MEDICAL MALPRACTICE FINANCIAL INFORMATION

Closed Claim Database and Rule Filings Annual Report – October 1, 2023

FLORIDA OFFICE OF Insurance Regulation

Michael Yaworsky

Insurance Commissioner

—Table of Contents—

Executive Summary **7**
Purpose and Scope **10**
Background on the Florida Market **10**
Organization of this Report **11**
Analysis of the Complete Medical Malpractice Line of Business **11**
Comparisons to Other Leading States **11**
Top 10 States by Medical Malpractice Premium Volume 11
Loss and DCC Information for the Top 10 States 12
Expense Information for the Top 10 States 14
Profitability Measures for the Top 10 States 19
Analysis of Florida Malpractice Results for Leading Carriers in Overall Medical Malpractice Line in Florida **20**
Leading Medical Malpractice Carriers in Florida and Their Loss and DCC Ratios 21
Expense Information for Leading Medical Malpractice Carriers in Florida 24
Profitability of Leading Medical Malpractice Carriers in Florida 28
Overall Financial Strength Measures for Leading Medical Malpractice Carriers in Florida **35**
Composition of the Total Florida Medical Malpractice Market by Type of Insurer **40**
Florida Marketplace Dynamics for the Total Medical Malpractice Line – Activity in the Admissions Unit **41**
Recent Medical Malpractice Legislation **42**
Analysis of the Physicians and Surgeons Subline **42**
Comparisons to Other Leading States **43**
Leading Physicians Carriers in Florida **45**
Composition of Florida Physicians Malpractice Market by Type of Insurer **46**
Florida Marketplace Dynamics for the Physicians Malpractice Subline **48**
Comparison of Florida Physicians Rates to Those of Other States **51**
Physicians Malpractice Rate Filings in 2022 **53**
Analysis of the Other Healthcare Professionals Subline **59**
Diversity of the Insureds in this Subline **59**
Comparisons to Other Leading States **59**
Leading Other Healthcare Professionals Carriers in Florida **60**
Composition of the Florida Other Healthcare Professionals Malpractice Market by Type of Insurer **61**
Other Healthcare Professionals Malpractice Rate Filing Data **62**
Dentists Malpractice Rate Filing Data 62
Nurses Malpractice Rate Filing Data 63
Miscellaneous Healthcare Professionals Malpractice Rate Filing Data 64
Analysis of the Hospital Malpractice Subline **67**
Diversity of the Insureds in this Subline **67**

—Table of Contents (continued) —

Comparisons to Other Leading States **67**
Leading Hospital Malpractice Carriers in Florida **69**
Composition of the Florida Hospital Malpractice Market by Type of Insurer **69**
Hospital Malpractice Rate Filing Data **70**
Analysis of the Other Facilities Subline **71**
Diversity of the Insureds in this Subline **71**
Comparisons to Other Leading States **71**
Leading Other Facilities Malpractice Carriers in Florida **73**
Composition of the Florida Other Facilities Malpractice Market by Type of Insurer **73**
Other Facilities Malpractice Rate Filing Data **74**
Data from the Professional Liability Claims Reporting System **75**
Medical Malpractice Insurance Claims in Florida **76**
Injury Location 76
Severity 77
Geographic Distribution 78
Entities with the Most Closed Claims 78
Financial Data 80
Closed Claims of Leading Carriers in Florida **81**
The Timing of the Claim 81
The Plaintiff Settlement 82
Payment Amounts 83
Notes on Appendices **85**
Summary **86**
Appendices **87**
Appendix A: Detailed State-to-State Physicians Malpractice Premium Comparisons **87**
Appendix B: Total Medical Malpractice Data for States and U.S. Territories 2022 **91**
Appendix C: Total Medical Malpractice Loss and DCC Ratios (Profitability) of States and U.S. Territories **94**
Appendix D: Physicians Malpractice Data for States and U.S. Territories 2022 **97**
Appendix E: Written Premium in Top Five States of Leading Florida Malpractice Carriers 2022 **100**
Appendix F: Loss and DCC Ratios of Leading Florida Malpractice Carriers in Their Top Five States 2022 **103**

—List of Tables, Charts, and Graphs—

Items from Total Malpractice Comparison to Other Leading States

2022 Top 10 States for Medical Malpractice Direct Written Premium 12
2022 All Medical Malpractice Direct Loss Ratios 12
2022 All Medical Malpractice Direct Loss and DCC Ratios 13
2022 All Medical Malpractice Direct DCC to Loss Ratios 14
2022 All Medical Malpractice Direct Commission to Written Premium Ratios 15
2022 All Medical Malpractice Premium Tax to Direct Written Premium Ratios 15
2022 All Medical Malpractice AOE to Direct Earned Premium Ratios 16
2022 All Medical Malpractice General Expense to Direct Earned Premium Ratios 16
2022 All Medical Malpractice Other Acquisition Expense to Direct Earned Premium Ratios 17
2022 All Medical Malpractice Standard (No AOE) Expense Ratios 18
2022 All Medical Malpractice Expense Ratios (Inclusive of AOE) 18
2022 All Medical Malpractice Direct Combined Ratios 19

Items from Total Malpractice Results for Leading Carriers

2022 Florida Written Premium for Leading Malpractice Carriers 21
2022 Florida Earned Premium, Loss, and Loss and DCC Experience for Leading Malpractice Carriers 23
2022 One-Year Development as Percentage of 2021 Incurred Loss, and Four Prior One-Year Development Values 24
2022 Two-Year Development as Percentage of 2020 Incurred Loss, and Four Prior Two-Year Development Values 24
2022 Direct Florida Medical Malpractice Commission and Premium Tax Ratios for Leading Malpractice Carriers 25
2022 Direct Countrywide Medical Malpractice AOE, General, and Other Acquisition Ratios for Leading Malpractice Carriers 26
2022 Direct Estimated Overall Non-AOE Expense Ratios for Leading Malpractice Carriers 27
2022 Direct Estimated Florida Malpractice Combined Ratios for Leading Florida Malpractice Carriers 29
2022 Surplus Allocated to Florida Medical Malpractice for Leading Malpractice Carriers 30
Estimated 2022 Post-Tax Florida Medical Malpractice Profit (in Millions) and Return on Surplus for Leading Malpractice Carriers 33
Comparison of Estimated 2022 Post-Tax Florida Medical Malpractice Direct Return on Surplus to All Lines Companywide Net Return on Surplus for the Top Total Malpractice Carriers 34
One-Year Development on Countrywide All Lines 2021 Loss and Loss Adjustment Expense Reserves and Two-Year Development on 2020 Reserves 36

2022 Ratios of Premium to Surplus for Leading Malpractice Carriers 37
Historical Average Ratio of Net Written Premium to Surplus 39
Historical Average Ratio of Net Liabilities to Surplus for Leading Malpractice Carriers 39
Composition of Overall 2022 Florida Medical Malpractice Insurance Market (Written Premium) by Insurer Type - Including Loss Ratios for Each Type of Insurer 40
Carriers Entering the Florida Medical Malpractice Market in 2022 41
Risk Purchasing Groups Entering the Florida Medical Malpractice Market in Carriers Entering the Florida Medical Malpractice Market in 2022 41
2022 Written Premium by Type of Insured 42
2022 Top 10 States by Physicians Malpractice Direct Written Premium 43
2022 Direct Loss Ratios of Top 10 Physicians Malpractice States 43
Estimated 2022 Direct Combined Ratios of Top 10 Physicians Malpractice States 44
Key 2022 Financial Information for Top Physicians Malpractice Carriers in Florida 45
Composition of 2022 Florida Physicians Medical Malpractice Insurance Market (Written Premium) by Insurer Type - Including Loss Ratios for Each Type of Insurer 46
2022 Percentage of Leading Carriers' All Lines Countrywide Direct Written Premium that is from Physicians Malpractice (All States) 47
2022 Percentage of Leading Carriers' All Lines Countrywide Direct Written Premium that is from Strictly Florida Physicians Malpractice 47
Herfindahl Index for Florida Physicians Malpractice Market 48
Ability of Physicians Malpractice Market to Absorb 25% of the Business of Each of Leading Company Groups 50
Ability of Physicians Malpractice Market to Absorb Withdrawal of Each of Leading Company Groups 50
Summary of Results of Premium Comparisons Among Leading States 52
2022 Rate Filings for Physicians Market Segment 54
2022 Rate Certifications for Physicians Market Segment 55
Physicians Carriers and Last Base Rate or Certification Filing Made by Each 56
Non-Rate Change Physicians Rate Filings Resolved in 2022 58

Items for the Other Healthcare Professionals Malpractice Subline in 2022
2022 Top 10 States by Other Healthcare Professionals Malpractice Direct Written Premium 59
2022 Direct Loss Ratios of Top 10 Other Healthcare Professionals Malpractice States 60
Key 2022 Financial Information for Top Other Healthcare Professionals Malpractice Carriers in Florida 60
Composition of 2022 Florida Other Healthcare Professionals Medical Malpractice Insurance Market (Written Premium) by Insurer Type - Including Loss Ratios for Each Type of Insurer 61

—List of Tables, Charts, and Graphs (continued)—

2022 Rate Filings for Dentists Market Segment 62
Rate Certifications for Dentist Rate Filings Resolved in 2022 63
2022 Rate Filings for Nurses Market Segment 64
Non-Rate Change Nurses Rate Filings Resolved in 2022 64
2022 Rate Filings for Miscellaneous Healthcare Professionals Market Segment 65
2022 Rate Certifications for Miscellaneous Healthcare Professionals Market Segment 66
Non-Rate Change Miscellaneous Healthcare Professionals Rate Filings Resolved in 2022 67

Items for the Hospital Malpractice Subline in 2022
2022 Top 10 States by Hospital Malpractice Direct Written Premium 68
2022 Direct Loss Ratios of Top 10 Hospital Malpractice States 68
Key 2022 Financial Information for Top Hospital Malpractice Carriers in Florida 69
Composition of 2022 Florida Hospital Medical Malpractice Insurance Market (Written Premium) by Insurer Type - Including Loss Ratios for Each Type of Insurer 70
2022 Rate Filings for Hospital Market Segment 71
2022 Rate Certifications for Hospitals Market Segment 71

Items for the Other Facilities Malpractice Subline in 2022
2022 Top 10 States by Other Facilities Malpractice Direct Written Premium 72
2022 Direct Loss Ratios of Top 10 Other Facilities Malpractice States 72
Key 2022 Financial Information for Top Other Facilities Malpractice Carriers in Florida 73
Composition of 2022 Florida Other Facilities Medical Malpractice Insurance Market (Written Premium) by Insurer Type - Including Loss Ratios for Each Type of Insurer 74
2022 Rate Filings for Other Facilities Market Segment 74
Non-Rate Change Other Facilities Rate Filings Resolved in 2022 75

Items from the Professional Liability Claims Reporting System in 2022
Location of Injury for Claims Closed in 2022 76
Severity Codes for Claims Closed in 2022 77
2022 Closed Claims in Top 10 Counties 78
Entities Reporting 10 or More Closed Claims in 2022 78
Financial Data from Closed Claim System - Aggregation of All Claims Closed in 2022 80
Timing of Claims Closed by Leading Carriers in Florida During 2022 81
Breakdown of Claims Reported by Leading Carriers between Claims Closed with and without Payments 82
Breakdown of Loss and LAE Paid on 2022 Closed Claims by Leading Carriers in Florida 83

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 2022 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 30 medical malpractice insurance writers that constituted 80% of the overall Florida market in 2022.

Market size and cost components – Florida is the fourth largest U.S. state in terms of total medical malpractice premium, with roughly $878 million in 2022 direct written premium. Among the top 10 states by premium, Florida's:

- Combined loss and defense and cost containment ratio of 56.9% ranks eighth highest;
- Non-claims-based expense ratio of 23.2% is the sixth highest;
- Claims-based adjusting and other expense ratio of 5.3% ranks sixth highest; and
- Combined ratio (total payouts to premium) of 85.4%, down from 108.4% in 2021, is the seventh highest.

