	28.39%	20,612,663.00	3.03%	307,651.69
Over 10 YRS	824	266	32.28%	68,592,753.66	10.07%	257,867.49
Total	13,752	3,287	23.90%	\$681,268,487.03	100.00%	\$207,261.48

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

Table 6-2(b)

1990—1994

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	300	18	6.00%	\$ 1,586,757.00	0.13%	\$ 88,153.17
7 MTHS - 1.0 YR	641	54	8.42%	4,828,174.00	0.39%	89,410.63
13 MTHS - 1.5 YRS	606	65	10.73%	11,213,229.00	0.91%	172,511.22
19 MTHS - 2.0 YRS	594	99	16.67%	20,928,869.00	1.70%	211,402.72
25 MTHS - 2.5 YRS	1,214	129	10.63%	40,283,238.00	3.28%	312,273.16
31 MTHS - 3.0 YRS	1,350	156	11.56%	53,923,393.71	4.39%	345,662.78
37 MTHS - 3.5 YRS	935	172	18.40%	62,971,495.30	5.13%	366,113.34
43 MTHS - 4.0 YRS	900	194	21.56%	75,359,191.00	6.14%	388,449.44
49 MTHS - 4.5 YRS	753	198	26.29%	56,598,112.00	4.61%	285,849.05
55 MTHS - 5.0 YRS	692	180	26.01%	61,538,326.00	5.01%	341,879.59
61 MTHS - 5.5 YRS	716	248	34.64%	97,865,767.00	7.97%	394,620.03
67 MTHS - 6.0 YRS	562	178	31.67%	58,775,474.00	4.79%	330,199.29
73 MTHS - 6.5 YRS	628	211	33.60%	74,612,850.00	6.08%	353,615.40
79 MTHS - 7.0 YRS	642	222	34.58%	93,792,599.31	7.64%	422,489.19
85 MTHS - 7.5 YRS	595	236	39.66%	86,430,604.00	7.04%	366,231.37
91 MTHS - 8.0 YRS	532	207	38.91%	82,868,847.00	6.75%	400,332.59
97 MTHS - 8.5 YRS	421	148	35.15%	59,699,861.00	4.86%	403,377.44
103 MTHS - 9.0 YRS	405	136	33.58%	49,463,388.00	4.03%	363,701.38
109 MTHS - 9.5 YRS	270	90	33.33%	24,114,779.00	1.96%	267,941.99
115 MTHS - 10.0 YRS	222	77	34.68%	28,321,031.00	2.31%	367,805.60
Over 10 YRS	1,211	444	36.66%	182,784,602.33	14.89%	411,677.03
Total	14,189	3,462	24.40%	\$1,227,960,587.70	100.00%	\$354,696.88

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

Table 6-2(c)

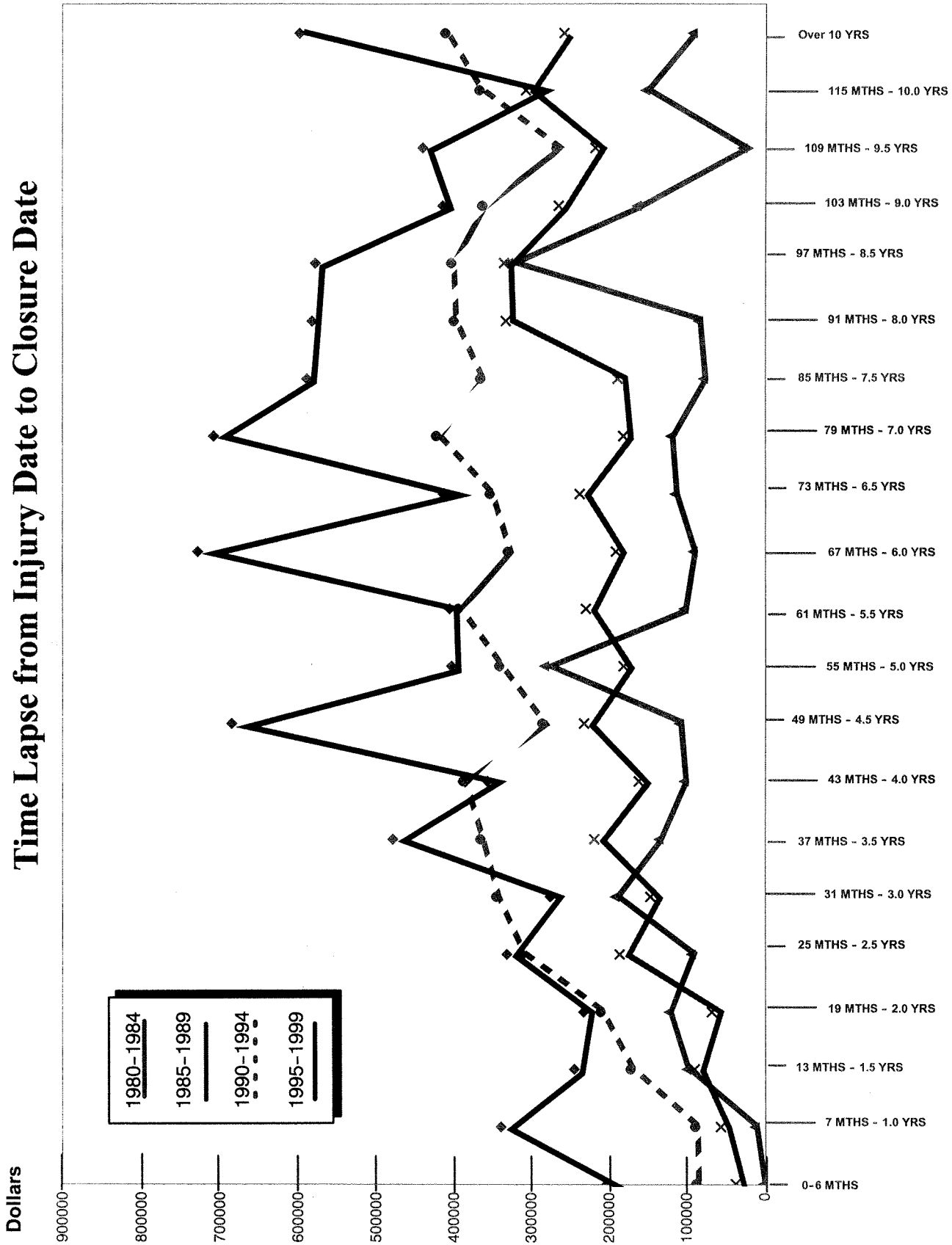
1995—1999

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	499	8	1.60%	\$ 1,628,095.00	0.12%	\$ 203,511.88
7 MTHS - 1.0 YR	643	26	4.04%	8,824,403.94	0.63%	339,400.15
13 MTHS - 1.5 YRS	720	59	8.19%	14,463,125.00	1.03%	245,137.71
19 MTHS - 2.0 YRS	668	102	15.27%	23,760,236.25	1.69%	232,943.49
25 MTHS - 2.5 YRS	1,348	104	7.72%	34,512,717.00	2.46%	331,853.05
31 MTHS - 3.0 YRS	1,396	147	10.53%	40,491,655.00	2.88%	275,453.44
37 MTHS - 3.5 YRS	1,062	221	20.81%	105,825,045.06	7.54%	478,846.36
43 MTHS - 4.0 YRS	1,008	235	23.31%	83,947,904.00	5.98%	357,225.12
49 MTHS - 4.5 YRS	970	248	25.57%	169,978,501.78	12.10%	685,397.18
55 MTHS - 5.0 YRS	958	232	24.22%	93,590,609.99	6.66%	403,407.80
61 MTHS - 5.5 YRS	843	238	28.23%	96,508,412.00	6.87%	405,497.53
67 MTHS - 6.0 YRS	839	246	29.32%	179,265,241.00	12.76%	728,720.49
73 MTHS - 6.5 YRS	648	192	29.63%	79,366,757.00	5.65%	413,368.53
79 MTHS - 7.0 YRS	549	173	31.51%	122,485,810.45	8.72%	708,010.47
85 MTHS - 7.5 YRS	384	118	30.73%	69,457,284.66	4.95%	588,621.06
91 MTHS - 8.0 YRS	284	104	36.62%	60,572,001.13	4.31%	582,423.09
97 MTHS - 8.5 YRS	214	66	30.84%	38,134,355.00	2.72%	577,793.26
103 MTHS - 9.0 YRS	169	48	28.40%	19,877,543.68	1.42%	414,115.49
109 MTHS - 9.5 YRS	129	39	30.23%	17,170,065.00	1.22%	440,258.08
115 MTHS - 10.0 YRS	99	29	29.29%	8,598,500.00	0.61%	296,500.00
Over 10 YRS	677	227	33.53%	135,901,263.42	9.68%	598,683.98
Total	14,107	2,862	20.29%	\$1,404,359,526.40	100.00%	\$490,691.66

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

Table 6-2(d)

Time Lapse from Injury Date to Closure Date



Graph 6-1

7. 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 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 delay;
- **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**—quadriplegia, severe brain damage, lifelong care or fatal prognosis.

Tables 7-1 represent the number of claims with payment and the amount of indemnity paid by severity of injury. It is apparent that a substantial amount of the indemnity paid in each grouping was for claims with a severity of major permanent, grave permanent and death. These paid amounts were much higher than the paid amounts for the rest of the severities.

In the 1980-1984 grouping, the worst three severities combined accounted for 60% of the total indemnity paid, yet these three severities represented only 34.9% of the number of claims with an indemnity payment. In the other groupings, the percentage of total indemnity paid for these three severities was 71.6%, 73.9%, and 77.3% in the 1985-1989, 1990-1994, and 1995-1999 groupings respectively.

The grave permanent had the single highest average indemnity paid amount of all the severities for each grouping. In 1980-1984 the average for this severity was approximately \$464,699, which was 261% greater than the overall average payout of \$128,878. Similar percentages were also found in the other groupings. The average payout for grave permanent was \$736,763, \$863,541, and \$1,384,229 in the 1985-1989, 1990-1994, and 1995-1999 groupings respectively.

The average payout of \$1,384,229 for grave permanent in the 1995-1999 grouping was nearly 3 times the corresponding overall average indemnity paid of \$490,692 for the same time period. Grave permanent, however, had one of the lowest percent of claims with payment for all of the groupings.

Death claims consistently had the highest percentage of the number of claims with payment. In 1980-1984, the percent of claims with an indemnity payment for the death severity code was 23.0%. In 1985-1989 the percentage increased to 27.1%. In 1990-1994 it increased again to 31.7%, and in 1995-1999 it maintained a high percentage of 30.5%.

Graph 7-1 illustrates the average indemnity payment by severity of injury. Each line represents a grouping by the year of closure. The distributions appear to be fairly consistent, which is especially apparent by the grave permanent severity peak.

The final part of this section compares the claimant's severity of injury to the amount of indemnity paid, while taking into consideration the age of the injured party. Tables 7-2 are separated into four sections for each grouping: infants (age 0 to 3), minors (age 4 to 17), adults (age 18 and older), and unknown.

In 1980-1984, the total indemnity paid was approximately \$247 million. Of that amount, \$55 million (22.2%) was for claims of infants, \$20 million (8.2%) was for claims of minors, and \$135 million (54.5%) was for claims of adults. One thousand nine hundred sixteen (1,916) claims were closed with an indemnity payment. Of those claims, 186 (9.7%) were for claims of infants, 124 (6.5%) were for claims of minors, and 1,311 (68.4%) were for adults.

In 1985-1989, the total indemnity paid was approximately \$681 million. Of that amount, \$194 million (28.5%) was for claims of infants, \$27 million (4.0%) was for claims of minors, and \$422 million (62.0%) was for claims of adults. The number of claims closed with an indemnity payment in this time period was 3,287. Of those, 457 (13.9%) were for claims of infants, 182 (5.5%) were for claims of minors, and 2,366 (72%) were for adults.

In 1990-1994, the total indemnity paid was \$1.228 billion. Of that amount, \$301 million (24.5%) was for claims of infants, \$78 million (6.4%) was for claims of minors, and \$827 million (67.3%) was for claims of adults. During this time period, 3,462 claims were closed with an indemnity payment. Of these claims, 552 (15.9%) were for infants, 196 (5.7%) were for minors, and 2,560 (74.0%) were for adults.

In 1995-1999, the total indemnity paid was approximately \$1.5 billion. Of that amount, \$392 million (27.9%), \$52 million (3.7%), and \$949 million (67.6%) were for claims of infants, minors, and adults, respectively. The total number of claims was 2,862. Of these claims, 460 (16.1%) were for infants, 142 (5.0%) were for minors, and 2,171 (75.9%) were for adults.

