MEDICAL MALPRACTICE FINANCIAL INFORMATION

Closed Claim Database and Rule Filings
Annual Report – October 1, 2021

FLORIDA OFFICE OF
Insurance
Regulation

David Altmaier
Insurance Commissioner

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Executive Summary

Section 627.912(6)(b) and (c), Florida Statutes, requires the Office of Insurance Regulation (OIR) to prepare an annual report about the medical malpractice insurance market in Florida. As required by law, this report provides:

- A review of the profitability and solvency of medical malpractice insurers doing business in Florida;
- A comparison of Florida medical malpractice insurance data to that of other states;
- A review of rate filings resolved by OIR during the 2020 calendar year; and
- An analysis of Florida medical malpractice closed claims.

It also provides:

- Detailed information by leading states and for leading companies that is targeted specifically to the physicians malpractice subline, and similar information for each of the other three sublines (other healthcare professionals, hospitals, and other facilities);
- Information on the breakdown of the market between licensed insurance companies, surplus lines companies, and risk retention groups for each of the four sublines;
- Information on competition and marketplace dynamics for the physicians malpractice market; and
- A comparison of malpractice premiums in leading states for physicians malpractice insurance.

This report satisfies the statutory requirements. Specifically, it analyzes the financial performance of the 23 medical malpractice insurance writers that constituted 80% of the overall Florida market in 2020.

Market size and cost components – Florida is the fourth largest U.S. state in terms of total medical malpractice premium, with roughly $699 million in 2020 direct written premium. Among the top 10 states by premium, Florida's:

- Combined loss and defense and cost containment ratio of 7.28% ranks eighth highest;
- Non-claims-based expense ratio of 24.7% is the fifth highest;
- Claims-based adjusting and other expense ratio of 4.0% ranks fifth highest; and
- Combined ratio (total payouts to premium) of 103.0%, down from 120.6% in 2019, is the fourth highest.

Carrier financial strength – It is estimated that the Florida medical malpractice line of business for the top 23 carriers generated a direct before reinsurance profit on surplus (Florida after tax profit/loss divided by surplus allocated to Florida) of -4.1% in 2020. This return compares negatively with the average countrywide all-lines net return on surplus for Florida's leading medical malpractice writers of 4.0% and is up from -0.3% in 2019. The average countrywide all-lines net return on surplus for Florida's leading medical malpractice writers is similar to the stock market gains in 2020, but both have shown volatility. Related financial information in the report suggests that the leading malpractice carriers as a class remain financially strong.

Breakdown of the market between licensed insurers and total of surplus lines carriers and risk retention groups (RRGs) – For the overall medical malpractice market, 64% of the premium is generated by licensed insurance companies as opposed to surplus lines insurers and risk retention groups. However, the results are very different when the scope is limited to one of the individual sublines broken out in the annual statement. The following percentages of premium, by subline, are for licensed insurers:

- Physicians and surgeons: 83%
- Other healthcare professionals: 64%
- Hospitals: 1%
- Other facilities: 5%

Company Admissions activity – Fourteen entities, including three RRGs, entered the Florida medical malpractice market during 2020. One risk purchasing group entered in 2020 and two risk retention groups surrendered their registration.

Legislation – No bills relating directly to medical malpractice were passed during the 2020 legislative session. Further, no court decisions of the magnitude of the McCall or Kalitan cases were made recently.

Breakdown of the market by subline – Physicians malpractice dominates the medical malpractice premium in Florida. Sixty-two percent (62%) of the 2020 Florida medical malpractice written premium was for physicians, 16% was for other healthcare professionals, 7% was for hospitals, and 16% was for other medical facilities.

Key financial information on physicians malpractice – Florida is the second largest state for physicians malpractice premium, with $433 million in 2020 direct written premium. Its loss ratio during 2020, specifically excluding defense and cost containment, at 41.9%, was the seventh highest among the top 10 states. That ranking translates to an estimated 2020 combined (all costs divided by all premiums) ratio of 91%, sixth highest among the top 10 states. This is lower than the all medical malpractice estimated combined ratio of 103%. Physicians malpractice loss ratios differ markedly among the leading carriers, ranging from as low as 15% to as high as 72%.

Specialization among physicians insurers – The majority of leading insurers providing medical malpractice coverage to physicians may be said to specialize in insuring physicians malpractice. Some of them specialize specifically in Florida physicians, although most do not.

Market concentration – The commonly-used Herfindahl-Hirschman (Herfindahl) index of market concentration is 1,924 for physicians malpractice insurance. That is within the 1,500 to 2,500 threshold that suggests the market is moderately concentrated. Since the types of insureds within the other sublines in the National Association of Insurance Commissioners' (NAIC) financial database are very diverse, the database does not contain enough information to evaluate the degree of market concentration in the remaining sublines.

Comparison of Florida rates to those of other states – A limited scope study contained within the report indicates that in four out of eight of the examples priced, Florida rates were the highest among all 10 states. In the remaining examples, Florida's rank varied from second highest to fifth highest.

Rate filings – There were 74 medical malpractice rate filings either approved or processed as informational in Florida during 2020. This is higher than the 71 filings in 2019 and 73 in 2018. The average rate change for a Florida physician as a result of rate filings resolved in 2020 was +4.1%. This was derived by taking the actual rate changes approved in 2020 and weighting them with zero rate change for the companies without approved filings. Some of the specialized areas of medical malpractice also experienced average rate changes in 2020, including:

- Dentists rates: +8.5%
- Professional nurses rates: +0.1%
- Podiatrists, optometrists, chiropractors, and similar professionals rates: +6.7%

Professional liability claims reporting system data – During 2020, 2,494 professional liability claims were reported as closed (down from 2,934 in 2019); 1,268 claims were closed for female claimants and 1,226 for male claimants. As in previous reports, hospital inpatient facilities were the most commonly reported claims location. As in prior reports, most claims could be characterized as "severe" or "moderate." An estimated $1.51 billion, 33.5% above 2019 which in turn was 8% above 2018, was paid over the lifetime of the claims closed in 2020; $1.039 billion was paid in damages, the remainder in loss adjustment expenses.

Historical context – OIR has continued to monitor the profitability of the medical malpractice insurance market in Florida. Prior to the 2003 legislative changes, the market experienced double-digit annual rate increases, an availability crisis, and had one of the highest defense and cost containment expense ratios in the country.

General conclusion – Based on the trends found in this report, it would appear that the 2003 changes to the law have continued to benefit policyholders and the industry, assisted with the solvency of medical malpractice carriers, and directly contributed to a long-term lowering of the defense and cost containment ratios in the state of Florida.

Purpose and Scope

Section 627.912(6)(b) and (c), Florida Statutes, requires OIR to publish an annual report of the state of the medical malpractice insurance market in Florida. The statute requires OIR to utilize three data resources:

1) The National Association of Insurance Commissioners' (NAIC) annual financial statement filings; 2) The closed claims database maintained by OIR; and 3) An analysis of rate filings filed with OIR during the previous year. The authorizing statute provides:

(6)(b) The office shall prepare an annual report by October 1 of each year, beginning in 2004, which shall be available on the Internet, which summarizes and analyzes the closed claim reports for medical malpractice filed pursuant to this section and the annual financial reports filed by insurers writing medical malpractice insurance in this state.

The report must include an analysis of closed claim reports of prior years, in order to show trends in the frequency and amount of claims payments, the itemization of economic and noneconomic damages, the nature of the errant conduct, and such other information as the office determines is illustrative of the trends in closed claims. The report must also analyze the state of the medical malpractice insurance market in Florida, including an analysis of the financial reports of those insurers with a combined market share of at least 80 percent of the net written premium in the state for medical malpractice for the prior calendar year, including a loss ratio analysis for medical malpractice written in Florida and a profitability analysis of each such insurer. The report shall compare the ratios for medical malpractice in Florida compared to other states, based on financial reports filed with the National Association of Insurance Commissioners and such other information as the office deems relevant.

(c) The annual report shall also include a summary of the rate filings for medical malpractice which have been approved by the office for the prior calendar year, including an analysis of the trend of direct and incurred losses as compared to prior years.

Background on the Florida Market

Since Florida's population ranks third in the country, it would be expected that Florida would represent one of the largest medical malpractice insurance markets. Although data was compiled for all 50 states and all U.S. territories (Appendix B), for purposes of comparison, this report compares Florida with other states in the top 10 for the most medical malpractice premium written overall for the medical malpractice line of business: New York, California, Pennsylvania, Illinois, New Jersey, Texas, Massachusetts, Georgia, and Maryland. These are the same states from last year's report but with different ranks for some states. The report also compares Florida direct losses incurred, expenses borne, and other key financial criteria with those of the other top 10 states.

The NAIC data used in this report includes all statutory annual statement data in the NAIC system as of May 21, 2021.

Organization of this Report

The primary financial data used to construct this report is obtained from the NAIC financial database. However, additional data from the Professional Liability Claims Reporting System (PLCR), internal reviews of rate filing activity, internal reviews of company admissions data, internal "CORE" system data, and OIR's legislative summary were used as well. In the NAIC financial database, extensive information is provided regarding the total financial position of a company across all lines of business. A substantial, but lesser, amount of information is provided for just the medical malpractice line of business. An even lesser amount of information is provided when the scope is restricted to one of the "sublines" in the NAIC database, such as only physicians, only non-physician healthcare professionals, only hospitals, or only non-hospital medical facilities.

The medical malpractice market for physicians is very different from the medical malpractice market for other sublines such as hospitals. Thus, information by subline can be of key interest. Therefore, the first section of this report focuses on the total malpractice market; the second section focuses on the results for just the policies covering physicians; the third on the malpractice market for other healthcare professionals, and so on. Those sections are followed by an analysis of the data from the PLCR system. Detailed comparisons of physicians medical malpractice premiums for the top 10 states and other key 50 states plus U.S. territories data items are in the appendices.

Analysis of the Complete Medical Malpractice Line of Business

The first section of this report covers data from all types of medical malpractice coverage combined. The first subsection of that analysis involves comparisons among the leading medical malpractice states.

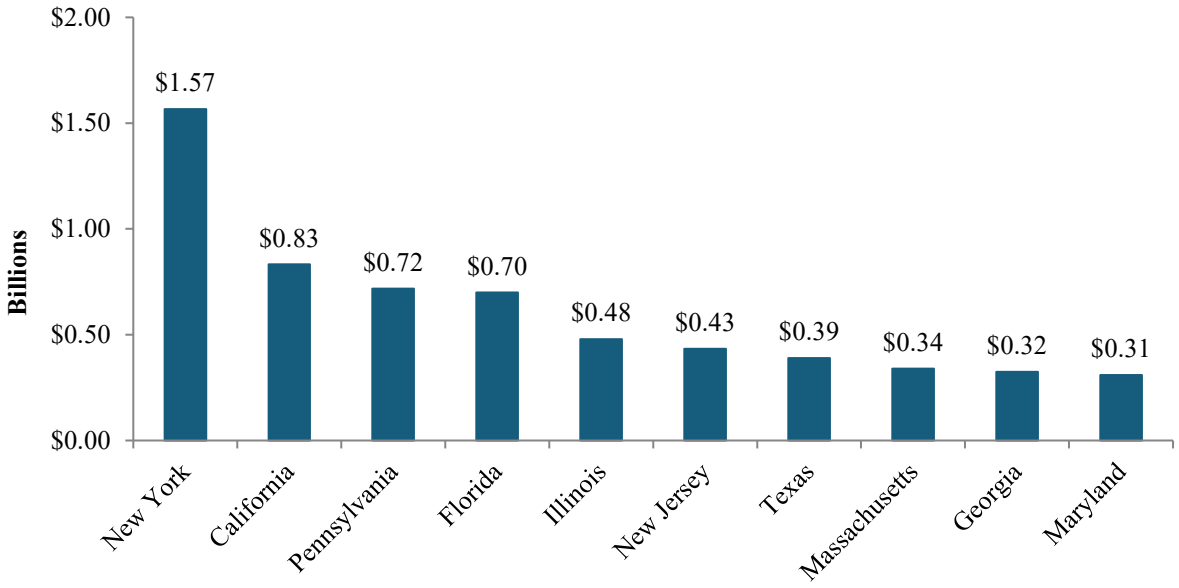
Comparisons to Other Leading States

Comparative data for the Florida medical malpractice market and that of the top 10 states for total malpractice premium is presented in the following sections.

Top 10 States by Medical Malpractice Premium Volume

Written premium is a commonly used measure of the dollars of sales generated by an insurance company. As the following graph shows, however, there is not a direct 1:1 correlation between state population and total medical malpractice written premium. California, by far the most populous state, is a distant second to New York in the amount of medical malpractice premium written. Meanwhile, Texas is the second most populous state, but ranks seventh in terms of medical malpractice premium. Florida ranks third by population but fourth within its peer group for medical malpractice direct written premium.

2020 Top 10 States for Medical Malpractice Direct Written Premium



Loss and DCC Information for the Top 10 States

The loss ratio is a measure of the percentage of premium that will be expended on paying claims. It divides the total loss dollars accrued in a calendar year by an "earned premium" value that adjusts the premium on each policy to match the 12 months of possible loss costs that the policy might have to pay. As such, a high loss ratio would suggest that losses are high in relation to premium. Further, a higher loss ratio would tend to require a lower average markup on loss costs on the part of the various insurance companies doing business in a state. Data on the loss ratios of the top 10 states and their loss ratio ranks are shown in the following chart.

2020 All Medical Malpractice Direct Loss Ratios

Written Premium Rank	State	All Medical Malpractice Direct Loss Ratio	Loss Ratio Rank
9	Georgia	93.6%	1
1	New York	63.1%	2
5	Illinois	62.1%	3
8	Massachusetts	58.6%	4
3	Pennsylvania	56.8%	5
2	California	53.8%	6
6	New Jersey	53.6%	7
10	Maryland	52.8%	8
4	**Florida**	**50.2%**	**9**
7	Texas	35.6%	10

Before discussing the results of the chart, a few points about this data should be mentioned. When actuaries and other professionals compute the rates companies charge, they use data that removes year-to-year fluctuations in estimates of the costs of claims and reflects the historical rate changes companies have made. As a by-product, those adjustments remove some of the year-to-year volatility in loss data.

Georgia reflected the highest medical malpractice direct loss ratio among the top 10 states in 2020, with New York second. The aggregate direct loss ratio for the Florida market was ninth in 2020, down from third in 2019. The national average in 2020 for all states and territories was 56.2%, slightly lower than the 56.6% loss ratio in 2019. Florida's loss ratio decreased to 50.2% in 2020 from 70.1% in 2019. The higher-than-average loss ratio in 2019 was driven by an incurred loss of roughly $76 million booked in 2019 by a risk retention group domiciled in Vermont.

Insurance companies are also required to pay for legal defense of claims. Those additional defense and cost containment (DCC) dollars can be substantial and are included with loss in the "loss and DCC" ratios to earned premium shown in the following chart.

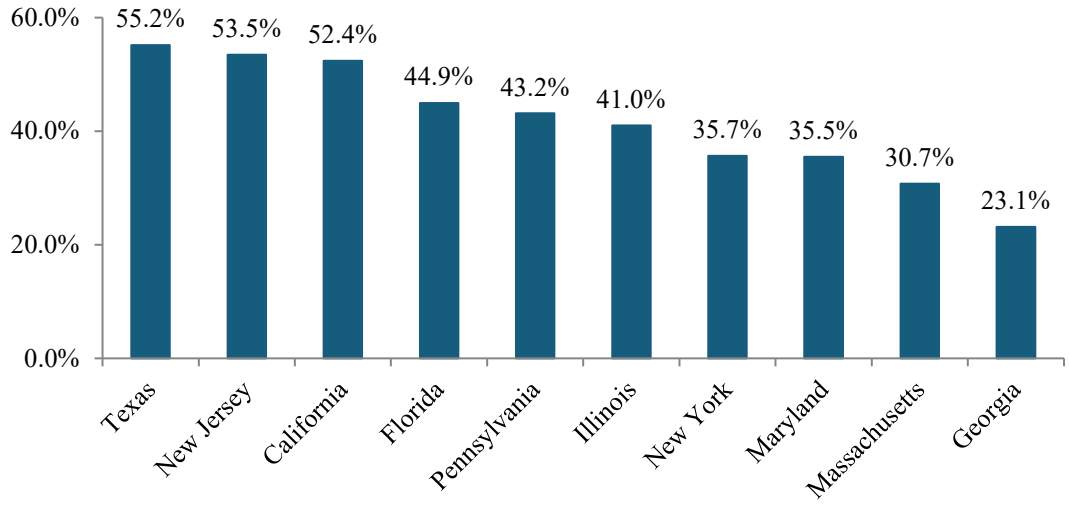
2020 All Medical Malpractice Direct Loss and DCC Ratios

Written Premium Rank	State	All Medical Malpractice Direct Loss and DCC Ratio	Loss & DCC Rank
9	Georgia	115.3%	1
5	Illinois	87.6%	2
1	New York	85.6%	3
6	New Jersey	82.3%	4
2	California	82.0%	5
3	Pennsylvania	81.3%	6
8	Massachusetts	76.6%	7
4	**Florida**	**72.8%**	**8**
10	Maryland	71.5%	9
7	Texas	55.3%	10

The loss and DCC ratio rankings loosely mirror the loss ratio rankings. Georgia, with the highest loss ratio, also had the highest loss and DCC ratio among the top 10 states in 2020. In this case, Florida was seventh, down from fifth in 2019.

Alternatively, DCC can be considered as frictional costs associated with the payment of damages to claimants.[1] Following that approach, the following graph shows the ratios of incurred (accrued in a calendar year) DCC to incurred loss.

2020 All Medical Malpractice Direct DCC to Loss Ratios



[1] It is important to note, DCC expenses are not the only frictional costs associated with payments to injured parties. In-house or other adjuster fees included in "adjusting and other" expense are also frictional costs. In some analyses, all expenses and profit would be considered as well. The payments made to plaintiff attorneys, plaintiff expert witnesses, and others are also such frictional costs, although the NAIC database does not break down the loss amounts between the amounts received by the plaintiff and the amounts expended on plaintiff frictional costs.

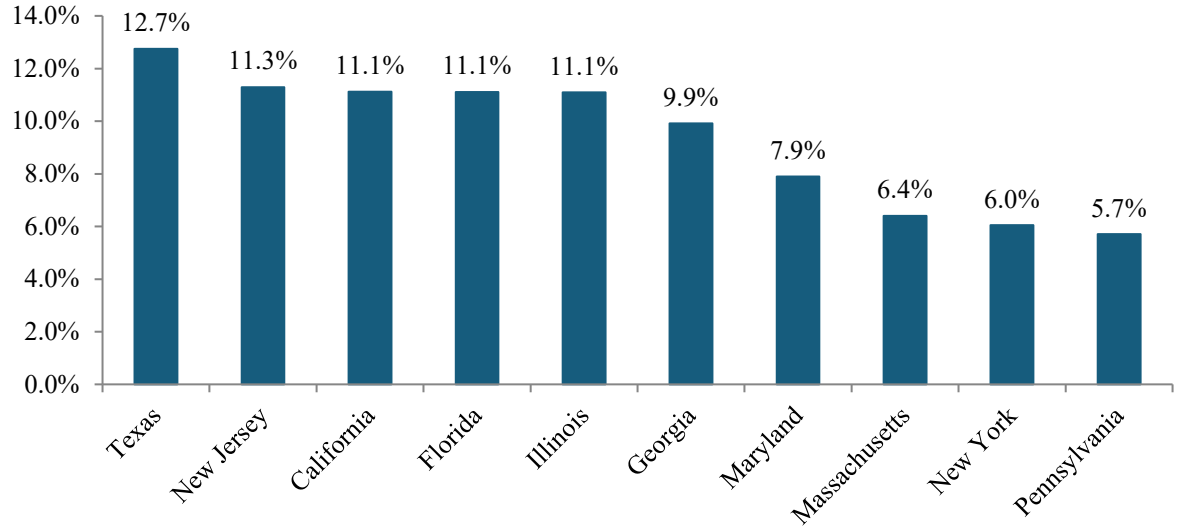
Florida had the fourth highest ratio of DCC to loss among the top 10 states in 2019. Although this data may also be distorted by the same factors that can distort the loss ratio, it is suggestive of average efficiency in DCC expenditures.

Expense Information for the Top 10 States

While loss and DCC may be considered as the benefits provided under a malpractice policy, insurance companies also have expenses associated with administering the policy. These are the adjusting and other expenses (AOE) associated with administering claims, the commissions paid to agents to sell policies, state premium taxes, non-commission policy acquisition costs called "other acquisition expense," and general overhead costs defined as "general expense." Of course, profit is also a cost paid by the insured, but that will be discussed separately. Detailed breakdowns of commission and taxes by company and state are included in the NAIC financial database. However, in the NAIC database AOE, other acquisition, and general expense data is strictly on a countrywide basis. Throughout this report, Florida AOE, other acquisition, and general expense were determined by pro-rating countrywide figures using direct malpractice earned premium. In that way, if a state has a higher-than-average percentage market share of companies with high expenses, the state would show a higher-than-average expense ratio. If a state had a high proportion of lower-overhead insurance companies, it would show as a lower expense state. By custom of the business, the commission and taxes are generally related to written premium (in effect, related to sales). AOE, other acquisition, and general expense are generally related to earned premium (relating them to the period when benefits are provided).

The largest expense provision related to written premiums is commission. The average commission ratios for the top 10 states by direct written premium are shown in the following graph.

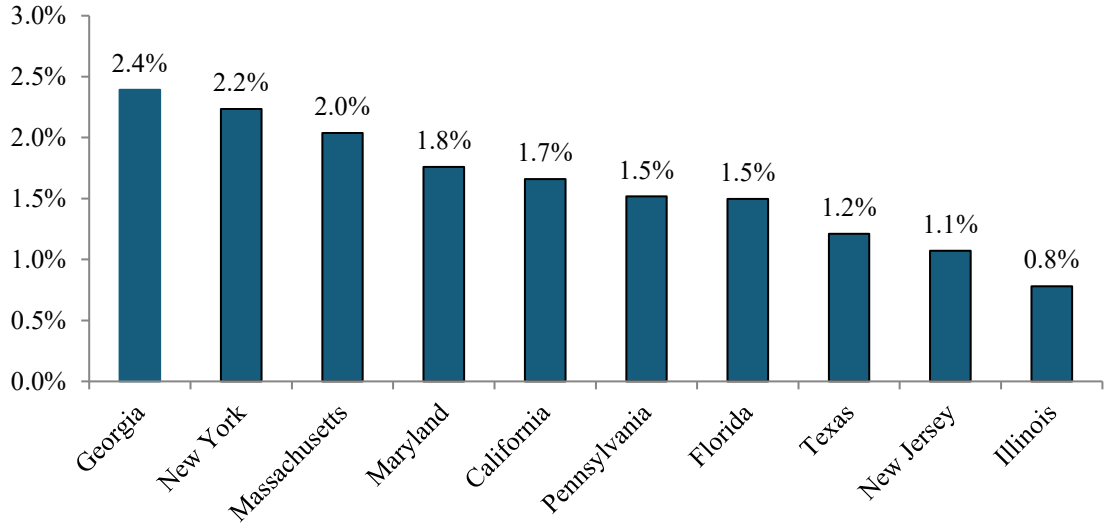
2020 All Medical Malpractice Direct Commission to Written Premium Ratios



Florida had the fourth highest commission ratio in 2020 among the states. The Florida commission is about 0.7% lower than the 11.8% calculated for 2019.

Ratios of premium tax to written premium for the top 10 states are shown in the following graph.