Carrier financial strength – It is estimated that the Florida medical malpractice line of business for the top 30 carriers generated a direct before reinsurance profit on surplus (Florida after tax profit/loss divided by surplus allocated to Florida) of -8.3% in 2022. This return is less than the average countrywide all-lines net return on surplus for Florida's leading medical malpractice writers of 3.6% and has improved from 2.8% in 2021. The average countrywide all-lines net return on surplus for Florida's leading medical malpractice writers is less than stock market gains in 2022, and both have shown historical 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, 55% 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: 78%
- Other healthcare professionals: 50%
- Hospitals: 1%
- Other facilities: 4%

Company Admissions activity – Five entities, including one risk retention group and one risk purchasing group, entered the Florida medical malpractice market during 2022. One licensed insurance carrier withdrew from the Florida medical malpractice market in 2022.

Legislation – No bills relating directly to medical malpractice were passed during the 2022 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. Fifty-seven percent (57%) of the 2022 Florida medical malpractice written premium was for physicians, 21% was for other healthcare professionals, 7% was for hospitals, and 15% was for other medical facilities.

Key financial information on physicians malpractice – Florida is the second largest state for physicians malpractice premium, with $490 million in 2022 direct written premium. Its loss ratio during 2022, specifically excluding defense and cost containment, at 42.2%, was ranked seventh among the top 10 states. That ranking translates to an estimated 2022 combined (all costs divided by all premiums) ratio of 83.3%, ranked sixth among the top 10 states. This is higher than the all medical malpractice estimated combined ratio of 79.6%. Physicians malpractice loss ratios differ markedly among the leading carriers, ranging from as low as 3.3% to as high as 90%.

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 2,315 for physicians malpractice insurance. That is just inside of 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 seven out of eight of the examples priced, Florida rates were the highest among all 10 states. In the remaining example, Florida's rank was third highest.

Rate filings – There were 91 medical malpractice rate filings either approved or processed as informational in Florida during 2022. This is lower than the 94 filings in 2021 and higher than the 74 in 2020. The average rate change for a Florida physician as a result of rate filings resolved in 2022 was +4.4%. This was derived by taking the actual rate changes approved in 2022 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 2022, including:

- Dentists rates: +3.1%
- Professional nurses rates: +0.1%
- Podiatrists, optometrists, chiropractors, and similar professionals rates: +7.9%

Professional liability claims reporting system data – During 2022, 3,026 professional liability claims were reported as closed (up from 2,680 in 2021); 1,484 claims were closed for female claimants and 1,542 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 $1,220 billion, 28.5% above 2021 which in turn was 37.1% below 2020, was paid over the lifetime of the claims closed in 2022; $942 million 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) 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, Georgia, Maryland, and Massachusetts. 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 July 31, 2023.

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 and fourth within its peer group for medical malpractice direct written premium.

2022 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.

2022 All Medical Malpractice Direct Loss Ratios

Written Premium Rank	State	All Medical Malpractice Direct Loss Ratio	Loss Ratio Rank
8	Georgia	72.4%	1
1	New York	69.6%	2
3	Pennsylvania	64.8%	3
6	New Jersey	54.2%	4
10	Massachusetts	51.0%	5
4	**Florida**	**43.8%**	**6**
9	Maryland	42.0%	7
5	Illinois	41.1%	8
7	Texas	39.6%	9
2	California	27.1%	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 2022, with New York second. The aggregate direct loss ratio for the Florida market was sixth in 2022, down from fourth in 2021. The national average in 2022 for all states and territories was 53.8%, slightly lower than the 54.0% loss ratio in 2021. Florida's loss ratio decreased to 43.8% in 2022 from 59.6% in 2021.

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.

2022 All Medical Malpractice Direct Loss and DCC Ratios

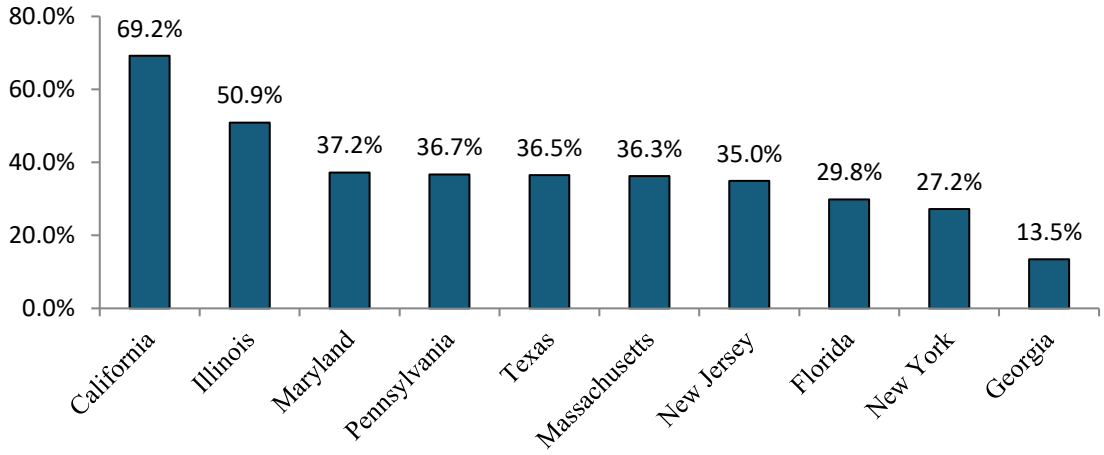
Written Premium Rank	State	All Medical Malpractice Direct Loss and DCC Ratio	Loss & DCC Rank
1	New York	88.6%	1
3	Pennsylvania	88.5%	2
8	Georgia	82.2%	3
6	New Jersey	73.1%	4
10	Massachusetts	69.5%	5
5	Illinois	61.9%	6
9	Maryland	57.7%	7
4	**Florida**	**56.9%**	**8**
7	Texas	54.0%	9
2	California	45.9%	10

The loss and DCC ratio rankings loosely mirror the loss ratio rankings. Georgia, New York, and Pennsylvania, with the highest loss ratios, also have the highest loss and DCC ratios among the top 10 states in 2022. In this case, Florida was eighth, down from fifth in 2021.

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.

[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.

2022 All Medical Malpractice Direct DCC to Loss Ratios



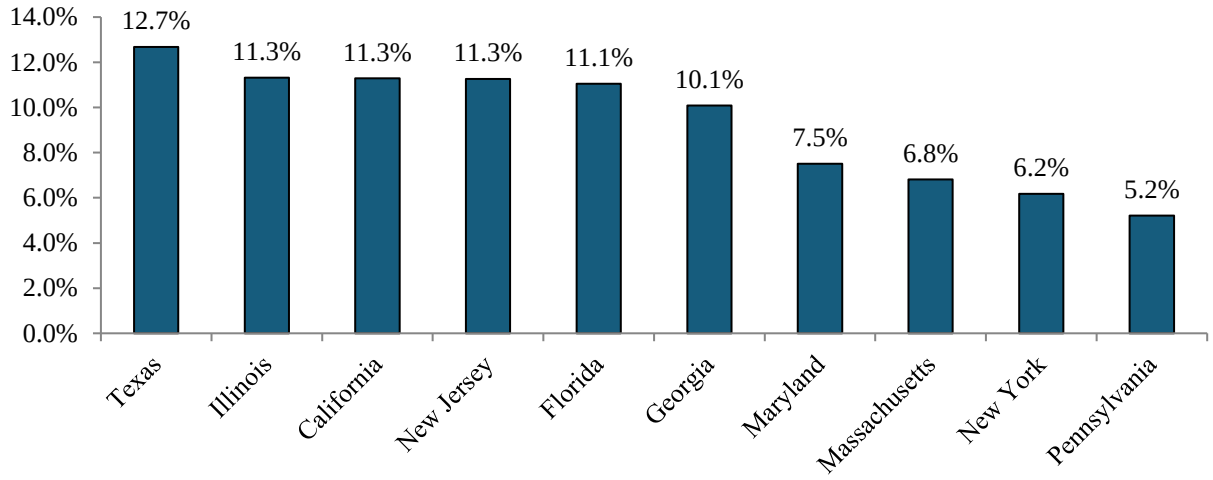
Florida had the third lowest ratio of DCC to loss among the top 10 states in 2022. Although this data may also be distorted by the same factors that can distort the loss ratio, it is suggestive of excellent efficiency in DCC expenditures.

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 had 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 ratio. 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.

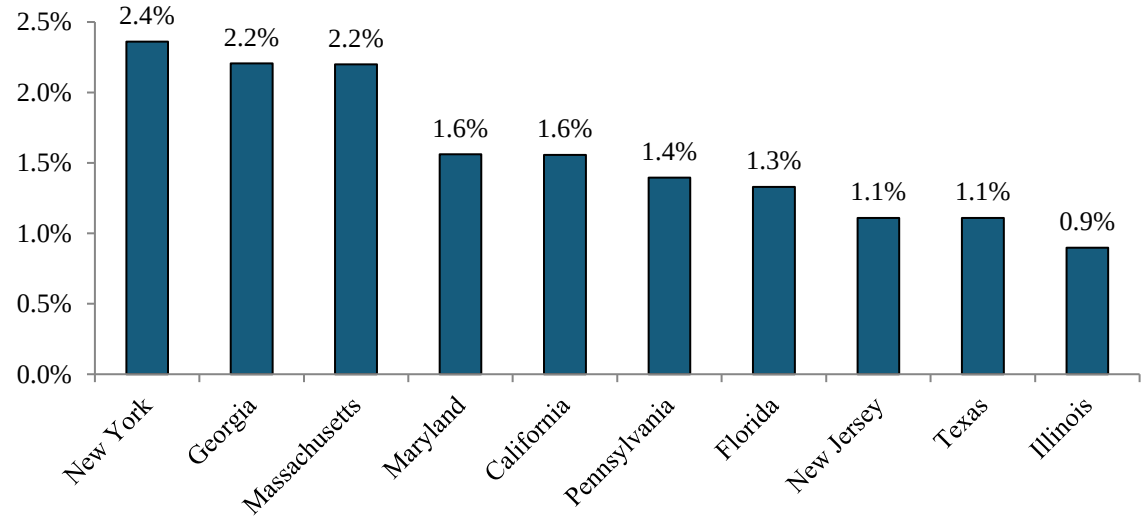
2022 All Medical Malpractice Direct Commission to Written Premium Ratios



Florida had the fifth highest commission ratio in 2022 among the states. The Florida commission is about 0.4% higher than the 10.7% calculated for 2021.

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

2022 All Medical Malpractice Premium Tax to Direct Written Premium Ratios

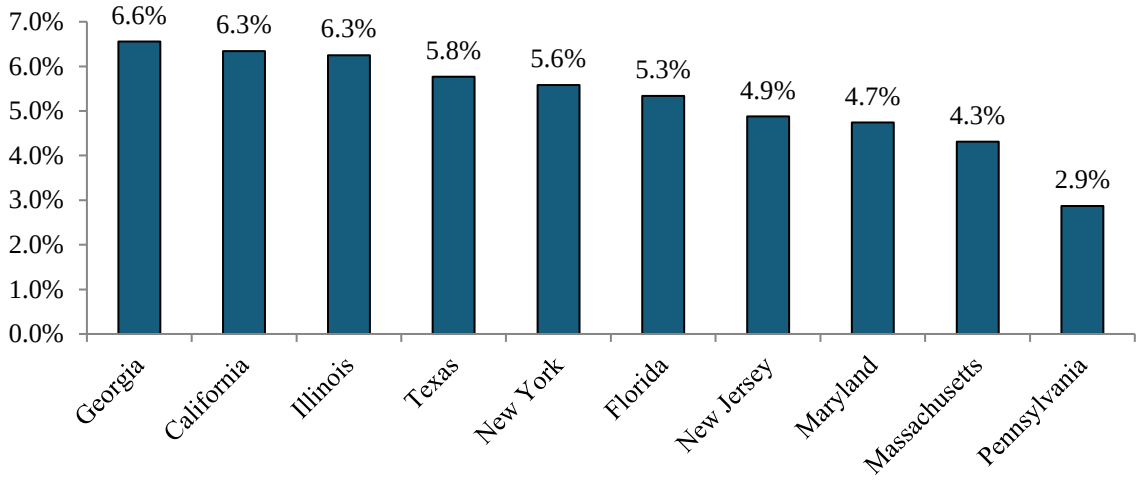


Premium tax percentages are generally stable relative to those in 2021, but Florida's premium tax expense is about 0.8% lower than the 2.1% in 2021.