Overall, the amount of indemnity paid between 1980 and 1999 was more than \$3.56 billion. Infants' claims over this time period totaled \$941 million, minors' claims totaled \$177 million, and adults' claims totaled \$2.3 billion. Over this same twenty-year period, 11,527 claims were closed with an indemnity payment. Of the amount, 1,655 (14.4%) were for infants, 644 (5.6%) were for minors, and 8,408 (72.9%) were for adults.

Graphs 7-2 illustrate average indemnity payment by severity of injury. Each line represents an age group of the injured party.

1980-
1984

Severity of Injury	# of Claims w/Payment	% of Claims w/Payment	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
Other	3	0.16%	\$ 882,500.00	0.36%	\$ 294,166.67
Emotional	47	2.45%	714,229.05	0.29%	15,196.36
Insignificant	118	6.16%	1,547,398.66	0.63%	13,113.55
Minor Temp	318	16.60%	15,359,579.46	6.22%	48,300.56
Major Temp	214	11.17%	11,409,921.00	4.62%	53,317.39
Minor Perm	350	18.27%	40,529,931.33	16.41%	115,799.80
Significant Perm	197	10.28%	28,437,598.00	11.52%	144,353.29
Major Perm	101	5.27%	34,925,628.37	14.14%	345,798.30
Grave Perm	128	6.68%	59,481,486.82	24.09%	464,699.12
Death	440	22.96%	53,642,608.00	21.72%	121,915.20
Total	1,916	100.00%	\$246,930,880.69	100.00%	\$128,878.33

Table 7-1(a)

1985-
1989

Severity of Injury	# of Claims With Payment	% of Claims With Payment	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
Other	1	0.03%	\$ 260,000.00	0.04%	\$ 260,000.00
Emotional	46	1.40%	405,825.00	0.06%	8,822.28
Insignificant	135	4.11%	3,096,507.66	0.45%	22,937.09
Minor Temp	460	13.99%	24,885,059.80	3.65%	54,097.96
Major Temp	457	13.90%	48,819,828.10	7.17%	106,826.76
Minor Perm	414	12.60%	35,171,126.76	5.16%	84,954.41
Significant Perm	379	11.53%	80,959,992.00	11.88%	213,614.75
Major Perm	282	8.58%	135,287,226.22	19.86%	479,741.94
Grave Perm	222	6.75%	163,561,431.16	24.01%	736,763.20
Death	891	27.11%	188,821,490.33	27.72%	211,920.86
Total	3,287	100.00%	\$681,268,487.03	100.00%	\$207,261.48

Table 7-1(b)

1990-
1994

Severity of Injury	# of Claims With Payment	% of Claims With Payment	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
Other	1	0.03%	\$ 87,500.00	0.01%	\$ 87,500.00
Emotional	19	0.55%	3,245,436.00	0.26%	170,812.42
Insignificant	81	2.34%	7,499,983.00	0.61%	92,592.38
Minor Temp	296	8.55%	31,893,925.01	2.60%	107,749.75
Major Temp	366	10.57%	45,224,533.00	3.68%	123,564.30
Minor Perm	398	11.50%	92,941,502.98	7.57%	233,521.36
Significant Perm	463	13.37%	139,580,976.00	11.37%	301,470.79
Major Perm	465	13.43%	268,220,582.00	21.84%	576,818.46
Grave Perm	275	7.94%	237,473,651.00	19.34%	863,540.55
Death	1,098	31.72%	401,792,498.66	32.72%	365,931.24
Total	3,462	100.00%	\$1,227,960,587.65	100.00%	\$354,696.88

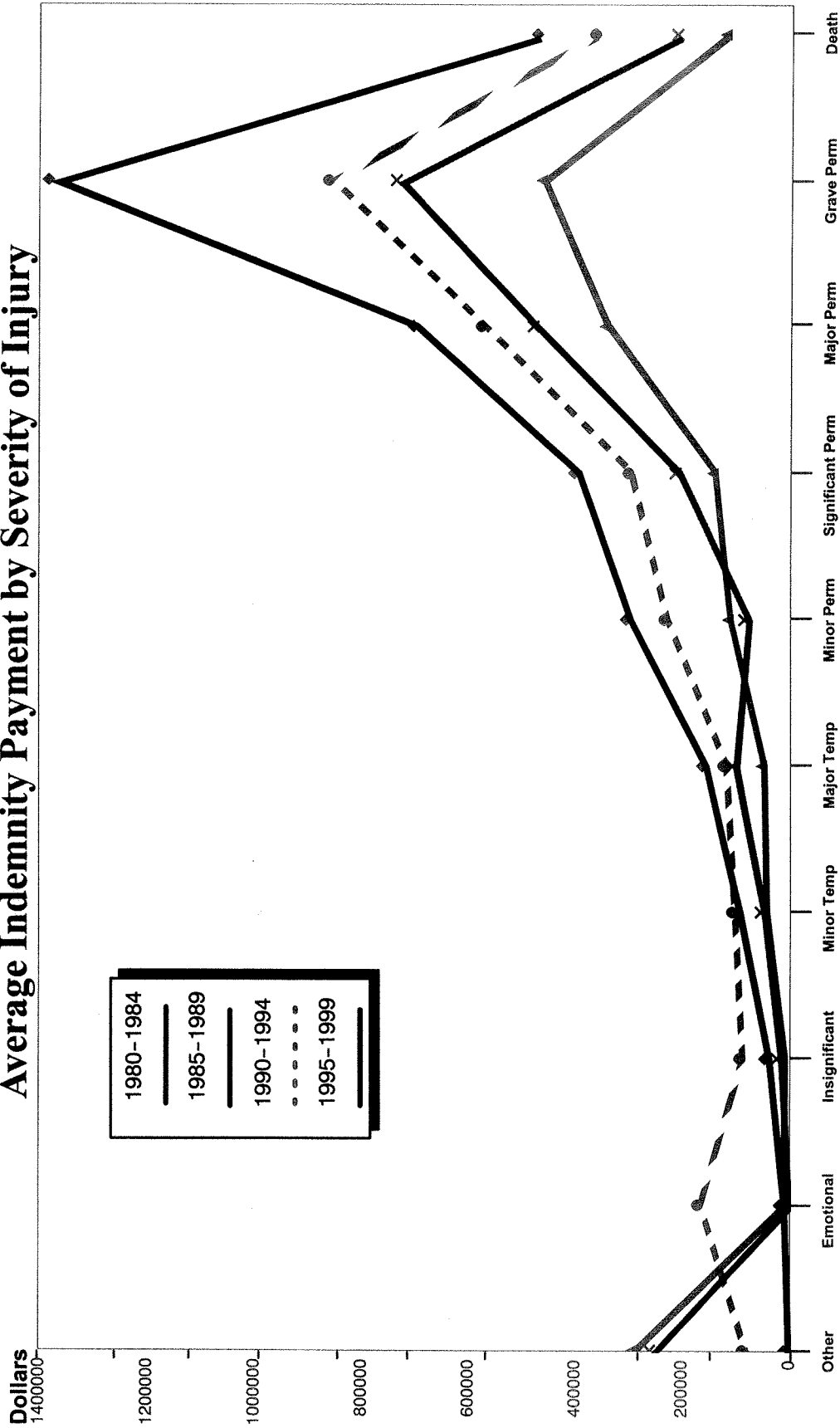
Table 7-1(c)

1995-
1999

Severity of Injury	# of Claims With Payment	% of Claims With Payment	Total Indemnity	% of Total Indemnity Paid	Average Indemnity of Paid Claims
Other	1	0.03%	\$ 10,000.00	0.00%	\$ 10,000.00
Emotional	39	1.36%	704,974.00	0.05%	18,076.26
Insignificant	47	1.64%	2,152,019.00	0.15%	45,787.64
Minor Temp	249	8.70%	24,725,495.17	1.76%	99,299.18
Major Temp	298	10.41%	48,535,208.60	3.46%	162,869.83
Minor Perm	362	12.65%	110,506,935.04	7.87%	305,267.78
Significant Perm	328	11.46%	131,850,283.76	9.39%	401,982.57
Major Perm	364	12.72%	256,344,775.00	18.25%	704,243.89
Grave Perm	300	10.48%	415,268,587.00	29.57%	1,384,228.62
Death	874	30.54%	414,261,248.79	29.50%	473,983.12
Total	2,862	100.00%	\$1,404,359,526.36	100.00%	\$490,691.66

Table 7-1(d)

Average Indemnity Payment by Severity of Injury



Graph 7-1

1980-1984

Infant (0 years old to 3 years old)

Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims
Other	0	0.00%	\$0.00	\$0.00	Other	1	0.05%	\$50,000.00	\$50,000.00
Emotional	1	0.05%	\$1,200.00	\$1,200.00	Emotional	1	0.05%	\$3,500.00	\$3,500.00
Insignificant	6	0.31%	\$1,010,500.00	\$168,416.67	Insignificant	10	0.52%	\$104,761.75	\$10,476.18
Minor Temp	19	0.99%	\$7,316,500.00	\$385,078.95	Minor Temp	20	1.04%	\$627,295.00	\$31,364.75
Major Temp	8	0.42%	\$1,654,500.00	\$206,812.50	Major Temp	9	0.47%	\$758,500.00	\$84,277.78
Minor Perm	8	0.42%	\$267,000.00	\$33,375.00	Minor Perm	21	1.10%	\$1,528,128.00	\$72,768.00
Significant Perm	23	1.20%	\$6,464,125.00	\$281,048.91	Significant Perm	11	0.57%	\$2,062,700.00	\$187,518.18
Major Perm	28	1.46%	\$14,732,540.00	\$526,162.14	Major Perm	9	0.47%	\$5,373,817.00	\$597,090.78
Grave Perm	38	1.98%	\$21,117,371.00	\$555,720.29	Grave Perm	13	0.68%	\$8,336,666.16	\$641,282.01
Death	55	2.87%	\$2,191,583.00	\$39,846.96	Death	29	1.51%	\$1,367,333.00	\$47,149.41
Total	186	9.71%	\$54,755,319.00	\$294,383.43	Total	124	6.47%	\$20,212,700.91	\$163,005.65

Minor (4 years old to 17 years old)

Adult

Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims
Other	2	0.10%	\$832,500.00	\$416,250.00	Other	0	0.00%	\$0.00	\$0.00
Emotional	29	1.51%	\$225,894.05	\$7,789.45	Emotional	16	0.84%	\$483,635.00	\$30,227.19
Insignificant	73	3.81%	\$321,540.91	\$4,404.67	Insignificant	29	1.51%	\$110,596.00	\$3,813.66
Minor Temp	230	12.00%	\$6,838,534.46	\$29,732.76	Minor Temp	49	2.56%	\$577,250.00	\$11,780.61
Major Temp	175	9.13%	\$8,440,671.00	\$48,232.41	Major Temp	22	1.15%	\$556,250.00	\$25,284.09
Minor Perm	257	13.41%	\$16,689,724.00	\$64,940.56	Minor Perm	64	3.34%	\$22,045,079.33	\$344,454.36
Significant Perm	134	6.99%	\$17,688,275.00	\$132,002.05	Significant Perm	29	1.51%	\$2,222,498.00	\$76,637.86
Major Perm	51	2.66%	\$14,225,438.00	\$278,930.16	Major Perm	13	0.68%	\$593,833.37	\$45,679.49
Grave Perm	63	3.29%	\$25,742,889.66	\$408,617.30	Grave Perm	14	0.73%	\$4,284,560.00	\$306,040.00
Death	297	15.50%	\$43,496,832.00	\$146,453.98	Death	59	3.08%	\$6,586,860.00	\$111,641.69
Total	1,311	68.42%	\$134,502,299.08	\$102,595.19	Total	295	15.40%	\$37,460,561.70	\$126,984.95

Unknown

Table 7-2(a)

1985-1989

Infant (0 years old to 3 years old)

Minor (4 years old to 17 years old)

Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims
Other	0	0.00%	\$0.00	\$0.00	Other	0	0.00%	\$0.00	\$0.00
Emotional	5	0.15%	\$68,750.00	\$13,750.00	Emotional	0	0.00%	\$0.00	\$0.00
Insignificant	11	0.33%	\$57,470.00	\$5,224.55	Insignificant	8	0.24%	\$133,500.00	\$16,687.50
Minor Temp	26	0.79%	\$1,586,701.00	\$61,026.96	Minor Temp	29	0.88%	\$1,856,387.00	\$64,013.34
Major Temp	29	0.88%	\$3,208,590.00	\$110,641.03	Major Temp	29	0.88%	\$1,983,078.00	\$68,382.00
Minor Perm	28	0.85%	\$4,155,781.00	\$148,420.75	Minor Perm	31	0.94%	\$5,031,420.00	\$162,303.87
Significant Perm	27	0.82%	\$4,984,070.00	\$184,595.19	Significant Perm	26	0.79%	\$2,936,775.00	\$112,952.88
Major Perm	77	2.34%	\$70,701,945.00	\$918,207.08	Major Perm	14	0.43%	\$3,043,487.00	\$217,391.93
Grave Perm	111	3.38%	\$92,056,234.16	\$829,335.44	Grave Perm	10	0.30%	\$7,938,079.00	\$793,807.90
Death	143	4.35%	\$17,324,565.38	\$121,150.81	Death	35	1.06%	\$4,105,000.00	\$117,285.71
Total	457	13.90%	\$194,144,106.54	\$424,822.99	Total	182	5.54%	\$27,027,726.00	\$148,503.99