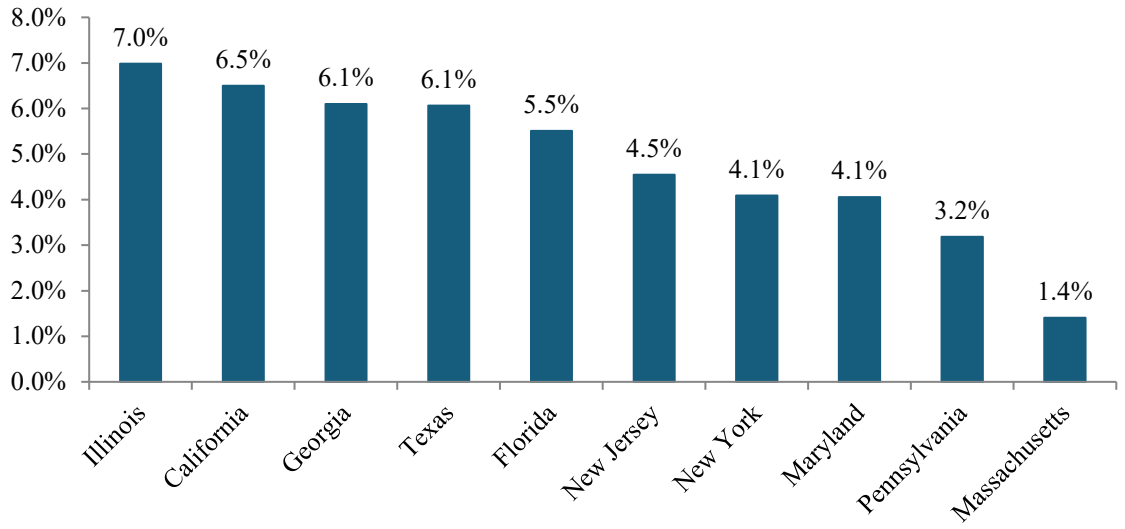
2020 All Medical Malpractice Premium Tax to Direct Written Premium Ratios



Differences in premium tax percentages are somewhat reduced from those in 2019, and Florida's premium tax expense is about 0.2% lower than the 1.7% in 2019.

The direct commission to written premium ratios shown previously and premium tax expense ratios just shown are based on actual state and company data. OIR has also analyzed expenses that are first prorated to states within each company (using direct earned premium), and then expressed as a ratio to the total direct medical malpractice earned premium in each state.

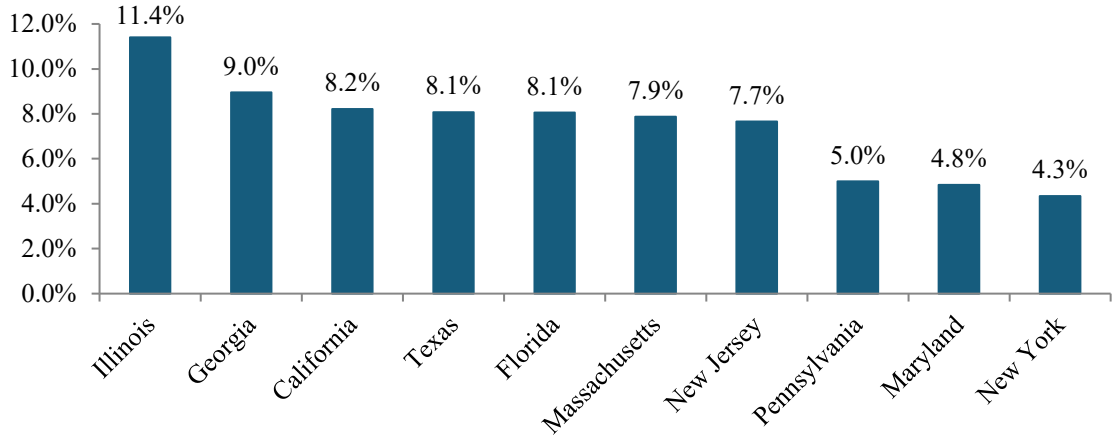
2020 All Medical Malpractice AOE to Direct Earned Premium Ratios



Last year, Florida had the fourth highest AOE expense ratio within the peer group of the top 10 states. In 2020, Florida had the fifth highest AOE expense ratio.

General expense is often related to written premium. However, the NAIC data source from which the data was drawn is based on earned premium and relating general expense to earned premium is sometimes done as well. The corresponding general expense ratios by state are shown in the following graph.

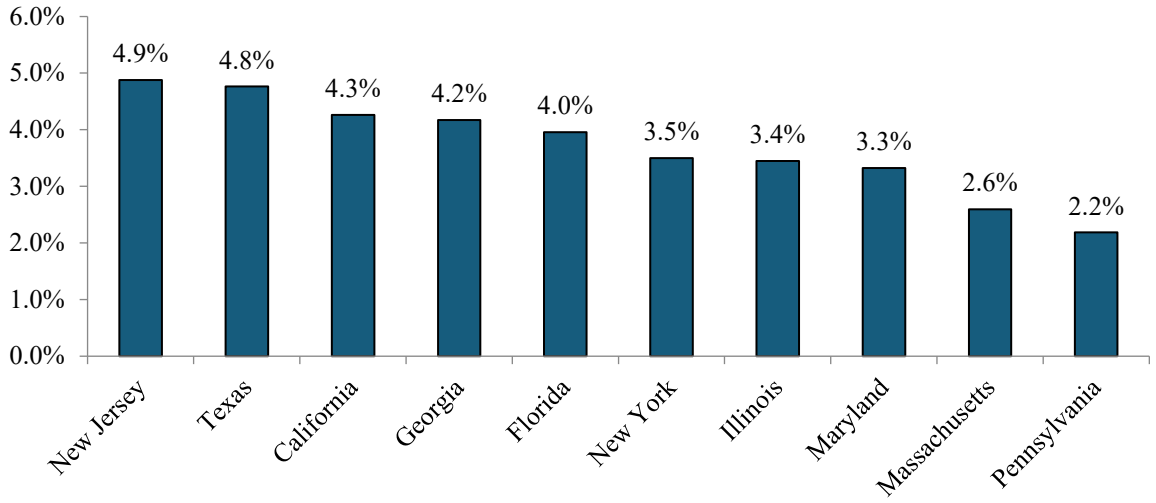
2020 All Medical Malpractice General Expense to Direct Earned Premium Ratios



Florida had the fifth highest general expense ratio at 8.1%, down from 8.6% in 2020. It was fourth highest in 2019.

Other acquisition expense is also related to earned premium shown in the following graph.

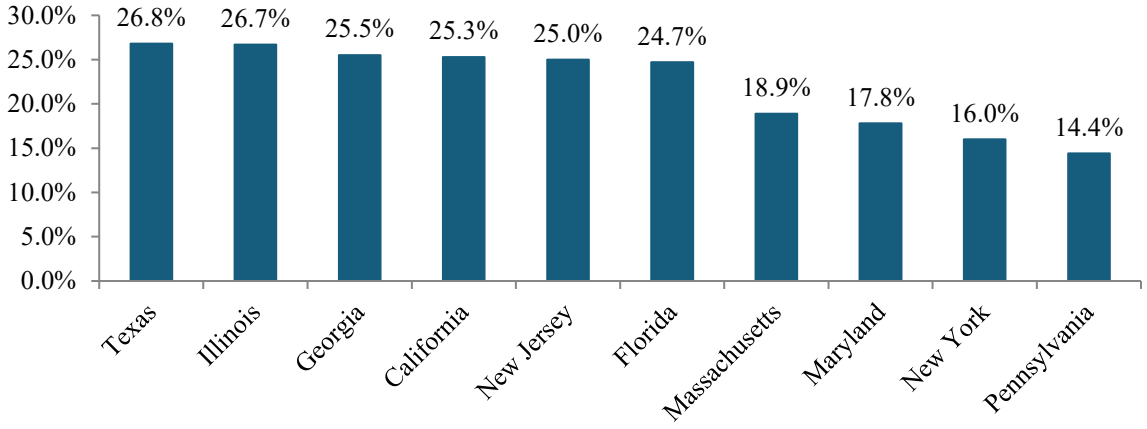
2020 All Medical Malpractice Other Acquisition Expense to Direct Earned Premium Ratios



These ratios are typically not as high as the general expense ratios. Although Florida's other acquisition expense ratio was midrange in the peer group (fifth), Florida is near the upper end of commission expense. Consequently, Florida's total acquisition expense (commission and other acquisition combined of 15.1%) ratio was somewhat high (fourth) within the peer group. Last year's ratio was 16.1%, which was third in the peer group.

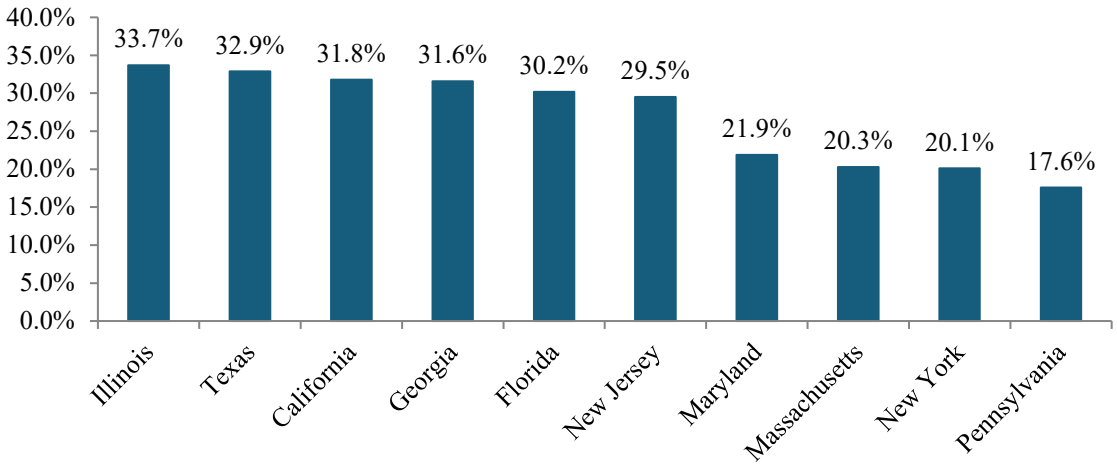
In calculating the overall expense ratio, the industry standard approach involves the combination of the commission, tax, general expense, and other acquisition ratios, and excludes AOE since the AOE ratio relates better to the number of claims to be adjusted rather than premium. Ratios on that basis are shown in the following graph.

2020 All Medical Malpractice Standard (No AOE) Expense Ratios



A review of the chart shows that Florida's standard expense ratio is the sixth highest among the top 10 states, lower than the ranking of third in 2019. When AOE expense is added to the previously shown expense ratios as a step-in computing total underwriting profitability, Florida has the fifth highest expense ratio of the top 10 states.

2020 All Medical Malpractice Expense Ratios (Inclusive of AOE)



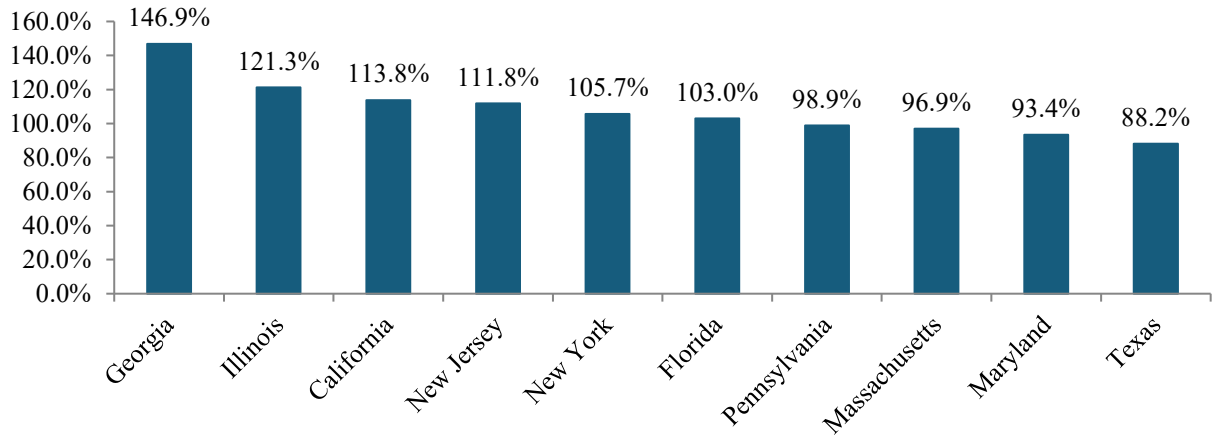
Profitability Measures for the Top 10 States

The standard gauge of underwriting profitability used in the insurance industry is the combined ratio. In this case, the loss and both forms of claims management expense (DCC and AOE) are related to earned premium; general expense and other acquisition are related to earned premium for reasons discussed previously; and the commission and tax are related to written premium. The sum of the loss, DCC, and expense ratios form the combined ratio. A ratio below one indicates that the total costs are less than the premiums paid, generating an underwriting profit. If the ratio is above one, an underwriting loss is generated. However, since investment income may offset all or part of an underwriting loss, the fact that a company is running an underwriting loss does not mean that the company is unprofitable. Generally, loss ratios well below one suggest a very high degree of profitability. Consequently, they are associated with high financial solvency and, theoretically, should lead to higher competition to enhance the value per dollar spent ratio for insureds. Loss ratios well above one are consistent with unprofitability and could lead to a problem of too few insurers offering coverage to meet the needs of all the healthcare providers.

Most of the data available in the NAIC financial database is based on "calendar year" data. This represents the amounts associated with the experience that occurs during the calendar year regardless of when the policy was written or when the claim occurred or was filed. For example, calendar year losses are determined by adding the losses paid during the year and the loss reserve at the end of the year, then subtracting the loss reserve at the beginning of the year. Some types of volatility in the loss reserves will distort the calendar year loss values. When the calendar year combined ratio of a state is taken as a bellwether, a deeper actuarial analysis of the individual state data for each company may be needed to fully understand medical malpractice profitability in the state.

The combined ratios for the top 10 states are shown in the following graph.

2020 All Medical Malpractice Direct Combined Ratios



The chart shows that the overall medical malpractice line is generating underwriting losses in six states and underwriting profits in four states. However, the combined ratios shown do not include the income the insurers earn on their investments. When that is reflected, it is likely that medical malpractice in some of the states with high combined ratios is nonetheless profitable. Florida is sixth in the peer group (down from fourth) with a 103.0% combined ratio (down from 120.6% in 2019).

Analysis of Florida Malpractice Results for Leading Carriers in Overall Medical Malpractice Line in Florida

Part (6)(b) of section 627.912, Florida Statutes, requires that this report include a financial analysis of the companies that comprise 80% of the medical malpractice *net written premium* in Florida. Insurers report financial information in their statutory annual statements on an aggregate, nationwide, by-state, and by-line of business basis. Net written premiums are reported in the annual statements in Schedule P Part 1F Sections 1 & 2. However, these premiums are aggregated on a nationwide basis and net written premiums by state are not included in the database. As such, OIR has utilized the direct written premiums by state that are included.

State specific data is primarily limited to information on page 19 of the annual statement, commonly referred to as the "state page" or "statutory page 14." Data reported on the Florida market by line of business includes:

- Direct Premiums Written
- Direct Premiums Earned
- Dividends to Policyholders
- Direct Losses
- Direct Defense and Cost Containment (DCC)
- Commissions and Brokerage Expenses
- Taxes, Licenses, and Fees

The 2004 Annual Report provided a financial analysis of insurers representing 80% of the market on a *direct written premium* basis as a surrogate for net written premium. OIR repeated this analysis for each of the subsequent annual reports. Eighty percent (80%) of the medical malpractice on a direct written premium basis should be a reasonable approximation of 80% of the market measured on a net written premium basis, although the analysis in this report may include a few companies that cede significant portions of their premium to other companies.

Due to the limited information on the reinsurance premiums, losses and expense ceded that is contained in the annual statement, the widely varying expense treatments in different reinsurance treaties, and the difficulties insurance companies may have in estimating ceded loss "reserves," it is not possible to reliably estimate net of reinsurance values at anything other than the all-lines, all-states level for a company. Therefore, a substitution from "net" (reflecting reinsurance) to "direct" (not reflecting the impact of reinsurance) will be made throughout almost the entirety of this report. When net values are shown, the fact that the values are net will be stated explicitly.

Another distinction typically made in the insurance marketplace is between medical malpractice written for individuals (usually physicians) and that written for institutions (usually hospitals). The legislative intent for the reporting requirements appears to be aimed at medical malpractice availability and rates for individual physicians. However, large portions of the NAIC annual statement reporting requirements do not contemplate a distinction of hospital insurance versus physician insurance versus other types of malpractice insurance. Various types of care providers are aggregated into the "Medical Malpractice Insurance" category. Later in the report, analyses of medical malpractice insurance data limited to only physicians, only other healthcare professionals, only hospitals, and only other healthcare facilities are performed using data from the "Supplement A to Schedule T" included in the NAIC database.

While portions of the annual statement are limited to medical malpractice, the balance sheet, income statement, cash flow statement, and investment information data from all lines of business are grouped together. Therefore, certain information must either be analyzed on an all lines combined basis or allocated between lines or states.

Leading Medical Malpractice Carriers in Florida and Their Loss and DCC Ratios

With those caveats, the 2020 direct written premium of the companies that comprise 80% of the total medical malpractice insurance market in Florida is shown in the following table. Highlighted rows indicate insurers that are domiciled in Florida in this exhibit and other exhibits in this report.

2020 Florida Written Premium for Leading Malpractice Carriers

Premium Rank	Company	Direct Written Premium	Market Share	Cumulative Share
1	Doctors Company, An Interinsurance Exchange	$113,665,998	16.3%	16.3%
2	Medical Protective Company	$98,464,850	14.1%	30.3%
3	MAG Mutual Insurance Company	$74,030,213	10.6%	40.9%
4	NORCAL Mutual Insurance Company	$40,781,427	5.8%	46.8%
5	National Fire & Marine Insurance Company	$33,716,395	4.8%	51.6%
6	Columbia Casualty Company	$19,940,684	2.9%	54.4%
7	Southwest Physicians RRG, Inc.	$17,803,106	2.5%	57.0%
8	**MedMal Direct Insurance Company**	**$16,992,439**	**2.4%**	**59.4%**
9	ProAssurance Casualty Company	$16,574,819	2.4%	61.8%
10	American Casualty Company of Reading, PA	$15,093,317	2.2%	63.9%
11	Samaritan RRG, Inc.	$14,712,722	2.1%	66.1%
12	Ironshore Specialty Insurance Company	$11,568,642	1.7%	67.7%
13	Landmark American Insurance Company	$10,337,117	1.5%	69.2%
14	MCIC Vermont (A Reciprocal RRG)	$10,176,061	1.5%	70.6%
15	Admiral Insurance Company	$10,032,409	1.4%	72.1%
16	Coverys Specialty Insurance Company	$9,320,875	1.3%	73.4%

Premium Rank	Company	Direct Written Premium	Market Share	Cumulative Share
17	Medical Mutual Insurance Company of North Carolina	$6,939,231	1.0%	74.4%
18	Evanston Insurance Company	$6,754,645	1.0%	75.4%
19	Ophthalmic Mutual Insurance Company (A RRG)	$6,689,254	1.0%	76.3%
20	Professional Security Insurance Company	$6,685,562	1.0%	77.3%
21	Hallmark Specialty Insurance Company	$6,523,624	0.9%	78.2%
22	Podiatry Insurance Company of America	$6,451,434	0.9%	79.1%
23	ProSelect Insurance Company	$6,133,899	0.9%	80.0%
Top 80% Total:		**$559,388,723**		
Total Florida Market:		**$699,129,908**		

Nine of the sample companies are licensed property and casualty insurers, nine are surplus lines insurers (#5 National Fire & Marine, #6 Columbia Casualty, #12 Ironshore Specialty, #13 Landmark American, #15 Admiral, #16 Coverys Specialty, #18 Evanston, #20 Professional Security, and #21 Hallmark Specialty), there was one reciprocal-type insurer (#1 Doctors Company) and four RRGs (#7 Southwest Physicians, #11 Samaritan, #14 MCIC Vermont, and #19 Ophthalmic Mutual).

There are some differences and similarities in the market when compared to the 2020 Annual Report on 2019 data. This year, achieving the 80% market share requirement required the inclusion of 23 licensed insurers, with one of the insurers being domiciled in Florida. This is one less than the number of companies required in last year's annual report but is significantly different from the situation when the reforms were first instituted. In last year's report, 24 insurers were required and two were domiciled in Florida. However, in the original 2004 report, only 11 insurers were required, two of which were domiciled in Florida. In the 2005 report, 12 insurers were required, two of which were domiciled in Florida.

The total medical malpractice insurance written premium for the state of Florida as reported above increased (16.1%) to $699 million in 2020 from $602 million in 2019. However, since the 2003 reforms, the premium has decreased from $860 million in 2004 and $850 million in 2005.

Over the long term, this represents a substantial decrease (18.7%) in the overall medical malpractice premium reported in Florida since 2004. This could be partially attributable to the lowering of rates. However, it may also be due to new arrangements by physicians including the use of individual bonding, purchasing malpractice insurance through hospitals/employers as well as utilization of self-insurance funds, or other non-traditional insurance mechanisms.

The loss experience of those leading insurers in Florida is shown in the following table.

2020 Florida Earned Premium, Loss, and Loss and DCC Experience for Leading Malpractice Carriers

Premium Rank	Company	Direct Earned Premium	Loss Ratio	Loss & DCC Ratio
1	Doctors Company, An Interinsurance Exchange	$111,472,093	33.0%	54.4%
2	Medical Protective Company	$91,334,340	64.3%	92.3%
3	MAG Mutual Insurance Company	$72,853,361	26.6%	38.6%
4	NORCAL Mutual Insurance Company	$41,029,125	54.1%	103.2%
5	National Fire & Marine Insurance Company	$31,921,850	50.3%	77.7%
6	Columbia Casualty Company	$18,759,141	95.1%	109.3%
7	Southwest Physicians RRG, Inc.	$10,385,145	65.5%	83.7%
8	**MedMal Direct Insurance Company**	**$16,362,966**	**51.8%**	**71.0%**
9	ProAssurance Casualty Company	$16,041,747	12.6%	-3.1%
10	American Casualty Company of Reading, PA	$14,575,447	43.1%	55.3%
11	Samaritan RRG, Inc.	$12,490,274	45.9%	71.1%
12	Ironshore Specialty Insurance Company	$9,582,133	57.9%	70.8%
13	Landmark American Insurance Company	$10,301,664	118.8%	133.7%
14	MCIC Vermont (A Reciprocal RRG)	$10,176,061	91.2%	129.0%
15	Admiral Insurance Company	$9,558,986	112.3%	141.0%
16	Coverys Specialty Insurance Company	$10,347,020	18.7%	48.2%
17	Medical Mutual Insurance Company of North Carolina	$5,141,154	44.4%	75.4%
18	Evanston Insurance Company	$7,244,073	31.9%	41.3%
19	Ophthalmic Mutual Insurance Company (A RRG)	$6,337,391	32.3%	46.9%
20	Professional Security Insurance Company	$5,030,862	177.3%	193.4%
21	Hallmark Specialty Insurance Company	$6,302,965	60.2%	80.1%
22	Podiatry Insurance Company of America	$6,456,798	29.0%	68.0%
23	ProSelect Insurance Company	$2,999,039	124.6%	151.1%
Top 80% Total:		**$526,703,635**	**50.3%**	**72.7%**
Total Florida Market:		**$662,826,468**	**50.2%**	**72.8%**

The ratios in the previous table are “calendar year” values. As such, they represent all the loss (or loss and DCC) amounts recorded during 2020. The actual claims reported in 2020 under claims made policies (“report year”) are a portion of the calendar year result. Those represent the true costs associated with the policies earning in 2020. However, “development,” or increases and decreases in the insurers’ cost estimates for claims from older report years, is also included in the calendar year results. Because of those distortions, actuaries typically perform a detailed analysis of supplemental data and prepare report year projected losses and DCC.

Information on how loss and loss adjustment expense cost estimates (reserves) have increased (+ signs indicating a cost increase developing as claims are settled) or decreased (-) in the one-year and two-year periods after the reserves are set may be seen in the following tables.

2020 One-Year Development as Percentage of 2019 Incurred Loss, and Four Prior One-Year Development Values

Company	2020	2019	2018	2017	2016
Doctors Company, an Interinsurance Exchange	-15%	-13%	-1%	-13%	-10%
Medical Protective Company	-3%	-25%	-37%	-55%	-38%
MAG Mutual Insurance Company	+39%	-7%	-13%	-10%	-12%
NORCAL Mutual Insurance Company	+2%	+30%	-7%	+10%	0%
National Fire & Marine Insurance Company	+6%	+10%	-3%	-9%	-3%

2020 Two-Year Development as Percentage of 2018 Incurred Loss, and Four Prior Two-Year Development Values

Company	2020	2019	2018	2017	2016
Doctors Company, an Interinsurance Exchange	-30%	-19%	-13%	-24%	-26%
Medical Protective Company*	-22%	-56%	-84%	-92%	-79%
MAG Mutual Insurance Company	+28%	-20%	-21%	-21%	-43%
NORCAL Mutual Insurance Company	+43%	+18%	+12%	+11%	-14%
National Fire & Marine Insurance Company	+11%	+4%	-9%	-11%	-17%

** The values for Medical Protective Company may have been affected by a special reinsurance transaction.*

Expense Information for Leading Medical Malpractice Carriers in Florida

The language in section 627.912, Florida Statutes, suggests that information on the profitability of medical malpractice companies doing business in Florida is desired. Specifically, information on the profitability of just the medical malpractice line of business written within the state of Florida. However, certain expense information (AOE, general expense, and other acquisition expense) is only routinely reported on a countrywide basis. Countrywide expense data for the medical malpractice line is reported in the NAIC financial database. For other key financial information (committed/invested surplus and federal taxes paid), an all-lines all-states summary for each company is reported in the NAIC database. Therefore, the profitability of medical malpractice within Florida for each of the top companies has been determined by using Florida-specific medical malpractice information wherever possible, and appropriate allocations were made for the other items.