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.

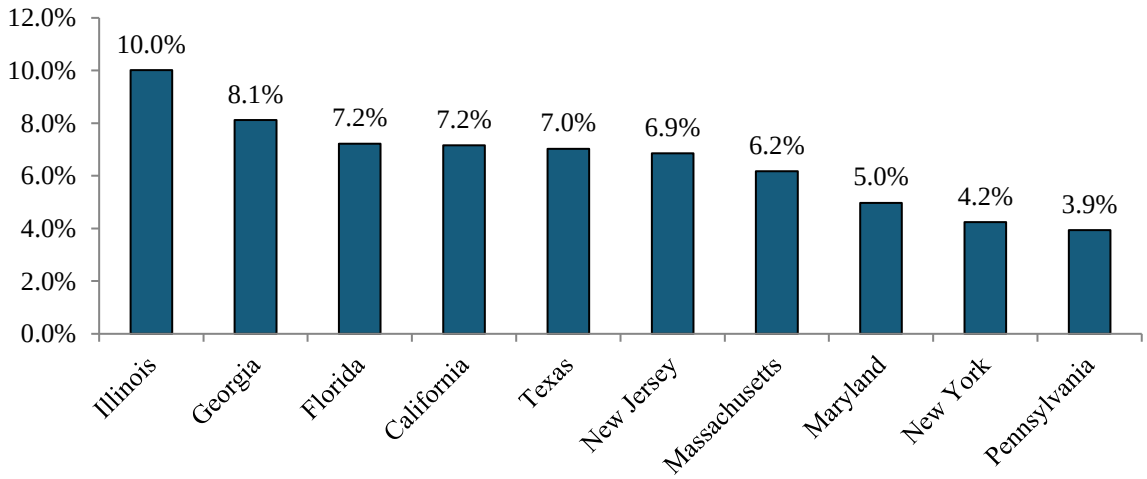
2022 All Medical Malpractice AOE to Direct Earned Premium Ratios



Last year, Florida had the sixth highest AOE expense ratio within the peer group of the top 10 states. In 2022, Florida had the sixth highest AOE expense ratio. Amongst other items, these expenses are used to adjust claims.

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.

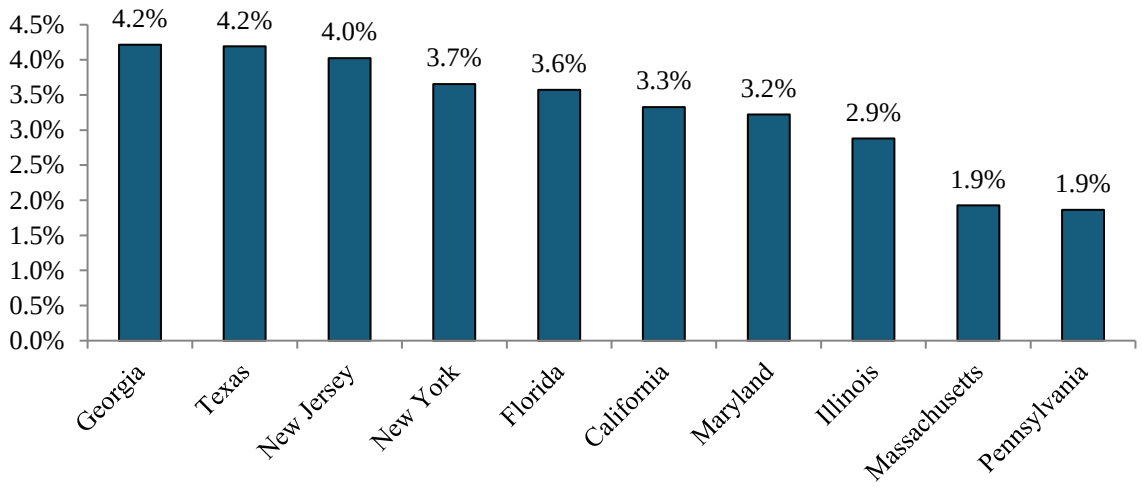
2022 All Medical Malpractice General Expense to Direct Earned Premium Ratios



In 2022, Florida had the third highest general expense ratio at 7.2%, up from 7.1% in 2021. It was also ranked fifth highest in 2021.

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

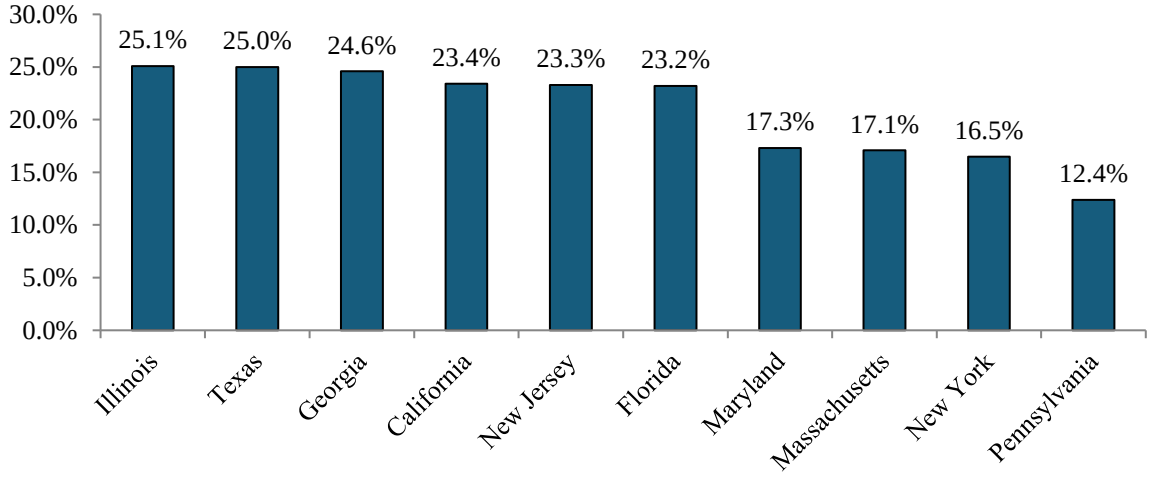
2022 All Medical Malpractice Other Acquisition Expense to Direct Earned Premium Ratios



These ratios are typically not as high as the general expense ratios. Florida's other acquisition expense ratio is midrange in the peer group (fifth) and is also midrange for commission expense (fifth). Consequently, Florida's total acquisition expense (commission and other acquisition combined of 14.6%) ratio was also midrange (fourth) within the peer group. Last year's ratio was 14.4%, which was fifth in the peer group.

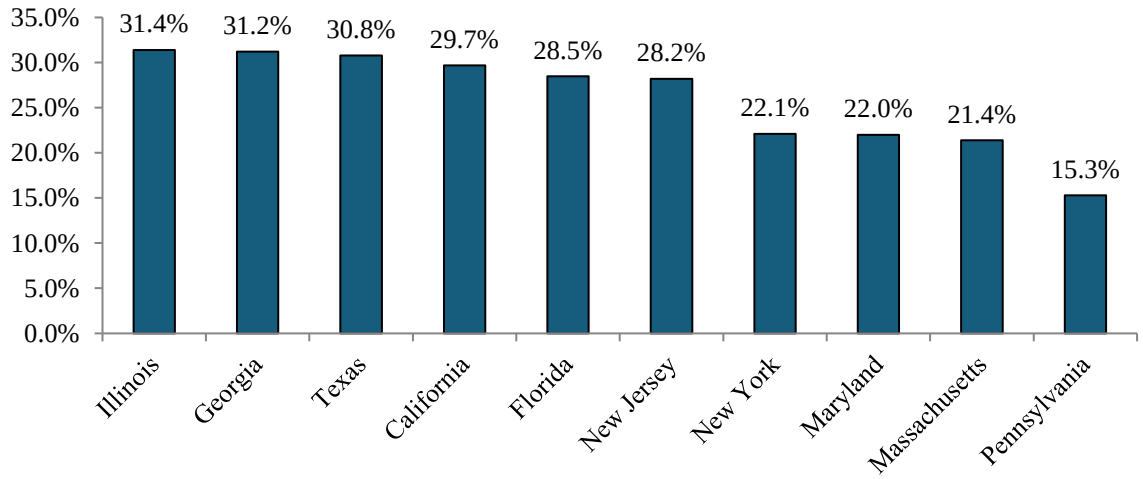
In calculating the overall expense ratio, the industry standard approach involves the combination of the commission, tax, general expense, and other acquisition ratios, and excludes AOE since the AOE ratio relates better to the number of claims to be adjusted rather than premium. Ratios on that basis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

2022 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, the same as the ranking in 2021. 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.

2022 All Medical Malpractice Expense Ratios (Inclusive of AOE)

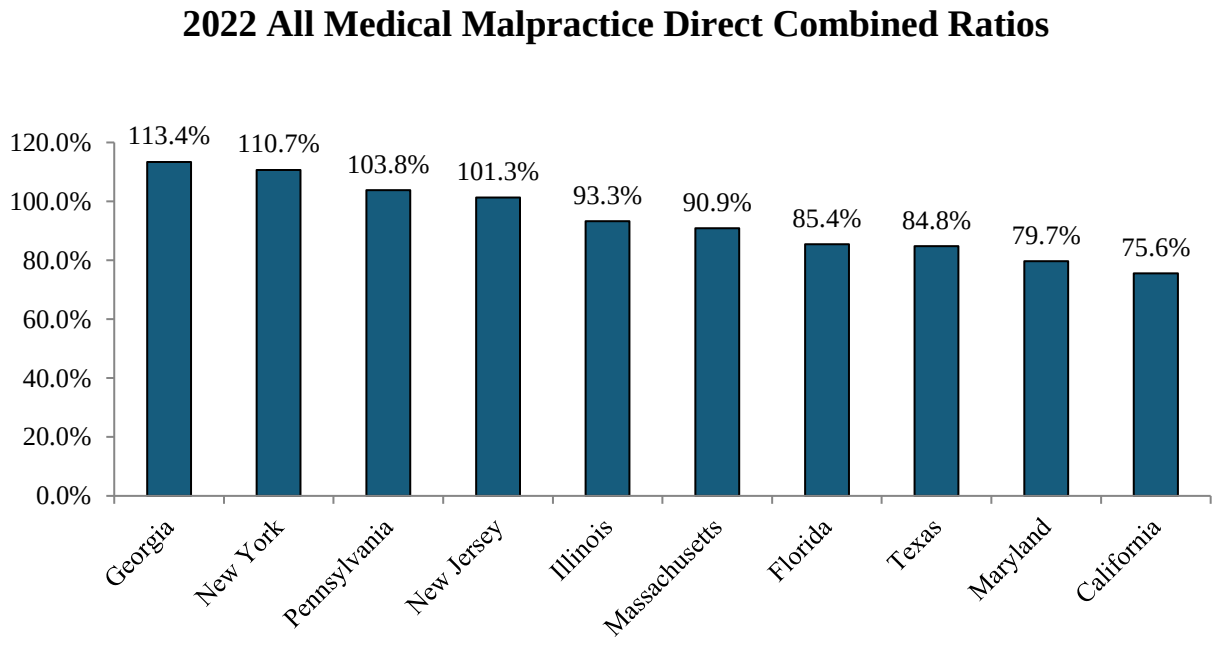


Profitability Measures for the Top 10 States

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.



The chart shows that the overall medical malpractice line is generating underwriting losses in five states and underwriting profits in five 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 seventh in the peer group (down from sixth in the previous year) with an 85.4% combined ratio (down from 108.4% in 2021).

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 2022 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.