Adult

Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims
Other	1	0.03%	\$260,000.00	\$260,000.00	Other	0	0.00%	\$0.00	\$0.00
Emotional	29	0.88%	\$252,475.00	\$8,706.03	Emotional	12	0.37%	\$84,600.00	\$7,050.00
Insignificant	102	3.10%	\$2,681,759.66	\$26,291.76	Insignificant	14	0.43%	\$223,778.00	\$15,984.14
Minor Temp	376	11.44%	\$21,067,513.10	\$56,030.62	Minor Temp	29	0.88%	\$374,458.70	\$12,912.37
Major Temp	376	11.44%	\$35,694,190.00	\$94,931.36	Major Temp	23	0.70%	\$7,933,970.10	\$344,955.22
Minor Perm	315	9.58%	\$24,548,175.76	\$77,930.72	Minor Perm	40	1.22%	\$1,435,750.00	\$35,893.75
Significant Perm	301	9.16%	\$70,329,397.00	\$233,652.48	Significant Perm	25	0.76%	\$2,709,750.00	\$108,390.00
Major Perm	159	4.84%	\$55,446,454.66	\$348,719.84	Major Perm	32	0.97%	\$6,095,339.56	\$190,479.36
Grave Perm	77	2.34%	\$53,758,368.00	\$698,160.62	Grave Perm	24	0.73%	\$9,808,750.00	\$408,697.92
Death	630	19.17%	\$158,167,111.62	\$251,058.91	Death	83	2.53%	\$9,224,813.33	\$111,142.33
Total	2,366	71.98%	\$422,205,444.80	\$178,446.93	Total	282	8.58%	\$37,891,209.69	\$134,365.99

Unknown

Table 7-2(b)

1990-1994

Infant (0 years old to 3 years old)

Minor (4 years old to 17 years old)

Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims
Other	0	0.00%	\$0.00	\$0.00	Other	0	0.00%	\$0.00	\$0.00
Emotional	1	0.03%	\$5,000.00	\$5,000.00	Emotional	1	0.03%	\$2,750,000.00	\$2,750,000.00
Insignificant	5	0.14%	\$647,000.00	\$129,400.00	Insignificant	6	0.17%	\$294,004.00	\$49,000.67
Minor Temp	14	0.40%	\$4,860,489.00	\$347,177.79	Minor Temp	25	0.72%	\$2,434,601.00	\$97,384.04
Major Temp	16	0.46%	\$1,639,273.00	\$102,454.56	Major Temp	17	0.49%	\$3,538,059.00	\$208,121.12
Minor Perm	18	0.52%	\$2,230,500.00	\$123,916.67	Minor Perm	44	1.27%	\$29,507,146.00	\$670,616.95
Significant Perm	56	1.62%	\$23,745,585.00	\$424,028.30	Significant Perm	25	0.72%	\$6,815,096.00	\$272,603.84
Major Perm	119	3.44%	\$96,629,971.00	\$812,016.56	Major Perm	29	0.84%	\$11,777,500.00	\$406,120.69
Grave Perm	143	4.13%	\$123,172,307.00	\$861,344.80	Grave Perm	8	0.23%	\$1,810,000.00	\$226,250.00
Death	180	5.20%	\$47,705,284.00	\$265,029.36	Death	41	1.18%	\$19,335,000.00	\$471,585.37
Total	552	15.94%	\$300,635,409.00	\$544,629.36	Total	196	5.66%	\$78,261,406.00	\$399,292.89

Adult

Unknown

Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims
Other	1	0.03%	\$87,500.00	\$87,500.00	Other	0	0.00%	\$0.00	\$0.00
Emotional	15	0.43%	\$486,850.00	\$32,456.67	Emotional	2	0.06%	\$3,586.00	\$1,793.00
Insignificant	63	1.82%	\$5,588,260.00	\$88,702.54	Insignificant	7	0.20%	\$970,719.00	\$138,674.14
Minor Temp	238	6.87%	\$23,820,650.01	\$100,086.76	Minor Temp	19	0.55%	\$778,185.00	\$40,957.11
Major Temp	324	9.36%	\$39,634,151.00	\$122,327.63	Major Temp	9	0.26%	\$413,050.00	\$45,894.44
Minor Perm	316	9.13%	\$58,800,690.31	\$186,078.13	Minor Perm	20	0.58%	\$2,403,166.67	\$120,158.33
Significant Perm	362	10.46%	\$106,397,795.00	\$293,916.56	Significant Perm	20	0.58%	\$2,622,500.00	\$131,125.00
Major Perm	303	8.75%	\$155,478,462.00	\$513,130.24	Major Perm	14	0.40%	\$4,334,649.00	\$309,617.79
Grave Perm	113	3.26%	\$108,491,344.00	\$960,100.39	Grave Perm	11	0.32%	\$4,000,000.00	\$363,636.36
Death	825	23.83%	\$328,088,415.66	\$397,682.93	Death	52	1.50%	\$6,663,799.00	\$128,149.98
Total	2,560	73.95%	\$826,874,117.98	\$322,997.70	Total	154	4.45%	\$22,189,654.67	\$144,088.67

Table 7-2(c)

1995-1999

Infant (0 years old to 3 years old)

Minor (4 years old to 17 years old)

Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims
Other	0	0.00%	\$0.00	\$0.00	Other	0	0.00%	\$0.00	\$0.00
Emotional	1	0.03%	\$25,000.00	\$25,000.00	Emotional	5	0.17%	\$52,500.00	\$10,500.00
Insignificant	1	0.03%	\$185,000.00	\$185,000.00	Insignificant	3	0.10%	\$32,500.00	\$10,833.33
Minor Temp	8	0.28%	\$880,500.00	\$110,062.50	Minor Temp	17	0.59%	\$3,578,523.00	\$210,501.35
Major Temp	8	0.28%	\$1,360,300.00	\$170,037.50	Major Temp	16	0.56%	\$1,669,500.00	\$104,343.75
Minor Perm	20	0.70%	\$7,154,568.00	\$357,728.40	Minor Perm	17	0.59%	\$4,427,931.00	\$260,466.53
Significant Perm	31	1.08%	\$18,091,490.00	\$583,596.40	Significant Perm	12	0.42%	\$3,361,060.42	\$280,088.37
Major Perm	88	3.07%	\$100,970,883.00	\$1,147,396.40	Major Perm	16	0.56%	\$11,450,365.00	\$715,647.81
Grave Perm	141	4.93%	\$193,130,302.00	\$1,369,718.45	Grave Perm	17	0.59%	\$9,511,645.00	\$559,508.53
Death	162	5.66%	\$70,316,559.13	\$434,052.83	Death	39	1.36%	\$17,761,751.00	\$455,429.51
Total	460	16.07%	\$392,114,602.13	\$852,423.05	Total	142	4.96%	\$51,845,775.42	\$365,111.09

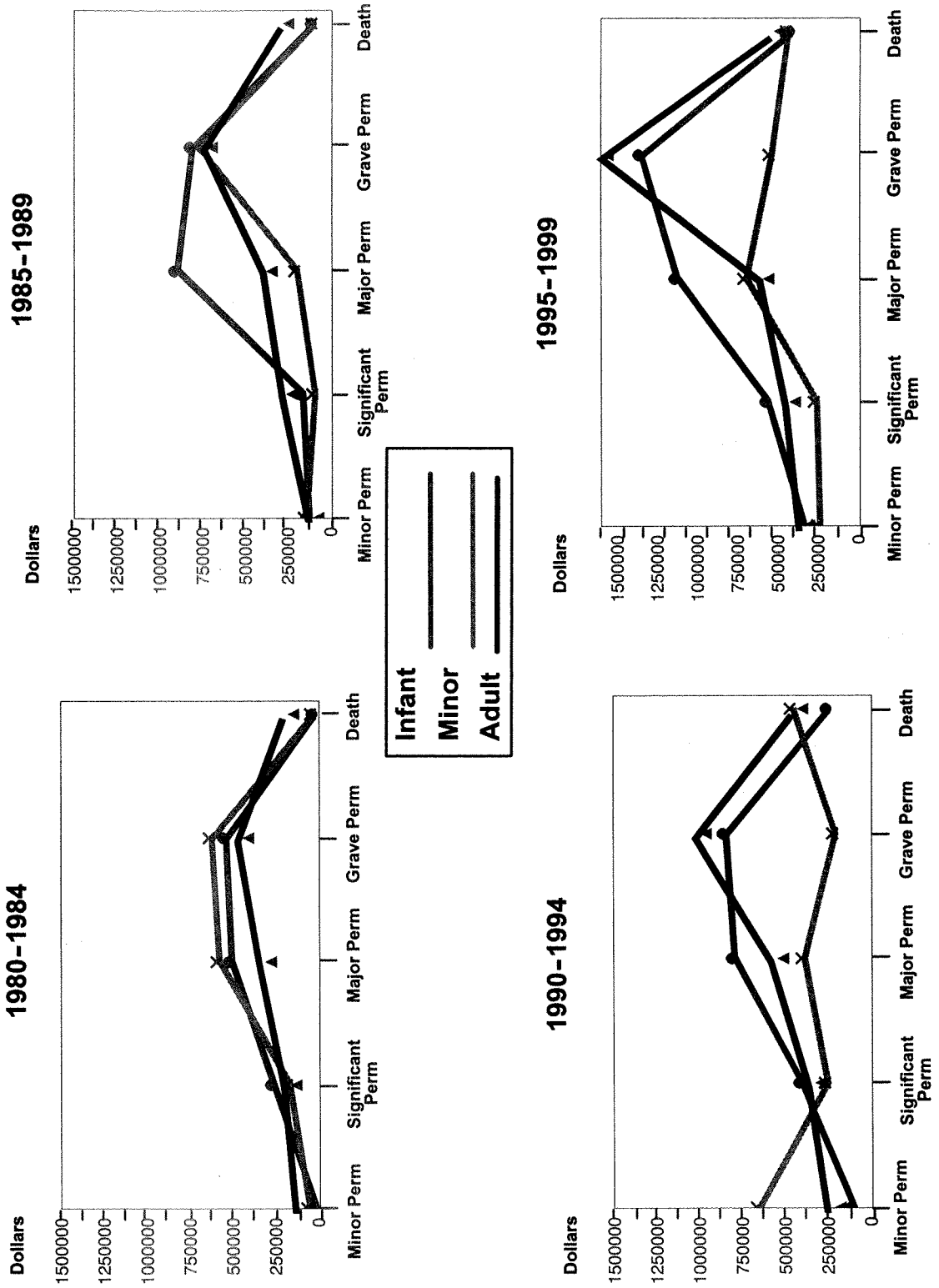
Adult

Unknown

Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims	Severity of Injury	# Claims With Payment	% Claims With Payment	Total Indemnity	Average Indemnity of Paid Claims
Other	1	0.03%	\$10,000.00	\$10,000.00	Other	0	0.00%	\$0.00	\$0.00
Emotional	30	1.05%	\$581,550.00	\$19,385.00	Emotional	3	0.10%	\$45,924.00	\$15,308.00
Insignificant	38	1.33%	\$1,876,774.00	\$49,388.79	Insignificant	5	0.17%	\$57,745.00	\$11,549.00
Minor Temp	207	7.23%	\$19,657,283.23	\$94,962.72	Minor Temp	17	0.59%	\$609,188.94	\$35,834.64
Major Temp	266	9.29%	\$44,645,665.60	\$167,840.85	Major Temp	8	0.28%	\$859,743.00	\$107,467.88
Minor Perm	311	10.87%	\$97,023,102.70	\$311,971.39	Minor Perm	14	0.49%	\$1,901,333.34	\$135,809.52
Significant Perm	274	9.57%	\$109,359,400.00	\$399,121.90	Significant Perm	11	0.38%	\$1,038,333.34	\$94,393.94
Major Perm	254	8.87%	\$142,523,527.00	\$561,116.25	Major Perm	6	0.21%	\$1,400,000.00	\$233,333.33
Grave Perm	134	4.68%	\$208,726,640.00	\$1,557,661.49	Grave Perm	8	0.28%	\$3,900,000.00	\$487,500.00
Death	656	22.92%	\$324,362,938.66	\$494,455.70	Death	17	0.59%	\$1,820,000.00	\$107,058.82
Total	2,171	75.86%	\$948,766,881.19	\$437,018.37	Total	89	3.11%	\$11,632,267.62	\$130,699.64

Table 7-2(d)

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



Graph 7-2

8. Defense Costs for Closed Claims with Indemnity Payment

This section analyzes the defense costs paid by the insurance company for closed claims with an indemnity payment. Tables 8-1 present data by severity of injury, showing the number of claims with an indemnity 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 1980-1984, 1,916 claims were closed with an indemnity payment. Of these claims, 1,684 (87.9%) were also closed with defense counsel fees. During this time period a total of \$11.4 million was paid to defense counsel, giving an average defense cost of \$6,759 for each claim with an indemnity payment.