The following table contains the Florida-specific medical malpractice commission and tax ratios for the top 80% of the Florida market.

2020 Direct Florida Medical Malpractice Commission and Premium Tax Ratios for Leading Malpractice Carriers

Premium Rank	Company	Commission to Direct Written Premium	Tax to Direct Written Premium
1	Doctors Company, An Interinsurance Exchange	9.1%	0.2%
2	Medical Protective Company	9.2%	1.9%
3	MAG Mutual Insurance Company	6.7%	3.4%
4	NORCAL Mutual Insurance Company	9.1%	2.5%
5	National Fire & Marine Insurance Company	33.9%	0.0%
6	Columbia Casualty Company	16.2%	0.0%
7	Southwest Physicians RRG, Inc.	0.0%	5.0%
8	**MedMal Direct Insurance Company**	**0.0%**	**2.0%**
9	ProAssurance Casualty Company	0.0%	1.6%
10	American Casualty Company of Reading, PA	37.8%	1.5%
11	Samaritan RRG, Inc.	8.9%	0.0%
12	Ironshore Specialty Insurance Company	9.9%	0.0%
13	Landmark American Insurance Company	20.7%	0.0%
14	MCIC Vermont (A Reciprocal RRG)	0.1%	2.8%
15	Admiral Insurance Company	17.5%	0.0%
16	Coverys Specialty Insurance Company	15.1%	0.0%
17	Medical Mutual Insurance Company of North Carolina	9.1%	2.4%
18	Evanston Insurance Company	20.2%	0.3%
19	Ophthalmic Mutual Insurance Company (A RRG)	0.0%	0.0%
20	Professional Security Insurance Company	9.2%	0.0%
21	Hallmark Specialty Insurance Company	21.8%	0.0%
22	Podiatry Insurance Company of America	3.3%	2.8%
23	ProSelect Insurance Company	10.3%	1.9%

The commission ratios fluctuate widely, due in part to differences in sales strategies. The tax ratios also show significant fluctuations among companies, possibly due to differences in the types of tax that companies categorize as premium tax within the annual statement. Further, the presence of taxes affects non-domestic insurer tax rates.

For the other categories of expense, it is necessary to use companies' countrywide ratios to direct earned premium as contained in the NAIC database.

2020 Direct Countrywide Medical Malpractice AOE, General, and Other Acquisition Ratios for Leading Malpractice Carriers

Premium Rank	Company	AOE To Direct Earned Premium	General Exp Ratio	Other Acq Exp Ratio
1	Doctors Company, An Interinsurance Exchange	7.5%	12.9%	2.3%
2	Medical Protective Company	3.3%	7.2%	5.7%
3	MAG Mutual Insurance Company	5.1%	12.6%	3.8%
4	NORCAL Mutual Insurance Company	8.2%	6.1%	7.2%
5	National Fire & Marine Insurance Company	7.3%	1.0%	0.4%
6	Columbia Casualty Company	8.0%	7.3%	6.4%
7	Southwest Physicians RRG, Inc.	0.0%	1.7%	0.0%
8	**MedMal Direct Insurance Company**	**2.9%**	**14.4%**	**11.5%**
9	ProAssurance Casualty Company	13.5%	6.0%	5.2%
10	American Casualty Company of Reading, PA	6.0%	3.0%	2.5%
11	Samaritan RRG, Inc.	-0.2%	3.4%	0.3%
12	Ironshore Specialty Insurance Company	3.8%	18.6%	0.0%
13	Landmark American Insurance Company	0.9%	0.4%	0.4%
14	MCIC Vermont (A Reciprocal RRG)	0.0%	0.0%	0.0%
15	Admiral Insurance Company	0.7%	3.8%	3.4%
16	Coverys Specialty Insurance Company	15.7%	13.3%	6.8%
17	Medical Mutual Insurance Company of North Carolina	27.2%	5.9%	5.9%
18	Evanston Insurance Company	6.7%	10.1%	0.1%
19	Ophthalmic Mutual Insurance Company (A RRG)	5.8%	14.9%	12.5%
20	Professional Security Insurance Company	0.4%	2.5%	0.0%
21	Hallmark Specialty Insurance Company	0.2%	3.3%	10.3%
22	Podiatry Insurance Company of America	11.8%	9.4%	6.4%
23	ProSelect Insurance Company	1.6%	12.0%	5.3%

There are also wide fluctuations in these expense ratios from carrier to carrier, some stemming from operational efficiencies or from assignment of other acquisition expense to the general expense category. Further, some carriers with very low ratios in this chart have very high commissions in the previous chart. Those issues illustrate the need to show the total expense ratios by state.

To provide a more complete comparison, the total non-loss related direct expense ratios using the mixed Florida and countrywide data of the top medical malpractice carriers in Florida are shown in the following table.

2020 Direct Estimated Overall Non-AOE Expense Ratios for Leading Malpractice Carriers

Premium Rank	Company	Non-AOE Expense Ratio	Expense Rank
1	Doctors Company, An Interinsurance Exchange	24.5%	14
2	Medical Protective Company	24.0%	15
3	MAG Mutual Insurance Company	26.5%	11
4	NORCAL Mutual Insurance Company	24.9%	12
5	National Fire & Marine Insurance Company	35.3%	3
6	Columbia Casualty Company	29.9%	6
7	Southwest Physicians RRG, Inc.	6.7%	22
8	**MedMal Direct Insurance Company**	**27.9%**	**9**
9	ProAssurance Casualty Company	12.9%	19
10	American Casualty Company of Reading, PA	44.8%	1
11	Samaritan RRG, Inc.	12.6%	20
12	Ironshore Specialty Insurance Company	28.5%	8
13	Landmark American Insurance Company	21.4%	18
14	MCIC Vermont (A Reciprocal RRG)	2.9%	23
15	Admiral Insurance Company	24.7%	13
16	Coverys Specialty Insurance Company	35.2%	4
17	Medical Mutual Insurance Company of North Carolina	23.3%	16
18	Evanston Insurance Company	30.7%	5
19	Ophthalmic Mutual Insurance Company (A RRG)	27.4%	10
20	Professional Security Insurance Company	11.7%	21
21	Hallmark Specialty Insurance Company	35.4%	2
22	Podiatry Insurance Company of America	21.9%	17
23	ProSelect Insurance Company	29.5%	7

While the differences are not as pronounced as in some of the individual expense component analyses, these ratios still range from as low[2] as 2.9% to a high of 44.8%. Among the top five carriers, one has an expense ratio of 35.3%, while the remaining four all have ratios in a range between 24% and 27%.

Profitability of Leading Medical Malpractice Carriers in Florida

As with the analysis of the medical malpractice line across different states, this report, consistent with the general guidance provided in the law, includes estimates of the profitability of medical malpractice in Florida. The Florida-specific data on loss costs in the NAIC database is based on

[2] An expense ratio of 2.9% is very unusual, since some expenses are needed to administer policies. What entity pays those costs for MCIC Vermont (A Reciprocal RRG) and how the costs are funded is not known.

"calendar year" information. That data includes a mix of 2020 losses and changes in the 2019 and prior years. Data over several years may be more meaningful than one year of data. A single year's profit or loss may not be a reliable indicator of the strength of the market.

In this section, the 2020 Florida profitability of each of the carriers making up the top 80% of the Florida market is estimated. Exact information on the profitability of medical malpractice in Florida is not included in the NAIC financial database. Further, the calendar year loss ratios may be distorted by volatility in the loss reserves. However, the loss, DCC, commission, and tax information included in the NAIC database may be combined with reasonable allocations of the remaining quantities. The Florida loss and DCC ratios may be added with the AOE and non-AOE expense ratios shown in the previous tables to produce estimated combined ratios. The results are shown in the following table.

2020 Direct Estimated Florida Malpractice Combined Ratios for Leading Florida Malpractice Carriers

Premium Rank	Company	Combined Ratio
1	Doctors Company, An Interinsurance Exchange	86.3%
2	Medical Protective Company	119.6%
3	MAG Mutual Insurance Company	70.2%
4	NORCAL Mutual Insurance Company	136.3%
5	National Fire & Marine Insurance Company	120.2%
6	Columbia Casualty Company	147.2%
7	Southwest Physicians RRG, Inc.	90.5%
8	**MedMal Direct Insurance Company**	**101.8%**
9	ProAssurance Casualty Company	23.2%
10	American Casualty Company of Reading, PA	106.1%
11	Samaritan RRG, Inc.	83.5%
12	Ironshore Specialty Insurance Company	103.1%
13	Landmark American Insurance Company	156.0%
14	MCIC Vermont (A Reciprocal RRG)	131.9%
15	Admiral Insurance Company	166.5%
16	Coverys Specialty Insurance Company	99.1%
17	Medical Mutual Insurance Company of North Carolina	125.8%
18	Evanston Insurance Company	78.7%
19	Ophthalmic Mutual Insurance Company (A RRG)	80.1%
20	Professional Security Insurance Company	205.5%
21	Hallmark Specialty Insurance Company	115.7%
22	Podiatry Insurance Company of America	101.7%
23	ProSelect Insurance Company	182.3%

There is a broad range of different combined ratios among the top Florida malpractice carriers. Fifteen (15) companies show combined ratios over 100%, with eleven (11) companies showing combined ratios over 115%. Reserving complications could exacerbate the values, but the 2019 year generated sixteen (16) companies with combined ratios over 100%, twelve (12) of which had loss ratios over 115%. As with the loss and DCC ratios, these ratios are subject to potential distortions due to development on older years. It is possible that an analysis with more data could change the results considerably.

Subtracting each insurer's combined ratio from one will produce its underwriting profit ratio for Florida medical malpractice. Multiplying that underwriting profit ratio by the Florida medical malpractice earned premium produces the insurer's Florida medical malpractice underwriting profit. To arrive at the overall post-tax[3] profit, one must add investment income and deduct federal taxes. Further, one must relate that income to a measure of the capital investment made in the company.

A commonly used measure (since it is an estimate of what would remain if the company were liquidated) of the capital deployed in an insurance company is its policyholders' surplus. However, the policyholders' surplus of a company is there to secure its promises to insureds against any unanticipated increase in loss costs, regardless of what line of business and state it arises in. Financial data in the NAIC database includes a single countrywide all-lines surplus value for each company. To perform a direct return on surplus calculation for Florida medical malpractice, it is necessary to allocate surplus to strictly Florida medical malpractice. There are many ways in use to allocate surplus to line and state. In the interest of simplicity, an approach of allocating surplus according to direct[4] written premium was used. The results are shown in the following table.

2020 Surplus Allocated to Florida Medical Malpractice for Leading Malpractice Carriers

Premium Rank	Company	Allocated Surplus in 1,000,000's
1	Doctors Company, An Interinsurance Exchange	$416.42
2	Medical Protective Company	$457.05
3	MAG Mutual Insurance Company	$205.63
4	NORCAL Mutual Insurance Company	$71.82
5	National Fire & Marine Insurance Company	$100.23
6	Columbia Casualty Company	$6.45

[3] Computing the post-tax profit is the key whenever investment income is considered, as many carriers choose lower-yielding state and local government bonds due to the lower or foregone federal income taxes on the income they generate.

[4] The resulting calculations are slightly distorted in that the surplus must only defend against unanticipated costs in losses after (net of) reinsurance. The degree to which reinsurance defends against unanticipated costs depends on the amount and type of reinsurance purchased, as well as the key coverage features of each reinsurance contract. However, considering that the typical malpractice insurer does not cede an overly high amount of reinsurance, the results may be taken as a crude bellwether.

Premium Rank	Company	Allocated Surplus in 1,000,000's
7	Southwest Physicians RRG, Inc.	$7.53
8	**MedMal Direct Insurance Company**	**$14.19**
9	ProAssurance Casualty Company	$28.72
10	American Casualty Company of Reading, PA	$2.67
11	Samaritan RRG, Inc.	$34.68
12	Ironshore Specialty Insurance Company	$2.62
13	Landmark American Insurance Company	$1.80
14	MCIC Vermont (A Reciprocal RRG)	$16.36
15	Admiral Insurance Company	$11.06
16	Coverys Specialty Insurance Company	$3.22
17	Medical Mutual Insurance Company of North Carolina	$19.39
18	Evanston Insurance Company	$4.96
19	Ophthalmic Mutual Insurance Company (A RRG)	$30.12
20	Professional Security Insurance Company	$6.11
21	Hallmark Specialty Insurance Company	$0.86
22	Podiatry Insurance Company of America	$9.17
23	ProSelect Insurance Company	$0.82

OIR estimated the total profit that each company earned in Florida during 2020. First, the underwriting profit was computed by multiplying the difference of the combined ratio from 100% times the earned premium. Next, the policyholder dividends paid or declared in 2020 were subtracted from the underwriting profit, so the results would be comparable to the way insurers report their overall profit. As a next step, the investment income and underwriting profit were added together. As with the surplus, the investment income must be allocated to Florida. Many methods may be used to perform the allocation. As before, this report uses a simplified approach. Investment income was allocated to the Florida medical malpractice premium by computing the sum of the Florida loss and DCC reserve for medical malpractice, the Florida unearned premium reserve for medical malpractice, and the surplus allocated to Florida medical malpractice premium for each company. The ratio of that sum to the sum of the corresponding countrywide all-lines values for each company was used to prorate each company's investment income. The resulting pre-tax operating income estimates for Florida medical malpractice carriers are listed in the following table.

Components of 2020 Estimates (in Millions) of Pre-Tax Florida Medical Malpractice Profit for Leading Malpractice Carriers

Premium Rank	Company	Post-Dividend Underwriting Profit/Loss	Allocated Investment Income	Florida Pre-Tax Profit
1	Doctors Company, An Interinsurance Exchange	$15.07	$24.26	$39.33
2	Medical Protective Company	-$17.90	$14.30	-$3.60
3	MAG Mutual Insurance Company	$17.09	$14.78	$31.87
4	NORCAL Mutual Insurance Company	-$14.89	$5.88	-$9.01
5	National Fire & Marine Insurance Company	-$6.45	$1.02	-$5.43
6	Columbia Casualty Company	-$8.85	$1.84	-$7.01
7	Southwest Physicians RRG, Inc.	$0.99	$0.41	$1.40
8	**MedMal Direct Insurance Company**	**-$0.29**	**$1.97**	**$1.68**
9	ProAssurance Casualty Company	$12.31	$1.73	$14.04
10	American Casualty Company of Reading, PA	-$0.89	$2.43	$1.54
11	Samaritan RRG, Inc.	$2.06	$6.64	$8.70
12	Ironshore Specialty Insurance Company	-$0.30	$0.85	$0.55
13	Landmark American Insurance Company	-$5.77	$0.56	-$5.21
14	MCIC Vermont (A Reciprocal RRG)	-$3.24	$1.71	-$1.53
15	Admiral Insurance Company	-$6.35	$0.56	-$5.79
16	Coverys Specialty Insurance Company	$0.10	$0.66	$0.76
17	Medical Mutual Insurance Company of North Carolina	-$1.33	$0.86	-$0.47
18	Evanston Insurance Company	$1.54	$1.80	$3.34
19	Ophthalmic Mutual Insurance Company (A RRG)	$0.22	$1.53	$1.75
20	Professional Security Insurance Company	-$5.40	$0.87	-$4.53
21	Hallmark Specialty Insurance Company	-$0.99	$0.20	-$0.79
22	Podiatry Insurance Company of America	-$0.11	$1.27	$1.16
23	ProSelect Insurance Company	-$2.47	$0.22	-$2.25

Using that pre-tax profit, and the tax rate each company paid on total income in 2020 (capped between 0% and 21%), OIR computed the estimated direct post-tax profit and return on surplus. The results are shown in the following table.

Estimated 2020 Post-Tax Florida Medical Malpractice Profit (in Millions) and Return on Surplus for Leading Malpractice Carriers

Premium Rank	Company	Capped Tax Rate	Post-Tax Profit	Return on Surplus
1	Doctors Company, An Interinsurance Exchange	0.0%	$39.33	9.4%
2	Medical Protective Company	21.0%	-$2.84	-0.6%
3	MAG Mutual Insurance Company	8.4%	$29.20	14.2%
4	NORCAL Mutual Insurance Company	21.0%	-$7.12	-9.9%
5	National Fire & Marine Insurance Company	0.0%	-$5.43	-5.4%
6	Columbia Casualty Company	19.9%	-$5.62	-87.1%
7	Southwest Physicians RRG, Inc.	0.0%	$1.40	18.6%
8	**MedMal Direct Insurance Company**	**0.0%**	**$1.68**	**11.8%**
9	ProAssurance Casualty Company	21.0%	$11.09	38.6%
10	American Casualty Company of Reading, PA	0.0%	$1.54	57.7%
11	Samaritan RRG, Inc.	11.0%	$7.74	22.3%
12	Ironshore Specialty Insurance Company	9.2%	$0.50	19.0%
13	Landmark American Insurance Company	21.0%	-$4.12	-228.7%
14	MCIC Vermont (A Reciprocal RRG)	0.0%	-$1.53	-9.4%
15	Admiral Insurance Company	12.1%	-$5.09	-46.0%
16	Coverys Specialty Insurance Company	13.6%	$0.66	20.4%
17	Medical Mutual Insurance Company of North Carolina	19.3%	-$0.38	-2.0%
18	Evanston Insurance Company	10.9%	$2.98	60.0%
19	Ophthalmic Mutual Insurance Company (A RRG)	0.0%	$1.75	5.8%
20	Professional Security Insurance Company	8.6%	-$4.14	-67.8%
21	Hallmark Specialty Insurance Company	0.0%	-$0.79	-92.3%
22	Podiatry Insurance Company of America	10.0%	$1.04	11.4%
23	ProSelect Insurance Company	21.0%	-$1.78	-215.8%

The leading Florida medical malpractice carrier, the Doctors Company, generated an estimated 9.4% return on surplus in 2020. The carrier showing the highest estimated return on surplus is Evanston Insurance Company. Among other things, this is heavily affected by the ratio of written premium to surplus. For example, #18 Evanston Insurance's ratio of written premium to allocated Florida surplus is 136%, but the Doctors Company's ratio is 27%. That low ratio of premium to surplus also explains why the Doctors Company, which had a significant underwriting profit on premium in prior years, had a fairly typical return on surplus in those years.

The Florida values are compared to the countrywide returns on surplus posted by those carriers in the following table. To make the results more comparable, Florida returns with uncapped tax rates are computed and used in the comparison. Further, since the countrywide values reported to shareholders or other parties interested in financial performance are reported on a net (i.e. after

deducting the premiums paid for reinsurance and adding in the loss reimbursements and other anticipated payments from reinsurers) of reinsurance basis, the countrywide results on a net of reinsurance basis are reported as well.

Comparison of Estimated 2020 Post-Tax Florida Medical Malpractice Direct Return on Surplus to All Lines Companywide Net Return on Surplus for the Top Total Malpractice Carriers

Premium Rank	Company	Florida Direct Post-Capped-Tax Return on Surplus	Florida Direct Post-Uncapped-Tax Return on Surplus	Countrywide Net Post-Tax Return on Surplus
1	Doctors Company, An Interinsurance Exchange	9.4%	9.8%	5.8%
2	Medical Protective Company	-0.6%	-0.6%	3.9%
3	MAG Mutual Insurance Company	14.2%	14.2%	4.3%
4	NORCAL Mutual Insurance Company	-9.9%	-3.4%	-2.2%
5	National Fire & Marine Insurance Company	-5.4%	-30.6%	-0.6%
6	Columbia Casualty Company	-87.1%	-87.1%	2.9%
7	Southwest Physicians RRG, Inc.	18.6%	19.3%	-5.5%
8	**MedMal Direct Insurance Company**	**11.8%**	**15.0%**	**12.4%**
9	ProAssurance Casualty Company	38.6%	29.8%	-11.1%
10	American Casualty Company of Reading, PA	57.7%	57.6%	7.4%
11	Samaritan RRG, Inc.	22.3%	22.3%	21.7%
12	Ironshore Specialty Insurance Company	19.0%	19.1%	4.4%
13	Landmark American Insurance Company	-228.7%	-207.0%	4.8%
14	MCIC Vermont (A Reciprocal RRG)	-9.4%	-9.6%	3.4%
15	Admiral Insurance Company	-46.0%	-46.0%	1.2%
16	Coverys Specialty Insurance Company	20.4%	20.2%	2.2%
17	Medical Mutual Insurance Company of North Carolina	-2.0%	-1.9%	2.6%
18	Evanston Insurance Company	60.0%	60.1%	31.6%
19	Ophthalmic Mutual Insurance Company (A RRG)	5.8%	7.3%	0.9%
20	Professional Security Insurance Company	-67.8%	-67.7%	3.9%
21	Hallmark Specialty Insurance Company	-92.3%	-113.5%	4.7%
22	Podiatry Insurance Company of America	11.4%	11.4%	13.2%
23	ProSelect Insurance Company	-215.8%	-118.4%	1.0%
Top 80% Averages:		-4.1%	**-4.0%**	**4.0%**
Averages for Total Florida Market:		-10.1%	**-9.7%**	**4.1%**

The data on post-tax direct return on surplus suggest that in 2020, Florida medical malpractice policies of the top 23 carriers generated lesser returns comparable to that of the carriers' other policies. However, this may be distorted by volatility in claims costs (as discussed on pages 13 and 25).

While the Florida returns have been low overall, 12 carriers posted positive operating returns under the capped tax approach, and 11 carriers posted negative returns on surplus from Florida policy earnings using the capped tax rates. Should this situation worsen, it is possible that the direct return on surplus in Florida may be significantly stressed at some future time.

Overall Financial Strength Measures for Leading Medical Malpractice Carriers in Florida

Insurers do not set up a special segregated surplus account for Florida medical malpractice policies. Rather, the total surplus funds of an insurer are available to meet all premium shortfalls from all sources. Should insurers suffer adverse results in other areas, it could affect their ability to sell medical malpractice policies in Florida. This report provides some metrics of the overall financial solidity of the top Florida medical malpractice carriers.

One key metric from the last chart of the previous section, the overall countrywide return on surplus, relates to the overall financial strength of the Florida malpractice carriers. Specifically, the average countrywide post-tax net of reinsurance return was 4.0% for the leading carriers and 4.1% for the market as a whole. Considering that in 2020 the Dow Jones industrial stocks[5] gained 6.8% and the Standard and Poor's index gained 15.9%, the return of the carriers appears to be different from the overall stock market, although both have shown volatility. However, this still generally supports the viability of the leading Florida malpractice carriers in the medium term, although four of the carriers had negative overall countrywide returns.

Any volatility in the loss reserves booked by an insurance company will heavily impact the company's reported income. Further, any increase in the loss reserves would tend to create a corresponding reduction in the amount of surplus that is available to fund any premium shortfall. It is helpful to review whether the top Florida medical malpractice carriers have had to increase the costs of claims that were reserved in prior years. The following table shows the percentage change during 2020 in the cost of claims underlying the 2019 reserves and the percentage change during the 2019-2020 period in the cost of claims held in the 2018 reserves. It only reflects the changes that emerged over the period in question and the cost of claims might continue to change until the last claim is paid. Ratios of the change in accrued costs to the prior booked reserve (a measure of loss reserving accuracy) and ratios of the change in accrued costs to policyholder's surplus (a measure of the threat to solvency) are included below. A positive measure represents an increase in costs and a negative value a reduction in costs.

[5] All items were computed using the Finance section in Google.com.