2022 Florida Written Premium for Leading Malpractice Carriers

Premium Rank	Company	Direct Written Premium	Market Share	Cumulative Share
1	Doctors Company, An Interinsurance Exchange	$134,185,353	14.7%	15.3%
2	MAG Mutual Insurance Company	$102,304,401	11.2%	26.9%
3	Medical Protective Company	$85,967,774	9.4%	36.7%
4	Emergency Capital Management Group, A RRG	$35,072,772	3.8%	40.7%
5	National Fire & Marine Insurance Company	$34,473,181	3.8%	44.7%
6	NORCAL Mutual Insurance Company	$30,946,517	3.4%	48.2%
7	Columbia Casualty Company	$21,412,530	2.3%	50.6%
8	**MedMal Direct Insurance Company**	**$20,981,820**	**2.3%**	**53.0%**
9	Southwest Physicians RRG, Inc.	$19,349,573	2.1%	55.2%
10	Samaritan RRG, Inc.	$18,388,526	2.0%	57.3%
11	American Modern Surplus Lines Insurance Company	$17,485,889	1.9%	59.3%
12	American Casualty Company of Reading, PA	$17,457,488	1.9%	61.3%
13	Coverys Specialty Insurance Company	$13,488,427	1.5%	62.8%
14	ProAssurance Casualty Company	$13,454,208	1.5%	64.4%
15	Admiral Insurance Company	$13,010,668	1.4%	65.9%
16	Applied Medico-Legal Solutions RRG, Inc.	$11,563,794	1.3%	67.2%

Premium Rank	Company	Direct Written Premium	Market Share	Cumulative Share
17	Landmark American Insurance Company	$10,605,186	1.2%	68.4%
18	Ironshore Specialty Insurance Company	$10,211,977	1.1%	69.5%
19	MCIC Vermont (A Reciprocal RRG)	$10,045,914	1.1%	70.7%
20	Professional Security Insurance Company	$9,967,934	1.1%	71.8%
21	Torus Specialty Insurance Company	$9,826,883	1.1%	72.9%
22	ProSelect Insurance Company	$8,891,983	1.0%	74.0%
23	Medical Mutual Insurance Company of North Carolina	$8,011,824	0.9%	74.9%
24	Illinois Union Insurance Company	$7,982,022	0.9%	75.8%
25	Titan Risk Retention Group, Inc.	$7,800,667	0.9%	76.7%
26	Aspen American Insurance Company	$7,402,878	0.8%	77.5%
27	Ophthalmic Mutual Insurance Company (A RRG)	$7,339,238	0.8%	78.3%
28	OMS National Insurance Company, RRG	$7,249,621	0.8%	79.2%
29	Evanston Insurance Company	$6,712,363	0.7%	79.9%
30	ProAssurance Insurance Company of America	$6,594,390	0.7%	80.7%
Top 80% Total:		**$672,887,311**		
Total Florida Market:		**$912,565,414**		

Ten of the sample companies are licensed property and casualty insurers, eleven are surplus lines insurers (#5 National Fire & Marine, #7 Columbia Casualty, #11 American Modern, #13 Coverys Specialty, #15 Admiral, #17 Landmark American, #18 Ironshore Specialty, #20 Professional Security, #21 Torus Specialty, #24 Illinois Union, and #29 Evanston), there was one reciprocal-type insurer (#1 Doctors Company), and eight RRGs (#4 Emergency Capital, #9 Southwest Physicians, #10 Samaritan, #16 Applied Medico-Legal, #19 MCIC Vermont, #25 Titan, #27 Ophthalmic Mutual, and #28 OMS National).

There are some differences and similarities in the market when compared to the 2022 Annual Report on 2021 data. This year, achieving the 80% market share requirement required the inclusion of 30 licensed insurers, with one of the insurers being domiciled in Florida. This is four more 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, 26 insurers were required with only one 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 (9.0%) to $913 million in 2022 from $837 million in 2021. However, since the 2003 reforms, the premium has increased from $860 million in 2004 and $850 million in 2005.

Over the long term, this represents an increase (6.1%) in the overall medical malpractice premium reported in Florida since 2004.

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

2022 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	$129,509,496	15.1%	10.0%
2	MAG Mutual Insurance Company	$98,569,873	40.3%	40.4%
3	Medical Protective Company	$84,243,023	33.3%	61.8%
4	Emergency Capital Management Group, A RRG	$33,267,933	88.6%	100.9%
5	National Fire & Marine Insurance Company	$32,315,763	93.9%	107.4%
6	NORCAL Mutual Insurance Company	$33,005,948	20.7%	36.1%
7	Columbia Casualty Company	$19,357,567	104.9%	119.6%
8	**MedMal Direct Insurance Company**	**$20,741,687**	**55.8%**	**89.4%**
9	Southwest Physicians RRG, Inc.	$20,491,653	62.1%	76.9%
10	Samaritan RRG, Inc.	$16,637,192	63.1%	75.3%
11	American Modern Surplus Lines Insurance Company	$11,981,116	45.0%	74.3%
12	American Casualty Company of Reading, PA	$17,366,842	29.8%	45.3%
13	Coverys Specialty Insurance Company	$13,309,540	98.5%	135.5%
14	ProAssurance Casualty Company	$14,625,357	80.1%	124.8%
15	Admiral Insurance Company	$13,083,652	-8.1%	1.3%
16	Applied Medico-Legal Solutions RRG, Inc.	$10,853,668	42.7%	71.0%
17	Landmark American Insurance Company	$10,953,032	46.3%	62.8%
18	Ironshore Specialty Insurance Company	$9,961,991	56.4%	57.2%
19	MCIC Vermont (A Reciprocal RRG)	$10,046,309	12.1%	23.1%
20	Professional Security Insurance Company	$8,472,919	-26.3%	-19.7%
21	Torus Specialty Insurance Company	$8,590,557	55.4%	77.2%
22	ProSelect Insurance Company	$10,290,269	87.3%	98.3%
23	Medical Mutual Insurance Company of North Carolina	$6,984,641	2.4%	-1.6%
24	Illinois Union Insurance Company	$6,714,334	33.5%	32.5%
25	Titan Risk Retention Group, Inc.	$0	0.0%	0.0%
26	Aspen American Insurance Company	$7,325,842	73.8%	107.9%
27	Ophthalmic Mutual Insurance Company (A RRG)	$7,431,211	65.3%	83.2%
28	OMS National Insurance Company, RRG	$6,985,445	61.1%	76.3%
29	Evanston Insurance Company	$6,865,431	24.6%	46.1%
30	ProAssurance Insurance Company of America	$6,534,642	14.7%	17.7%
Top 80% Total:		**$641,374,362**	**42.7%**	**54.2%**
Total Florida Market:		**$876,826,070**	**64.8%**	**88.5%**

The ratios in the previous table are "calendar year" values. As such, they represent all the loss (or loss and DCC) amounts recorded during 2022. The actual claims reported in 2022 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 2022. 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.

2022 One-Year Development as Percentage of 2021 Incurred Loss, and Four Prior One-Year Development Values

Company	2022	2021	2020	2019	2018
Doctors Company, An Interinsurance Exchange	-8%	-14%	-15%	-13%	-1%
MAG Mutual Insurance Company	-11%	-10%	+39%	-7%	-13%
Medical Protective Company	-22%	-22%	-3%	-25%	-37%
Emergency Capital Management Group, A RRG	+4%	-1%	+74%	+88%	+112%
National Fire & Marine Insurance Company	+4%	+2%	+6%	+10%	-3%

2022 Two-Year Development as Percentage of 2020 Incurred Loss, and Four Prior Two-Year Development Values

Company	2022	2021	2020	2019	2018
Doctors Company, An Interinsurance Exchange	-20%	-28%	-30%	-19%	-13%
MAG Mutual Insurance Company	-17%	+27%	+28%	-20%	-21%
Medical Protective Company*	-43%	-24%	-22%	-56%	-84%
Emergency Capital Management Group, A RRG	-1%	-2%	+315%	+29%	+141%
National Fire & Marine Insurance Company	+9%	+8%	+11%	+4%	-9%

** 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.

2022 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	9.4%	0.1%
2	MAG Mutual Insurance Company	6.3%	1.4%
3	Medical Protective Company	11.9%	1.7%
4	Emergency Capital Management Group, A RRG	0.0%	4.6%
5	National Fire & Marine Insurance Company	30.6%	0.0%
6	NORCAL Mutual Insurance Company	11.8%	1.5%
7	Columbia Casualty Company	15.3%	0.0%
8	**MedMal Direct Insurance Company**	**0.0%**	**1.9%**
9	Southwest Physicians RRG, Inc.	0.0%	4.9%
10	Samaritan RRG, Inc.	8.8%	0.4%
11	American Modern Surplus Lines Insurance Company	17.7%	0.0%
12	American Casualty Company of Reading, PA	38.1%	1.9%
13	Coverys Specialty Insurance Company	14.2%	0.0%
14	ProAssurance Casualty Company	0.5%	1.8%
15	Admiral Insurance Company	18.1%	0.0%
16	Applied Medico-Legal Solutions RRG, Inc.	16.4%	4.0%
17	Landmark American Insurance Company	20.7%	0.0%
18	Ironshore Specialty Insurance Company	13.6%	0.0%
19	MCIC Vermont (A Reciprocal RRG)	0.2%	5.0%
20	Professional Security Insurance Company	4.2%	0.0%
21	Torus Specialty Insurance Company	18.5%	0.0%
22	ProSelect Insurance Company	9.5%	1.8%
23	Medical Mutual Insurance Company of North Carolina	13.6%	-1.0%
24	Illinois Union Insurance Company	12.1%	0.0%
25	Titan Risk Retention Group, Inc.	0.0%	0.0%
26	Aspen American Insurance Company	22.4%	1.2%
27	Ophthalmic Mutual Insurance Company (A RRG)	0.8%	-0.1%
28	OMS National Insurance Company, RRG	5.9%	0.0%

Premium Rank	Company	Commission to Direct Written Premium	Tax to Direct Written Premium
29	Evanston Insurance Company	19.5%	1.4%
30	ProAssurance Insurance Company of America	3.5%	1.8%

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.

2022 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	18.7%	20.8%	4.7%
2	MAG Mutual Insurance Company	10.7%	25.3%	7.3%
3	Medical Protective Company	7.5%	9.2%	14.4%
4	Emergency Capital Management Group, A RRG	5.1%	0.5%	0.0%
5	National Fire & Marine Insurance Company	9.3%	0.9%	0.3%
6	NORCAL Mutual Insurance Company	11.5%	15.1%	7.5%
7	Columbia Casualty Company	57.6%	9.5%	8.8%
8	**MedMal Direct Insurance Company**	**5.6%**	**27.5%**	**20.3%**
9	Southwest Physicians RRG, Inc.	0.0%	0.9%	0.0%
10	Samaritan RRG, Inc.	0.3%	4.4%	0.3%
11	American Modern Surplus Lines Insurance Company	26.9%	38.9%	0.0%
12	American Casualty Company of Reading, PA	10.7%	5.4%	4.5%
13	Coverys Specialty Insurance Company	-5.7%	21.8%	7.7%
14	ProAssurance Casualty Company	-17.3%	23.3%	9.3%
15	Admiral Insurance Company	4.1%	7.6%	6.8%
16	Applied Medico-Legal Solutions RRG, Inc.	0.0%	0.0%	0.0%
17	Landmark American Insurance Company	0.7%	0.3%	0.3%
18	Ironshore Specialty Insurance Company	3.1%	25.5%	0.0%
19	MCIC Vermont (A Reciprocal RRG)	0.0%	0.0%	0.0%
20	Professional Security Insurance Company	1.2%	11.0%	0.0%
21	Torus Specialty Insurance Company	-17.0%	0.0%	0.0%
22	ProSelect Insurance Company	17.5%	17.7%	6.2%
23	Medical Mutual Insurance Company of North Carolina	33.4%	12.2%	8.1%

Premium Rank	Company	AOE To Direct Earned Premium	General Exp Ratio	Other Acq Exp Ratio
24	Illinois Union Insurance Company	1.9%	8.9%	6.7%
25	Titan Risk Retention Group, Inc.	0.0%	0.0%	0.0%
26	Aspen American Insurance Company	-18.4%	22.2%	11.3%
27	Ophthalmic Mutual Insurance Company (A RRG)	5.6%	15.2%	13.2%
28	OMS National Insurance Company, RRG	3.0%	43.6%	9.3%
29	Evanston Insurance Company	-14.1%	17.8%	0.0%
30	ProAssurance Insurance Company of America	20.5%	21.8%	12.4%

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.