In 1985-1989, 3,287 claims were closed with an indemnity payment, and 3,010 (91.6%) of those claims also made a payment to defense counsel. The total payment to defense counsel on closed claims with an indemnity payment was approximately \$44 million, making the average payment to defense counsel on these claims \$14,597.

The total number of claims closed with an indemnity payment in 1990-1994 was 3,462. Of these claims, 3,173 (91.7%) made a payment to defense counsel. The total amount paid for defense counsel for claims with an indemnity payment was approximately \$85 million, making the average payment to defense counsel \$26,819.

In 1995-1999, 2,862 claims were closed with an indemnity payment. Of these claims, 2,607 (91.1%) paid defense counsel fees. During this time period, \$95.4 million was paid to defense counsel, giving an average defense cost of \$36,600 for claims closed with an indemnity payment.

Overall, defense costs appear to be on the rise. Average defense costs on claims with an indemnity payment rose 116% between 1980-1984 and 1985-1989, 84% between 1985-1989 and 1990-1994, and 36% between 1990-1994 and 1995-1999. Graph 8-1 illustrates this apparent trend.

Death claims have consistently reported the highest defense costs for claims with an indemnity payment. A total of \$70 million was spent over the last 20 years for death claim defense costs, which represented 29.7% of the total paid amount to defense counsel on claims with an indemnity payment over the same time period.

Graph 8-2 illustrates the average payment to defense counsel on claims closed with an indemnity payment by severity of injury. Although the graph may not appear to be consistent between groupings, overall defense costs on closed claims with an indemnity payment were increasing from one grouping to the next.

Defense Costs for Closed Claims without Indemnity Payment

It is also important to study the defense costs paid by the insurance company on claims that closed without an indemnity payment. The data is again sorted by severity of injury. Tables 8-2 show the numbers of claims closed without payment, the number of those claims with payment to defense counsel, and the total amount of those payments.

In 1980-1984, 4,132 claims were closed without an indemnity payment. Of those claims, 3,044 (73.7%) made a payment to defense counsel. The total defense cost on closed claims without payment was approximately \$10.6 million, with an average of \$3,490 per claim.

In 1985-1989, the total number of closed claims without payment totaled 10,465. Of those claims, 8,692 (83.1%) made a payment to the defense counsel, bringing the total paid for defense costs approximately \$50.5 million. The average payment to defense counsel was \$5,813.

In 1990-1994, 10,727 claims were closed without an indemnity payment. Of these claims, 8,011 (74.7%) made a payment to defense counsel. The total amount paid to defense counsel was nearly \$94.6 million, with an average of \$11,811 per claim.

In 1995-1999, the total number of closed claims without payment was 11,245. Of those claims, 9,139 (81.3%) made a payment to defense counsel. The total paid to defense counsel for claims without payment was almost \$126 million, giving an average payment to defense counsel of \$13,781.

The overall data again shows that defense costs are rising. Average defense costs increased by 66.6% from 1980-1984 to 1985-1989, 103% from 1985-1989 to 1990-1994, and 17% from 1990-1994 to 1995-1999. Graph 8-3 illustrates a similar trend as Graph 8-1.

Death claims have consistently been the severity with the highest payment to defense counsel for claims with no indemnity payment. In the past 20 years, \$83 million (29.5% of the total defense costs paid on claims with no indemnity payment) was spent on death claims without an indemnity payment.

Graph 8-4 displays the average payment to defense counsel on claims closed without an indemnity payment by the severity of injury. Overall defense costs on closed claims without an indemnity payment are steadily increasing over time. The same observation was made from Graph 8-2.

1980-1984

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	3	3	\$49,112.00	\$16,370.67
Emotional	47	32	\$123594.75	\$3,862.34
Insignificant	118	73	\$347,975.08	\$4,766.78
Minor Temp	318	263	\$1,054,843.50	\$4,010.81
Major Temp	214	189	\$1,233,203.30	\$6,524.89
Minor Perm	350	317	\$1,873,378.73	\$5,909.71
Significant Perm	197	183	\$1,357,189.71	\$7,416.34
Major Perm	101	96	\$1,063,366.26	\$11,076.73
Grave Perm	128	122	\$1,280,720.54	\$10,497.71
Death	440	406	\$2,998,425.35	\$7,385.28
Total	1,916	1,684	\$11,381,809.22	\$6,758.79

Table 8-1(a)

1985-1989

Severity of Injury	# of Claims w/Payment	# of Claims w/Payment w/Defense Costs	Total Paid for Defense Costs for Claims w/Payment	Average Defense Costs for Claims w/Payment
Other	1	1	\$14,449.00	\$14,449.00
Emotional	46	42	\$241,350.56	\$5,746.44
Insignificant	135	94	\$564,870.36	\$6,009.26
Minor Temp	460	391	\$3,621,268.31	\$9,261.56
Major Temp	457	412	\$10,264,051.59	\$24,912.75
Minor Perm	414	375	\$4,075,840.60	\$10,868.91
Significant Perm	379	361	\$5,245,395.26	\$14,530.18
Major Perm	282	272	\$4,386,175.65	\$16,125.65
Grave Perm	222	212	\$4,662,806.00	\$21,994.37
Death	891	850	\$10,860,635.74	\$12,777.22
Total	3,287	3,010	\$43,936,843.07	\$14,596.96

Table 8-1(b)

Severity of Injury	# of Claims w/Payment	# of Claims w/Payment w/Defense Costs	Total Paid for Defense Costs for Claims w/Payment	Average Defense Costs for Claims w/Payment
Other	1	1	\$32,267.00	\$32,267.00
Emotional	19	16	\$333,334.89	\$20,833.43
Insignificant	81	44	\$1,807,534.49	\$41,080.33
Minor Temp	296	244	\$4,276,157.72	\$17,525.24
Major Temp	366	301	\$6,422,458.99	\$21,337.07
Minor Perm	398	364	\$8,515,872.38	\$23,395.25
Significant Perm	463	429	\$11,289,404.95	\$26,315.63
Major Perm	465	454	\$15,123,549.27	\$33,311.78
Grave Perm	275	271	\$10,663,746.67	\$39,349.62
Death	1,098	1,049	\$26,631,486.89	\$25,387.50
Total	3,462	3,173	\$85,095,813.25	\$26,818.72

1990-1994

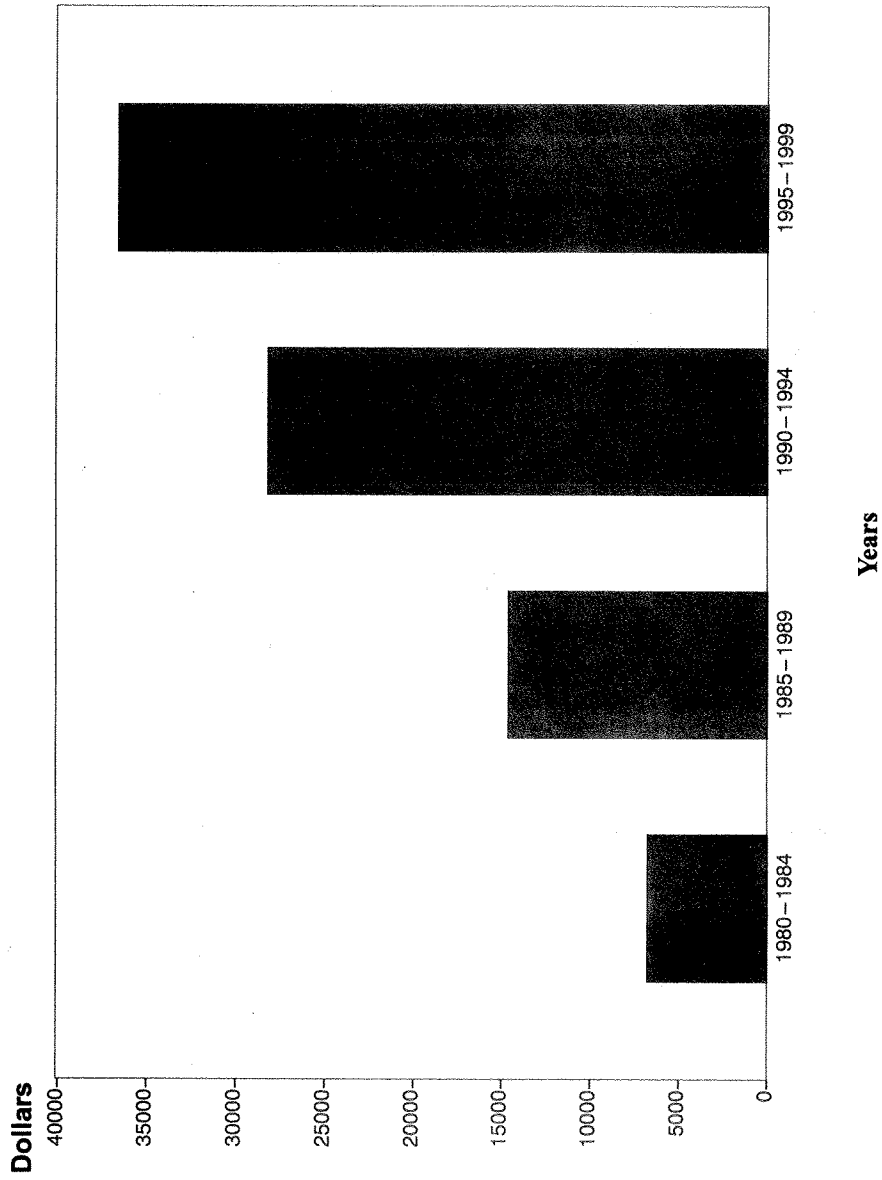
Table 8-1(c)

Severity of Injury	# of Claims w/Payment	# of Claims w/Payment w/Defense Costs	Total Paid for Defense Costs for Claims w/Payment	Average Defense Costs for Claims w/Payment
Other	1	1	\$22,067.00	\$22,067.00
Emotional	39	32	\$424,633.37	\$13,269.79
Insignificant	47	29	\$602,080.08	\$20,761.38
Minor Temp	249	168	\$4,324,547.75	\$25,741.36
Major Temp	298	258	\$7,272,394.54	\$28,187.58
Minor Perm	362	319	\$9,332,710.74	\$29,256.15
Significant Perm	328	300	\$11,233,424.41	\$37,444.75
Major Perm	364	352	\$15,411,866.85	\$43,783.71
Grave Perm	300	297	\$17,266,657.81	\$58,136.89
Death	874	851	\$29,526,905.12	\$34,696.72
Total	2,862	2,607	\$95,417,287.67	\$36,600.42