One-Year Development on Countrywide All Lines 2019 Loss and Loss Adjustment Expense Reserves and Two-Year Development on 2018 Reserves

Florida Written Premium Rank	Company	All Lines One-Year Reserve Development		All Lines Two-Year Reserve Development	
		As Percentage of 2019 Reserves	As Percentage of 2019 Surplus	As Percentage of 2018 Reserves	As Percentage of 2018 Surplus
1	Doctors Company, An Interinsurance Exchange	-4.4%	-3.2%	-9.2%	-7.2%
2	Medical Protective Company	-0.9%	-0.3%	-7.0%	-3.0%
3	MAG Mutual Insurance Company	17.1%	12.9%	13.1%	9.7%
4	NORCAL Mutual Insurance Company	1.1%	1.5%	28.1%	21.8%
5	National Fire & Marine Insurance Company	3.3%	1.2%	8.2%	3.2%
6	Columbia Casualty Company	0.0%	0.0%	0.0%	0.0%
7	Southwest Physicians RRG, Inc.	21.8%	1.9%	-60.7%	-32.6%
8	MedMal Direct Insurance Company	7.5%	8.0%	10.5%	11.8%
9	ProAssurance Casualty Company	-3.6%	-13.9%	1.4%	3.3%
10	American Casualty Company of Reading, PA	0.0%	0.0%	0.0%	0.0%
11	Samaritan RRG, Inc.	-16.9%	-8.1%	-15.8%	-6.7%
12	Ironshore Specialty Insurance Company	0.0%	0.0%	0.0%	0.0%
13	Landmark American Insurance Company	-4.2%	-2.0%	-0.8%	-0.4%
14	MCIC Vermont (A Reciprocal RRG)	9.6%	17.8%	13.8%	28.6%
15	Admiral Insurance Company	0.0%	0.0%	0.0%	0.0%
16	Coverys Specialty Insurance Company	0.0%	0.0%	0.0%	0.0%
17	Medical Mutual Insurance Company of North Carolina	-4.2%	-2.5%	-10.3%	-6.5%
18	Evanston Insurance Company	-6.6%	-11.1%	-9.5%	-17.4%
19	Ophthalmic Mutual Insurance Company (A RRG)	7.9%	1.8%	12.0%	2.6%
20	Professional Security Insurance Company	0.0%	0.0%	0.0%	0.0%
21	Hallmark Specialty Insurance Company	13.9%	22.1%	34.3%	41.0%
22	Podiatry Insurance Company of America	-4.5%	-6.4%	-4.9%	-5.8%
23	ProSelect Insurance Company	0.0%	0.0%	0.0%	0.0%

This table compares the reserve runoff to the surplus and carried reserves of the past. A review of the table will show that the booked costs of claims occurring through 2018 and 2019 have generally overall slightly increased in the last two years. This could be a result of a systematic strengthening of reserves in recent years, however this is unlikely given the lack of consistency amongst the top carriers.

Another approach to solvency is to relate the premium sold or "written" by a company to its surplus. This relates the degree of risk in the form of the risk of a premium shortfall associated with the premium to the company's resources for funding a shortfall should it emerge. Ratios of both direct and "net" (after "ceding" premium to reinsurers) premium to surplus are shown in the following table.

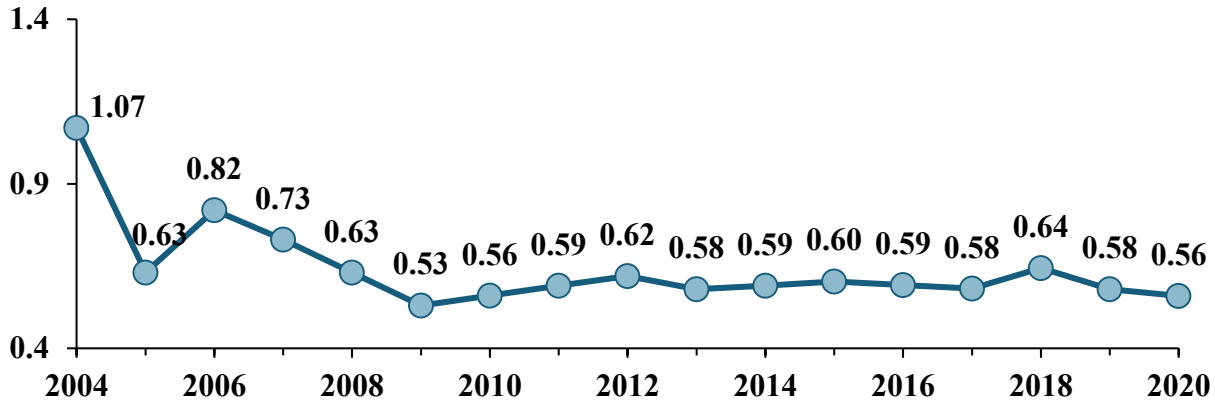
2020 Ratios of Premium to Surplus for Leading Malpractice Carriers

Florida Written Premium Rank	Company	All Lines Direct Premiums to Surplus Ratio	All Lines Net Premiums to Surplus Ratio
1	Doctors Company, An Interinsurance Exchange	27.3%	27.8%
2	Medical Protective Company	21.5%	11.9%
3	MAG Mutual Insurance Company	36.0%	42.7%
4	NORCAL Mutual Insurance Company	56.8%	64.0%
5	National Fire & Marine Insurance Company	33.6%	30.3%
6	Columbia Casualty Company	309.0%	0.0%
7	Southwest Physicians RRG, Inc.	236.5%	0.0%
8	**MedMal Direct Insurance Company**	**119.8%**	**96.9%**
9	ProAssurance Casualty Company	57.7%	77.6%
10	American Casualty Company of Reading, PA	565.1%	0.0%
11	Samaritan RRG, Inc.	42.4%	42.4%
12	Ironshore Specialty Insurance Company	441.4%	0.0%
13	Landmark American Insurance Company	574.3%	52.5%
14	MCIC Vermont (A Reciprocal RRG)	62.2%	58.7%
15	Admiral Insurance Company	90.7%	0.0%
16	Coverys Specialty Insurance Company	289.3%	0.0%
17	Medical Mutual Insurance Company of North Carolina	35.8%	29.3%
18	Evanston Insurance Company	136.2%	106.6%
19	Ophthalmic Mutual Insurance Company (A RRG)	22.2%	20.3%
20	Professional Security Insurance Company	109.5%	0.0%
21	Hallmark Specialty Insurance Company	762.4%	221.4%
22	Podiatry Insurance Company of America	70.3%	69.9%
23	ProSelect Insurance Company	744.6%	0.0%

It is generally thought to be highly desirable for the net written premium to surplus ratio to be under 300%. All the carriers fall into that category. That suggests that the medical malpractice industry, as a whole is financially strong. The overall average net written premium to surplus ratio, weighting the ratio of each company writing in Florida by its 2020 Florida medical

malpractice written premium, was 0.56. As the following graph shows, it is slightly lower than the ratio developed in 2019, but still well below 300%, or even 100%.

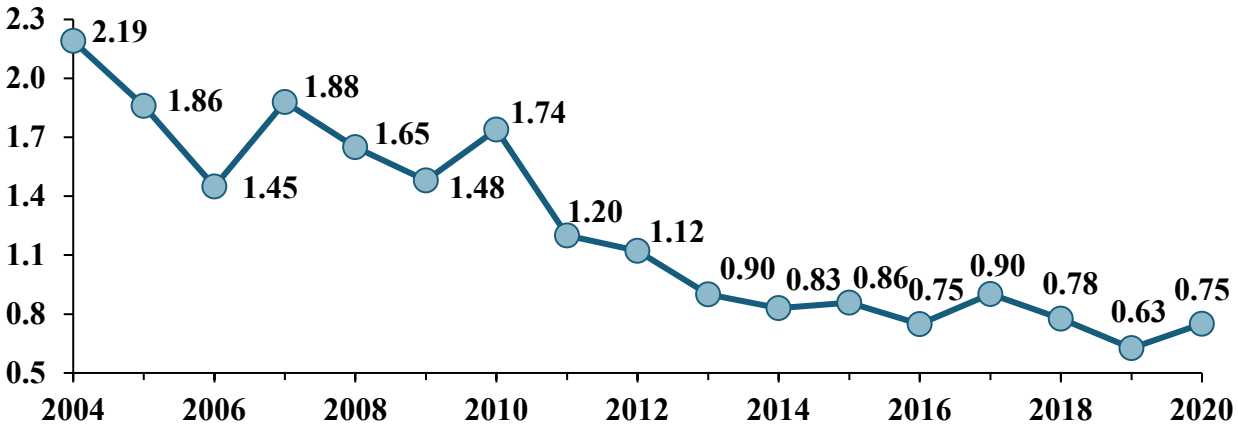
Historical Average Ratio of Net Written Premium to Surplus



The ratio of premiums written to surplus has generally remained low throughout since 2004, with lower values from 2008 to the present.

While the net premiums written to surplus ratio relates the new risks taken on to the surplus funds, it is also helpful to relate the remaining liabilities on policies previously sold (loss and loss adjustment expense reserves and unearned premium reserves) to surplus. That measure compares the risk of underestimation of the liabilities to the surplus that must fund any underestimation. Historical ratios of the net liability to surplus of the top companies are shown in the following graph.

Historical Average Ratio of Net Liabilities to Surplus for Leading Malpractice Carriers

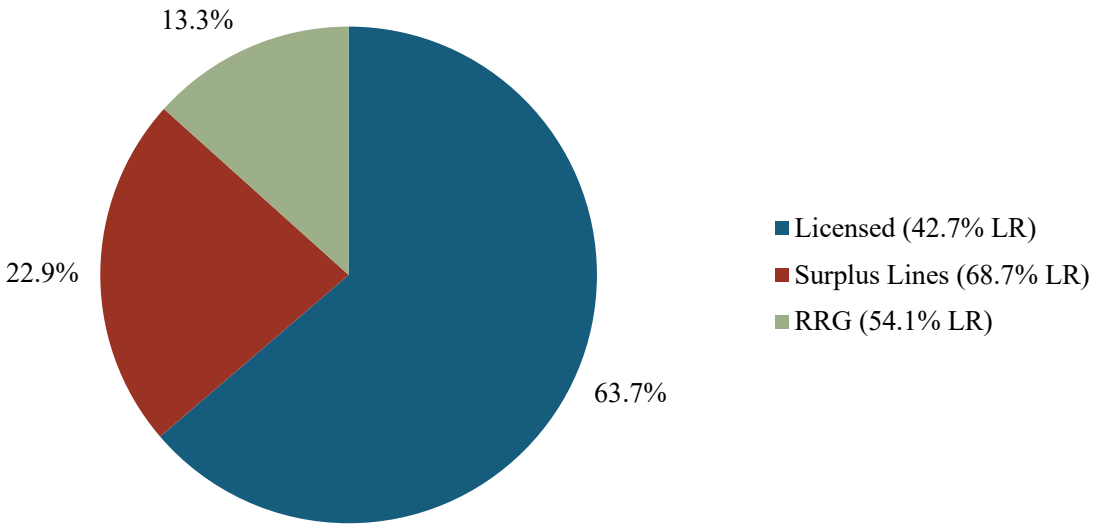


There is no precise statutory requirement for the net liabilities to surplus ratio, although the more recent ratios certainly suggest enhanced financial strength.

Composition of the Total Florida Medical Malpractice Market by Type of Insurer

There are different types of companies that may sell medical malpractice insurance in Florida. The most common are licensed property/casualty companies that are covered by the Florida Insurance Guaranty Association, in the event the companies fail. Licensed companies must file rates and policy contract language with OIR. Surplus lines insurers also provide medical malpractice insurance in Florida but are not covered by the guaranty fund and they do not file rates or contract terms with OIR. To purchase such a policy, unavailability of the coverage in the "admitted" licensed market must be shown. Lastly, there are risk retention groups that need only file rates in their home state to use the rates in any state. A breakdown of the entire Florida written medical malpractice premium by entity type is shown in the following graph, along with the overall loss ratio for each entity type.

Composition of Overall 2020 Florida Medical Malpractice Insurance Market (Written Premium) by Insurer Type - Including Loss Ratios for Each Type of Insurer



The vast majority of Florida medical malpractice insurance is sold by licensed property/casualty insurance companies. It is important to consider that these results include facilities, such as hospitals, and other healthcare professionals, such as physicians. Charts later in this report will show that the breakdown among carrier types differs radically across the different types of insureds.

Florida Marketplace Dynamics for the Total Medical Malpractice Line – Activity in the Admissions Unit

The dynamics of the medical malpractice market in Florida vary from subline to subline, and each subline should be measured separately. When a company is admitted to write medical malpractice insurance in Florida, its license generally allows it to write all types of medical malpractice coverage. Information from the company admissions unit of OIR is presented here.

Aside from the analysis of the 80% market share sample companies, another indication of the health and perceived profitability of the Florida medical malpractice insurance market is the activity in the admissions unit of OIR. During 2020, the following insurance companies and risk retention groups entered the medical malpractice insurance market in Florida.

Carriers Entering the Florida Medical Malpractice Market in 2020

Company	Type of Entity	Domiciliary State
Centurion Casualty Company	Property/Casualty Insurer	IA
Endurance American Insurance Company	Property/Casualty Insurer	DE
Endurance Assurance Corporation	Property/Casualty Insurer	DE
Everest National Insurance Company	Property/Casualty Insurer	DE
Farmington Casualty Company	Property/Casualty Insurer	CT
Fidelity and Guaranty Insurance Company	Property/Casualty Insurer	IA
St. Paul Fire and Marine Insurance Company	Property/Casualty Insurer	CT
St. Paul Guardian Insurance Company	Property/Casualty Insurer	CT
St. Paul Mercury Insurance Company	Property/Casualty Insurer	CT
The Standard Fire Insurance Company	Property/Casualty Insurer	CT
Universal Fire & Casualty Insurance Company	Property/Casualty Insurer	IN
Clinician Assurance Inc., A Risk Retention	RRG	VT
HPIC Risk Retention Group	RRG	SC
Southwest Physicians Risk Retention Group,	RRG	SC

In 2020, 14 insurance carriers entered the Florida market. Three of the new entrants are risk retention groups and the other eleven are admitted insurers. This compares to the six admitted insurers and five risk retention groups that were admitted into the Florida medical malpractice market in 2019.

Risk Purchasing Groups Entering the Florida Medical Malpractice Market in 2020

Company	Type of Entity	Domiciliary State
American Medical Professional Alliance, Inc.	Risk Purchasing Group	RI

One new risk purchasing group was registered in Florida during 2020. Risk purchasing groups do not provide insurance. They pool insureds into groups to make them more attractive to insurers already licensed in Florida.

Two risk retention groups, Physicians Indemnity Risk Retention Group, Inc. and Physicians Specialty LTD. Risk Retention Group, surrendered their registration during 2020.

Recent Medical Malpractice Legislation

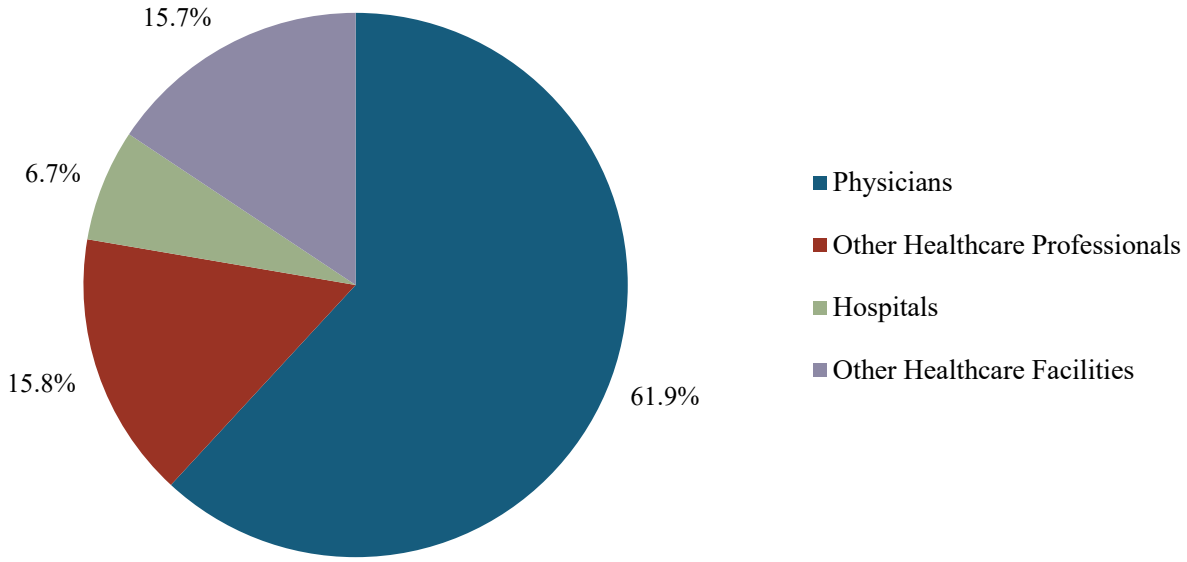
No legislation relating directly to medical malpractice were passed during the 2020 Florida Legislative Session. Further, no court decisions of the magnitude of the McCall or Kalitan cases were made recently.

Analysis of the Physicians and Surgeons Subline

The general medical malpractice line of business covers a diverse mix of insureds, and the different insureds have substantially different risk characteristics. For example, physicians and surgeons, for the most part, purchase statutorily required $250,000 limits of insurance or somewhat higher limits of $500,000 and $1 million, and either do not purchase deductibles or purchase deductibles of $25,000 or less. Large hospitals, however, may purchase policies with $2 million or higher deductibles, and much higher limits of coverage. Smaller hospitals would be expected to purchase smaller deductibles and limits. Other medical professionals such as dentists and nurses tend to pay much lower premiums than physicians and surgeons. Lastly, a broad range of other medical facilities including nursing homes, blood banks, and MRI centers are also covered under the medical malpractice line of insurance.

As the following graph shows, the physicians and surgeons category represents 62% of the 2020 Florida medical malpractice premium, and is by far the most prevalent.

2020 Written Premium by Type of Insured



The next portion of this report analyzes the information in the NAIC database, rate filing data, and comparative premium rates among the top 10 states. It will focus on comparisons among the top 10 physicians and surgeons malpractice states (by written premium) in the U.S., the leading physicians and surgeons malpractice carriers in Florida, the types of insurers selling physicians malpractice insurance in Florida, marketplace dynamics for the physicians insurance subline in Florida, and information on rate filings made in the physicians subline during 2020.

Comparisons to Other Leading States

As with the total malpractice market, the top 10 states by physicians malpractice written premium were determined and are shown in the following table.

2020 Top 10 States by Physicians Malpractice Direct Written Premium

State	Physicians Written Premium	Physicians Written Premium Rank	All Medical Malpractice Written Premium Rank
New York	$826,376,513	1	1
Florida	**$432,759,846**	**2**	**4**
California	$422,108,197	3	2
Illinois	$303,364,040	4	5
New Jersey	$264,622,208	5	6

State	Physicians Written Premium	Physicians Written Premium Rank	All Medical Malpractice Written Premium Rank
Pennsylvania	$221,268,851	6	3
Georgia	$195,238,032	7	9
Texas	$154,966,988	8	7
Tennessee	$130,398,324	9	12
Arizona	$130,212,938	10	15

The chart above closely mirrors the rankings for all medical malpractice. Two of the top 10 states for all medical malpractice (#8 Massachusetts and #10 Maryland) are not on this list. Pennsylvania, Georgia, Tennessee, and Arizona have noticeably different rankings for physicians malpractice than for all medical malpractice.

While DCC information and expense information by subline is not included in the NAIC database, incurred loss and earned premium information is included. The 2020 loss ratios of strictly physicians malpractice for the top 10 states is shown in the following table.

2020 Direct Loss Ratios of Top 10 Physicians Malpractice States

Premium Rank	State	Physicians Direct Loss Ratio
11	Georgia	94.0%
1	New York	60.8%
4	Illinois	47.8%
9	Tennessee	47.4%
5	New Jersey	44.8%
6	Pennsylvania	42.8%
2	**Florida**	**41.9%**
3	California	31.1%
10	Arizona	29.4%
8	Texas	19.9%

Florida ranks seventh in this list, lower than its ranking of third in 2019, and its rank is different than its rank (ninth) in the total malpractice review. Further, two of the top 10 physicians' malpractice states (Georgia and New York) had loss ratios of over 50%.

Since physicians malpractice insurance is such a large part of the total malpractice market, it is reasonable[6] to extrapolate that its DCC costs bear approximately the same ratio to loss costs as exists for the entire medical malpractice line in Florida. Similarly, the expense ratios by state

[6] The expense characteristics of the other sublines, which are smaller portions of the total malpractice market, may be significantly different than that of the total malpractice market. Therefore, the analysis of combined ratios presented here would not be a reliable estimate of the profitability of the other sublines.

from the total malpractice analysis may be added in to produce a fairly high-quality estimate of the combined ratios of the top 10 physicians malpractice states.

Estimated 2020 Direct Combined Ratios of Top 10 Physicians Malpractice States

Premium Rank	State	Physicians Combined Ratio
7	Georgia	147.4%
9	Tennessee	105.2%
1	New York	102.6%
4	Illinois	101.1%
5	New Jersey	98.3%
2	**Florida**	**91.0%**
3	California	79.3%
6	Pennsylvania	78.8%
13	Maryland	77.6%
11	Arizona	71.8%

By this estimate, Florida ranks sixth highest in physicians combined ratios, down from fourth in the previous study. Unlike the analysis of total medical malpractice, investment income is not needed for profitability in physicians' malpractice insurance.

Leading Physicians Carriers in Florida

As with the total malpractice insurance market, it is helpful to identify the leading carriers for physicians malpractice insurance in Florida, defined in statute as those constituting 80% of the physicians' malpractice market. As the following table shows, it requires 8 carriers, less than the 10 carriers needed in 2019, to constitute 80% of the physicians' malpractice insurance market in Florida.

Key 2020 Financial Information for Top Physicians Malpractice Carriers in Florida

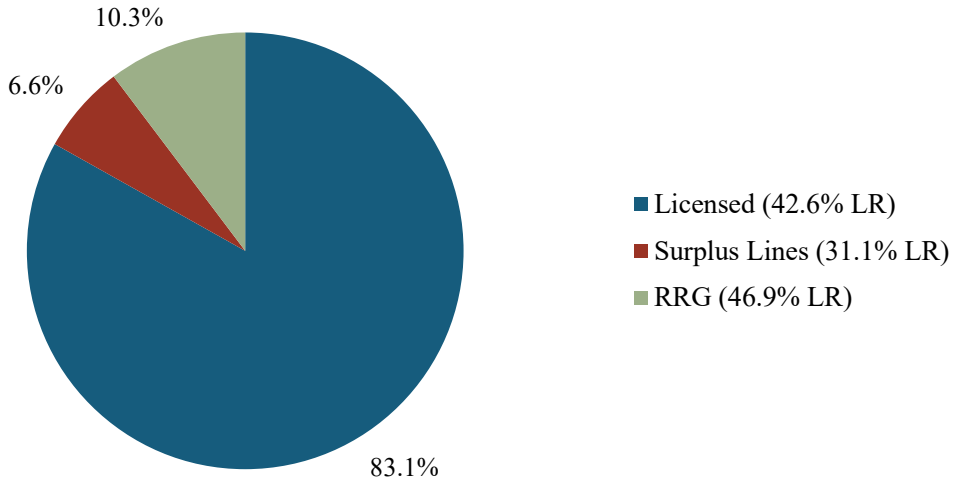
Company	Direct Florida Physicians Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Physicians Earned Premium	Direct Loss Ratio
Doctors Company, An Interinsurance Exchange	$98,465,886	1	22.8%	22.8%	$96,814,414	26.1%
Medical Protective Company	$82,106,412	2	19.0%	41.7%	$75,080,975	71.8%
MAG Mutual Insurance Company	$73,803,593	3	17.1%	58.8%	$72,503,712	26.8%
NORCAL Mutual Insurance Company	$40,519,615	4	9.4%	68.1%	$40,790,148	54.2%
MedMal Direct Insurance Company	**$16,866,241**	**5**	**3.9%**	**72.0%**	**$16,283,191**	**51.5%**
ProAssurance Casualty Company	$16,017,697	6	3.7%	75.7%	$15,510,152	14.6%
Samaritan RRG, Inc.	$14,712,722	7	3.4%	79.1%	$12,490,274	45.9%
Medical Mutual Insurance Company of North Carolina	$6,804,771	8	1.6%	80.7%	$4,952,120	46.1%

The loss ratios for the top 8 insurers vary widely. The loss ratios of the #1 carrier, Doctors Company, and the #2 carrier, Medical Protective, range from 26% to 72%. For the smaller companies, any volatility is likely dominated by random fluctuation in the costs of individual claims. For the larger companies, systemic changes such as reserve volatility changes may be key drivers of the loss ratio results. As shown above, the top 8 physicians insurers comprise 80% of the physicians malpractice insurance market, whereas 23 companies are required to constitute 80% of the overall medical malpractice market.

Composition of Florida Physicians Malpractice Market by Type of Insurer

To provide clarity on the markets most often served by surplus lines insurers and risk retention groups, this report provides breakdowns of the direct written premium of the four sublines of medical malpractice contained in the NAIC by the type of carrier generating the premium. The breakdown for the physicians malpractice market is shown in the following graph.