2022 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	35.0%	10
2	MAG Mutual Insurance Company	40.3%	5
3	Medical Protective Company	37.1%	7
4	Emergency Capital Management Group, A RRG	5.1%	24
5	National Fire & Marine Insurance Company	31.8%	15
6	NORCAL Mutual Insurance Company	35.9%	8
7	Columbia Casualty Company	33.6%	12
8	**MedMal Direct Insurance Company**	**49.8%**	**3**
9	Southwest Physicians RRG, Inc.	5.7%	22
10	Samaritan RRG, Inc.	14.0%	21
11	American Modern Surplus Lines Insurance Company	56.7%	1
12	American Casualty Company of Reading, PA	49.9%	2
13	Coverys Specialty Insurance Company	43.8%	4
14	ProAssurance Casualty Company	34.8%	11
15	Admiral Insurance Company	32.5%	14
16	Applied Medico-Legal Solutions RRG, Inc.	20.4%	18

Premium Rank	Company	Non-AOE Expense Ratio	Expense Rank
17	Landmark American Insurance Company	21.3%	17
18	Ironshore Specialty Insurance Company	39.1%	6
19	MCIC Vermont (A Reciprocal RRG)	5.2%	23
20	Professional Security Insurance Company	15.2%	20
21	Torus Specialty Insurance Company	18.5%	19
22	ProSelect Insurance Company	35.2%	9
23	Medical Mutual Insurance Company of North Carolina	32.9%	13
24	Illinois Union Insurance Company	27.8%	16
25	Titan Risk Retention Group, Inc.	0.0%	25
26	Aspen American Insurance Company	57.1%	2
27	Ophthalmic Mutual Insurance Company (A RRG)	29.1%	20
28	OMS National Insurance Company, RRG	58.8%	1
29	Evanston Insurance Company	38.8%	10
30	ProAssurance Insurance Company of America	39.4%	8

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 0.0% to a high of 58.8%. Among the top five carriers, one has an expense ratio of 5.1%, while the remaining four all have ratios in a range between 31% and 40%.

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 "calendar year" information. That data includes a mix of 2022 losses and changes in the 2021 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 2022 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.

[2] An expense ratio of 5.1% is very unusual, since some expenses are needed to administer policies. What entity pays those costs for Emergency Capital Management Group, A RRG and how the costs are funded is not known.

2022 Direct Estimated Florida Malpractice Combined Ratios for Leading Florida Malpractice Carriers

Premium Rank	Company	Combined Ratio
1	Doctors Company, An Interinsurance Exchange	63.7%
2	MAG Mutual Insurance Company	91.4%
3	Medical Protective Company	106.4%
4	Emergency Capital Management Group, A RRG	111.1%
5	National Fire & Marine Insurance Company	148.5%
6	NORCAL Mutual Insurance Company	83.5%
7	Columbia Casualty Company	210.8%
8	**MedMal Direct Insurance Company**	**144.7%**
9	Southwest Physicians RRG, Inc.	82.6%
10	Samaritan RRG, Inc.	89.6%
11	American Modern Surplus Lines Insurance Company	157.9%
12	American Casualty Company of Reading, PA	105.9%
13	Coverys Specialty Insurance Company	173.5%
14	ProAssurance Casualty Company	142.3%
15	Admiral Insurance Company	37.9%
16	Applied Medico-Legal Solutions RRG, Inc.	91.4%
17	Landmark American Insurance Company	84.9%
18	Ironshore Specialty Insurance Company	99.4%
19	MCIC Vermont (A Reciprocal RRG)	28.4%
20	Professional Security Insurance Company	-3.3%
21	Torus Specialty Insurance Company	78.7%
22	ProSelect Insurance Company	151.0%
23	Medical Mutual Insurance Company of North Carolina	64.7%
24	Illinois Union Insurance Company	62.2%
25	Titan Risk Retention Group, Inc.	0.0%
26	Aspen American Insurance Company	146.5%
27	Ophthalmic Mutual Insurance Company (A RRG)	117.9%
28	OMS National Insurance Company, RRG	138.2%
29	Evanston Insurance Company	70.7%
30	ProAssurance Insurance Company of America	77.6%

There is a broad range of different combined ratios among the top Florida malpractice carriers. Thirteen (13) companies show combined ratios over 100%, with ten (10) companies showing combined ratios over 115%. Reserving complications could exacerbate the values, but the 2021 year generated thirteen (13) companies with combined ratios over 100%, nine (9) 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.

2022 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	$492.53
2	MAG Mutual Insurance Company	$282.19
3	Medical Protective Company	$355.04
4	Emergency Capital Management Group, A RRG	$19.06
5	National Fire & Marine Insurance Company	$78.44
6	NORCAL Mutual Insurance Company	$62.74
7	Columbia Casualty Company	$4.08
8	**MedMal Direct Insurance Company**	**$8.58**
9	Southwest Physicians RRG, Inc.	$2.53
10	Samaritan RRG, Inc.	$27.22

[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
11	American Modern Surplus Lines Insurance Company	$3.16
12	American Casualty Company of Reading, PA	$2.23
13	Coverys Specialty Insurance Company	$3.57
14	ProAssurance Casualty Company	$29.03
15	Admiral Insurance Company	$10.71
16	Applied Medico-Legal Solutions RRG, Inc.	$9.59
17	Landmark American Insurance Company	$1.15
18	Ironshore Specialty Insurance Company	$2.14
19	MCIC Vermont (A Reciprocal RRG)	$13.02
20	Professional Security Insurance Company	$5.46
21	Torus Specialty Insurance Company	$9.96
22	ProSelect Insurance Company	$1.98
23	Medical Mutual Insurance Company of North Carolina	$17.92
24	Illinois Union Insurance Company	$1.24
25	Titan Risk Retention Group, Inc.	-$8.43
26	Aspen American Insurance Company	$11.99
27	Ophthalmic Mutual Insurance Company (A RRG)	$30.62
28	OMS National Insurance Company, RRG	$28.97
29	Evanston Insurance Company	$4.39
30	ProAssurance Insurance Company of America	$8.46

OIR estimated the total profit that each company earned in Florida during 2022. 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 2022 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. 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 2022 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	$44.01	$43.29	$87.30
2	MAG Mutual Insurance Company	$4.08	$12.05	$16.13
3	Medical Protective Company	-$5.38	$37.54	$32.16
4	Emergency Capital Management Group, A RRG	-$3.69	$0.48	-$3.21
5	National Fire & Marine Insurance Company	-$15.69	$19.03	$3.34
6	NORCAL Mutual Insurance Company	$5.45	$3.15	$8.60
7	Columbia Casualty Company	-$21.45	$2.59	-$18.86
8	**MedMal Direct Insurance Company**	**-$9.28**	**$0.16**	**-$9.12**
9	Southwest Physicians RRG, Inc.	$3.57	-$1.18	$2.39
10	Samaritan RRG, Inc.	$1.73	-$7.78	-$6.05
11	American Modern Surplus Lines Insurance Company	-$6.93	$0.92	-$6.01
12	American Casualty Company of Reading, PA	-$1.02	$2.75	$1.73
13	Coverys Specialty Insurance Company	-$9.79	$1.08	-$8.71
14	ProAssurance Casualty Company	-$6.19	$1.67	-$4.52
15	Admiral Insurance Company	$8.13	$0.53	$8.66
16	Applied Medico-Legal Solutions RRG, Inc.	$0.94	-$1.08	-$0.14
17	Landmark American Insurance Company	$1.66	-$0.75	$0.91
18	Ironshore Specialty Insurance Company	$0.06	$0.78	$0.84
19	MCIC Vermont (A Reciprocal RRG)	$7.20	-$0.73	$6.47
20	Professional Security Insurance Company	$8.64	$0.35	$8.99
21	Torus Specialty Insurance Company	$1.83	$0.18	$2.01
22	ProSelect Insurance Company	-$5.25	$0.41	-$4.84
23	Medical Mutual Insurance Company of North Carolina	$2.46	$0.66	$3.12
24	Illinois Union Insurance Company	$2.54	$0.17	$2.71
25	Titan Risk Retention Group, Inc.	$0.00	$0.00	$0.00
26	Aspen American Insurance Company	-$3.41	$0.26	-$3.15
27	Ophthalmic Mutual Insurance Company (A RRG)	-$1.72	$1.17	-$0.55
28	OMS National Insurance Company, RRG	-$2.67	$0.84	-$1.83
29	Evanston Insurance Company	$2.01	$0.56	$2.57
30	ProAssurance Insurance Company of America	$1.46	$0.94	$2.40

Using that pre-tax profit, and the tax rate each company paid on total income in 2022 (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 2022 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	2.4%	$85.23	17.3%
2	MAG Mutual Insurance Company	17.6%	$13.29	4.7%
3	Medical Protective Company	3.3%	$31.11	8.8%
4	Emergency Capital Management Group, A RRG	21.0%	-$2.54	-13.3%
5	National Fire & Marine Insurance Company	4.5%	$3.19	4.1%
6	NORCAL Mutual Insurance Company	0.0%	$8.60	13.7%
7	Columbia Casualty Company	20.1%	-$15.07	-369.1%
8	**MedMal Direct Insurance Company**	**0.0%**	**-$9.12**	**-106.3%**
9	Southwest Physicians RRG, Inc.	21.0%	$1.89	74.8%
10	Samaritan RRG, Inc.	0.0%	-$6.05	-22.2%
11	American Modern Surplus Lines Insurance Company	21.0%	-$4.75	-150.3%
12	American Casualty Company of Reading, PA	0.0%	$1.73	77.5%
13	Coverys Specialty Insurance Company	16.0%	-$7.32	-205.3%
14	ProAssurance Casualty Company	7.1%	-$4.20	-14.5%
15	Admiral Insurance Company	10.4%	$7.76	72.4%
16	Applied Medico-Legal Solutions RRG, Inc.	21.0%	-$0.11	-1.2%
17	Landmark American Insurance Company	21.0%	$0.72	62.4%
18	Ironshore Specialty Insurance Company	21.0%	$0.66	30.9%
19	MCIC Vermont (A Reciprocal RRG)	21.0%	$5.11	39.3%
20	Professional Security Insurance Company	21.0%	$7.10	130.0%
21	Torus Specialty Insurance Company	0.0%	$2.01	20.2%
22	ProSelect Insurance Company	21.0%	-$3.82	-193.2%
23	Medical Mutual Insurance Company of North Carolina	4.5%	$2.98	16.6%
24	Illinois Union Insurance Company	21.0%	$2.14	172.2%
25	Titan Risk Retention Group, Inc.	21.0%	$0.00	0.0%
26	Aspen American Insurance Company	0.0%	-$3.15	-26.3%
27	Ophthalmic Mutual Insurance Company (A RRG)	14.0%	-$0.47	-1.5%
28	OMS National Insurance Company, RRG	14.4%	-$1.57	-5.4%
29	Evanston Insurance Company	21.0%	$2.03	46.3%
30	ProAssurance Insurance Company of America	21.0%	$1.90	22.4%

The leading Florida medical malpractice carrier, Doctors Company, generated an estimated positive 17.3% return on surplus in 2022. The carrier showing the highest estimated return on surplus is Illinois Union. Among other things, this is heavily affected by the ratio of written premium to surplus. For example, #29 Evanston Insurance's ratio of written premium to allocated Florida surplus is 153%, but Doctors Company's ratio is 27%. That low ratio of

premium to surplus also explains why 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 2022 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	17.3%	17.3%	9.4%
2	MAG Mutual Insurance Company	4.7%	4.7%	2.2%
3	Medical Protective Company	8.8%	8.8%	11.2%
4	Emergency Capital Management Group, A RRG	-13.3%	8.3%	-1.3%
5	National Fire & Marine Insurance Company	4.1%	4.1%	16.8%
6	NORCAL Mutual Insurance Company	13.7%	15.5%	4.5%
7	Columbia Casualty Company	-369.1%	-369.1%	2.9%
8	**MedMal Direct Insurance Company**	**-106.3%**	**-106.3%**	**-44.5%**
9	Southwest Physicians RRG, Inc.	74.8%	56.4%	-0.9%
10	Samaritan RRG, Inc.	-22.2%	-25.0%	-25.6%
11	American Modern Surplus Lines Insurance Company	-150.3%	-141.2%	20.7%
12	American Casualty Company of Reading, PA	77.5%	77.6%	7.7%
13	Coverys Specialty Insurance Company	-205.3%	-205.3%	2.3%
14	ProAssurance Casualty Company	-14.5%	-14.5%	6.5%
15	Admiral Insurance Company	72.4%	72.4%	1.5%
16	Applied Medico-Legal Solutions RRG, Inc.	-1.2%	-1.2%	-8.1%
17	Landmark American Insurance Company	62.4%	29.2%	2.6%
18	Ironshore Specialty Insurance Company	30.9%	31.1%	3.4%
19	MCIC Vermont (A Reciprocal RRG)	39.3%	29.8%	-1.2%
20	Professional Security Insurance Company	130.0%	120.1%	1.0%
21	Torus Specialty Insurance Company	20.2%	25.9%	1.9%
22	ProSelect Insurance Company	-193.2%	-88.0%	0.6%

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
23	Medical Mutual Insurance Company of North Carolina	16.6%	16.7%	4.9%
24	Illinois Union Insurance Company	172.2%	144.1%	0.3%
25	Titan Risk Retention Group, Inc.	0.0%	0.0%	-2.6%
26	Aspen American Insurance Company	-26.3%	-27.7%	-7.8%
27	Ophthalmic Mutual Insurance Company (A RRG)	-1.5%	-1.5%	2.1%
28	OMS National Insurance Company, RRG	-5.4%	-5.4%	2.1%
29	Evanston Insurance Company	46.3%	44.5%	13.8%
30	ProAssurance Insurance Company of America	22.4%	21.0%	10.2%
Top 80% Averages:		**-8.3%**	**-7.2%**	**3.6%**
Averages for Total Florida Market:		**-28.2%**	**8.7%**	**3.2%**

The data on post-tax direct return on surplus suggest that in 2022, Florida medical malpractice policies of the top 30 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).