1995-1999

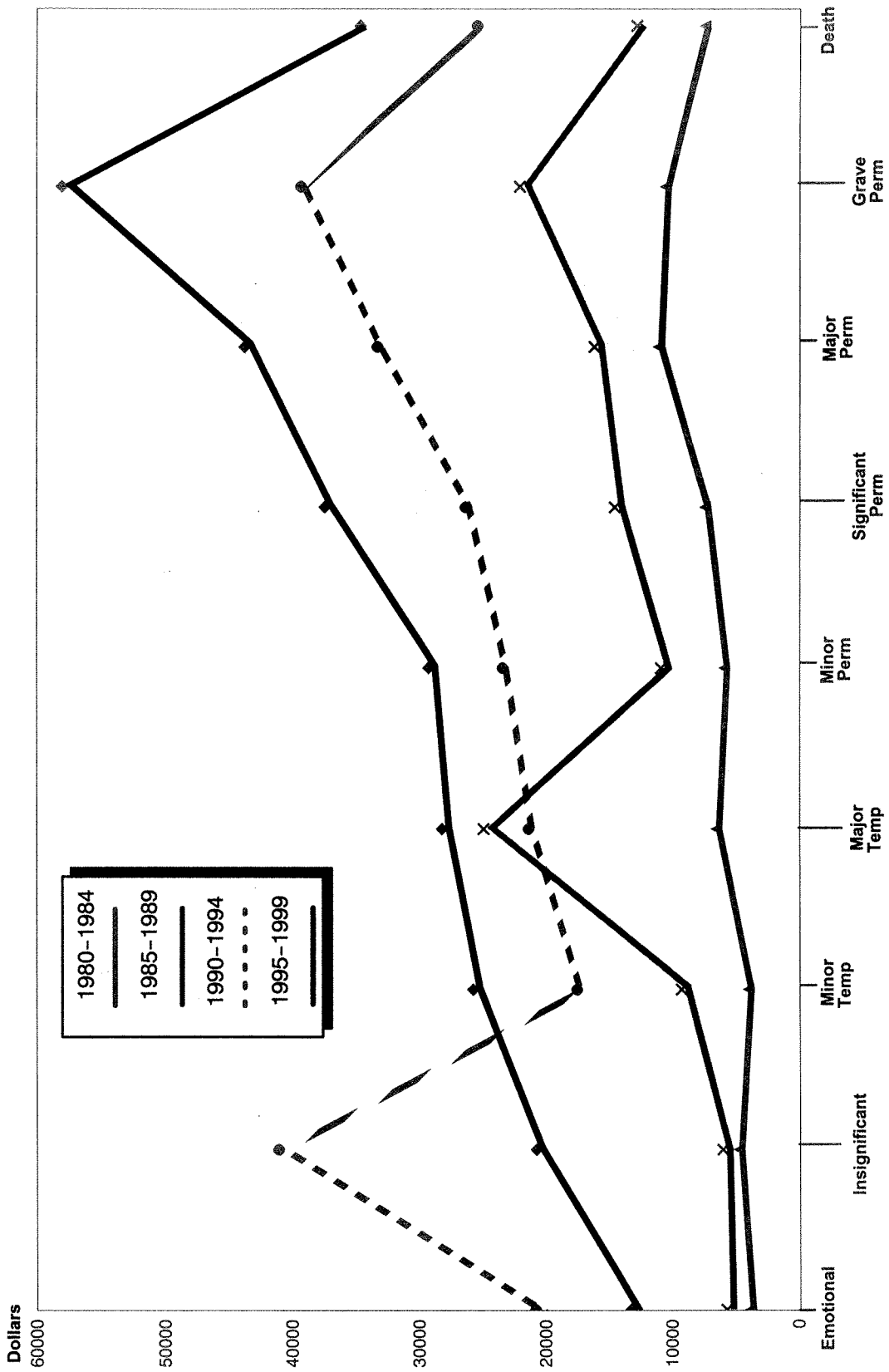
Table 8-1(d)

Average Pay to Defense Counsel (on claims w/payment)



Graph 8-1

Average Pay to Defense Counsel (on claims w/payment)



Graph 8-2

1980-
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
Other	10	5	\$6,407.98	\$1,281.60
Emotional	113	68	\$156,287.50	\$2,298.35
Insignificant	320	199	\$577,364.80	\$2,901.33
Minor Temp	818	583	\$1,959,904.33	\$3,361.76
Major Temp	678	509	\$1,518,167.40	\$2,982.65
Minor Perm	662	507	\$1,738,528.96	\$3,429.05
Significant Perm	349	285	\$1,048,353.55	\$3,678.43
Major Perm	177	126	\$554,123.90	\$4,397.81
Grave Perm	146	117	\$675,378.95	\$5,772.47
Death	859	645	\$2,389,281.67	\$3,704.31
Total	4,132	3,044	\$10,623,799.04	\$3,490.08

Table 8-2(a)

1985-
1989

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
Other	53	31	\$207,802.39	\$6,703.30
Emotional	199	147	\$564,577.48	\$3,840.66
Insignificant	454	300	\$1,456,918.34	\$4,856.39
Minor Temp	1,960	1,510	\$7,594,173.05	\$5,029.25
Major Temp	1,839	1,544	\$8,895,249.93	\$5,761.17
Minor Perm	1,315	1,131	\$6,652,136.34	\$5,881.64
Significant Perm	1,133	975	\$6,168,025.61	\$6,326.18
Major Perm	697	609	\$3,758,725.20	\$6,171.96
Grave Perm	393	339	\$2,773,953.38	\$8,182.75
Death	2,422	2,106	\$12,456,498.58	\$5,914.77
Total	10,465	8,692	\$50,528,060.30	\$5,813.17

Table 8-2(b)

Severity of Injury	# of Claims w/o Payment	# of Claims w/Defense Costs	Total Paid for Defense Costs for Claims w/o Payment	Average Defense Costs for Claims w/o Payment
Other	146	91	\$200,134.00	\$2,199.27
Emotional	200	102	\$670,475.96	\$6,573.29
Insignificant	384	203	\$1,379,260.25	\$6,794.39
Minor Temp	1,605	1,060	\$9,561,380.93	\$9,020.17
Major Temp	1,699	1,193	\$11,840,529.05	\$9,925.00
Minor Perm	1,220	933	\$10,352,041.44	\$11,095.44
Significant Perm	1,114	872	\$10,462,355.11	\$11,998.11
Major Perm	1,052	888	\$13,201,057.99	\$14,866.06
Grave Perm	594	512	\$7,703,750.46	\$15,046.39
Death	2,713	2,157	\$29,250,382.11	\$13,560.68
Total	10,727	8,011	\$94,621,367.30	\$11,811.43

1990-1994

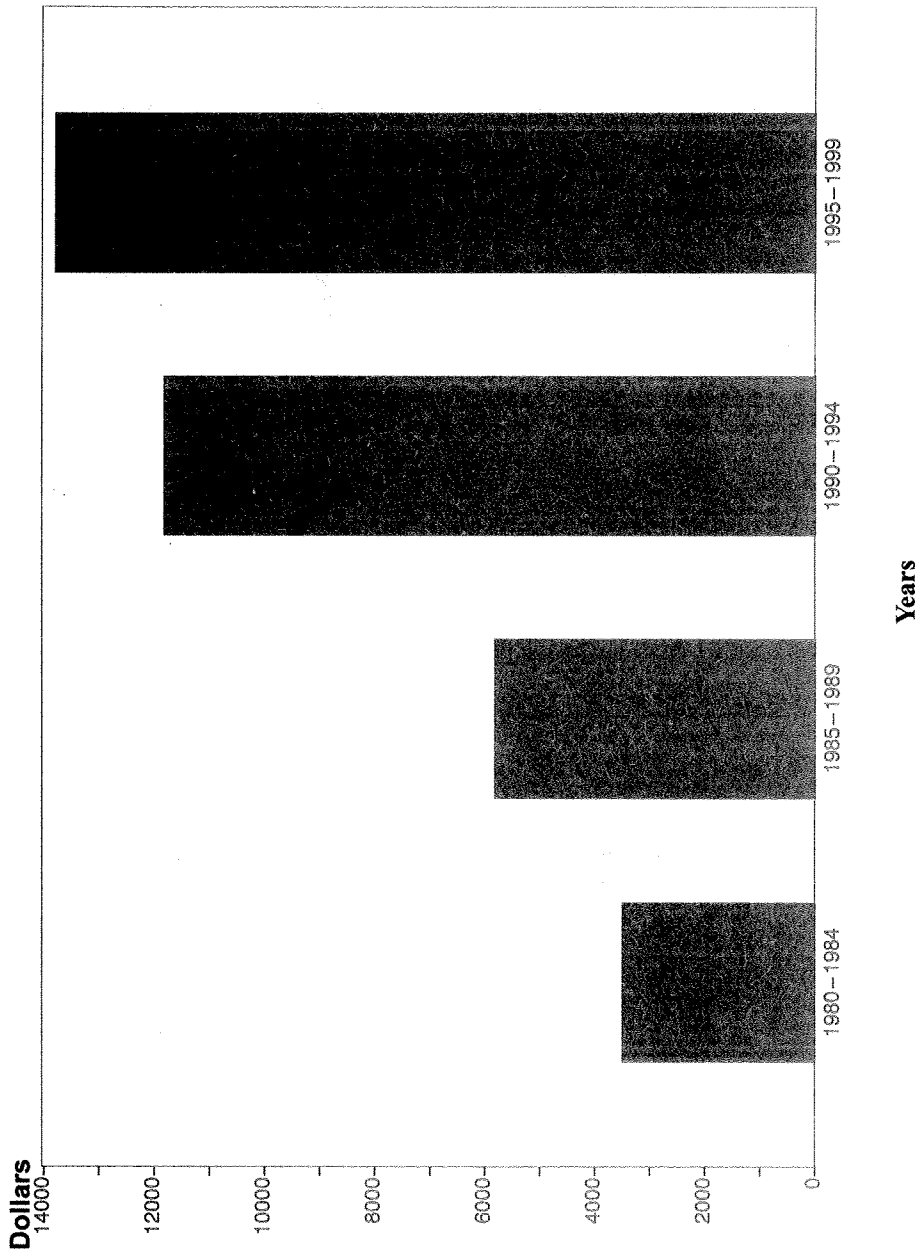
Table 8-2(c)

Severity of Injury	# of Claims w/o Payment	# of Claims w/Defense Costs	Total Paid for Defense Costs for Claims w/o Payment	Average Defense Costs for Claims w/o Payment
Other	45	29	\$121,019.80	\$4,173.10
Emotional	181	115	\$1,095,021.39	\$9,521.93
Insignificant	380	238	\$1,765,268.77	\$7,417.10
Minor Temp	2,101	1,508	\$9,608,742.28	\$6,371.85
Major Temp	2,266	1,725	\$19,099,596.39	\$11,072.23
Minor Perm	1,274	1,092	\$16,876,949.55	\$15,455.08
Significant Perm	926	839	\$16,697,181.86	\$19,901.29
Major Perm	790	700	\$13,090,546.02	\$18,700.78
Grave Perm	508	474	\$8,605,524.53	\$18,155.12
Death	2,774	2,419	\$38,986,816.38	\$16,116.91
Total	11,245	9,139	\$125,946,666.97	\$13,781.23

1995-1999

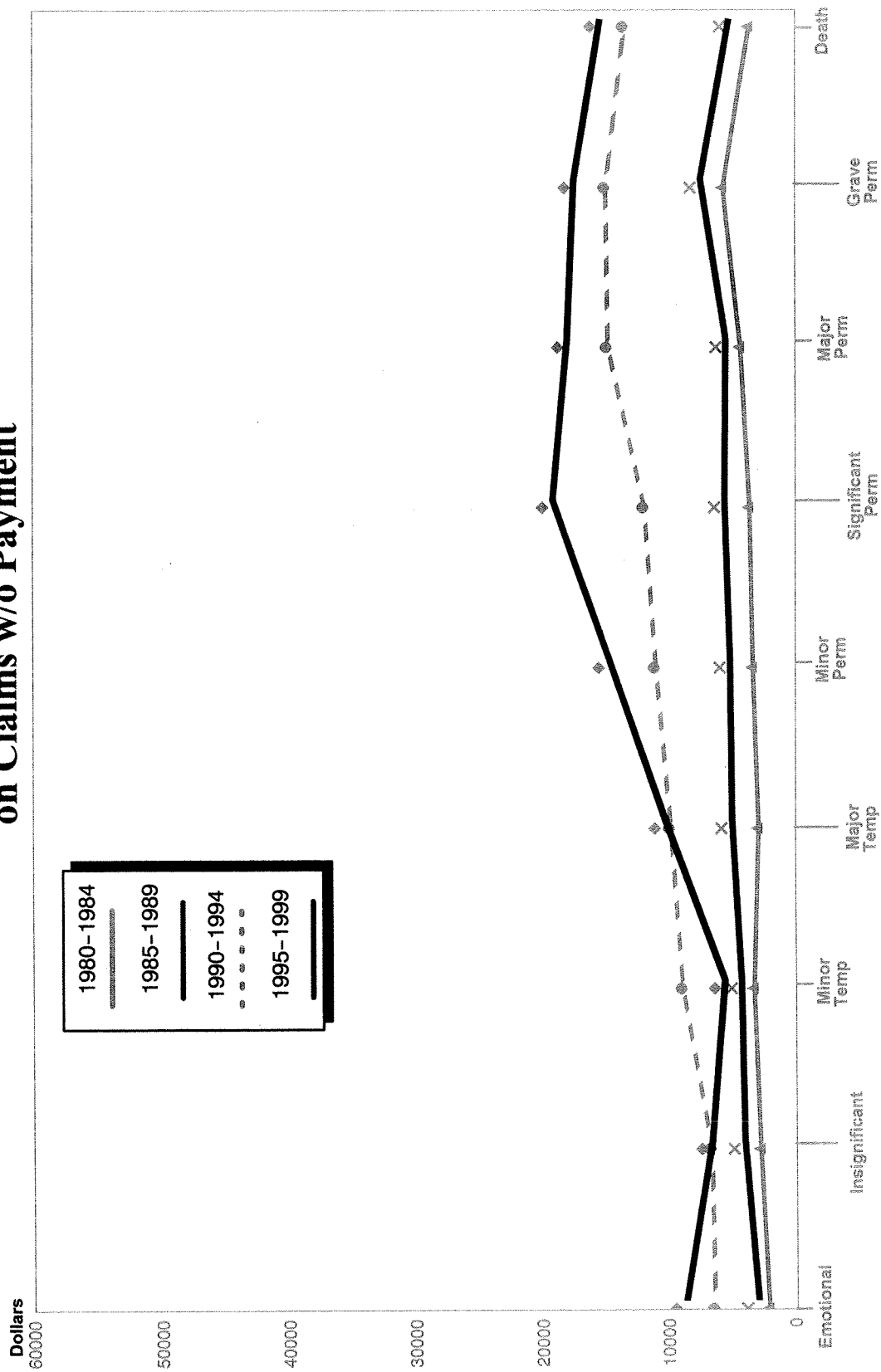
Table 8-2(d)

Average Pay to Defense Counsel (on claims w/o payment)



Graph 8-3

Average Pay to Defense Counsel on Claims w/o Payment



Graph 8-4

9. Indemnity Paid by Type of Practice

This section shows the data by the doctor's practice/specialty. The data in Table 9-1 is separated by closure date into the four groupings. Each grouping shows the number of claims with an indemnity payment and the corresponding total claims by physician's specialty. Definitions of practices/specialties are listed in Appendix B.