Composition of 2020 Florida Physicians Medical Malpractice Insurance Market (Written Premium) by Insurer Type - Including Loss Ratios for Each Type of Insurer



The market is dominated by licensed property/casualty insurers. The loss ratios do differ among the various company types, but none of them appear to be inconsistent with the range of results among companies.

The dominance of licensed insurers in the physicians market is likely very different than the situation for hospitals, nursing homes, and other facilities. For those categories of medical malpractice insurance, very few companies file rates, suggesting that most carriers are surplus lines insurers or risk retention groups, neither of which must file rates. Based on the number of filings, it is likely that the other healthcare professionals, just like the physicians and surgeons, are primarily served by licensed insurers. That is confirmed in charts later in the report.

It is also helpful to analyze which of the leading carriers are physicians insurance specialists, and which are more narrowly specialists in the Florida physicians malpractice market. Data on the percentage of each carrier's total premium from all lines of business for physicians' malpractice is presented in the following table.

2020 Percentage of Leading Carriers' All Lines Countrywide Direct Written Premium that is from Physicians Malpractice (All States)

Florida Physicians Premium Rank	Company	Physicians Written Premium to Total Written Premium Ratio
1	Doctors Company, An Interinsurance Exchange	90.4%
2	Medical Protective Company	64.2%
3	MAG Mutual Insurance Company	93.4%
4	NORCAL Mutual Insurance Company	99.0%
5	**MedMal Direct Insurance Company**	**99.4%**
6	ProAssurance Casualty Company	84.7%
7	Samaritan RRG, Inc.	100.0%
8	Medical Mutual Insurance Company of North Carolina	96.3%

The top 8 carriers could be described as physicians malpractice specialists.

The following table analyzes the ratio of each carrier's Florida physicians malpractice premiums to its total premium for all lines and states. This illustrates the degree to which each carrier is a specialist in Florida physicians malpractice insurance. Two may be regarded as Florida physicians malpractice specialists.

2020 Percentage of Leading Carriers' All Lines Countrywide Direct Written Premium that is from Strictly Florida Physicians Malpractice

Florida Physicians Premium Rank	Company	Florida Physicians Written Premium to Total Written Premium Ratio
1	Doctors Company, An Interinsurance Exchange	15.3%
2	Medical Protective Company	13.1%
3	MAG Mutual Insurance Company	23.9%
4	NORCAL Mutual Insurance Company	13.3%
5	**MedMal Direct Insurance Company**	**79.4%**
6	ProAssurance Casualty Company	11.6%
7	Samaritan RRG, Inc.	100.0%
8	Medical Mutual Insurance Company of North Carolina	5.7%

Florida Marketplace Dynamics for the Physicians Malpractice Subline

Since the physicians malpractice subline is fairly homogeneous, the degree of competition and the degree of exposure to consequent coverage availability problems are susceptible to analysis. The analysis in this section focuses on those goals.

First, the quality of the competition is evaluated. The most relevant measure that can be computed from NAIC physicians market data is the Herfindahl index. This is a measure of the extent to which market share (and presumably market clout) is concentrated in a few companies. The theory of economic competition is based on an assumption that there are a large number of sellers of a commodity, in this case physicians malpractice insurance, that act independently, and that each seller is a "price taker" that must accept a market price. Therefore, the potential for the market to optimize pricing to benefit insureds is affected by the degree of concentration in the market. The United States Justice Department uses the Herfindahl index to measure concentration within a market. It is computed by taking the squares of the market shares of the competitors in a market (squaring, for example, 10 to 100 for a company with a 10% market share) and summing the results across all the competitors in the market segment. The position posted on the Department of Justice website[7] is that markets with Herfindahl indices between 1,500 and 2,500 are moderately concentrated and markets with Herfindahl indices over 2,500 are highly concentrated. Thus, computing the Herfindahl index is key to analyzing market concentration. The calculation[8] of the Herfindahl index is shown below. As one may see, the index is within the threshold for moderate concentration.

Herfindahl Index for Florida Physicians Malpractice Market

Company	Florida Physicians Market Share	Squared Market Share
Doctors Company, An Interinsurance Exchange	28	758
Medical Protective Company	23	527
MAG Mutual Insurance Company	21	426
NORCAL Mutual Insurance Company	11	128
MedMal Direct Insurance Company	5	22
ProAssurance Casualty Company	4	20
Samaritan RRG, Inc.	4	17
Medical Mutual Insurance Company of North Carolina	2	4
All Other Groups & Companies	2	22
Herfindahl-Hirschman Index		**1,924**

Another way to look at the Florida medical malpractice marketplace is its resiliency, or ability to withstand a major or minor marketplace event related to a single carrier. In the analysis, two

[7] https://www.justice.gov/atr/herfindahl-hirschman-index

[8] Different treatments of the very small market share companies have been used by different analysts. In the OIR analysis, all small companies are treated individually in the calculation.

scenarios are considered. One is a decision related to major coverage, pricing, and other factors by a company or group of companies under common control that is unpopular enough with the physicians and/or physician practice groups to cause an extra 25% of the group's insureds to choose to switch insurance providers. The other is the more catastrophic event of an insolvency or retrenchment that would result in an insurance company or insurance group electing to no longer write malpractice policies in Florida.

Such events may cause dramatic market dislocations should the other carriers be reluctant to immediately increase their policies written to fill any consequent gap in the market. It is well known that new business to an insurance company is generally riskier than renewal business. That is because the insurance company has the benefit of insuring the renewal policies for a few years and, consequently, has a better understanding of the losses they might bring. It would not be unusual for an insurance company to place some limit on the total policies it writes, even in the presence of a market opportunity generated by a withdrawal or misstep of another carrier. Hence, it is appropriate to consider how large of an increase in policies the remaining carriers must accept in order to fill the void left by a departing or suddenly undesirable carrier.

The following tables show whether an average 10%, 15%, or 25% increase in premiums written by all the remaining carriers (in aggregate) would restore the supply and demand balance to the physicians medical malpractice market in Florida.

Ability of Physicians Malpractice Market to Absorb 25% of the Business of Each of Leading Company Groups

Company	Florida Physicians Market Share	Is 25% of Cos. Business Replaceable by		
		10% Growth by Competitors	15% Growth by Competitors	25% Growth by Competitors
Doctors Company, An Interinsurance Exchange	28%	Yes	Yes	Yes
Medical Protective Company	23%	Yes	Yes	Yes
MAG Mutual Insurance Company	21%	Yes	Yes	Yes
NORCAL Mutual Insurance Company	11%	Yes	Yes	Yes
MedMal Direct Insurance Company	**5%**	Yes	Yes	Yes
ProAssurance Casualty Company	4%	Yes	Yes	Yes
Samaritan RRG, Inc.	4%	Yes	Yes	Yes
Medical Mutual Insurance Company of North Carolina	2%	Yes	Yes	Yes

With the current division of the physicians malpractice market, it appears the market is resilient enough to withstand a single insurer's event of this size.

Ability of Physicians Malpractice Market to Absorb Withdrawal of Each of Leading Company Groups

Company	Florida Physicians Market Share	Is Withdrawal of Co. Replaceable by		
		10% Growth by Competitors	15% Growth by Competitors	25% Growth by Competitors
Doctors Company, An Interinsurance Exchange	28%	No	No	No
Medical Protective Company	23%	No	No	No
MAG Mutual Insurance Company	21%	No	No	No
NORCAL Mutual Insurance Company	11%	No	Yes	Yes
MedMal Direct Insurance Company	**5%**	Yes	Yes	Yes
ProAssurance Casualty Company	4%	Yes	Yes	Yes
Samaritan RRG, Inc.	4%	Yes	Yes	Yes
Medical Mutual Insurance Company of North Carolina	2%	Yes	Yes	Yes

In the event of an outright withdrawal from Florida, the physicians malpractice market is at risk of availability problems in four situations, similar to 2019. Should the #1, #2, or #3 group leave Florida, the remaining carriers would have to increase their writings by more than 25% (actually, by approximately 39%, 30%, and 27%, respectively) for all Florida physician policyholders to be served. Should the #4 carrier exit the market, a writing increase of approximately 13% would be needed of the remaining groups.

Comparison of Florida Physicians Rates to Those of Other States

This report contains example premiums for carriers in the top 10 states in Appendix A. To prepare that exhibit, OIR obtained the rating manuals of the top three carriers (by 2020 physicians malpractice volume) within each of the top 10 states for physicians malpractice from the insurance regulatory bodies of the various states. OIR was unable to rate the examples for:

- The number three carrier in California, Mutual RRG, Inc., because as a risk retention group they are not required to file rates in California.
- The number two carrier in Texas, The Medical Protective Company, as the state rating manual was filed as confidential with the Texas Insurance Department.
- The number three carrier in Pennsylvania, TriCentury, as it is primarily a captive of a large university hospital, so its rates are not publicly available.
- The number two ProAssurance Specialty Insurance Company and number three Professional Security Insurance Company in Tennessee as the rate filings were not available.

Meaningful information for all 10 states, including Florida, was used in the comparison.

Within Appendix A, unless noted otherwise, premiums were computed at the $1 million coverage limit that, although higher than the minimum limit in Florida, is at or above the minimum financial limits of all 10 states. Therefore, all the premiums are stated on a comparable basis, unless shown otherwise. Four key classes were chosen (family practice, emergency room medicine, orthopedics, and obstetrics) to represent a variety of rates, yet still focus on the classes for which malpractice premiums are most often discussed. Territories present an issue because different states and different companies within each state have different territory structures. Premiums from the territory with the highest rates and the territory with the lowest rates are presented in Appendix A. That way, the premiums in the highest rated territories of all the states may be compared to one another, and similarly, the premiums in the lowest rated territories may be compared as well.

There is possibly more than one way to summarize the information in Appendix A. Considering that Florida has some of the higher premiums in the sampled states, the chart below begins with the premiums of the carrier with the highest rates in each type of territory (highest rated or lowest rated). Within that approach, the premiums of the various states were ranked from highest to lowest. Information on the carrier with the highest premium, the carrier with the lowest premium, and where Florida ranks among the 10 states sampled is shown in the following table.

Summary of Results of Premium Comparisons Among Leading States

Physician Class	State Rank	State	Company	Territory	Premium
Results for Territories with Highest Rates					
Family Practitioner	**Highest (1)**	**Florida**	**Doctors Company**	**Dade**	**$ 48,335**
	1	**Florida**	**Doctors Company**	**Dade**	**$ 48,335**
	Lowest (10)	Tennessee	State Volunteer Mutual	Entire State	$ 6,873
Emergency Room Dr.	**Highest (1)**	**Florida**	**Doctors Company**	**Dade**	**$ 102,247**
	1	**Florida**	**Doctors Company**	**Dade**	**$ 102,247**
	Lowest (10)	Arizona	Medical Protective	Entire State	$ 12,188
Orthopedist	Highest (1)	New York	Medical Liability Mutual	Nassau, Suffolk	$ 132,206
	2	**Florida**	**Doctors Company**	**Dade**	**$ 130,133**
	Lowest (10)	Arizona	Medical Protective	Entire State	$ 14,584
Obstetrician	**Highest (1)**	**Florida**	**Doctors Company**	**Dade**	**$ 215,649**
	1	**Florida**	**Doctors Company**	**Dade**	**$ 215,649**
	Lowest (10)	Arizona	Medical Protective	Entire State	$ 27,230
Results for Territories with Lowest Rates					
Family Practitioner	**Highest (1)**	**Florida**	**Doctors Company**	**Remainder of State**	**$ 24,786**
	1	**Florida**	**Doctors Company**	**Remainder of State**	**$ 24,786**
	Lowest (10)	New York	Hospitals Insurance Co.	Livingston, Monroe, Ontario, Seneca, Wayne, Yates	$ 4,116
Emergency Room Dr.	**Highest (1)**	**Florida**	**Doctors Company**	**Remainder of State**	**$ 52,434**
	1	**Florida**	**Doctors Company**	**Remainder of State**	**$ 52,434**
	Lowest (10)	California	Doctors Company	Alameda, Contra Costa, etc.*	$ 11,257
Orthopedist	Highest (1)	New Jersey	Proselect Insurance Co.	Entire State	$ 73,155
	2	**Florida**	**Doctors Company**	**Remainder of State**	**$ 66,735**
	Lowest (10)	Texas	ProAssurance	Lubbock, Potter, Randall	$ 9,202
Obstetrician	Highest (1)	New Jersey	Proselect Insurance Co.	Entire State	$ 139,790
	2	**Florida**	**Doctors Company**	**Remainder of State**	**$ 110,589**
	Lowest (10)	California	Doctors Company	Alameda, Contra Costa, etc.*	$ 25,190

**Full territory definitions are in Appendix A.*

Florida is the highest of the 10 states in five of the eight examples and ranked second as far as premiums go in the other three scenarios. That includes both the higher rated territories and lower rated territories.

Physicians Malpractice Rate Filings in 2020

An overall premium level increase was affected by the overall market in the 2020 rate filings. On average, overall rates for the admitted market companies, the only companies required to file their rates, increased by 4.1%. That represents an average of 4.5% contained in the typical rate filing, with about 8.7% of the admitted market not having a rate change resolved during 2020.

Calendar year 2020 featured 74 filings[9] that were either approved or processed as informational (35 rate filings, 21 actuarial certifications, 18 not involving rate changes) of all types of medical malpractice, and 8 that were withdrawn by the carriers before a resolution was made. No malpractice filings were disapproved. Within the physicians' segment of the medical malpractice line, 24 malpractice filings were resolved by OIR. During 2020, nine filings were approved by OIR regarding physicians' malpractice rate changes, new company initial rates, or mathematically affirming rate levels. Five filings were simply actuarial certifications, as allowed by a recent law change, that company rates were adequate. Those certification filings were just informational. Five physicians' filings were withdrawn by the carriers before a decision was made. No physicians filing was disapproved, and five physicians' malpractice filing not involving rate changes was approved or processed as informational by OIR during 2020.

Various types of insureds other than physicians are also included in the medical malpractice line of business. Details on the rate filings for specialized types of medical malpractice insurance including dentists, podiatrists, optometrists, chiropractors, hospitals, and other distinct types of insureds are included elsewhere in this report.

In reviewing the chart on the following page, the data shows that the final rate changes varied somewhat. Nine (9) filings effected rate changes ranging from a 0.0% change to a 7.1% increase.

There are other aspects of the impact of insurance on physicians that are not shown in the chart. First, although the figure involves some estimation, it appears that 8.7% (up from 4.1% in 2019) of the admitted market by premium either did not have rate changes resolved during calendar year 2020 or withdrew their filings before they were resolved with OIR. The impact of the rate changes experienced by the average physician is only slightly diluted for the calendar year as shown in the 'Average Rate Change for Doctors in Florida' row.

The specific set of physicians' malpractice filings resolved in 2020 is shown in the following table.

[9] All references to filings in this report exclude special filings in connection with passing guaranty association costs to insureds as those are handled on an administrative basis.

2020 Rate Filings for Physicians Market Segment

Company	Policy Count	Reported Earned Premium (000's)	Rate Change Indicated	Rate Change Proposed	Rate Change Approved	Resolution Date
Doctors Company, An Interinsurance Exchange	3,402	$94,972	7.7%	5.0%	5.0%	6/4/2020
MAG Mutual Insurance Company	1,327	$64,126	9.4%	6.7%	4.7%	3/30/2020
NORCAL Mutual Insurance Company	1,287	$30,203	17.6%	7.1%	7.1%	3/30/2020
MedMal Direct Insurance Company	969	$14,053	0.0%	0.0%	0.0%	3/26/2020
MedMal Direct Insurance Company	1,656	$13,911	9.4%	8.3%	6.3%	3/16/2020
ProAssurance Casualty Company	862	$6,435	4.6%	0.0%	0.0%	1/30/2020
Florida Medical Malpractice JUA	94	$1,058	9.4%	2.8%	2.8%	3/6/2020
State Volunteer Mutual Insurance Company	0	$0	0.0%	0.0%	0.0%	1/28/2020
National Union Fire Insurance Co. of Pittsburg, PA	0	$0	0.0%	0.0%	0.0%	**1/13/2020**
Average Rate Change for Doctors Insured by Above Companies:			**8.5%**	**5.1%**	**4.5%**	
Market Share (%) of Admitted Insurance Companies Not Making Rate Changes:	**8.7%**					
Average Rate Change for Doctors in Florida (Insured by Admitted Companies):			**7.8%**	**4.7%**	**4.1%**	

2020 Rate Certifications for Physicians Market Segment

Company	Policy Count	Reported Earned Premium (000's)	Resolution Date
Preferred Professional Insurance Company	67	$1,574	12/17/2020
Health Care Indemnity, Inc.	1	$393	1/7/2020
ISMIE Mutual Insurance Company	0	$0	2/12/2020
Medical Mutual Insurance Company of North Carolina	0	$0	3/31/2020
Liberty Insurance Underwriters, Inc.	0	$0	10/16/2020

It is also instructive to look beyond just a single calendar year. There have been a certain number of rate filings so far in 2021. The following table shows the latest effective rate change for each licensed carrier writing physicians' medical malpractice. As with the table of rate filings resolved in 2020, only filings involving either an actuarial certification that rates are adequate or a

definitive action by OIR (approval or disapproval) are included. Filings withdrawn by carriers are not included.

Physicians Carriers and Last Base Rate or Certification Filing Made by Each

Company	Rate Change Effective Date	Reported Earned Premium (000's)	Cumulative Market Share	Policy Count	Proposed Rate Change	Final Rate Change
Doctors Company, An Interinsurance Exchange	8/1/2021	$96,994	38%	3,304	4.7%	4.7%
Medical Protective Company	4/15/2021	$39,803	53%	3,380	7.1%	7.1%
MAG Mutual Insurance Company	6/1/2021	$35,467	67%	2,335	6.1%	6.1%
NORCAL Mutual Insurance Company	8/1/2020	$30,203	79%	1,287	7.1%	7.1%
ProAssurance Casualty Company	9/1/2021	$15,510	85%	954	0.0%	0.0%
MedMal Direct Insurance Company	7/1/2021	$14,850	91%	1,779	5.8%	5.8%
Physicians Insurance Company	1/30/2020	$6,435	93%	862	0.0%	0.0%
Medical Mutual Insurance Company of North Carolina	4/6/2021	$5,141	95%	541	0.0%	0.0%
Fair American Insurance and Reinsurance Company	6/1/2020	$2,469	96%	267	0.0%	0.0%
Allied World Insurance Company	7/20/2017	$2,103	97%	337	-10.5%	-10.5%
Preferred Professional Insurance Company	12/17/2020	$1,574	97%	67	0.0%	0.0%
ISMIE Mutual Insurance Company	2/9/2021	$1,091	98%	170	12.0%	12.0%
ProAssurance Indemnity Company, Inc.	9/1/2021	$1,040	98%	69	0.0%	0.0%
Florida Medical Malpractice JUA	4/20/2021	$1,027	99%	96	5.0%	5.0%
American Casualty Company of Reading, PA	7/27/2021	$960	99%	3	0.0%	0.0%
Continental Casualty Company	7/27/2021	$960	99%	3	0.0%	0.0%
Aspen American Insurance Company	7/1/2018	$466	100%	37	0.0%	0.0%
ProAssurance Indemnity Company, Inc.	9/1/2021	$401	100%	37	0.0%	0.0%
Health Care Indemnity, Inc	1/14/2021	$282	100%	1	0.0%	0.0%
ProSelect Insurance Company	1/7/2021	$196	100%	7	0.0%	0.0%
Healthcare Underwriters Group, Inc.	8/5/2021	$14	100%	2	0.0%	0.0%
Accredited Surety and Casualty Company, Inc.	3/15/2019	$0	100%	0	0.0%	0.0%
Liberty Insurance Underwriters, Inc.	10/16/2020	$0	100%	0	0.0%	0.0%
ProAssurance Indemnity Company, Inc.	6/2/2021	$0	100%	0	0.0%	0.0%
State Volunteer Mutual Insurance Company	12/1/2021	$0	100%	0	0.0%	0.0%
Total:		**$256,986**		**15,538**		
Premium Weighted Average Rate Change:						**4.87%**
Policy Count Weighted Average Rate Change:						**4.65%**

When the latest approved rates are taken together, as in the previous table, the overall physicians' medical malpractice rates have increased by roughly 4.9%.

A portion of the physicians insured in Florida (17%) are insured by either surplus lines insurers or risk retention groups, neither of which is required to file rates in Florida. Further, physicians operating within a large hospital or chain of hospitals often effectively receive coverage through the hospital's insurance program or policy. Physicians also have the option of posting collateral with the Department of Business and Professional Regulation in lieu of purchasing insurance. There are portions of the impact on the average physician that could not be quantified.

As the following table shows, there were five physicians rate filings approved during 2020 that did not involve a rate change.

Non-Rate Change Physicians Rate Filings Resolved in 2020

Company	Impact of Filing	Resolution Date
MAG Mutual Insurance Company	COVID-19 Relief filing	9/24/2020
Medical Protective Company	Free extension of coverage for COVID-19 retiree volunteers formerly insured by company.	4/21/2020
MedMal Direct Insurance Company	$100 charge for extending coverage for retirees receiving free tails that provide medical services as volunteers.	3/25/2020
MedMal Direct Insurance Company	Adding two new payment plan options, extending the time frame for monthly payment plan, adding returned payment fee, reiterating tail must be paid in full.	12/15/2020
ProSelect Insurance Company	Revised partnership and corporate risks, consolidating loss-free credit rule to increment every 5 years, introducing interns, residents and fellows credit, revising experience rating rule, introducing paid in full credit of 2%	12/21/2020

Analysis of the Other Healthcare Professionals Subline

As with the physicians malpractice subline, data for the remaining healthcare professionals subline is analyzed in this report. The other healthcare professionals subline includes all policies sold to non-physician professionals that are not primarily designed to cover the malpractice exposure of a facility or agency, such as a hospital or nursing home.

Diversity of the Insureds in this Subline

Insureds in this class range from dentists to nurses to chiropractors, physical therapists, and many other classes. Further, some insurers specialize in single segments such as chiropractors or podiatrists. Therefore, the market is highly fragmented and not susceptible to an analysis of marketplace dynamics. For reference, however, the analyses from the physicians malpractice section with the most relevance in this segment are included here.

Comparisons to Other Leading States

The following chart shows the top 10 states for this subline with respect to direct written premium with relevant information obtained and summarized from the NAIC financial database**.**

2020 Top 10 States by Other Healthcare Professionals Malpractice Direct Written Premium

State	Other Healthcare Professionals Written Premium	Other Healthcare Professionals Written Premium Rank	All Malpractice Written Premium Rank
California	$164,193,820	1	2
New York	$135,800,531	2	1
Florida	**$110,653,570**	**3**	**4**
Texas	$91,480,142	4	7
Pennsylvania	$57,467,772	5	3
New Jersey	$55,301,327	6	6
Illinois	$54,405,310	7	5
Ohio	$35,431,250	8	11
Massachusetts	$35,417,590	9	8
Maryland	$33,769,950	10	10

As with physicians malpractice, the state rankings differ somewhat from those of the overall malpractice market but are also very similar overall. Only one of the top 10 states for all medical malpractice (#9 Georgia) is not on this list.

The direct loss ratios of those top 10 states are included in the following table. The loss ratios range from a -31.9% loss ratio in Ohio to 34.7% in Florida. Unfortunately, due to the gap typically observed between physicians and other healthcare professionals expense levels, other healthcare professionals combined ratios cannot be reasonably estimated using the NAIC database. However, it is worth noting that Florida carriers in this segment could have expense and DCC ratios ranging up to 50% (possibly higher) and still likely earn an underwriting profit.

2020 Direct Loss Ratios of Top 10 Other Healthcare Professionals Malpractice States

Premium Rank	State	Other Healthcare Professionals Direct Loss Ratio
1	California	7.6%
2	New York	34.0%
3	**Florida**	**34.7%**
4	Texas	9.3%
5	Pennsylvania	17.1%
6	New Jersey	30.4%
7	Illinois	16.8%
8	Ohio	-31.9%
9	Massachusetts	9.8%
10	Maryland	30.7%

Leading Other Healthcare Professionals Carriers in Florida

Key information on the carriers comprising 80% (by direct written premium) of the Florida other healthcare professionals malpractice market is shown in the following table. A quick comparison to the carriers comprising the physicians malpractice market will show that many of the companies are different from those serving physicians. Some companies such as #5 Podiatry Insurance Company and #8 NCMIC RRG specialize in certain professions such as podiatrists, chiropractors, or dentists. Other companies may specialize as well.