Of the top 30, 18 carriers posted positive operating returns under the capped tax approach, and 12 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 3.6% for the leading carriers and 3.2% for the market as a whole. Considering that in 2022 the Dow Jones industrial stocks[5] lost 8.8% and the Standard and Poor's index lost 19.4%, the return of the carriers appears to be different from the overall stock market, although both have shown volatility. However, this still

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

generally supports the viability of the leading Florida malpractice carriers in the medium term, although eight 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 2022 in the cost of claims underlying the 2021 reserves and the percentage change during the 2021-2022 period in the cost of claims held in the 2020 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.

One-Year Development on Countrywide All Lines 2021 Loss and Loss Adjustment Expense Reserves and Two-Year Development on 2020 Reserves

Florida Written Premium Rank	Company	All Lines One-Year Reserve Development		All Lines Two-Year Reserve Development	
		As Percentage of 2021 Reserves	As Percentage of 2021 Surplus	As Percentage of 2020 Reserves	As Percentage of 2020 Surplus
1	Doctors Company, An Interinsurance Exchange	-2.6%	-1.8%	-7.0%	-4.9%
2	MAG Mutual Insurance Company	-4.0%	-3.4%	-6.7%	-6.0%
3	Medical Protective Company	-5.1%	-1.5%	-10.5%	-3.6%
4	Emergency Capital Management Group, A RRG	6.2%	10.3%	-33.5%	-18.1%
5	National Fire & Marine Insurance Company	2.2%	1.0%	6.1%	2.6%
6	NORCAL Mutual Insurance Company	-0.9%	-2.0%	4.4%	7.4%
7	Columbia Casualty Company	0.0%	0.0%	0.0%	0.0%
8	**MedMal Direct Insurance Company**	**33.4%**	**45.0%**	**53.7%**	**66.1%**
9	Southwest Physicians RRG, Inc.	56.8%	4.2%	33.4%	3.2%
10	Samaritan RRG, Inc.	-1.9%	-1.3%	-2.8%	-1.3%
11	American Modern Surplus Lines Insurance Company	0.0%	0.0%	0.0%	0.0%
12	American Casualty Company of Reading, PA	0.0%	0.0%	0.0%	0.0%
13	Coverys Specialty Insurance Company	0.0%	0.6%	0.0%	0.0%
14	ProAssurance Casualty Company	-1.5%	-3.9%	-6.3%	-19.1%
15	Admiral Insurance Company	0.0%	0.0%	0.0%	0.0%
16	Applied Medico-Legal Solutions RRG, Inc.	-0.1%	-0.1%	-0.6%	-0.8%
17	Landmark American Insurance Company	-0.4%	-0.2%	-0.1%	-0.1%
18	Ironshore Specialty Insurance Company	0.0%	0.0%	0.0%	0.0%

Florida Written Premium Rank	Company	All Lines One-Year Reserve Development		All Lines Two-Year Reserve Development	
		As Percentage of 2021 Reserves	As Percentage of 2021 Surplus	As Percentage of 2020 Reserves	As Percentage of 2020 Surplus
19	**MCIC Vermont (A Reciprocal RRG)**	-6.6%	-12.5%	-3.7%	-6.7%
20	**Professional Security Insurance Company**	0.0%	0.0%	0.0%	0.0%
21	**Torus Specialty Insurance Company**	-17.2%	-6.9%	-14.8%	-3.1%
22	**ProSelect Insurance Company**	0.0%	0.0%	0.0%	0.0%
23	**Medical Mutual Insurance Company of North Carolina**	5.0%	3.4%	15.8%	10.8%
24	**Illinois Union Insurance Company**	0.0%	0.0%	0.0%	0.0%
25	**Titan Risk Retention Group, Inc.**	34.0%	8.5%	48.7%	5.5%
26	**Aspen American Insurance Company**	7.6%	2.9%	-6.2%	-3.6%
27	**Ophthalmic Mutual Insurance Company (A RRG)**	-0.5%	-0.2%	-1.9%	-0.5%
28	**OMS National Insurance Company, RRG**	-4.6%	-2.2%	-8.6%	-4.0%
29	**Evanston Insurance Company**	5.2%	9.6%	1.0%	1.8%
30	**ProAssurance Insurance Company of America**	-1.5%	-2.6%	-6.3%	-11.0%

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 2020 and 2021 have generally overall slightly decreased in the last two years.

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.

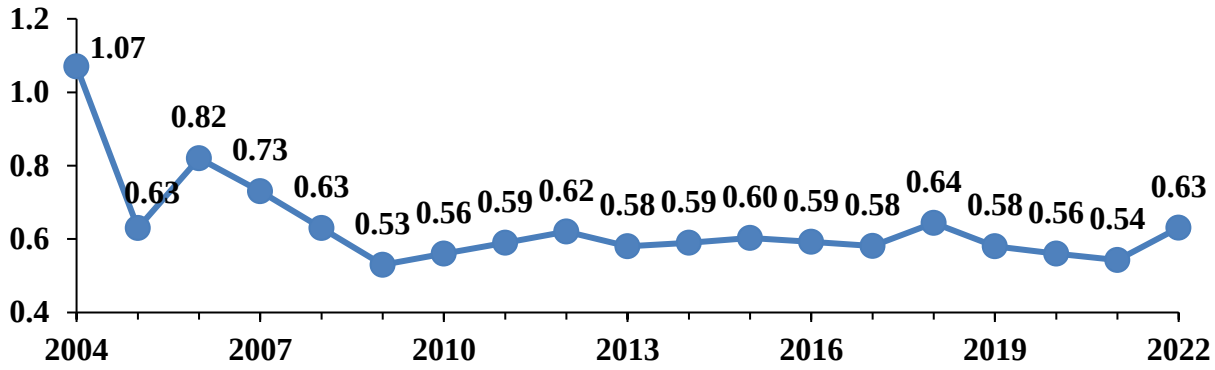
2022 Ratios of Premium to Surplus for Leading Malpractice Carriers

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	27.2%	30.0%
2	MAG Mutual Insurance Company	36.3%	42.3%
3	Medical Protective Company	24.2%	13.7%
4	Emergency Capital Management Group, A RRG	184.0%	184.0%
5	National Fire & Marine Insurance Company	43.9%	41.5%
6	NORCAL Mutual Insurance Company	49.3%	58.4%
7	Columbia Casualty Company	524.4%	0.0%

Florida Written Premium Rank	Company	All Lines Direct Premiums to Surplus Ratio	All Lines Net Premiums to Surplus Ratio
8	**MedMal Direct Insurance Company**	**244.5%**	**210.0%**
9	Southwest Physicians RRG, Inc.	766.2%	0.0%
10	Samaritan RRG, Inc.	67.6%	67.6%
11	American Modern Surplus Lines Insurance Company	553.4%	0.0%
12	American Casualty Company of Reading, PA	782.1%	0.0%
13	Coverys Specialty Insurance Company	378.3%	0.0%
14	ProAssurance Casualty Company	46.4%	69.9%
15	Admiral Insurance Company	121.4%	0.0%
16	Applied Medico-Legal Solutions RRG, Inc.	120.6%	66.8%
17	Landmark American Insurance Company	920.0%	86.2%
18	Ironshore Specialty Insurance Company	476.1%	0.0%
19	MCIC Vermont (A Reciprocal RRG)	77.2%	73.7%
20	Professional Security Insurance Company	182.5%	0.0%
21	Torus Specialty Insurance Company	98.7%	72.7%
22	ProSelect Insurance Company	449.4%	0.0%
23	Medical Mutual Insurance Company of North Carolina	44.7%	34.2%
24	Illinois Union Insurance Company	642.2%	0.0%
25	Titan Risk Retention Group, Inc.	61.7%	92.2%
26	Aspen American Insurance Company	24.0%	21.8%
27	Ophthalmic Mutual Insurance Company (A RRG)	25.0%	21.2%
28	OMS National Insurance Company, RRG	152.9%	162.4%
29	Evanston Insurance Company	77.9%	77.0%
30	ProAssurance Insurance Company of America	844.7%	19.1%

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 2022 Florida medical malpractice written premium, was 0.63. As the following graph shows, it is slightly higher than the ratio developed in 2021, but still well below 300%, or even 100%.

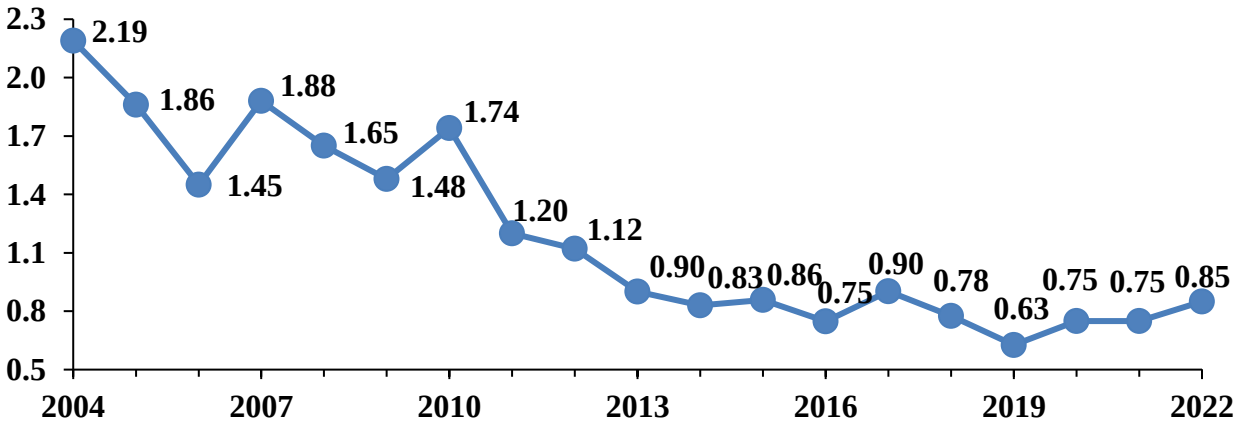
Historical Average Ratio of Net Written Premium to Surplus



The ratio of premiums written to surplus has generally remained low 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

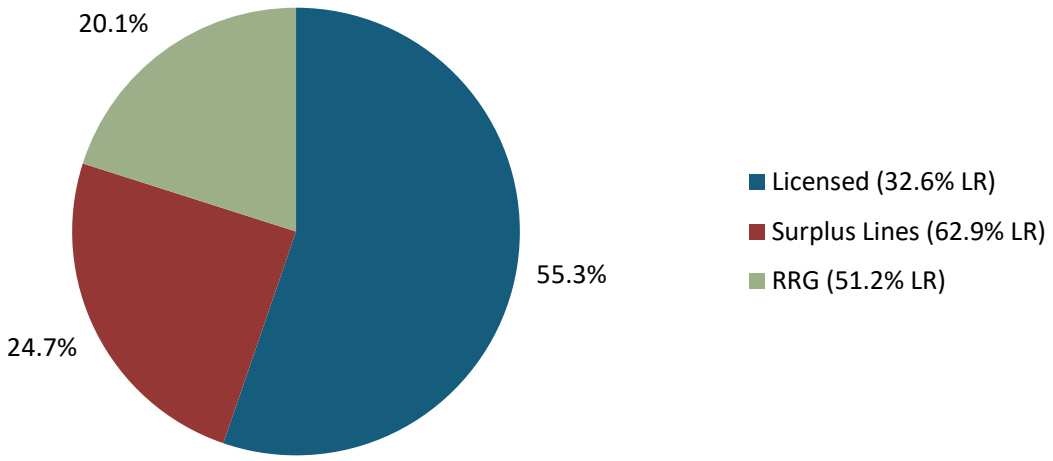


There is no precise statutory requirement for the net liabilities to surplus ratio, although the more recent ratios certainly suggest enhanced financial strength.