Table 9-1 lists the specialties in decreasing order of occurrence across all four groupings. Claims by doctors specializing in OB/GYN Surgery occurred most frequently, totaling 1,571 claims with an indemnity payment over the past twenty years. General Surgery had the second largest number of claims (1,209), and Family/General Practice Minor Surgery had the third largest number (1,025).

The specialties with the greatest percentage increase in the number of claims with an indemnity payment from 1980-1984 to 1995-1999 were Radiology Minor Surgery, Cardiac/Cardiovascular Surgery, OB/GYN Surgery, and Emergency Medicine. They increased 440.9%, 437.5%, 157.9%, and 144.4%, respectively. Graph 9-1 illustrates this trend. Table 9-1 and Graph 9-1 also show that in every category except emergency medicine and plastic surgery, there is a decrease in the number of claims with payment from 1990-1994 to 1995-1999.

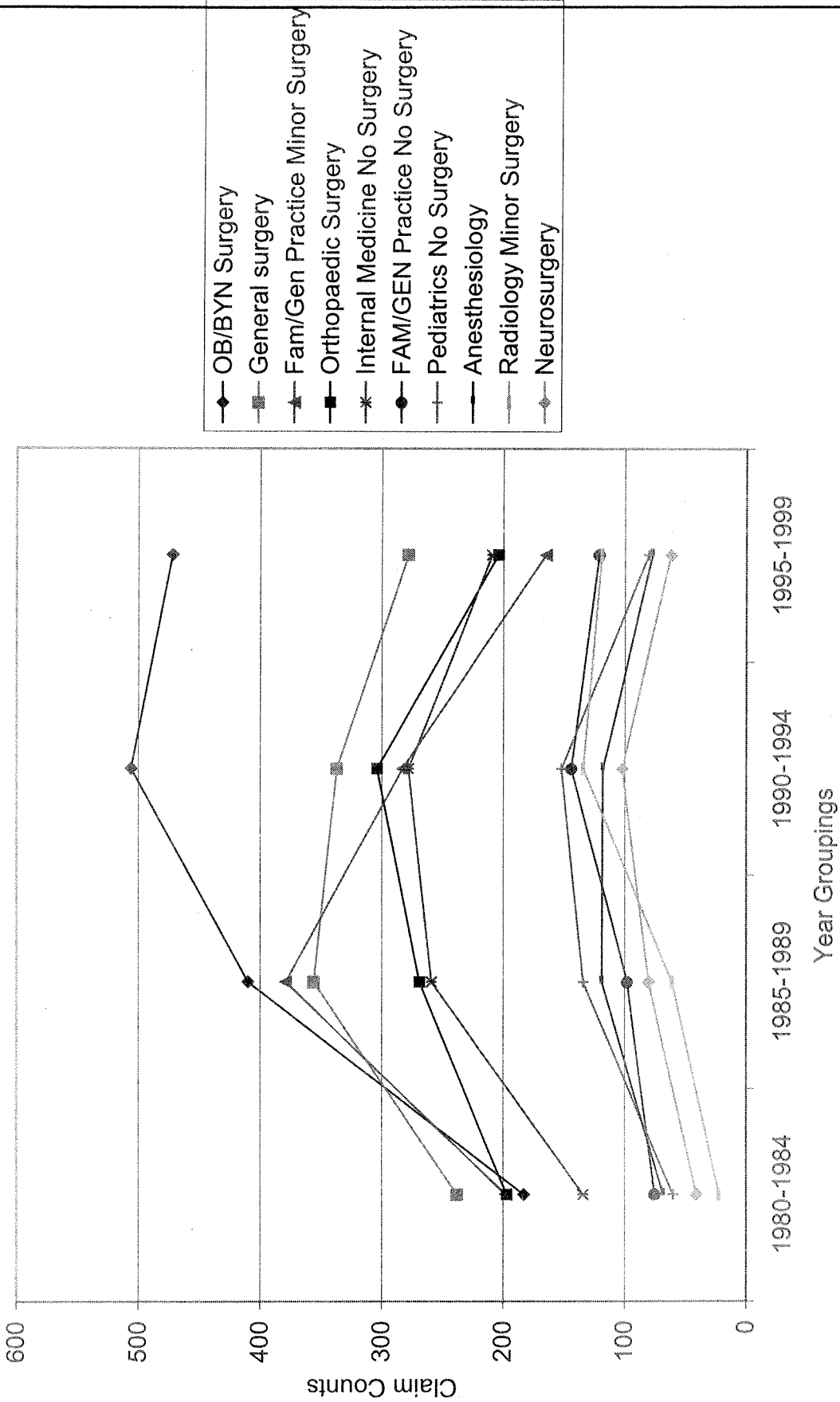
Table 9-2 lists the average amount of indemnity paid by specialty in the four year groupings. It indicates that the average amount of indemnity paid is generally increasing in each specialty. Graph 9-2 also shows this trend. Claims by doctors specializing in OB/GYN Surgery have the highest total indemnity payment of \$681,038,965 over the past twenty years. General Surgery had the second highest total amount paid (\$305,664,141), and Family/General Practice Minor Surgery had the third highest total amount paid (\$291,641,705).

Claim Numbers

Specialty	1980-1984	1985-1989	1990-1994	1995-1999	Total
OB/GYN Surgery	183	410	506	472	1,571
General Surgery	238	356	337	278	1,209
Fam/Gen Practice Minor Surgery	198	379	283	165	1,025
Orthopaedic Surgery	197	269	304	204	974
Internal Medicine No Surgery	134	259	278	209	880
Fam/Gen Practice No Surgery	75	98	144	121	438
Pediatrics No Surgery	60	134	152	80	426
Anesthesiology	68	119	118	77	382
Radiology Minor Surgery	22	61	134	119	336
Neurosurgery	41	80	102	62	285
Urological Surgery	47	63	77	65	252
Internal Medicine Minor Surgery	41	76	82	48	247
Cardiac/Cardiovascular Surgery	16	55	88	86	245
Ophthalmic Surgery	53	68	59	53	233
Radiology No Surgery	44	73	57	47	221
Otorhinolaryngology	38	48	63	48	197
Emergency Medicine	27	47	48	66	188
Plastic Surgery	21	37	42	45	145
Thoracic Surgery	23	47	32	30	132
Vascular Surgery	21	45	39	26	131
Other	369	563	517	561	2,010
Total	1,916	3,287	3,462	2,862	11,527

Table 9-1

Number of Claims with an Indemnity Payment

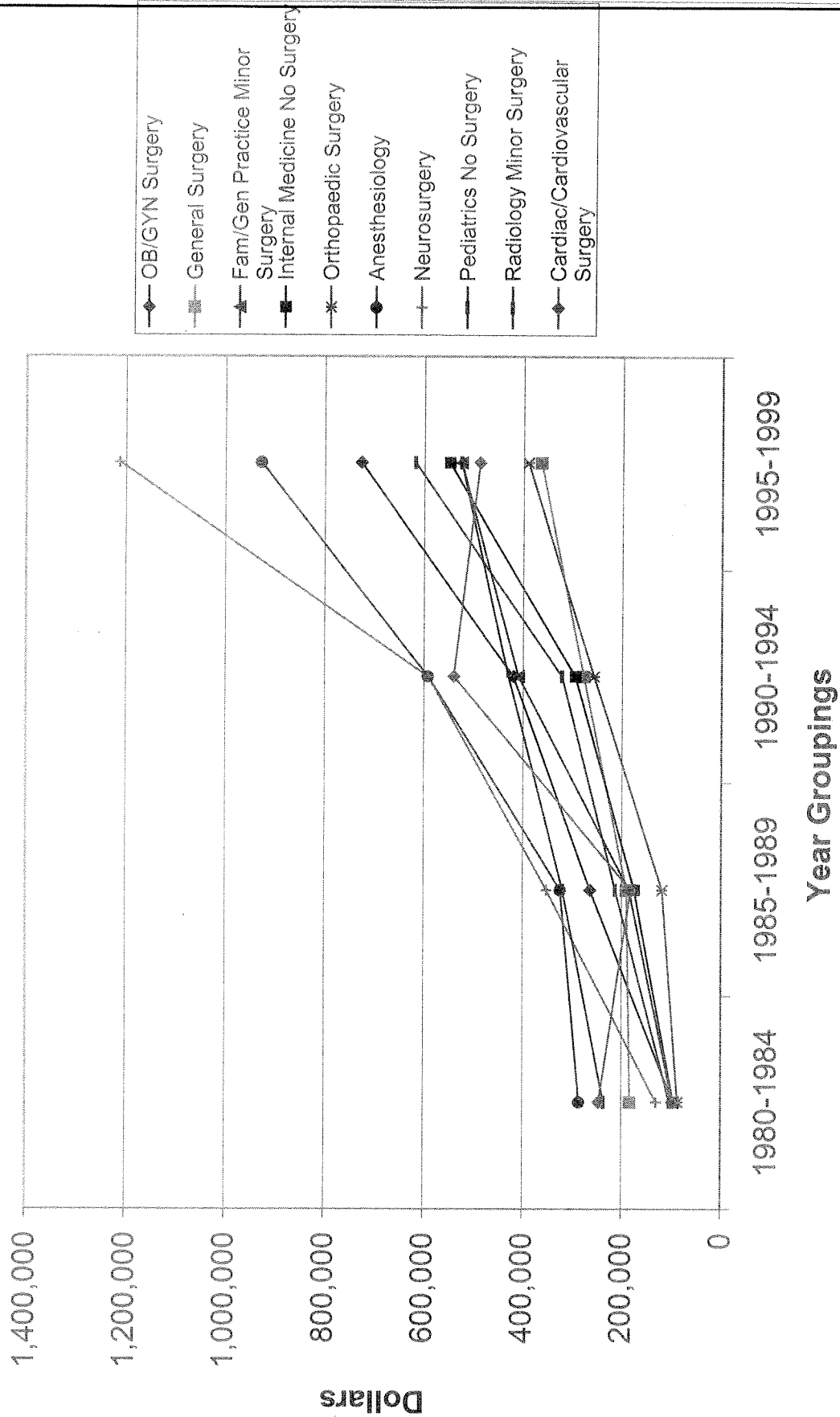


Graph 9-1

Average Indemnity Payment

Specialty	1980-1984	1985-1989	1990-1994	1995-1999	Indemnity Total
OB/GYN Surgery	\$ 95,886	\$ 263,661	\$ 419,793	\$ 726,644	\$ 681,038,965
General Surgery	182,796	189,931	277,191	363,777	305,664,141
Fam/Gen Practice Minor Surgery	96,702	184,967	409,407	524,425	291,641,705
Internal Medicine No Surgery	95,110	174,559	294,278	548,330	254,365,699
Orthopaedic Surgery	87,209	118,716	256,293	390,177	206,623,891
Anesthesiology	285,324	323,923	591,387	928,194	199,203,587
Neurosurgery	129,816	351,684	591,499	1,212,742	168,980,059
Pediatrics No Surgery	235,970	318,994	429,215	524,840	164,131,184
Radiology Minor Surgery	102,850	212,855	320,901	617,492	131,729,248
Cardiac/Cardiovascular Surgery	245,617	181,851	539,737	487,523	103,355,559
FAM/GEN Practice No Surgery	56,962	175,646	271,089	340,810	101,760,216
Internal Medicine Minor Surgery	136,185	252,538	352,346	376,726	71,751,686
Urological Surgery	193,492	152,231	340,951	342,920	67,227,729
Otorhinolaryngology	74,700	172,931	367,470	611,093	63,622,377
Radiology No Surgery	186,605	219,800	352,152	371,794	61,802,946
Emergency Medicine	131,509	133,751	366,680	327,761	49,069,933
Ophthalmic Surgery	57,318	215,162	184,610	261,132	42,400,867
Vascular Surgery	69,837	268,233	271,588	377,531	33,944,778
Thoracic Surgery	84,613	177,088	527,290	215,267	33,600,522
Plastic Surgery	44,498	95,070	159,862	258,763	22,810,584
Other	137,659	196,662	310,667	327,031	505,269,382

Average Amount of Indemnity Paid



Graph 9-2

10. Time Lapse for Closed Claims by Severity of Injury

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

For each severity of injury category, Tables 10-1 display both the number of claims with an indemnity payment and the number of closed claims without an indemnity payment. The tables also show the average months from the injury date to the report date and the average months from the report date to the closure date. The sum of two columns equals the average months from the injury date to the closure date. Graph 10-1 illustrates the changes in the average length of claims closed with payment over the years by grouping.