Key 2020 Financial Information for Top Other Healthcare Professionals Malpractice Carriers in Florida

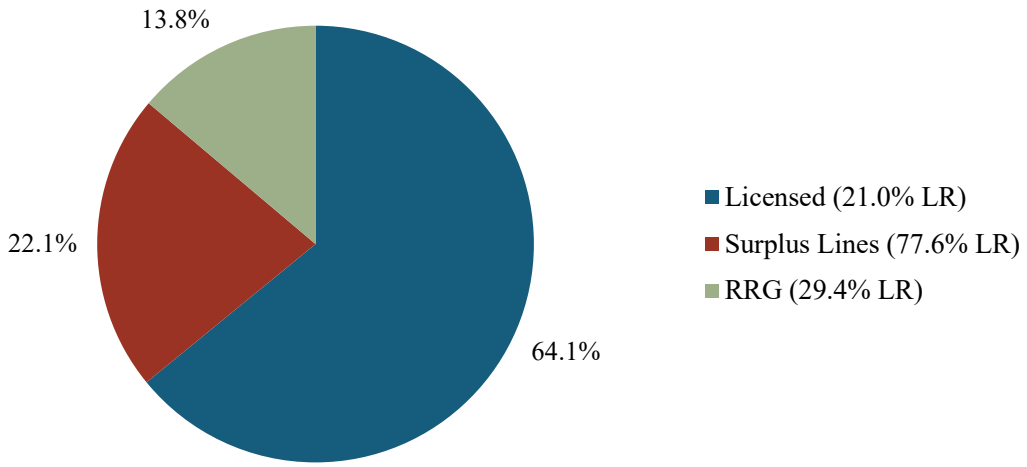
Company	Direct Florida Other Healthcare Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Other Healthcare Earned Premium	Direct Loss Ratio
Medical Protective Company	$16,358,438	1	14.8%	14.8%	$16,253,366	23.3%
American Casualty Company of Reading, PA	$15,093,317	2	13.6%	28.4%	$14,575,447	42.6%
Doctors Company, An Interinsurance Exchange	$13,930,976	3	12.6%	41.0%	$13,449,186	33.9%
Landmark American Insurance Company	$10,337,117	4	9.3%	50.4%	$10,301,664	118.8%
Podiatry Insurance Company of America	$6,451,434	5	5.8%	56.2%	$6,456,798	29.0%

Company	Direct Florida Other Healthcare Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Other Healthcare Earned Premium	Direct Loss Ratio
OMS National Insurance Company, RRG	$5,502,146	6	5.0%	61.2%	$5,350,449	47.1%
Admiral Insurance Company	$5,130,324	7	4.6%	65.8%	$4,553,344	62.4%
NCMIC RRG Inc	$4,666,541	8	4.2%	70.0%	$4,680,911	5.0%
Liberty Insurance Underwriters Inc.	$4,460,355	9	4.0%	74.0%	$4,405,733	101.2%
Aspen American Insurance Company	$3,492,974	10	3.2%	77.2%	$3,524,198	6.9%
Gables RRG Inc	$2,981,903	11	2.7%	79.9%	$2,977,089	12.1%
Evanston Insurance Company	$2,898,254	12	2.6%	82.5%	$2,699,853	7.3%

Composition of the Florida Other Healthcare Professionals Malpractice Market by Type of Insurer

As with the physicians malpractice segment, a breakdown of the direct written premium by the type of carrier generating the premium is provided in the following graph. This is designed to provide clarity on the markets most often served by surplus lines companies and risk retention groups.

Composition of 2020 Florida Other Healthcare Professionals Medical Malpractice Insurance Market (Written Premium) by Insurer Type - Including Loss Ratios for Each Type of Insurer



This segment has somewhat higher participation by surplus lines carriers but is still dominated by licensed property/casualty insurance companies. The loss ratios do differ significantly among segments, but the total premium volume in this segment, at $110.7 million, is fairly low in comparison to the physicians segment.

Other Healthcare Professionals Malpractice Rate Filing Data

Information on rate filings for other healthcare professionals may be broken down among dentists, nurses, and other healthcare professionals. Since that breakdown is available, rate filing information for those major segments within the NAIC other healthcare professionals subline are presented separately.

Dentists Malpractice Rate Filing Data

Details of the dentists' malpractice filings with rate impacts carried to completion are shown in the following table. Overall, six dentists malpractice rate change filings were approved by OIR during 2020. As with the physicians segment, companies may certify that rates are adequate. There were three certifications made in 2020. Three dentists malpractice filings not involving a rate change were approved during 2020. A total of twelve dentists filings were resolved and no filings were withdrawn in 2020. In accordance with prior reports, the affected portion of the market is reflected in policy counts, as reported in the filings, rather than premium.

2020 Rate Filings for Dentists Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date
Aspen American Insurance Company	1187	0.0%	0.0%	3/3/2020
Fortress Insurance Company	658	-10.7%	-1.0%	2/11/2020
American Casualty Company of Reading, Pennsylvania	579	12.3%	12.3%	6/4/2020
NCMIC Insurance Company	344	64.6%	50.1%	6/26/2020
Florida Medical Malpractice JUA	**35**	**26.7%**	**0.0%**	**3/6/2020**
National Union Fire Insurance Co. of Pittsburg, PA	0	0.0%	0.0%	1/13/2020
Average Approved Rate Change:			**8.5%**	

The companies with approved rate increases during 2020 showed an approved rate increase of 8.5%, compared to a 1.0% decrease in 2019. Details on the total size of the dentists malpractice market are not included in the NAIC database. So, it is possible that there are additional carriers in this segment.

There were three dentist malpractice filings without a rate impact approved in 2020, shown in the following table.

Rate Certifications for Dentist Rate Filings Resolved in 2020

Company	Policy Count	Resolution Date	Program
Doctors Company, An Interinsurance Exchange	4375	1/7/2020	Dental Professional Liability
Medical Protective Company	674	7/7/2020	Dentists & Oral Surgeons Professional Liability
The Cincinnati Indemnity Company	177	7/7/2020	Professional Liability - Dentists
The Cincinnati Insurance Company	177	7/7/2020	Professional Liability - Dentists

As the following table shows, there were three dentists rate filings approved during 2020 that did not involve a rate change.

Non-Rate Change Dentists Rate Filings Resolved in 2020

Company	Impact of Filing	Resolution Date
Fortress Insurance Company	Updated Part-Time Practice Discount rule due to COVID-19	4/17/2020
ProSelect Insurance Company	Miscellaneous changes in the rules/credits for the program. Credit changes supported by the competitor factors with modification. Experience rating changes supported by CW experience.	12/9/2020
The Cincinnati Insurance Company	Removal of 3-year prepaid option for dentists	10/2/2020
The Cincinnati Indemnity Company	Removal of 3-year prepaid option for dentist	10/2/2020

Nurses Malpractice Rate Filing Data

A small number (two) of the rate filings for nurses malpractice insurance were accepted as informational or approved by OIR during 2020. The disposition is shown in the following table. Two things about this segment are worth mentioning. First, this only includes the rates for nurses that are not covered as part of a physician's policy. Second, this segment may include situations where a company has a special program covering only a certain type of nurses, so the program name is included in the table.

The nurses segment is different from the physicians and dentists segments in that the filing statute for nurses requires the companies to submit rate pages on an informational basis. No approval by OIR is required or authorized. Further, these new requirements do not require companies to provide the affected premium or policies produced by the new pages. Overall, two

nurses malpractice rate change filings were processed as informational by OIR during 2020. There were two nurses malpractice filings not involving a rate change that were processed during 2020 and the law governing actuarial certifications does not apply to nurses malpractice. So, a total number of four nurses filings were processed during 2020.

2020 Rate Filings for Nurses Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date
American Casualty Company of Reading, Pennsylvania	13,183	0.2%	0.1%	2/11/2020
Florida Medical Malpractice JUA	**168**	**0.1%**	**0.1%**	**3/6/2020**

There were two nurses malpractice filings without a rate impact processed in 2020, shown in the following table.

Non-Rate Change Nurses Rate Filings Resolved in 2020

Company	Impact of Filing	Resolution Date
ProSelect Insurance Company	Limited Review Filing - Information not verified	8/20/2020
The Cincinnati Indemnity Company	Limited Review Filing - Information not verified	7/30/2020
The Cincinnati Insurance Company	Limited Review Filing - Information not verified	7/30/2020

Miscellaneous Healthcare Professionals Malpractice Rate Filing Data

The remaining professionals covered by medical malpractice insurance involve a very diverse group of professionals. Some carriers have programs specific to just one or two types of professionals. Some carriers in this segment cover a wide array of professionals. The following table shows the rate changes processed by OIR during 2020 for this segment. The program is included since it generally describes the scope of each filing.

As with the nurses segment, a portion of the filings in this segment (those not involving podiatrists, chiropractors, pharmacists, or pharmacy technicians) simply require informational filings. For such filings, approval by OIR is neither requested nor provided. During 2020, 36 miscellaneous healthcare professionals malpractice filings were resolved by OIR. Thirteen (13) filings were approved or processed as informational by OIR regarding miscellaneous healthcare professionals malpractice rate changes. Thirteen (13) certification filings were processed. Three (3) filings were withdrawn by the carriers before resolution. No filings were disapproved and seven (7) miscellaneous healthcare professionals malpractice filings that did not involve rate changes were approved by OIR during 2020.

2020 Rate Filings for Miscellaneous Healthcare Professionals Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date	Program
American Casualty Company of Reading, Pennsylvania	31,573	24.8%	13.1%	2/11/2020	Healthcare Providers Service Organization Program
Medical Protective Company	28,806	0.0%	0.0%	5/4/2020	MedPro Provider Solutions, Inc
American Casualty Company of Reading, Pennsylvania	4,863	20.3%	6.4%	4/28/2020	Healthcare Providers Service Organization Program
American Casualty Company of Reading, Pennsylvania	2,011	20.3%	6.0%	5/19/2020	Healthcare Providers Service Organization Program
Doctors Company, An Interinsurance Exchange	870	5.0%	7.2%	6/6/2020	Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability
ProAssurance Insurance Company of America	635	8.3%	6.3%	1/17/2020	Healthcare Professional Liability
ProAssurance Insurance Company of America	635	8.3%	6.3%	1/17/2020	Podiatric Medical Assurance of America, Inc. (PMAA)
ProAssurance Insurance Company of America	634	3.3%	3.3%	12/14/2020	Chiropractic Program
Medical Protective Company	301	0.0%	0.0%	5/1/2020	Multi-Specialty Healthcare Professionals
Doctors Company, An Interinsurance Exchange	43	7.7%	5.0%	6/4/2020	Chiropractors and Podiatrists
Medical Protective Company	27	0.0%	-0.7%	12/14/2020	Chiropractic Program
Florida Medical Malpractice JUA	**5**	**1.8%**	**0.0%**	**3/6/2020**	**Medical Malpractice - Other Healthcare Professionals**
Florida Medical Malpractice JUA	**3**	**-5.5%**	**0.0%**	**3/6/2020**	**Medical Malpractice - Other Healthcare Professionals (Reduced)**
Average Approved Rate Change:			**6.7%**		

Some carriers in this segment did not report rate changes, and some comparatively modest changes were approved or processed as informational during 2020. The rate change information provided shows changes ranging from -0.7% to +13.1%.

2020 Rate Certifications for Miscellaneous Healthcare Professionals Market Segment

Company	Policy Count	Resolution Date	Program
Great Divide Insurance Company	286	12/11/2020	Doctor of Chiropractic Professional Liability
Medical Protective Company	151	3/26/2020	Professional Liability - Podiatrist
Medical Protective Company	29	2/28/2020	MPS RPG - Pharmacists & Pharmacy Techs
Medical Protective Company	27	2/28/2020	Professional Liability - Chiropractors
Medical Protective Company	7	2/28/2020	Professional Liability - Allied Healthcare Providers
CampMed Casualty & Indemnity Company, Inc.	3	1/7/2020	Healthcare Providers Professional Liability - Pharmacists and Pharmacy Technicians
Philadelphia Indemnity Insurance Company	1	11/25/2020	Chiropractors
CampMed Casualty & Indemnity Company, Inc.	0	3/14/2020	Podiatry Medical Professional Liability
Medical Protective Company	0	2/28/2020	MSHP - Chiropractors
Medical Protective Company	0	2/28/2020	MSHP - Podiatrists
Medical Protective Company	0	2/28/2020	MSHP - Pharmacists & Pharmacy Techs
Medical Protective Company	0	2/28/2020	MPS RPG - Chiropractors
Medical Protective Company	0	2/28/2020	MPS RPG - Podiatrists

The following table shows all the rule and related filings approved or processed as informational for other healthcare professionals (all types except physicians, dentists, and nurses) in 2020, which did not involve rate changes. These seven filings covered different classes and involved different aspects of the rating procedure.

Non-Rate Change Miscellaneous Healthcare Professionals Rate Filings Resolved in 2020

Company	Impact of Filing	Resolution Date	Program
ProAssurance Insurance Company of America	PACO Assurance Company merged into Podiatry Insurance Company of America, updating company name on manual	6/16/2020	Healthcare Professional Liability Program - Chiropractors
ProAssurance Insurance Company of America	Name change from Podiatry Insurance Company of America to ProAssurance Insurance Company of America on manual pages.	8/3/2020	HealthCare Professional Liability Program - Podiatry
ProAssurance Insurance Company of America	Name change from Podiatry Insurance Company of America to ProAssurance Insurance Company of America on manual pages.	8/3/2020	PMAA - Podiatry
ProAssurance Insurance Company of America	Name change from Podiatry Insurance Company of America to ProAssurance Insurance Company of America on manual pages.	8/3/2020	HealthCare Professional Liability Program - Chiropractor
ProSelect Insurance Company	Limited Review Filing - Information not verified	12/21/2020	Provider Medical Professional Liability Coverage for Allied Healthcare Providers
The Cincinnati Indemnity Company	Removal of 3-year prepaid option for pharmacists	10/2/2020	Other Healthcare Professionals Professional Liability
The Cincinnati Insurance Company	Removal of 3-year prepaid option for pharmacists	10/2/2020	Other Healthcare Professionals Professional Liability
The Cincinnati Indemnity Company	Limited Review Filing - Information not verified	8/6/2020	Professional Lability
The Cincinnati Insurance Company	Limited Review Filing - Information not verified	8/6/2020	Professional Lability

Analysis of the Hospital Malpractice Subline

Data for the hospital malpractice subline is analyzed in this report. The hospital subline includes all policies where the primary named insured is a hospital, even if the doctors employed by the hospital or having staff privileges within it are covered as well.

Diversity of the Insureds in this Subline

The class of primary named insureds in the class is fairly homogeneous, other than differences between large and small hospitals. Significant differences exist between hospitals that include coverage for staff of various types on the policy and those that do not. More importantly, it is common for larger hospitals to purchase coverage excess of a high deductible or self-insured retention, which makes their loss exposure different from that of other hospitals. Therefore, this segment is viewed as being heterogeneous, and not susceptible to market share analysis.

Comparisons to Other Leading States

With the above caveat, key information from the NAIC financial database is summarized in this section. The following chart shows the top 10 states for this subline with respect to direct written premium.

2020 Top 10 States by Hospital Malpractice Direct Written Premium

State	2020 Hospital Direct Written Premium	Hospital Written Premium Rank	All Malpractice Written Premium Rank
New York	$436,515,298	1	1
Pennsylvania	$347,717,347	2	3
Massachusetts	$171,902,100	3	8
Connecticut	$116,902,150	4	13
Maryland	$115,390,730	5	10
California	$93,754,935	6	2
Florida	**$46,556,744**	**7**	**4**
New Jersey	$43,028,710	8	6
Texas	$39,649,347	9	7
Missouri	$38,697,000	10	19

Florida is listed as #7 in this subline rather than #4 for all malpractice premium in the top 10 states. This suggests that either there are fewer insured hospital beds per capita in Florida than in other states; Florida hospitals use higher retentions and other forms of self-insurance; fewer Florida physicians obtain insurance through a hospital; or Florida hospital premiums are lower than in other states. It would appear to be unlikely, given Florida's population demographic, that it has fewer hospital beds. Further, while the physician premium comparisons in this report are

associated with a different segment than hospitals, they would suggest the Florida premiums for hospitals are average or higher.

The direct loss ratios of those top 10 states are included in the following table. They range widely, from 52.7% in Massachusetts to 162.4% in California. The volatility is typical of the hospital subline due to the presence of large claims and large deductibles. Due to the gap typically observed between expense levels of insurance programs covering physicians and insurance programs covering other healthcare professionals, hospital malpractice combined ratios cannot be reasonably estimated using the NAIC database.

2020 Direct Loss Ratios of Top 10 Hospital Malpractice States

Premium Rank	State	2020 Hospital Direct Loss Ratio
1	New York	74.5%
2	Pennsylvania	68.4%
3	Massachusetts	52.7%
4	Connecticut	86.1%
5	Maryland	68.4%
6	California	162.4%
7	**Florida**	**79.1%**
8	New Jersey	93.8%
9	Texas	103.2%
10	Missouri	71.5%

Leading Hospital Malpractice Carriers in Florida

Key information on the carriers comprising 80% (by direct written premium) of the Florida hospital malpractice market is shown in the following table. A quick comparison to the carriers comprising the physicians malpractice market will show that different companies serve the hospitals than serve the professionals. Although only five companies comprise 80% of the market, various forms of self-insurance, such as deductibles and retentions, may result in the distributions of losses serviced by various companies being far different than the distribution of premium among them. The hospital malpractice market likely is not as concentrated as the table suggests. Certain segments, such as small hospitals, may have different concentration levels, but data for such an analysis is not present in the NAIC financial database.

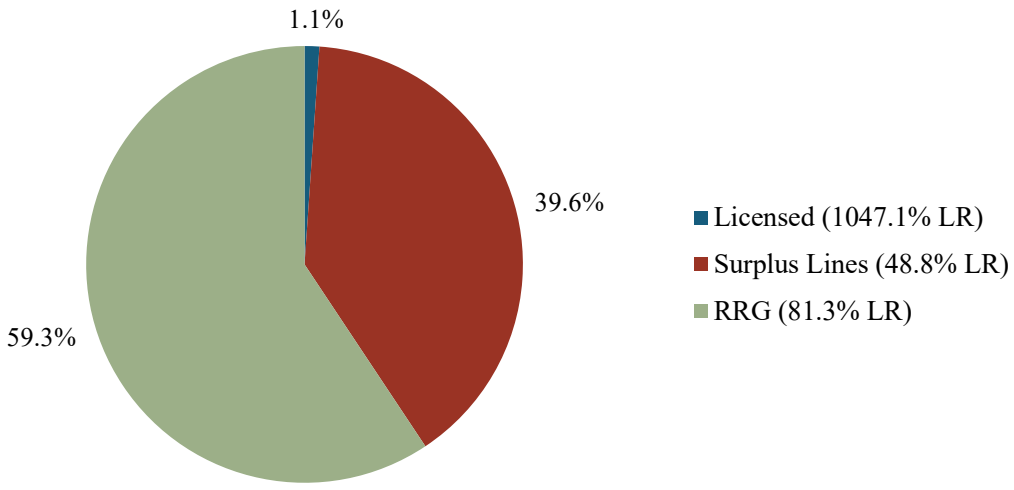
Key 2020 Financial Information for Top Hospital Malpractice Carriers in Florida

Company	Direct Florida Hospital Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Hospital Earned Premium	Direct Loss Ratio
Southwest Physicians RRG, Inc.	$16,716,970	1	35.9%	35.9%	$16,716,970	61.2%
MCIC Vermont (A Reciprocal RRG)	$10,176,061	2	21.9%	57.8%	$10,176,061	91.2%
National Fire & Marine Insurance Company	$7,397,718	3	15.9%	73.7%	$7,397,718	-2.3%
Endurance American Specialty Insurance Company	$2,179,138	4	4.7%	78.3%	$2,179,138	51.9%
Coverys Specialty Insurance Company	$1,426,167	5	3.1%	81.4%	$1,426,167	103.2%

Composition of the Florida Hospital Malpractice Market by Type of Insurer

A breakdown of the 2020 hospital malpractice direct written premium by the type of carrier generating the premium is provided in the following graph. This is, as with the other sublines, designed to provide clarity on the markets most often served by surplus lines insurers and risk retention groups.

Composition of 2020 Florida Hospital Medical Malpractice Insurance Market (Written Premium) by Insurer Type - Including Loss Ratios for Each Type of Insurer



Risk Retention Groups dominate this segment, and only a small segment is covered by licensed property and casualty insurance companies. Further, the loss ratios are somewhat more volatile among groups. That might be due to a mixture of the potential for hospitals to encounter large claims and the relatively small hospital malpractice premium volume of the licensed and risk retention group segments.

Hospital Malpractice Rate Filing Data

As the following table shows, one hospital malpractice rate change filing was approved during 2020. All companies using medical malpractice rates are required to make an annual base rate filing or actuarial certification. However, it is possible that the licensed carriers covering hospital risks are only covering hospitals that are eligible for individual risk rating under Rule 69O-170.019, Florida Administrative Code, and no filing is required because they have no base rates.

2020 Rate Filings for Hospital Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date
Florida Medical Malpractice JUA	0	10.7%	0.0%	3/6/2020
Average Approved Rate Change:			**0.0%**	

As the following table shows, there was one hospital rate filing approved during 2020 that did not involve a rate change.

Non-Rate Change Miscellaneous Healthcare Professionals Rate Filings Resolved in 2020

Company	Impact of Filing	Resolution Date	Program
ProSelect Insurance Company	Revised experience rating rule to increase limits, add 2% paid in full credit and risk management credit of 5% and 10%, revised FTCA credit rule to remove credit ranges	12/8/2020	Entity Medical Professional Liability

In total, OIR approved two hospital filings during 2020 and no filings were disapproved. No rate certifications for hospitals were processed during 2020.

Analysis of the Other Facilities Subline

Data for the malpractice insurance sold to medical facilities other than hospitals is analyzed in this section. This subline covers entities such as nursing homes, blood banks, and MRI facilities. Due to claims cost issues that have arisen in the past for nursing homes and other eldercare facilities and the large number of such facilities in Florida, there is some reason to suspect that most of the other facilities premium might be for eldercare liability. There is, however, no data in the NAIC financial database to validate or invalidate that conjecture.

Diversity of the Insureds in this Subline

This subline is similar to the other healthcare professionals subline in that it likely conceivably involves a highly heterogeneous population of insureds. As a result, this report contains limited information on this subline and does not deal with the marketplace dynamics within the subline.

Comparisons to Other Leading States

The following table shows the top 10 states for the other facilities subline with respect to direct written premium.

2020 Top 10 States by Other Facilities Malpractice Direct Written Premium

State	2020 Other Healthcare Facilities Direct Written Premium	Other Healthcare Facilities Written Premium Rank	All Malpractice Written Premium Rank
New York	$167,619,704	1	1
California	$150,742,145	2	2
Florida	**$109,501,665**	**3**	**4**
Texas	$102,722,869	4	7
Pennsylvania	$102,447,972	5	3
Illinois	$87,015,321	6	5
New Jersey	$71,143,578	7	6
Georgia	$60,445,355	8	9
Ohio	$55,176,871	9	11
Tennessee	$48,276,015	10	12

Florida has nearly the same rank (third) for other facilities as it does for all malpractice combined (fourth).

The direct loss ratios of those top 10 states are shown in the following table. In 2020, the other facilities loss ratios among states varied just as much as those in the hospital subline.

2020 Direct Loss Ratios of Top 10 Other Facilities Malpractice States

Premium Rank	State	2020 Other Healthcare Facilities Direct Loss Ratio
1	New York	73.8%
2	California	108.0%
3	**Florida**	**89.7%**
4	Texas	74.4%
5	Pennsylvania	82.8%
6	Illinois	97.4%
7	New Jersey	83.3%
8	Georgia	109.0%
9	Ohio	71.4%
10	Tennessee	151.6%

Leading Other Facilities Malpractice Carriers in Florida

Key information on the carriers comprising 80% (by direct written premium) of Florida's other facilities malpractice market is shown in the following table. The other facilities segment has, within this analysis, a midrange number of carriers comprising 80% of the market. However, some of these insurers may cover only certain portions of the other facilities segment.