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 2022 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 2022, the following insurance companies and risk retention groups entered the medical malpractice insurance market in Florida.

Carriers Entering the Florida Medical Malpractice Market in 2022

Company	Type of Entity	Domiciliary State
Concert Insurance Company	Property/Casualty Insurer	IL
National Liability & Fire Insurance Company	Property/Casualty Insurer	CT
CPP Insurance Company	Property/Casualty Insurer	SC
Lammico Risk Retention Group, Inc.	RRG	DC

In 2022, four insurance carriers entered the Florida market. One of the new entrants are risk retention groups and the other three are admitted insurers. This compares to the four admitted insurers and two risk retention groups that were admitted into the Florida medical malpractice market in 2021.

Risk Purchasing Groups Entering the Florida Medical Malpractice Market in Carriers Entering the Florida Medical Malpractice Market in 2022

Company	Type of Entity	Domiciliary State
Oncology Risk RPG, LLC	Risk Purchasing Group	NJ

There was one new risk purchasing group that was registered in Florida during 2022. Risk purchasing groups do not provide insurance. They pool insureds into groups to make them more attractive to insurers already licensed in Florida.

One admitted insurer (Blackboard Insurance Company) withdrew from the Florida medical malpractice market in 2022.

Recent Medical Malpractice Legislation

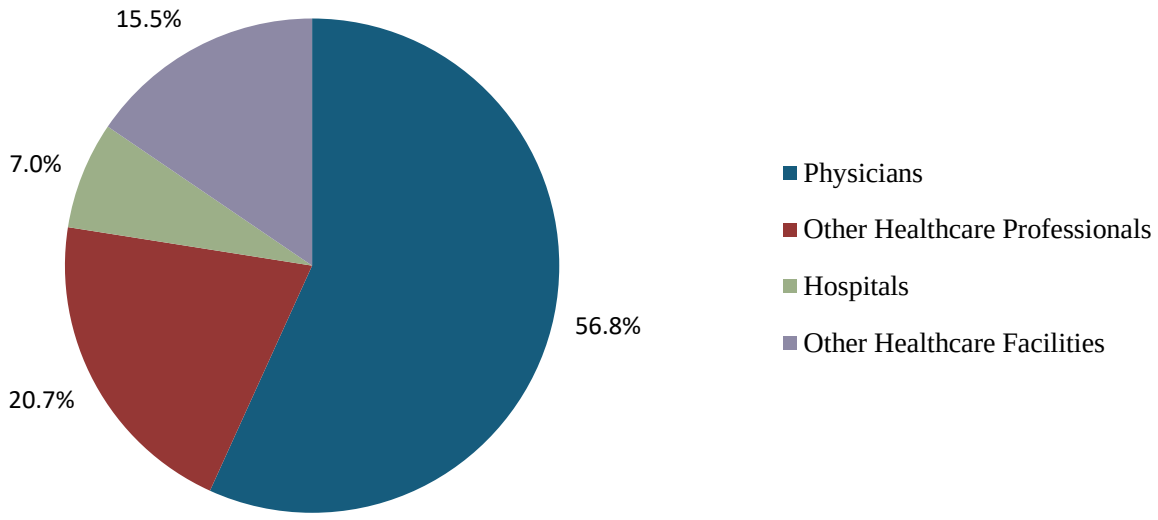
No legislation relating directly to medical malpractice were passed during the 2022 Florida Legislative Session. Further, no court decisions of the magnitude of the McCall or Kalitan cases were made recently.

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 56.8% of the 2022 Florida medical malpractice premium and is by far the most prevalent.

2022 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 2022.

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.

2022 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	$902,753,916	**1**	1
Florida	**$490,221,136**	**2**	**4**
California	$455,397,043	**3**	2
Illinois	$320,400,297	**4**	5
New Jersey	$311,757,137	**5**	6
Pennsylvania	$255,464,905	**6**	3
Georgia	$242,931,116	**7**	8
Texas	$182,380,803	**8**	7
Michigan	$145,659,149	**9**	14
Arizona	$137,438,827	**10**	15

The chart above closely mirrors the rankings for all medical malpractice. Two of the top 10 states for all medical malpractice (#9 Maryland and #10 Massachusetts) are not on this list. Florida and Pennsylvania have slightly 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 2022 loss ratios of strictly physicians malpractice for the top 10 states is shown in the following table.

2022 Direct Loss Ratios of Top 10 Physicians Malpractice States

Premium Rank	State	Physicians Direct Loss Ratio
7	Georgia	77.5%
6	Pennsylvania	64.9%
11	Virginia	57.9%
9	Michigan	55.8%

Premium Rank	State	Physicians Direct Loss Ratio
1	New York	47.4%
4	Illinois	46.6%
2	**Florida**	**42.2%**
5	New Jersey	40.2%
8	Texas	24.8%
3	California	14.5%

Florida ranks seven in this list, lower than its ranking of first in 2021, and its rank is different than its rank (fourth) in the total malpractice review. Further, four of the top 10 physicians' malpractice states 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 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 2022 Direct Combined Ratios of Top 10 Physicians Malpractice States

Premium Rank	State	Physicians Combined Ratio
7	Georgia	119.1%
11	Virginia	113.0%
9	Michigan	109.0%
6	Pennsylvania	104.0%
4	Illinois	101.7%
2	**Florida**	**83.3%**
5	New Jersey	82.4%
1	New York	82.4%
8	Texas	64.6%
3	California	54.2%

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

[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.

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 11 carriers, more than the 8 carriers needed in 2021, to constitute 80% of the physicians' malpractice insurance market in Florida.

Key 2022 Financial Information for Top Physicians Malpractice Carriers in Florida

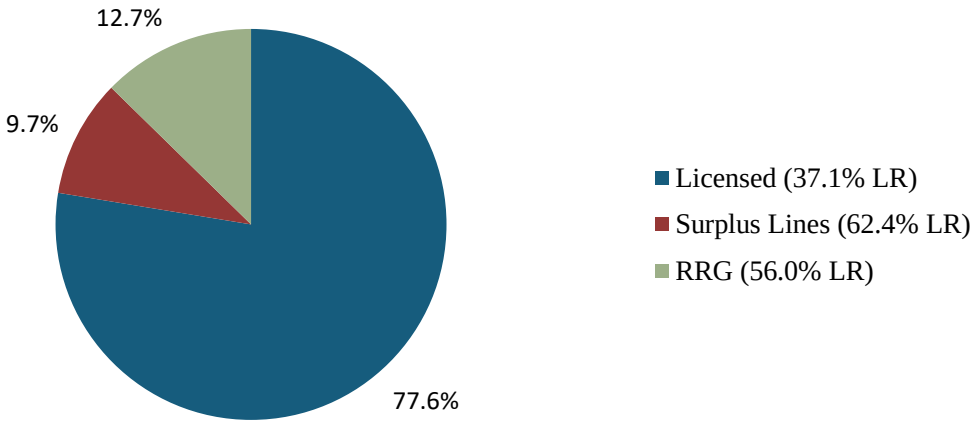
Company	Direct Florida Physicians Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Physicians Earned Premium	Direct Loss Ratio
Doctors Company, An Interinsurance Exchange	$114,884,538	**1**	23.4%	23.4%	$111,029,958	21.5%
MAG Mutual Insurance Company	$102,304,401	**2**	20.9%	44.3%	$98,561,465	40.4%
Medical Protective Company	$57,869,877	**3**	11.8%	56.1%	$59,888,844	40.4%
NORCAL Mutual Insurance Company	$30,909,886	**4**	6.3%	62.4%	$32,832,361	20.3%
MedMal Direct Insurance Company	**$20,825,418**	**5**	**4.2%**	**66.7%**	**$20,587,764**	**55.9%**
Samaritan RRG, Inc.	$18,388,526	**6**	3.8%	70.4%	$16,637,191	63.1%
ProAssurance Casualty Company	$12,885,552	**7**	2.6%	73.0%	$14,056,918	81.6%
Applied Medico-Legal Solutions RRG, Inc.	$11,563,794	**8**	2.4%	75.4%	$10,853,668	42.7%
ProSelect Insurance Company	$8,424,387	**9**	1.7%	77.1%	$9,857,873	90.0%
Medical Mutual Insurance Company of North Carolina	$7,872,101	**10**	1.6%	78.7%	$6,736,100	3.3%
Ophthalmic Mutual Insurance Company (A RRG)	$7,339,238	**11**	1.5%	80.2%	$7,431,211	65.3%

The loss ratios for the top 11 insurers vary widely. The loss ratios of the #1 carrier, Doctors Company, and the #3 carrier, Medical Protective, range from 21% to 40%. 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 11 physicians insurers comprise 80% of the physicians malpractice insurance market, whereas 30 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 2022 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.

2022 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**	87.9%
2	**MAG Mutual Insurance Company**	94.3%
3	**Medical Protective Company**	58.1%
4	**NORCAL Mutual Insurance Company**	99.7%
5	**MedMal Direct Insurance Company**	**99.4%**
6	**Samaritan RRG, Inc.**	100.0%
7	**ProAssurance Casualty Company**	81.9%
8	**Applied Medico-Legal Solutions RRG, Inc.**	100.0%
9	**ProSelect Insurance Company**	72.5%
10	**Medical Mutual Insurance Company of North Carolina**	96.1%
11	**Ophthalmic Mutual Insurance Company (A RRG)**	100.0%

The top 11 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.

2022 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**	15.5%
2	**MAG Mutual Insurance Company**	29.5%
3	**Medical Protective Company**	8.3%
4	**NORCAL Mutual Insurance Company**	12.9%
5	**MedMal Direct Insurance Company**	**82.7%**
6	**Samaritan RRG, Inc.**	100.0%
7	**ProAssurance Casualty Company**	10.8%
8	**Applied Medico-Legal Solutions RRG, Inc.**	12.2%
9	**ProSelect Insurance Company**	3.2%

Florida Physicians Premium Rank	Company	Florida Physicians Written Premium to Total Written Premium Ratio
10	**Medical Mutual Insurance Company of North Carolina**	5.3%
11	**Ophthalmic Mutual Insurance Company (A RRG)**	13.0%

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. Last year's index of 2,530 was just outside of 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	32	1032
MAG Mutual Insurance Company	28	818
Medical Protective Company	16	261
NORCAL Mutual Insurance Company	8	74

[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.