When comparing claims closed with an indemnity payment and claims closed without an indemnity payment, it is apparent that, on the average, it takes longer to close a claim with payment. In 1980-1984, the average time lapse between injury date and the closure date was 59 months for claims with an indemnity payment, yet it was only 52 months on claims without an indemnity payment. In 1985-1989, the average time lapse was 69 months on claims with an indemnity payment and 63 months on claims without an indemnity payment. In 1990-1994, the average time lapse for claims with an indemnity payment was 79 months, yet it was only 58 months on claims closed without an indemnity payment. In 1995-1999, the average time lapse for claims with an indemnity payment was 68 months but only 50 months on claims without an indemnity payment.

In looking at the different severities of injury for claims with an indemnity payment, the average length of time from the injury date to the closure date is longest for the claims with a grave permanent and a major permanent severity code. In general, claims with less significant severity codes have the shorter average time lapse from injury date to closure date. On average, across all severities and all years, it took between 25 and 30 months for a claim to be reported.

Average Length of Claims With Payment Compared to Claims Without Payment

Severity of Injury	Claims with Payment				Claims without Payment			
	# 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	3	58.80	29.41	88.21	10	25.09	18.01	43.10
Emotional	47	34.97	22.72	57.69	113	28.12	21.02	49.13
Insignificant	118	22.85	22.13	44.98	320	21.05	27.80	48.85
Minor Temp	318	22.50	29.32	51.82	818	22.65	24.32	46.97
Major Temp	214	22.02	30.45	52.46	678	23.87	24.99	48.86
Minor Perm	350	28.29	35.05	63.34	662	31.48	25.60	57.08
Significant Perm	197	28.29	37.96	66.25	349	27.06	25.83	52.89
Major Perm	101	32.94	38.27	71.22	177	33.69	27.67	61.36
Grave Perm	128	33.08	35.64	68.73	146	33.21	26.78	60.00
Death	440	20.64	35.91	56.55	859	24.21	26.81	51.02
Total	1,916	25.31	33.18	58.50	4,132	25.84	25.67	51.51

Table 10-1(a)

Severity of Injury	Claims with Payment				Claims without Payment			
	# 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	23.37	34.73	58.10	53	23.07	20.96	44.03
Emotional	46	29.04	39.26	68.31	199	30.36	32.40	62.76
Insignificant	135	25.12	31.82	56.94	454	20.87	30.79	51.66
Minor Temp	460	20.74	38.76	59.51	1,960	24.82	31.76	56.58
Major Temp	457	20.43	43.30	63.73	1,839	25.74	35.79	61.53
Minor Perm	414	27.57	45.80	73.37	1,315	29.59	36.56	66.15
Significant Perm	379	29.61	47.76	77.37	1,133	29.92	37.31	67.24
Major Perm	282	35.03	45.31	80.34	697	35.79	33.49	69.28
Grave Perm	222	41.28	46.28	87.56	393	46.38	42.00	88.38
Death	891	22.92	43.05	65.97	2,422	26.16	34.75	60.90
Total	3,287	26.08	43.27	69.35	10,465	27.91	34.78	62.69

Table 10-1(b)

Average Length of Claims With Payment Compared to Claims Without Payment

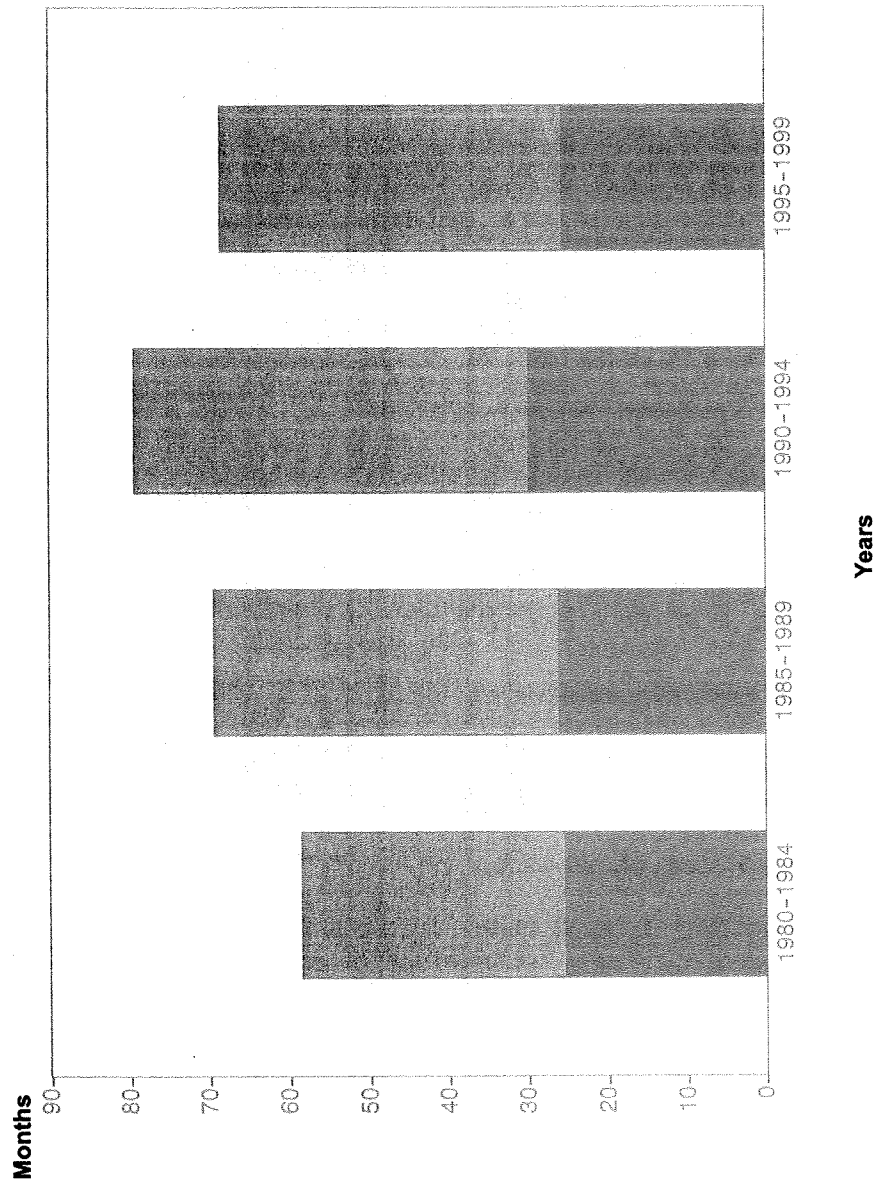
Severity of Injury	Claims with Payment				Claims without Payment			
	# of Claims With Payment	Average Months From Date of Injury to Date Reported	Average Months From Date Reported to Date Claim Closed	Average Months From Date of Injury to Date Claim Closed	# of Claims w/o Payment	Average Months From 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	107.03	16.37	123.40	146	30.60	6.56	37.16
Emotional	19	22.44	36.47	58.91	200	24.29	14.64	38.93
Insignificant	81	15.58	34.80	50.38	384	22.78	18.33	41.11
Minor Temp	296	25.72	43.66	69.38	1,605	25.27	25.09	50.36
Major Temp	366	25.34	43.75	69.09	1,699	26.95	25.75	52.70
Minor Perm	398	30.14	49.68	79.82	1,220	30.22	29.15	59.37
Significant Perm	463	37.37	50.40	87.77	1,114	32.18	27.78	59.96
Major Perm	465	36.66	55.73	92.38	1,052	41.34	34.41	75.76
Grave Perm	275	47.95	56.50	104.45	594	48.58	30.98	79.56
Death	1,098	22.72	49.66	72.38	2,713	26.30	29.94	56.24
Total	3,462	29.80	49.55	79.35	10,727	29.91	27.72	57.62

Table 10-1(c)

Severity of Injury	Claims with Payment				Claims without Payment			
	# 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	24.80	54.30	79.10	45	18.76	9.54	28.30
Emotional	39	23.38	29.55	52.93	181	21.51	18.43	39.94
Insignificant	47	20.78	31.50	52.28	380	22.44	14.74	37.18
Minor Temp	249	20.25	34.92	55.17	2,101	26.46	13.62	40.08
Major Temp	298	21.73	37.89	59.62	2,266	26.03	16.53	42.56
Minor Perm	362	25.31	39.82	65.13	1,274	27.59	26.32	53.91
Significant Perm	328	27.04	42.47	69.51	926	33.33	30.33	63.66
Major Perm	364	27.58	50.17	77.75	790	35.35	28.67	64.01
Grave Perm	300	42.88	53.53	96.41	508	46.81	28.85	75.66
Death	874	21.38	43.01	64.38	2,774	27.14	23.86	50.99
Total	2,862	25.53	42.95	68.48	11,245	28.53	21.39	49.92

Table 10-1(d)

Average Months from Date of Injury to Date Closed with Payment



Graph 10-1

11. Average Indemnity of Paid Claims by Region

Claims with an indemnity payment are analyzed by region within the state. For purposes of this study, claims filed in Illinois are grouped into four different regions. Counties included in Region 1 are Cook, Madison, McHenry, St. Clair, and Will; counties included in Region 2 are DuPage, Kane, and Lake; and counties included in Region 3 are Champaign, Jackson, Macon, Sangamon, and Vermillion. The rest of the counties are grouped in the Other category.

Tables 11-1, grouped by closure date, list the number of claims with an indemnity payment, the percentage of total indemnity paid, and the average indemnity of a paid claim by region. For all the groupings, more than 50% of the total indemnity amount was paid in Region 1. For the groupings from 1985-1989 to 1995-1999, average indemnity payments were the highest in Region 1.

In each region, the average indemnity paid amount is increasing over the years, as shown in Graphs 11-1.

The distribution of claims by region by grouping is illustrated in Graphs 11-2 and appears to be consistent across all groupings.

1980-1984

	# of Claims w/Payment	% of Total Indemnity Paid	Average Indemnity of Paid Claims
Region 1	923	51.68%	\$126,782
Region 2	306	17.13%	\$161,825
Region 3	104	5.82%	\$71,450
Other	453	25.36%	\$129,399
Total	1,786	100.00%	\$130,228

1990-1994

	# of Claims w/Payment	% of Total Indemnity Paid	Average Indemnity of Paid Claims
Region 1	2,007	59.03%	\$389,550
Region 2	540	15.88%	\$308,815
Region 3	147	4.32%	\$188,291
Other	706	20.76%	\$334,326
Total	3,400	100.00%	\$356,559

1985-1989

	# of Claims w/Payment	% of Total Indemnity Paid	Average Indemnity of Paid Claims
Region 1	1,684	52.09%	\$243,784
Region 2	589	18.22%	\$191,802
Region 3	201	6.22%	\$164,142
Other	759	23.48%	\$154,551
Total	3,233	100.00%	\$208,395

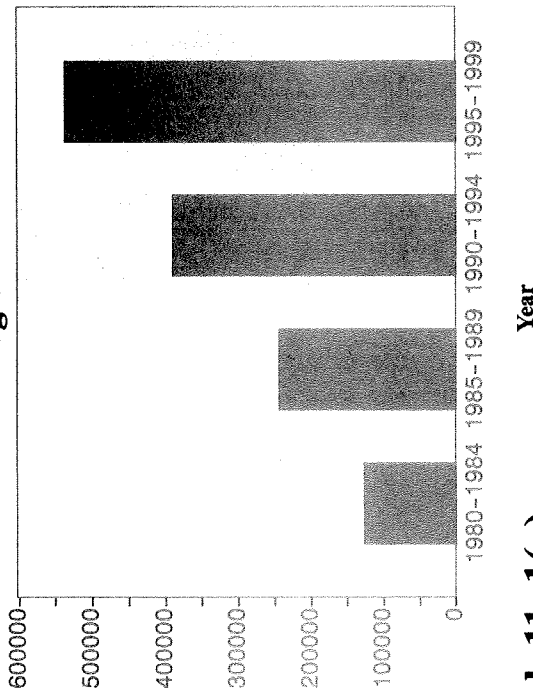
1995-1999

	# of Claims w/Payment	% of Total Indemnity Paid	Average Indemnity of Paid Claims
Region 1	1,589	56.45%	\$536,826
Region 2	451	16.02%	\$464,140
Region 3	104	3.69%	\$414,256
Other	671	23.84%	\$427,866
Total	2,815	100.00%	\$494,680