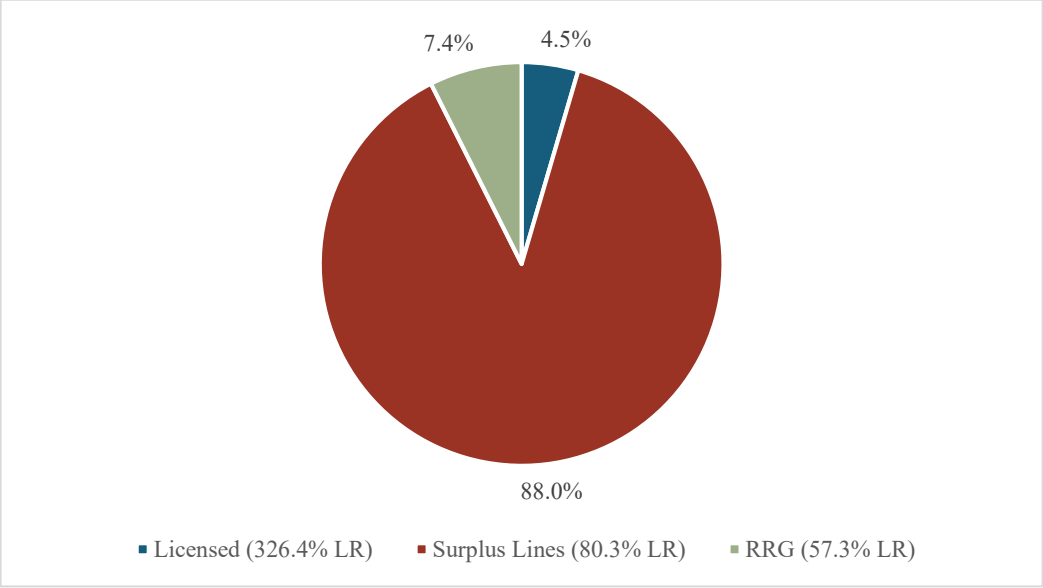
Key 2020 Financial Information for Top Other Facilities Malpractice Carriers in Florida

Company	Direct Florida Other Facilities Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Other Facilities Earned Premium	Direct Loss Ratio
National Fire & Marine Insurance Company	$24,451,819	1	22.3%	22.3%	$22,466,794	52.3%
Columbia Casualty Company	$13,234,698	2	12.1%	34.4%	$12,893,390	112.3%
Ironshore Specialty Insurance Company	$10,729,097	3	9.8%	44.2%	$8,175,536	65.8%
Coverys Specialty Insurance Company	$7,659,113	4	7.0%	51.2%	$7,124,444	108.2%
Hallmark Specialty Insurance Company	$5,705,389	5	5.2%	56.4%	$5,452,040	69.5%
Graph Insurance Group, a Risk Retention Group	$4,739,589	6	4.3%	60.7%	$3,097,490	41.6%
Arch Specialty Insurance Company	$4,391,971	7	4.0%	64.8%	$5,098,507	60.4%
TDC Specialty Insurance Company	$3,959,190	8	3.6%	68.4%	$3,163,952	45.0%
Evanston Insurance Company	$3,829,172	9	3.5%	71.9%	$4,103,471	38.5%
Darwin Select Insurance Company	$3,295,260	10	3.0%	74.9%	$2,006,522	61.7%
Lexington Insurance Company	$3,046,484	11	2.8%	77.7%	$1,414,773	-104.8%
Princeton Excess and Surplus Lines Insurance Company	$2,834,500	12	2.6%	80.3%	$695,696	19.1%

Composition of the Florida Other Facilities Malpractice Market by Type of Insurer

A breakdown of the 2020 other facilities malpractice direct written premium by the type of carrier generating the premium is provided in the following graph. This last analysis of this nature is also designed to provide clarity on the markets most often served by surplus lines insurers and risk retention groups.

Composition of 2020 Florida Other Facilities Medical Malpractice Insurance Market (Written Premium) by Insurer Type - Including Loss Ratios for Each Type of Insurer



This segment is also dominated by surplus lines insurers, and only a small segment is covered by licensed property/casualty insurance companies. The loss ratios appear to be generally acceptable and reasonable considering the premium volume in the smaller company types and the potential riskiness of the possible eldercare exposures.

Other Facilities Malpractice Rate Filing Data

The four other facilities rate filings processed as informational or approved by OIR during 2020 are listed in the following table. No filings were withdrawn, and no filings were disapproved. Two of the carriers making filings in this segment are domiciled in Florida, as shown by the shaded cells in the tab. The program name is listed to provide information on the types of insureds affected by each filing. As with nurses and certain other healthcare professionals, rate filings for entities other than nursing homes, assisted living centers, and hospitals are filed on a strictly informational basis.

2020 Rate Filings for Other Facilities Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date	Program
Doctors Company, An Interinsurance Exchange	95	15.6%	10.0%	4/8/2020	Hospital and Other Healthcare Facility
Medmal Direct Insurance Company	21	-49.0%	0.0%	1/6/2020	Medical Professional Liablity - Healthcare Facility
Medmal Direct Insurance Company	16	0.2%	0.0%	12/22/2020	Medical Professional Liablity - Healthcare Facility
Florida Medical Malpractice JUA	6	-6.4%	0.0%	3/6/2020	Medical Malpractice: Other Healthcare Facilities
Average Approved Rate Change:			**6.9%**		

As with the other sublines, most filings simply reaffirmed the rates presently in use. No rate certifications for other facilities were processed during 2020 and there were no other facilities rate filing approved during 2020 that did not involve a rate change.

Data from the Professional Liability Claims Reporting System

OIR collects closed claim data reported by insurers and self-insured entities. For the purposes of the report, all claims closed during the period January 1, 2020 to December 31, 2020, were analyzed. The database contains other relevant dates including the occurrence date and the report date of each claim. Although this section covers claims resolved in 2020, it is most probable that the occurrence date and/or report date of a specific claim are from a previous year.

As part of the nature of the medical malpractice insurance industry, there can be a considerable amount of time between when an accident occurs and when a final payment is made. For the top 23 carrier claims closed in 2020, the average difference between occurrence and when the claim was filed was 451 days, and the average difference between when a claim was filed and when the claim was closed was 691 days.

This reported data is of limited use for evaluating the profitability, solvency, or the adequacy of rates of a specific company. The data does not include “open” claims or the entire universe of outstanding claims. Additionally, trends in either the amount of time to close a claim or in the amount of claim payments cannot be systematically evaluated.

To satisfy the statutory requirements of section 627.912(6)(b) and (c), Florida Statutes, this portion of the report is divided into two sections: 1) the statewide data for all medical malpractice claims in Florida (the ‘Medical Malpractice Insurance Claims in Florida’ section); and 2) the data for the 23 companies that represent 80% of the Florida market (the ‘Closed Claims of Leading Carriers in Florida’ section). In the closed claim reports in the system,

insurers are asked to fill out 72 different fields of data. Some of these fields are required fields (e.g., claim number) while some are not (e.g., institution code). This report focuses on roughly 25 fields and is not intended to represent the entirety of information reported to OIR.

Medical Malpractice Insurance Claims in Florida

In 2020, the Florida medical malpractice insurance companies reported 2,494 closed claims in Florida. Of those 2,494 claims closed in 2020, 1,226 claims were filed by males and 1,268 claims were filed by females.

Injury Location

One of the data elements reported is the injury location, which has been divided into 10 different categories. The injury location for claims closed in 2020 is distributed as shown in the following table.

Location of Injury for Claims Closed in 2020

Location	Number of Claims
Hospital Inpatient Facility	1,204
Physician's Office	372
Emergency Room	220
Other Outpatient Facility	167
Hospital Outpatient Facility	133
Other Location	131
Other Hospital/Institution	129
Nursing Home	74
Patient's Home	34
Prison	30
Total	**2,494**

The data show that the largest number of claims came from hospital inpatient facilities, which together with physicians' offices and emergency rooms generated roughly 72% of all claims closed in 2020 (down slightly from roughly 75% in 2019 and 74.5% 2018).

Severity

The reporting data also contains coding to populate a "severity" field, which ranks the types of injuries/medical problems into nine different categories ranging from "1" being the most minor physical ailments to "9" indicating death of the insured. A brief summary of these categories follows:

1 – Emotional Only: fright, no physical damage
2 – Temporary: slight lacerations
3 – Temporary: minor infections, missed fracture, fall in hospital
4 – Temporary: major burns, drug reaction
5 – Permanent: minor – loss of finger, damage to organs
6 – Permanent: significant – deafness, loss of limb, loss of eye
7 – Permanent: grave – paraplegia, blindness, loss of limbs
8 – Permanent: grave – quadriplegia, brain damage
9 – Permanent: death

The following table tabulates the frequencies of the various claims severities for claims resolved in Florida in 2020.

Severity Codes for Claims Closed in 2020

Severity Class	Number of Claims
1 - Emotional only	67
2 - Slight lacerations	67
3 - Minor infections, missed fracture, etc.	439
4 - Major burns, drug reaction	261
5 - Loss of finger, damage to organs	275
6 - Deafness, loss of limb, loss of eye	283
7 - Paraplegia, blindness, loss of limbs	205
8 - Quadriplegia, brain damage	119
9 - Death	778
Total	**2,494**

Class "9" (i.e., death) is the leading category for medical malpractice claims closed and accounted for 31% of all the claims closed in 2020 (up slightly from 30% in 2019).

Geographic Distribution

Among the other data submitted is the insured's residence including county, address, and zip code information. Not surprisingly, the largest percentage of closed claims arise from areas with the highest populations. The 10 counties with the most closed medical malpractice claims in 2020 are shown in the following table.

2020 Closed Claims in Top 10 Counties

Rank	County	Number of Claims	2019 County this Rank
1	Dade	354	Dade
2	Palm Beach	287	Broward
3	Hillsborough	273	Hillsborough
4	Broward	271	Palm Beach
5	Pinellas	253	Pinellas
6	Orange	149	Duval
7	Duval	126	Out of state
8	Pasco	119	Orange
9	Out of state	109	Polk
10	Volusia	92	Pasco

The top 10 counties are ordered slightly differently than the 2019 top 10 counties list, including Volusia replacing Polk County. Sixteen (16) Florida counties had no closed claims reported through the closed claim reporting system during 2020.

Entities with the Most Closed Claims

In 2020, 173 entities reported closed medical malpractice claims. Of those reporting, 78 only closed either one or two claims. Conversely, 45 reported 10 or more claims. They are:

Entities Reporting 10 or More Closed Claims in 2020

(23 Leading Carriers Listed in Bold)

Entity	Number of Claims
Health Care Indemnity Inc.	333
Doctors Company, An Interinsurance Exchange	**283**
MAG Mutual Insurance Company	**174**
Medical Protective Company	**162**
NORCAL Mutual Insurance Company	**132**
EmCare Holdings, Inc.	83
Lexington Insurance Company	79
BayCare Health Systems	74
National Fire & Marine Insurance Company	**72**
Baptist Health South Florida	69
MedMal Direct Insurance Company	**42**
Florida Hospital East Orlando	39
The Healthcare Underwriting Company, A RRG	38
Podiatry Insurance Company of America	**37**
Samaritan RRG, Inc.	**30**

Entity	Number of Claims
Team Health, Inc.	29
ProAssurance Casualty Company	**28**
South Broward Hospital District	28
North Broward Hospital District	26
FD Insurance Company	25
Evanston Insurance Company	**24**
Columbia Casualty Company	**19**
Tampa General Hospital	18
Continental Casualty Company	17
Pediatrix Medical Group	17
University Community Hospital	16
Holy Cross Hospital	15
ProAssurance Indemnity Company, Inc.	15
Jupiter Medical Center, Inc.	15
Florida Physicians Medical Group	14
Lone Star Alliance, Inc., a RRG	14
Lee Memorial Health System	14
Physicians Insurance Company	13
Applied Medico-Legal Solutions RRG, Inc.	13
ProAssurance Specialty Insurance Company, Inc.	12
Coverys Specialty Insurance Company	**12**
Florida Hospital- Ormond Memorial	12
Univ of FL JHMHC Self-Insurance Program	12
Baptist Medical Center	11
Healthcare Underwriters Group, Inc.	11
TDC Specialty Insurance Company	11
Physicians Professional Liability RRG, Inc.	10
OMS National Insurance Company, RRG	10
MOUNT SINAI MEDICAL CENTER	10
Reliant Health Care Service, Inc.	10

The companies in bold type are among the 23 companies comprising 80% of the 2020 direct written premium in Florida. As the data shows, although these companies are in the top 23 of direct written premium calculations, they are not all necessarily the ones with the most closed claims in 2020. This could be due in part to the long-tailed nature of the business, or due to the prevalence of large deductible insurance plans in hospital insurance policies and policies covering some large physician groups. It should be noted, however, that 12 of the 45 entities with the most closed claims in 2020 are in the sample of 23 companies with the most premium volume.

Financial Data

OIR analyzed financial data related to medical malpractice insurance company claim payments. The amount paid by the insurer is reported in three broad categories: 1) the indemnity amount paid to the plaintiff; 2) the amount of loss adjustment expenses; and 3) economic and non-economic losses. The data elements for all claims closed in 2020 combined were as shown in the following table.

Financial Data from Closed Claim System - Aggregation of All Claims Closed in 2020

Category of Payment	Amount
Indemnity Paid	$1,039,424,623
LAE Paid to Defense Counsel	$442,693,594
All Other LAE Paid	$28,048,317
Non-Economic Loss	$171,100,309
Economic Loss - Incurred to Date by Claimant	$94,988,678
Economic Loss - Anticipated by Claimant	$49,573,489

The total of the indemnity and loss adjustment expense (LAE) categories is $1,510,166,534 (up 33.5% from 2019), which represents the total amount paid by insurance companies, self-insurers, and surplus lines insurers for claims settled in 2020. In many instances, (approximately 30% of the time) the claims closed showed indemnity payments of $0 to the plaintiff. However, even in these instances, it is likely the carrier still incurred loss adjustment expense, and sometimes other expenses.

The other area of the financial data segregates the amount that the company paid for economic versus non-economic damages to plaintiffs. The data reported in the 2020 closed claims shows $171,100,309 in non-economic loss (up approximately 9% from 2019, which was also up 53% from 2018) and combined incurred and anticipated economic loss of $144,562,167 (down 39% in 2019, which was in turn up from 8% in 2018).

The non-economic and economic fields are not submitted on all claims. For example, the total of economic and non-economic loss of $315,662,476 represents 30%, not 100%, of the total loss paid, down from 65% in 2019. The year-to-year comparisons may be distorted by any increase or decrease in the percentage of claims for which data is recorded. One possible reason for the discrepancy pertains to the forward-looking estimates included in the economic damages. Differences in methodologies for equating current dollar losses to future losses for reporting purposes can easily skew the results to make them appear unequal.

Apart from the time-value of money and the effects of estimating future losses and rate of inflation, there is some ambiguity in the estimate of the numbers themselves. Although claims can be closed for a variety of different reasons, like a court ruling or an outcome from an arbitration hearing, most claims are settled out of court. Often, these settlements stipulate a flat payment to the plaintiff and do not distinguish what portion of the payment by the insurer is for

economic versus non-economic damages. Therefore, companies may estimate these numbers to complete the report. Many reporting companies provided data with no estimates, leaving these fields blank. Assuming the numbers are accurate within the noted limitations, the amount paid in economic losses ($145 million) is less than the amount of non-economic losses paid ($171 million).

Closed Claims of Leading Carriers in Florida

Much of this report has focused on the top 23 leading writers of medical malpractice in the state of Florida in 2020. This section provides an analysis of the timing sequence involved in reporting and closing a claim, as well as the paid amounts of closed claims to plaintiffs by these companies. Since not all the sample companies distinguished between economic versus non-economic claims, this data is not included. Legal settlements often state a specified amount, and do not apportion the final settlement amount based on economic versus non-economic damages.

The Timing of the Claim

There are two main time sequences important to the resolution of a claim: 1) the amount of time between the incident occurrence and the reporting of the claim to the insurance company; and 2) the amount of time between reporting the claim and the final disposition of the claim. For these two elements,[10] 21 of the 23 leading writers of medical malpractice insurance in Florida reported the average times shown in the following table.

Timing of Claims Closed by Leading Carriers in Florida During 2020

Company	Total Days	Report to Disposition	Occurrence to Report
Doctors Company, An Interinsurance Exchange	1,369	743	626
Medical Protective Company	1,254	694	560
MAG Mutual Insurance Company	1,216	588	628
NORCAL Mutual Insurance Company	1,144	595	549
National Fire & Marine Insurance Company	1,084	773	311
Columbia Casualty Company	1,576	979	597
MedMal Direct Insurance Company	**1,255**	**736**	**519**
ProAssurance Casualty Company	1,167	757	409
American Casualty Company of Reading, PA	561	315	246
Samaritan RRG, Inc.	815	414	401
Ironshore Specialty Insurance Company	1,318	829	489
Landmark American Insurance Company	576	264	313
Admiral Insurance Company	1,123	483	641
Coverys Specialty Insurance Company	1,802	888	913

[10] MCIC Vermont and Southwest Physicians RRG, Inc. reported zero closed claims in 2020.

Company	Total Days	Report to Disposition	Occurrence to Report
Medical Mutual Insurance Company of North Carolina	187	81	106
Evanston Insurance Company	1,094	816	277
Ophthalmic Mutual Insurance Company (A RRG)	805	205	600
Professional Security Insurance Company	422	275	147
Hallmark Specialty Insurance Company	978	466	512
Podiatry Insurance Company of America	1,205	643	562
ProSelect Insurance Company	1,011	275	736
Average	**1,046**	**563**	**483**

This table reinforces the "long-tail" aspect of medical malpractice insurance as it may take up to five years or longer between the occurrence of an accident and actual payment. For all claims closed in 2020, including those of other entities, the total number of days between occurrence and final disposition averaged 1,236 days (3.4 years) with a range from 36 days to disposition to a maximum of 3,805 days (10.4 years).

The Plaintiff Settlement

A "closed" claim does not mean that the plaintiff received payment. Whether due to an outcome of the courts, arbitration, or a plaintiff discontinuing pursuit of a claim, some claims are closed without any payment settlement. The data in the following table shows differences among the companies in terms of the percentage of closed claims that resulted in a payment to the plaintiff.

Breakdown of Claims Reported by Leading Carriers between Claims Closed with and without Payments

Company	Claims With Indemnity Payments	Total Claims	Percentage With Indemnity Payments
Doctors Company, An Interinsurance Exchange	144	282	51.1%
Medical Protective Company	78	160	48.8%
MAG Mutual Insurance Company	105	173	60.7%
NORCAL Mutual Insurance Company	84	132	63.6%
National Fire & Marine Insurance Company	51	72	70.8%
Columbia Casualty Company	12	19	63.2%
MedMal Direct Insurance Company	**25**	**42**	**59.5%**
ProAssurance Casualty Company	15	28	53.6%
American Casualty Company of Reading, PA	6	9	66.7%
Samaritan RRG, Inc.	16	30	53.3%
Ironshore Specialty Insurance Company	3	5	60.0%

Company	Claims With Indemnity Payments	Total Claims	Percentage With Indemnity Payments
Landmark American Insurance Company	9	9	100.0%
Admiral Insurance Company	6	6	60.0%
Coverys Specialty Insurance Company	6	12	50.0%
Medical Mutual Insurance Company of North Carolina	0	1	0.0%
Evanston Insurance Company	18	24	75.0%
Ophthalmic Mutual Insurance Company (A RRG)	3	3	100.0%
Professional Security Insurance Company	0	2	0.0%
Hallmark Specialty Insurance Company	1	2	50.0%
Podiatry Insurance Company of America	15	37	40.5%
ProSelect Insurance Company	4	4	100.0%
Total	**601**	**1,052**	**57.1%**

Payment Amounts

Companies are also required to report payment amounts. Some companies did not segregate payments between economic and non-economic loss. Therefore, indemnity payments are not split between economic and non-economic loss in the upcoming table. The claims reported closed by the 23 leading companies in 2020 contained the claim payments summarized in the following table.

Breakdown of Loss and LAE Paid on 2020 Closed Claims by Leading Carriers in Florida

Company	Indemnity Payments	LAE Paid to Defense Counsel	All Other LAE Paid
Doctors Company, An Interinsurance Exchange	$41,779,060	$10,401,943	$4,046,536
Medical Protective Company	$21,945,653	$99,978,651	$1,508,027
MAG Mutual Insurance Company	$30,492,997	$5,634,351	$1,690,919
NORCAL Mutual Insurance Company	$20,161,607	$3,036,370	$656,656
National Fire & Marine Insurance Company	$10,737,438	$2,199,205	$245,108
Columbia Casualty Company	$4,060,979	$346,650	$103,445
MedMal Direct Insurance Company	$3,994,990	$1,331,568	$36,636
ProAssurance Casualty Company	$4,332,000	$1,200,144	$489,384
American Casualty Company of Reading, PA	$864,229	$599,169	$520,290
Samaritan RRG, Inc.	$3,241,500	$701,556	$328,506

Company	Indemnity Payments	LAE Paid to Defense Counsel	All Other LAE Paid
Ironshore Specialty Insurance Company	$1,011,921	$269,726	$0
Landmark American Insurance Company	$2,975,000	$163,032	$12,987
Admiral Insurance Company	$740,250	$216,639	$44,360
Coverys Specialty Insurance Company	$5,647,499	$868,172	$32,533
Medical Mutual Insurance Company of North Carolina	$0	$9,126	$0
Evanston Insurance Company	$7,452,767	$2,090,827	$0
Ophthalmic Mutual Insurance Company (A RRG)	$760,000	$0	$0
Professional Security Insurance Company	$0	$16,696	$3,733
Hallmark Specialty Insurance Company	$175,000	$135,765	$23,391
Podiatry Insurance Company of America	$2,178,000	$1,703,250	$66,998
ProSelect Insurance Company	$290,000	$46,106	$0

Notes on Appendices

Included in the appendices are:

- Appendix A: Details of the various premiums priced as part of the state-to-state premium comparison in Appendix A;
- Written premium, earned premium, incurred loss and incurred DCC for the entire medical malpractice line of business, provided for all the U.S. states and territories to facilitate any comparison across all 50 states in Appendix B;
- A ranking of the states and territories by the loss and DCC ratio in Appendix C;
- Written premium, earned premium, incurred loss, and loss ratios for the physicians malpractice subline, provided for all the U.S. states and territories also to facilitate any comparison across all 50 states in Appendix D;
- The written premium by state for the top five (by premium) states for each of the companies comprising 80% of the overall medical malpractice market in Appendix E (in a convention designed to focus on the key data in Appendices E and F, the data for Florida is highlighted rather than bolded, and the names of Florida-domiciled carriers are highlighted as well); and
- Loss and DCC ratios for the top five states of each of the malpractice carriers comprising 80% of the market to facilitate state-by-state comparisons within a company-subject to the reality that lower premium volume states' loss and DCC ratios are subject to considerable random fluctuation in Appendix F.

Summary

Section 627.912(6)(b) and (c), Florida Statutes, requires OIR to publish an annual report of the state of the medical malpractice insurance market in Florida. The legislation, codified in section 627.912(6)(b) and (c), Florida Statutes, requires OIR to draw upon three data resources:

1) The NAIC annual financial statement filings;
2) The closed claims database maintained by OIR; and
3) The rate filings approved by OIR during the previous year.

This report satisfies the requirements codified in section 627.912(6)(b) and (c), Florida Statutes.