Region 1-Cook, Madison, McHenry, St. Clair, and Will
 Region 2-DuPage, Kane, and Lake
 Region 3-Champaign, Jackson, Macon, Sangamon, and Vermilion
 Other-All other counties

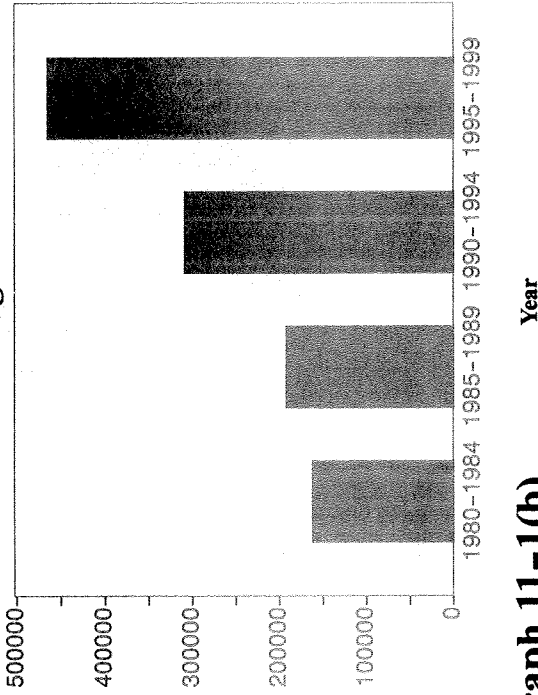
Average Indemnity Paid

Region 1



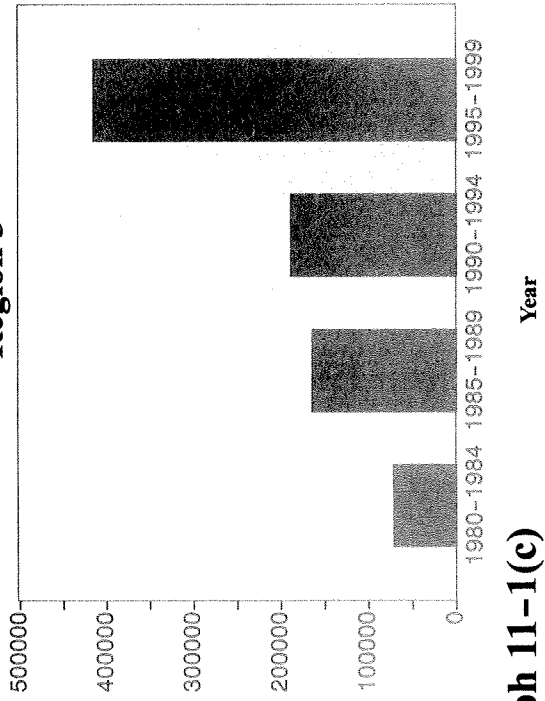
Graph 11-1(a)

Region 2



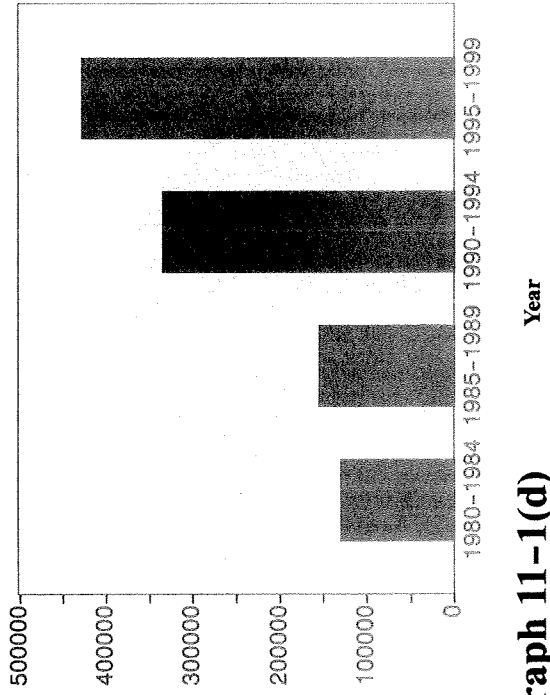
Graph 11-1(b)

Region 3



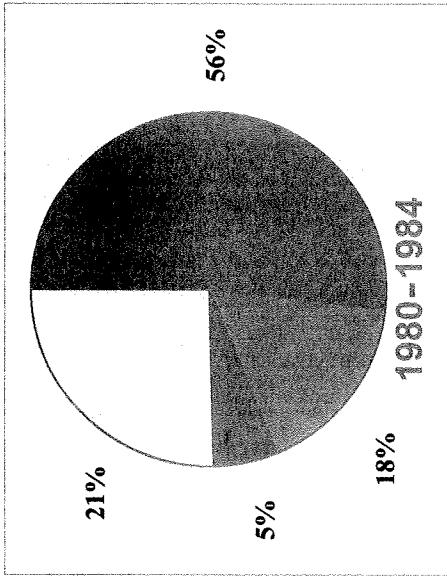
Graph 11-1(c)

Other

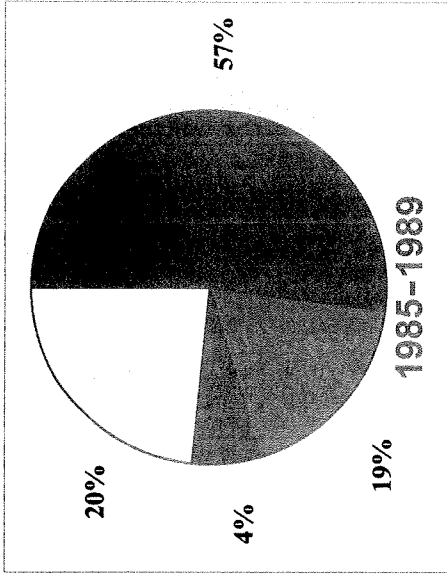


Graph 11-1(d)

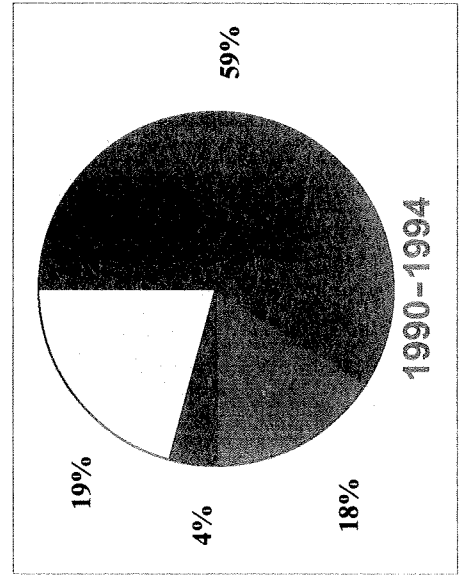
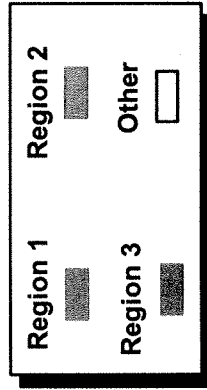
Number of Claims w/Payment



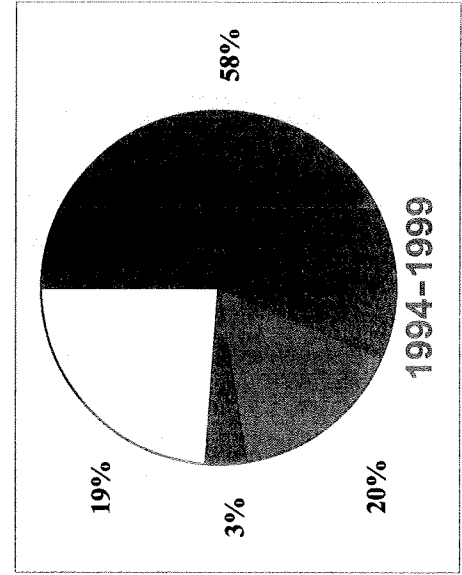
Graph 11-2(a)



Graph 11-2(b)



Graph 11-2(c)



Graph 11-2(d)

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 "UNK", 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 expenses if still outstanding \$		
12a. Plaintiff attorney's name		12b. City		12c. State
12d. Zip		13. Describe action which caused claim to be made		
				(Leave Blank)
				14a.
				14b.
14a. Final diagnosis for which treatment was sought or rendered (patient's actual condition)		15.		
14b. Describe misdiagnosis made, if any, of patient's actual condition		15		
15. Operation, diagnostic or treatment procedure causing the injury		16a		
16a. Describe principal injury giving rise to the claim		16a		
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.
4.				
20a. Date of this payment or closure		20b. Claim disposition (CODE)		20c. Settlement (CODE)
21a. Court (CODE)		21b. Binding arbitration (CODE)		21c. Review panel (CODE)
22. Indemnity paid by you on behalf of this defendant		\$		
23. Other indemnity paid by you on behalf of this defendant		\$ D <input type="checkbox"/> E <input type="checkbox"/>		
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
10/77

NAIC 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) institutional (academic), 2) professional corporation or partnership (group), 3) self-employed, 4) employed physician, 5) employed nurse, 6) all other employees, 7) intern or resident.
- 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
Temporary	2) Insignificant	Lacerations, contusions, minor scars, rash. No delay.
	3) Minor	Infections, misset fracture, fall in hospital. Recovery delayed.
	4) Major	Burns, surgical material left, drug side effect, brain damage. Recovery
Permanent	5) Minor	Loss of fingers, loss or damage to organs. Includes no disabling injuries.
	6) Significant	Deafness, loss of limb, loss of eye, loss of one kidney or lung.
	7) Major	Paraplegia, blindness, loss of two limbs, brain damage.
	8) Grave	Quadriplegia, severe brain damage, lifelong care or fatal prognosis.
	9) Death	

- 17a. Enter the appropriate Misadventure Code(s) if the Procedure was: 1) not adequately indicated, 2) contraindicated, 3) there was a more appropriate alternative, 4) delayed, 5) improperly performed, 6) not performed, 7) occasioned by misdiagnosis, 8) inadequate assessment, 9) mis-identification of the patient, 10) delay in notifying physician, 11) failure to notice an improper order, 12) failure to obtain a proper order, 13) failure to instruct patient.
- 17b. Enter the appropriate code if the following Misadventures in Diagnosis caused or aggravated the injury: 1) delay in diagnosis, 2) misdiagnosis of the abnormal condition, 3) misdiagnosis in the absence of an abnormal condition.
- 18a. Enter the appropriate code(s) if any Other person(s) caused or Contributed to the Injury: 1) attending physician, 2) house staff, 3) consultant, 4) nurse R.N., 5) nurse L.P.N. or L.V.N., 6) aide, 7) orderly, 8) pharmacist, 9) radiologist, 10) radiology technician, 11) anesthesiologist, 12) anesthetist, 13) pathologist, 14) laboratory technician, (15) physician's assistant, (16) O.R. technician, 17) physical therapist, 18) inhalation therapist, 19) other therapists, 20) other technicians, 21) dietitian, 22) maintenance personnel, 23) engineer, 24) administrator, 25) other personnel, 26) patient, 27) another patient.
- 18b. Enter the appropriate code(s) if one or more of the following factors were Associated Issues in the claim: 1) abandonment, 2) premature discharge from institution, 3) false imprisonment, 4) lack or delay of consultation, 5) lack of supervision, 6) breach of confidentiality, 7) failure to prevent an abnormal condition, 8) failure to accomplish intended result, 9) failure to conform with regulation or statutory rule, 10) lack of adequate facilities or equipment, 11) laboratory error, 12) pharmacy error, 13) products liability, 14) failure to timely disclose, 15) failure to provide warning instructions, 16) lack of consent from proper person, 17) inadequate information for informed consent, 18) procedure exceeded consensual understanding, 19) breach of contract, 20) warranty, 21) assault and battery, 22) res ipsa loquitur, 23) emergency equipment, 24) cooling devices, 25) heating devices, 26) cautery equipment, 27) x-ray equipment, 28) radiation therapy equipment, 29) traction equipment, 30) anesthesia equipment, 31) operative equipment, 32) surgical instruments and materials, 33) food preparation equipment, 34) laboratory equipment, 35) laboratory mislabeling, 36) laboratory computation error, 37) inadequate laboratory specimen, 38) lost laboratory specimen, 39) laboratory interpretation, 40) laboratory reporting error, 41) laboratory delay in reporting, 42) sterilization of equipment, 43) skin preparation, 44) aseptic technique, 45) isolation for infection control, 46) records, 47) billing and collection, 48) inter-professional relations, 49) vicarious liability, 50) statute of limitations, 51) punitive damages.
- 18c. Enter the appropriate Coverage Code for the type of policy covering the claim: 1) 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



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