Appendix A

Detailed State-to-State Physicians Malpractice Premium Comparisons

State	Company	Territory	Family Practitioner 1M/3M Rate	Emergency Room Dr. 1M/3M Rate	Orthopedist 1M/3M Rate	Obstetrician 1M/3M Rate
Arizona	Medical Protective	Entire State	$9,479	$12,188	$14,584	$27,230
Arizona	Mutual Ins. Co. of AZ	Entire State	$13,080	$27,977	$39,433	$50,263
Arizona	NORCAL Mutual	Entire State	$13,558	$28,607	$37,691	$57,622
California	Doctors Company	Riverside, San Bernardino	$11,009	$36,507	$43,208	$67,235
California	Doctors Company	Alameda, Contra Costa, Madera, Mariposa, Merced, Monterey, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Clara, Santa Cruz	$4,735	$11,257	$17,120	$25,190
California	NORCAL Mutual	Riverside, San Bernardino	$17,899	$34,009	$56,383	$77,863
California	NORCAL Mutual	Fresno, Madera, Monterey, San Mateo, Santa Clara, Santa Cruz	$7,350	$13,966	$23,153	$31,974
Florida	**Doctors Company**	**Dade**	**$48,335**	**$102,247**	**$130,133**	**$215,649**
Florida	**Doctors Company**	**Remainder of State**	**$24,786**	**$52,434**	**$66,735**	**$110,589**
Florida	**MAG Mutual**	**Broward, Dade**	**$35,648**	**$70,727**	**$120,330**	**$205,944**
Florida	**MAG Mutual**	**Remainder of State**	**$16,716**	**$32,926**	**$55,528**	**$93,621**
Florida	**Medical Protective**	**Broward, Dade**	**$34,258**	**$87,085**	**$105,105**	**$165,164**
Florida	**Medical Protective**	**Remainder of State**	**$20,034**	**$50,928**	**$61,466**	**$96,589**
Georgia	Doctors Company	Entire State	$15,278	$38,552	$47,692	$65,915
Georgia	MAG Mutual	Remainder of State	$14,673	$29,007	$40,307	$73,736
Georgia	MAG Mutual	Catoosa, Chatooga, Dade, Fannin, Floyd, Gilmer, Murray, Rabun, Towns, Union, Walker, Whitfield	$8,804	$17,404	$24,184	$44,242
Georgia	Medical Protective	Clayton, Cobb, DeKalb, Fulton, Gwinnett	$18,863	$51,533	$41,820	$91,108
Georgia	Medical Protective	Catoosa, Chatooga, Dade, Fannin, Floyd, Gilmer, Murray, Rabun, Towns, Union, Walker, Whitfield	$12,575	$34,355	$27,878	$60,738
Illinois	ISMIE Mutual	Madison, Will	$36,912	$63,744	$98,828	$138,040

State	Company	Territory	Family Practitioner 1M/3M Rate	Emergency Room Dr. 1M/3M Rate	Orthopedist 1M/3M Rate	Obstetrician 1M/3M Rate
Illinois	ISMIE Mutual	Adams, Knox, Peoria, Rock Island	$18,536	$31,312	$48,020	$66,692
Illinois	Medical Protective	Cook, Jackson, Madison, St. Clair, Will	$30,062	$68,211	$79,522	$134,090
Illinois	Medical Protective	Adams, Knox, Peoria, Rock Island	$13,528	$30,696	$35,786	$60,341
Illinois	NORCAL Mutual	Madison, St. Clair	$34,378	$67,038	$104,166	$147,483
Illinois	NORCAL Mutual	Adams, Knox, Peoria, Rock Island	$14,970	$29,192	$45,360	$64,222
New Jersey	MDAdvantage Ins. Co. of NJ	Entire State (used Preferred Plus rates)	$12,551	$28,664	$40,788	$88,281
New Jersey	Princeton Insurance Co.	Entire State	$20,742	$47,002	$50,818	$116,984
New Jersey	ProSelect Insurance Co.	Entire State	$15,783	$37,327	$73,155	$139,790
New York	Hospitals Insurance Co.	Nassau, Suffolk	$22,978	$70,648	$111,414	$154,831
New York	Hospitals Insurance Co.	Livingston, Monroe, Ontario, Seneca, Wayne, Yates	$4,116	$12,656	$19,960	$27,738
New York	Medical Liability Mutual	Nassau, Suffolk	$27,266	$83,832	$132,206	$183,725
New York	Medical Liability Mutual	Livingston, Monroe, Ontario, Seneca, Wayne, Yates	$4,885	$15,018	$23,684	$32,914
New York	Physicians' Reciprocal Insurers	Nassau, Suffolk	$35,883	$93,390	$93,390	$185,025
New York	Physicians' Reciprocal Insurers	Livingston, Monroe, Ontario, Seneca, Wayne, Yates	$9,222	$23,999	$23,999	$47,553
Pennsylvania	Medical Protective	Delaware, Philadelphia	$26,033	$69,796	$82,059	$132,049
Pennsylvania	Medical Protective	Remainder of State	$16,796	$45,032	$52,943	$85,196
Pennsylvania	NORCAL Mutual	Lackawanna, Monroe, Schuylkill	$16,146	$30,556	$51,232	$83,186
Pennsylvania	NORCAL Mutual	Adams, Allegheny, Armstrong, Beaver, Bedford, Berks, Blair, Bradford, Butler, Cambria, Cameron, Centre, Clarion, Clearfield, Clinton, Elk, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lancaster, Lebanon, Lycoming, McKean, Mifflin, Perry, Potter, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union,	$10,930	$19,343	$31,413	$50,067

State	Company	Territory	Family Practitioner 1M/3M Rate	Emergency Room Dr. 1M/3M Rate	Orthopedist 1M/3M Rate	Obstetrician 1M/3M Rate
		Venango, Warren, Washington, Westmoreland, York				
Tennessee	State Volunteer Mutual	Entire State	$6,873	$28,368	$20,351	$37,255
Texas	Doctors Company	Brooks, Cameron, Hidalgo, Jim Hogg, Starr, Webb, Willacy, Zapata	$17,545	$42,745	$42,955	$66,591
Texas	Doctors Company	Andrew, Archer, Armstrong, Bailey, Baylor, Borden, Briscoe, Carson, Castro, Childress, Clay, Cochran, Collingsworth, Cottle, Crosby, Dallam, Dawson, Deaf Smith, Dickens, Donley, Fisher, Floyd, Foard, Gaines, Garza, Gray, Hale, Hall, Hansford, Hardeman, Hartley, Haskell, Hemphill, Hockley, Howard, Hutchinson, Jones, Kent, King, Knox, Lamb, Lipscomb, Lubbock, Lynn, Martin, Mitchell, Moore, Motley, Nolan, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Scurry, Shackelford, Sherman, Stonewall, Swisher, Taylor, Terry, Throckmorton, Wheeler, Wichita, Wilbarger, Yoakum	$9,967	$21,948	$22,057	$34,195
Texas	ProAssurance	Cameron, Hidalgo, Kinney, Maverick, Starr, Val Verde, Webb, Willacy, Zapata	$15,942	$35,080	$15,942	$54,218
Texas	ProAssurance	Lubbock, Potter, Randall	$9,202	$19,917	$9,202	$30,631
Texas	ProAssurance	Lubbock, Potter, Randall	$9,202	$19,917	$24,202	$30,631

Appendix B

Total Medical Malpractice Data for States and U.S. Territories

2021

2020 Rank	2019 Rank	State	Direct Written Premium	Direct Earned Premium	Incurred Losses	Incurred DCC
1	1	New York	$1,566,135,423	$1,567,494,206	$988,680,408	$352,837,165
2	2	California	$832,856,762	$814,844,451	$438,490,087	$229,842,082
3	3	Pennsylvania	$718,201,637	$710,576,120	$403,777,869	$174,256,715
4	**4**	**Florida**	**$699,129,908**	**$662,826,468**	**$332,785,018**	**$149,526,876**
5	5	Illinois	$479,441,633	$485,513,257	$301,630,637	$123,676,639
6	6	New Jersey	$433,606,325	$425,387,305	$228,152,822	$122,021,574
7	8	Texas	$389,065,492	$363,060,353	$129,414,006	$71,390,112
8	7	Massachusetts	$340,186,006	$336,155,786	$196,867,772	$60,528,038
9	10	Georgia	$324,523,571	$302,155,676	$282,913,557	$65,480,008
10	9	Maryland	$310,185,294	$313,832,472	$165,573,123	$58,763,681
11	11	Ohio	$244,270,229	$241,032,779	$55,298,292	$44,756,473
12	12	Tennessee	$242,941,876	$236,057,821	$156,173,362	$84,060,942
13	14	Connecticut	$221,470,577	$220,039,575	$161,660,862	$25,859,126
14	16	Michigan	$214,966,678	$205,400,038	$128,815,580	$54,788,278
15	13	Arizona	$209,821,252	$210,066,505	$86,094,902	$43,290,466
16	18	Virginia	$186,122,971	$182,735,579	$81,925,240	$37,031,639
17	17	Washington	$186,040,296	$176,978,799	$119,197,765	$32,261,945
18	15	North Carolina	$177,221,316	$174,117,016	$76,904,457	$29,565,981
19	19	Missouri	$165,585,032	$160,350,793	$103,204,784	$36,683,227
20	20	Colorado	$155,140,470	$153,354,970	$40,852,168	$19,741,238
21	22	Indiana	$136,363,001	$135,299,679	$41,376,065	$47,964,631
22	21	Alabama	$131,048,552	$134,604,697	$59,619,395	$36,350,217
23	23	Kentucky	$116,246,878	$116,233,942	$41,924,225	$12,391,684
24	25	Oklahoma	$105,916,626	$103,360,020	$35,897,650	$30,141,425
25	24	Louisiana	$103,456,612	$102,066,645	$22,881,274	$25,326,605
26	27	Oregon	$97,333,648	$93,321,381	$74,992,257	$19,857,990
27	28	Minnesota	$86,786,083	$84,308,045	$50,446,047	$2,363,628
28	29	South Carolina	$82,688,557	$78,660,539	$61,794,665	$28,036,369
29	30	Wisconsin	$81,621,665	$78,807,884	$37,802,335	$11,495,816
30	31	Nevada	$78,930,114	$76,035,662	$42,547,099	$22,459,095
31	33	Iowa	$74,913,993	$70,526,020	$61,661,231	$13,114,343
32	34	Kansas	$69,825,383	$68,307,047	$37,576,197	$24,430,107
33	32	Puerto Rico	$68,008,096	$70,092,144	$28,240,896	$13,695,498
34	35	Arkansas	$64,176,276	$64,669,014	$29,423,258	$18,306,039
35	36	New Mexico	$60,105,881	$58,941,308	$70,622,898	$26,174,102
36	37	Utah	$55,909,115	$55,100,128	$42,008,138	$19,642,542
37	39	New Hampshire	$54,735,922	$51,393,061	$48,054,357	$10,215,771
38	40	Mississippi	$51,243,306	$49,257,049	$21,172,096	$7,784,382
39	38	Maine	$50,134,818	$47,391,806	$24,394,841	$4,201,218
40	26	West Virginia	$47,493,355	$46,309,333	$41,359,619	$12,349,055

2020 Rank	2019 Rank	State	Direct Written Premium	Direct Earned Premium	Incurred Losses	Incurred DCC
41	41	Montana	$38,017,135	$37,556,369	$25,353,988	$8,170,654
42	42	Nebraska	$37,191,561	$35,487,072	$23,291,152	$12,049,006
43	43	Idaho	$34,039,435	$34,386,502	$16,283,870	$6,562,356
44	46	Hawaii	$33,957,643	$32,026,122	$12,660,172	$5,275,783
45	44	Rhode Island	$31,381,740	$31,473,919	$23,332,410	$7,739,737
46	45	Delaware	$30,799,663	$30,041,692	$21,259,290	$7,076,438
47	47	District of Columbia	$30,051,350	$28,647,861	$9,672,435	$5,210,116
48	48	Alaska	$23,438,637	$23,547,114	$7,988,386	$4,549,822
49	49	Wyoming	$19,741,910	$19,518,482	$4,753,656	$3,853,905
50	51	South Dakota	$17,872,879	$17,657,699	$13,782,566	$7,302,592
51	50	Vermont	$17,781,638	$17,316,861	$13,823,514	$1,683,443
52	52	Other Territories	$21,359,398	$16,996,781	$7,869,196	$1,227,648
53	53	North Dakota	$11,034,731	$11,078,125	$6,564,441	$1,709,376
Grand Total:			**$10,060,518,349**	**$9,862,399,972**	**$5,538,842,330**	**$2,275,073,598**

Appendix C

Total Medical Malpractice Loss and DCC Ratios (Profitability) of States and U.S. Territories

2021

2020 Rank	2019 Rank	State	Loss and DCC Ratio
1	14	Colorado	39.5%
2	6	Ohio	41.5%
3	2	Wyoming	44.1%
4	46	Kentucky	46.7%
5	8	Louisiana	47.2%
6	33	District of Columbia	51.9%
7	45	Alaska	53.2%
8	9	Other Territories	53.5%
9	24	Texas	55.3%
10	7	Hawaii	56.0%
11	5	Mississippi	58.8%
12	10	Puerto Rico	59.8%
13	3	Maine	60.3%
14	15	North Carolina	61.1%
15	18	Arizona	61.6%
16	26	Wisconsin	62.6%
17	29	Minnesota	62.6%
18	27	Oklahoma	63.9%
19	11	Virginia	65.1%
20	22	Indiana	66.0%
21	12	Idaho	66.4%
22	30	Alabama	71.3%
23	38	Maryland	71.5%
24	**34**	**Florida**	**72.8%**
25	36	Arkansas	73.8%
26	1	North Dakota	74.7%
27	19	Massachusetts	76.6%
28	25	Pennsylvania	81.3%
29	35	California	82.0%
30	17	New Jersey	82.3%
31	51	Connecticut	85.2%
32	37	Nevada	85.5%
33	43	Washington	85.6%
34	16	New York	85.6%
35	41	Missouri	87.2%
36	40	Illinois	87.6%
37	32	Montana	89.3%
38	4	Michigan	89.4%

2020 Rank	2019 Rank	State	Loss and DCC Ratio
39	52	Vermont	89.5%
40	21	Kansas	90.8%
41	13	Delaware	94.3%
42	47	Rhode Island	98.7%
43	44	Nebraska	99.6%
44	48	Oregon	101.6%
45	42	Tennessee	101.8%
46	50	Iowa	106.0%
47	31	Utah	111.9%
48	23	New Hampshire	113.4%
49	28	South Carolina	114.2%
50	49	Georgia	115.3%
51	20	West Virginia	116.0%
52	39	South Dakota	119.4%
53	53	New Mexico	164.2%
National Average:			**79.2%**

Appendix D

Physicians Malpractice Data for States and U.S. Territories

2021

Written Premium Rank	State	Direct Physicians Written Premium	Direct Physicians Earned Premium	Direct Physicians Incurred Loss	Loss Ratio
1	New York	$826,376,513	$848,155,771	$515,920,888	60.8%
2	**Florida**	**$432,759,846**	**$419,144,819**	**$175,824,749**	**41.9%**
3	California	$422,108,197	$418,128,324	$130,231,600	31.1%
4	Illinois	$303,364,040	$316,403,787	$151,342,052	47.8%
5	New Jersey	$264,622,208	$264,918,539	$118,774,263	44.8%
6	Pennsylvania	$221,268,851	$228,287,676	$97,651,903	42.8%
7	Georgia	$195,238,032	$185,902,890	$174,809,786	94.0%
8	Texas	$154,966,988	$148,075,019	$29,451,587	19.9%
9	Tennessee	$130,398,324	$133,155,724	$63,130,460	47.4%
10	Arizona	$130,212,938	$135,102,641	$39,707,178	29.4%
11	Michigan	$127,377,916	$125,151,607	$74,161,307	59.3%
12	Maryland	$124,647,050	$131,448,988	$54,061,059	41.1%
13	Ohio	$119,561,739	$121,822,622	($4,707,908)	-3.9%
14	Virginia	$114,610,697	$115,644,003	$51,768,153	44.8%
15	North Carolina	$99,649,474	$101,450,407	$24,571,727	24.2%
16	Massachusetts	$91,218,635	$91,423,526	$68,621,755	75.1%
17	Colorado	$88,627,582	$91,097,439	$11,852,011	13.0%
18	Washington	$86,822,602	$87,817,035	$55,183,430	62.8%
19	Missouri	$77,933,022	$76,143,486	$43,759,321	57.5%
20	Connecticut	$66,783,673	$67,885,665	$43,568,452	64.2%
21	Indiana	$65,167,958	$67,917,462	$23,616,249	34.8%
22	Alabama	$64,843,888	$73,237,147	$29,241,865	39.9%
23	Kentucky	$59,966,604	$60,773,450	$12,397,236	20.4%
24	Oklahoma	$59,439,459	$60,847,973	$6,874,070	11.3%
25	Nevada	$56,927,016	$54,989,473	$34,912,815	63.5%
26	Louisiana	$54,486,969	$54,672,830	$8,800,659	16.1%
27	Oregon	$52,705,158	$52,977,657	$47,749,245	90.1%
28	South Carolina	$52,206,067	$50,155,213	$37,395,000	74.6%
29	Wisconsin	$35,527,705	$34,501,144	$17,334,391	50.2%
30	Minnesota	$35,098,337	$34,917,252	$14,652,897	42.0%
31	Arkansas	$34,006,622	$35,673,532	$17,705,470	49.6%
32	Kansas	$33,061,967	$32,172,020	$21,256,371	66.1%
33	Utah	$32,759,131	$33,544,378	$29,132,782	86.8%
34	Nevada	$56,927,016	$54,989,473	$34,912,815	117.5%
35	Puerto Rico	$31,896,411	$32,041,509	$12,031,886	37.6%
36	West Virginia	$29,698,086	$30,034,354	$21,743,380	72.4%
37	New Hampshire	$27,372,005	$26,458,473	$16,457,206	62.2%
38	New Mexico	$24,249,135	$24,306,575	$2,194,926	9.0%
39	Maine	$23,676,096	$23,165,148	$11,959,217	51.6%

Written Premium Rank	State	Direct Physicians Written Premium	Direct Physicians Earned Premium	Direct Physicians Incurred Loss	Loss Ratio
40	Delaware	$21,758,757	$21,480,258	$18,583,493	86.5%
41	Idaho	$17,544,245	$17,426,173	$5,522,890	31.7%
42	Mississippi	$16,556,955	$16,511,940	$9,507,238	57.6%
43	Montana	$15,756,128	$15,622,333	$14,068,481	90.1%
44	Hawaii	$15,663,048	$15,695,037	$9,914,638	63.2%
45	Other Territories	$14,773,245	$5,908,082	$2,519,111	42.6%
46	District of Columbia	$14,215,895	$14,753,278	$10,018,802	67.9%
47	Rhode Island	$13,910,905	$13,980,208	$8,553,577	61.2%
48	Alaska	$13,473,254	$14,044,912	$5,551,670	39.5%
49	Nebraska	$13,284,007	$12,873,264	$7,273,429	56.5%
50	Wyoming	$10,846,188	$5,908,082	$2,519,111	42.6%
51	Vermont	$7,824,706	$7,710,027	$381,003	4.9%
52	South Dakota	$5,781,253	$6,466,710	$5,890,872	91.1%
53	North Dakota	$5,241,276	$5,682,334	$3,778,473	66.5%
Grand Total:		**$5,070,242,926**	**$5,095,194,442**	**$2,426,320,313**	**47.6%**

Appendix E

Written Premium in Top Five States of Leading Florida Malpractice Carriers

2021

Company	State 1	State 2	State 3	State 4	State 5
Doctors Company, An Interinsurance Exchange	CA	FL	TX	VA	OH
	$161,299,259	$113,665,998	$37,293,649	$31,801,667	$31,782,525
Medical Protective Company	FL	PA	TX	OH	CA
	$98,464,850	$65,062,539	$48,208,569	$40,580,292	$32,084,525
MAG Mutual Insurance Company	GA	FL	N	SC	VA
	$103,573,970	$74,030,213	$27,388,706	$22,128,307	$14,701,765
NORCAL Mutual Insurance Company	CA	FL	IL	PA	TX
	$101,614,379	$40,781,427	$37,667,831	$33,774,296	$15,706,050
National Fire & Marine Insurance Company	CA	TX	FL	NY	IL
	$37,418,857	$34,681,479	$33,716,395	$33,537,481	$28,351,488
Columbia Casualty Company	OH	PA	CA	FL	TX
	$30,094,156	$27,533,996	$24,529,669	$19,940,684	$19,935,274
Southwest Physicians RRG, Inc.	FL	AL	PA	MS	IN
	$17,803,106	$5,660,919	$4,558,962	$4,209,373	$1,462,394
MedMal Direct Insurance Company	FL	GA	TX	IL	NC
	$16,992,439	$2,441,730	$593,620	$386,863	$362,584
ProAssurance Casualty Company	MI	WI	FL	NV	CA
	$24,844,143	$20,342,980	$16,574,819	$16,525,589	$15,798,846
American Casualty Company of Reading, PA	CA	NY	FL	TX	NJ
	$33,032,604	$24,560,743	$15,093,317	$14,217,124	$13,176,031
Samaritan RRG, Inc.	FL	-	-	-	-
	$14,712,722	-	-	-	-
Ironshore Specialty Insurance Company	IA	IL	FL	TX	NY
	$15,376,150	$13,867,559	$11,568,642	$11,392,479	$11,387,562
Landmark American Insurance Company	CA	FL	NY	TX	NJ
	$11,251,875	$10,337,117	$7,960,810	$4,735,604	$3,675,636
MCIC Vermont (A Reciprocal RRG)	NY	CT	MD	FL	DC
	$189,661,284	$111,933,897	$109,319,864	$10,176,061	$3,914,582
Admiral Insurance Company	CA	NY	FL	TX	PA
	$22,588,348	$11,961,855	$10,032,409	$9,330,217	$8,255,909
Coverys Specialty Insurance Company	CA	PA	NY	FL	TX
	$31,580,391	$11,001,318	$9,936,311	$9,320,875	$8,174,595
Medical Mutual Insurance Company of North Carolina	NC	NJ	VA	PA	GA
	$47,715,216	$16,480,120	$15,526,141	$14,999,617	$11,164,728
Evanston Insurance Company	NY	CA	FL	IL	TX
	$11,077,409	$9,607,928	$6,754,645	$6,159,565	$4,399,790
Ophthalmic Mutual Insurance Company (A RRG)	FL	CA	IL	PA	VA
	$6,689,254	$4,817,009	$4,593,495	$2,775,759	$2,621,890
Professional Security Insurance Company	GA	TN	NC	FL	TX
	$9,325,267	$7,474,117	$7,303,895	$6,685,562	$4,323,734
Hallmark Specialty Insurance Company	CA	NY	FL	NJ	TX
	$12,229,046	$9,788,494	$6,523,624	$6,226,723	$4,701,303

Company	State 1	State 2	State 3	State 4	State 5
Podiatry Insurance Company of America	NY	FL	CA	IL	PA
	$7,582,816	$6,451,434	$6,277,201	$5,068,942	$4,237,428
ProSelect Insurance Company	NJ	MI	OH	CT	NH
	$35,921,835	$29,538,243	$25,521,240	$21,126,743	$12,848,080

Appendix F

Loss and DCC Ratios of Leading Florida Malpractice Carriers in Their Top Five States

2021

Company	State 1	State 2	State 3	State 4	State 5
Doctors Company, An Interinsurance Exchange	CA	FL	TX	VA	OH
	46%	54%	50%	69%	49%
Medical Protective Company	FL	PA	TX	OH	CA
	92%	19%	10%	5%	79%
MAG Mutual Insurance Company	GA	FL	NC	SC	VA
	109%	39%	17%	88%	113%
NORCAL Mutual Insurance Company	CA	FL	IL	PA	TX
	92%	103%	97%	145%	55%
National Fire & Marine Insurance Company	CA	TX	FL	NY	IL
	111%	79%	78%	103%	105%
Columbia Casualty Company	OH	PA	CA	FL	TX
	84%	95%	78%	109%	114%
Southwest Physicians RRG, Inc.	FL	AL	PA	MS	IN
	84%	92%	94%	38%	281%
MedMal Direct Insurance Company	FL	GA	TX	IL	NC
	71%	64%	133%	-62%	40%
ProAssurance Casualty Company	MI	WI	FL	NV	CA
	108%	8%	-3%	117%	110%
American Casualty Company of Reading, PA	CA	NY	FL	TX	NJ
	52%	41%	55%	28%	127%
Samaritan RRG, Inc.	FL	-	-	-	-
	71%	-	-	-	-
Ironshore Specialty Insurance Company	IA	IL	FL	TX	NY
	86%	144%	71%	46%	101%
Landmark American Insurance Company	CA	FL	NY	TX	NJ
	48%	134%	51%	60%	66%
MCIC Vermont (A Reciprocal RRG)	NY	CT	MD	FL	DC
	125%	87%	77%	129%	-59%
Admiral Insurance Company	CA	NY	FL	TX	PA
	65%	2%	141%	42%	24%
Coverys Specialty Insurance Company	CA	PA	NY	FL	TX
	110%	115%	91%	48%	124%
Medical Mutual Insurance Company of North Carolina	NC	NJ	VA	PA	GA
	48%	106%	89%	71%	92%
Evanston Insurance Company	NY	CA	FL	IL	TX
	172%	55%	41%	50%	-6%
Ophthalmic Mutual Insurance Company (A RRG)	FL	CA	IL	PA	VA
	47%	99%	35%	142%	88%
Professional Security Insurance Company	GA	TN	NC	FL	TX
	98%	22%	61%	193%	9%
Hallmark Specialty Insurance Company	CA	NY	FL	NJ	TX
	71%	72%	80%	75%	66%

Company	State 1	State 2	State 3	State 4	State 5
Podiatry Insurance Company of America	NY	FL	CA	IL	PA
	45%	68%	66%	146%	85%
ProSelect Insurance Company	NJ	MI	OH	CT	NH
	67%	86%	77%	82%	148%

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