Company	Florida Physicians Market Share	Squared Market Share
MedMal Direct Insurance Company	**5**	**33**
Samaritan RRG, Inc.	5	26
ProAssurance Casualty Company	3	12
Applied Medico-Legal Solutions RRG, Inc.	3	10
ProSelect Insurance Company	2	5
Medical Mutual Insurance Company of North Carolina	2	4
Ophthalmic Mutual Insurance Company (A RRG)	2	4
All Other Groups & Companies	-6	36
Herfindahl-Hirschman Index		**2,315**

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 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	32%	No	Yes	Yes
MAG Mutual Insurance Company	28%	No	Yes	Yes
Medical Protective Company	16%	Yes	Yes	Yes
NORCAL Mutual Insurance Company	8%	Yes	Yes	Yes
MedMal Direct Insurance Company	**5%**	Yes	Yes	Yes
Samaritan RRG, Inc.	5%	Yes	Yes	Yes
ProAssurance Casualty Company	3%	Yes	Yes	Yes
Applied Medico-Legal Solutions RRG, Inc.	3%	Yes	Yes	Yes
ProSelect Insurance Company	2%	Yes	Yes	Yes
Medical Mutual Insurance Company of North Carolina	2%	Yes	Yes	Yes
Ophthalmic Mutual Insurance Company (A RRG)	2%	Yes	Yes	Yes

With the current division of the physicians malpractice market, it appears the market is not resilient enough to withstand a single insurer's event in two cases. Twenty five percent (25%) of the business of the #1 and #2 group would not be replaceable by a 10% growth of their competitors.

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	32%	No	No	No
MAG Mutual Insurance Company	28%	No	No	No
Medical Protective Company	16%	No	No	Yes

Company	Florida Physicians Market Share	Is Withdrawal of Co. Replaceable by		
		10% Growth by Competitors	15% Growth by Competitors	25% Growth by Competitors
NORCAL Mutual Insurance Company	8%	Yes	Yes	Yes
MedMal Direct Insurance Company	**5%**	Yes	Yes	Yes
Samaritan RRG, Inc.	5%	Yes	Yes	Yes
ProAssurance Casualty Company	3%	Yes	Yes	Yes
Applied Medico-Legal Solutions RRG, Inc.	3%	Yes	Yes	Yes
ProSelect Insurance Company	2%	Yes	Yes	Yes
Medical Mutual Insurance Company of North Carolina	2%	Yes	Yes	Yes
Ophthalmic Mutual Insurance Company (A RRG)	2%	Yes	Yes	Yes

In the event of an outright withdrawal from Florida, the physicians malpractice market is at risk of availability problems in three situations, the same as the three situations in 2021. 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 47%, 41%, and 19%, respectively) for all Florida physician policyholders to be served.

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 2022 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 two carrier in New York, MedPro RRG, as the rate filings were not publicly available.
- 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 two carrier in Pennsylvania, TriCentury, as it is primarily a captive of a large university hospital, so its rates are not publicly available.
- The top three carriers in Michigan, Doctors Company, ProSelect Insurance Company, and ProAssurance Casualty Company, 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**	**$ 52,713**
	1	**Florida**	**Doctors Company**	**Dade**	**$ 52,713**
	Lowest (10)	Texas	NORCAL Mutual	El Paso, Webb	$ 9,185
Emergency Room Dr.	**Highest (1)**	**Florida**	**Doctors Company**	**Dade**	**$ 112,624**
	1	**Florida**	**Doctors Company**	**Dade**	**$ 112,624**
	Lowest (10)	Texas	NORCAL Mutual	El Paso, Webb	$ 16,074
Orthopedist	**Highest (1)**	**Florida**	**Doctors Company**	**Dade**	**$ 141,919**
	1	**Florida**	**Doctors Company**	**Dade**	**$ 141,919**
	Lowest (10)	Texas	NORCAL Mutual	El Paso, Webb	$ 26,637
Obstetrician	**Highest (1)**	**Florida**	**Doctors Company**	**Dade**	**$ 237,535**
	1	**Florida**	**Doctors Company**	**Dade**	**$ 237,535**
	Lowest (10)	Texas	NORCAL Mutual	El Paso, Webb	$ 42,710
Results for Territories with Lowest Rates					
Family Practitioner	**Highest (1)**	**Florida**	**Doctors Company**	**Remainder of State**	**$ 27,031**
	1	**Florida**	**Doctors Company**	**Remainder of State**	**$ 27,031**
	Lowest (10)	New York	Hospitals Insurance Co.	Livingston, Monroe, Ontario, Seneca, Wayne, Yates	$ 4,243

Physician Class	State Rank	State	Company	Territory	Premium
Emergency Room Dr.	**Highest (1)**	**Florida**	**Doctors Company**	**Remainder of State**	**$ 57,755**
	1	**Florida**	**Doctors Company**	**Remainder of State**	**$ 57,755**
	Lowest (10)	Texas	NORCAL Mutual	Andrews, Archer, Armstrong, Bailey, Baylor, Borden, Briscoe, Carson, Castro, Childress, etc.	$ 8,374
Orthopedist	**Highest (1)**	**Florida**	**Doctors Company**	**Remainder of State**	**$ 72,780**
	1	**Florida**	**Doctors Company**	**Remainder of State**	**$ 72,780**
	Lowest (10)	Texas	NORCAL Mutual	Andrews, Archer, Armstrong, Bailey, Baylor, Borden, Briscoe, Carson, Castro, Childress, etc.	$ 13,877
Obstetrician	Highest (1)	New Jersey	Princeton Insurance Co.	Entire State	$ 132,301
	3	**Florida**	**Doctors Company**	**Remainder of State**	**$ 121,813**
	Lowest (10)	Texas	NORCAL Mutual	Andrews, Archer, Armstrong, Bailey, Baylor, Borden, Briscoe, Carson, Castro, Childress, etc.	$ 22,250

**Full territory definitions are in Appendix A.*

Florida is the highest of the 10 states in seven of the eight examples and ranked third as far as premiums go in the other scenario. That includes both the higher rated territories and lower rated territories.

Physicians Malpractice Rate Filings in 2022

An overall premium level increase was affected by the overall market in the 2022 rate filings. On average, overall rates for the admitted market companies, the only companies required to file their rates, increased by 3.8%. That represents an average of 4.4% contained in the typical rate filing, with about 13.1% of the admitted market not having a rate change resolved during 2022.

Calendar year 2022 featured 91 filings[9] that were either approved or processed as informational (47 rate filings, 35 actuarial certifications, 9 not involving rate changes) of all types of medical malpractice, and 5 that were withdrawn by the carriers before a resolution was made. There were no malpractice filings that were disapproved. Within the physicians' segment of the medical malpractice line, 29 malpractice filings were resolved by OIR. During 2022, eleven filings were approved by OIR regarding physicians' malpractice rate changes, new company initial rates, or mathematically affirming rate levels. Fourteen filings were simply actuarial certifications, as allowed by law, that company rates were adequate. Those certification filings were just informational. Two physicians' filing was withdrawn by the carriers before a decision was made. No physicians filings were disapproved, and two physicians' malpractice filings not involving rate changes were approved or processed as informational by OIR during 2022.

[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.

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. Eleven (11) filings effected rate changes ranging from a 0.0% change to a 20.4% 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 13.1% (up from 2.1% in 2021) of the admitted market by premium either did not have rate changes resolved during calendar year 2022 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 2022 is shown in the following table.

2022 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	Program
MAG Mutual Insurance Company	1,274	$87,982	4.6%	4.6%	0.0%	8/3/2022	Physicians & Surgeons
Medical Protective Company (The)	3,617	$76,115	13.8%	5.0%	5.0%	3/10/2022	Physicians & Surgeons
Doctors Company, An Interinsurance Exchange (The)	3,214	$75,456	10.9%	5.0%	5.0%	6/28/2022	Physicians & Surgeons
MedMal Direct Insurance Company	**1,768**	**$16,283**	**5.8%**	**6.0%**	**6.0%**	**5/3/2022**	**Physicians & Surgeons**
Medical Mutual Insurance Company of North Carolina	554	$6,838	0.0%	0.0%	0.0%	4/25/2022	Physicians, Surgeons, and Allied Health Care
MAG Mutual Insurance Company	365	$4,732	4.6%	4.6%	4.6%	8/3/2022	Physicians & Surgeons
ISMIE Mutual Insurance Company	392	$2,342	9.0%	9.0%	9.0%	3/18/2022	Physicians, Surgeons, and Allied Health Professionals

Company	Policy Count	Reported Earned Premium (000's)	Rate Change Indicated	Rate Change Proposed	Rate Change Approved	Resolution Date	Program
Fair American Insurance and Reinsurance Company	274	$2,172	3.0%	0.5%	0.5%	6/7/2022	Psychiatrists Professional Liability
Florida Medical Malpractice JUA	**112**	**$1,705**	**-5.5%**	**8.0%**	**8.0%**	**4/18/2022**	**Physicians & Surgeons**
Doctors Direct Insurance, Inc.	0	$0	0.0%	0.0%	0.0%	7/15/2022	Physicians and Surgeons Professional Liability
State Volunteer Mutual Insurance Company	0	$0	20.4%	20.4%	20.4%	12/13/2022	Physicians & Surgeons
Average Rate Change for Doctors Insured by Above Companies:			**9.2%**	**4.9%**	**4.4%**		
Market Share (%) of Admitted Insurance Companies Not Making Rate Changes:	**13.1%**						
Average Rate Change for Doctors in Florida (Insured by Admitted Companies):			**8.0%**	**4.3%**	**3.8%**		

2022 Rate Certifications for Physicians Market Segment

Company	Policy Count	Reported Earned Premium (000's)	Resolution Date	Program
Proselect Insurance Company	286	$9,296	12/8/2022	Provider Medical Professional Liability Coverage for Physicians & Surgeons
Medical Mutual Insurance Company of North Carolina	555	$7,742	4/8/2022	Physicians and Surgeons
Proselect Insurance Company	290	$6,827	3/7/2022	Provider Medical Professional Liability Coverage for Physicians & Surgeons
Positive Physicians Insurance Company	31	$344	12/29/2022	Physicians & Surgeons
Health Care Indemnity, Inc.	1	$300	2/16/2022	Contracted Physicians
Health Care Indemnity, Inc.	1	$253	12/19/2022	Contracted Physicians
Liberty Insurance Underwriters Inc.	13	$188	10/27/2022	Physicians and Surgeons
Liberty Insurance Underwriters Inc.	28	$157	10/27/2022	Psychiatrists Professional Liability
American Casualty Company of Reading, Pennsylvania	0	$0	9/29/2022	Physicians & Surgeons - ACC
Continental Casualty Company	0	$0	9/29/2022	Physicians & Surgeons - CCC

Company	Policy Count	Reported Earned Premium (000's)	Resolution Date	Program
Continental Insurance Company	0	$0	9/29/2022	Physicians & Surgeons - CIC
Healthcare Underwriters Group, Inc.	0	$0	8/3/2022	Physicians & Surgeons Medical Professional Liability
Preferred Professional Insurance Company	0	$0	2/25/2022	Medical Malpractice
Preferred Professional Insurance Company	0	$0	12/8/2022	Physicians & Surgeons

It is also instructive to look beyond just a single calendar year. There have been a certain number of rate filings so far in 2023. 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 2022, 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)	Cumul. Market Share	Policy Count	Proposed Rate Change	Final Rate Change	Program
Doctors Company, An Interinsurance Exchange	11/15/2023	$88,304	27%	3,149	2.0%	2.0%	Physicians, Surgeons, and Ancillary Healthcare Providers Professional Liability
MAG Mutual Insurance Company	10/1/2023	$85,804	53%	1,251	5.4%	5.4%	Physicians and Surgeons Professional Liability
Medical Protective Company	10/30/2023	$55,759	70%	3,003	8.1%	8.1%	Physicians & Surgeons
NORCAL Mutual Insurance Company	10/1/2023	$32,832	80%	2,168	0.0%	0.0%	Physicians & Surgeons
MedMal Direct Insurance Company	**8/1/2023**	**$20,588**	**86%**	**2,270**	**8.1%**	**8.1%**	**Physicians & Surgeons**
ProAssurance Casualty Company	3/1/2023	$13,228	91%	916	0.0%	0.0%	Physicians and Surgeons Professional Liability
ProSelect Insurance Company	12/30/2022	$9,296	93%	286	0.0%	0.0%	Provider Medical Professional Liability Coverage for Physicians & Surgeons
Medical Mutual Insurance Company of North Carolina	5/1/2023	$6,961	95%	645	0.0%	0.0%	Physicians and Surgeons
Aspen American Insurance Company	10/1/2022	$3,108	96%	613	0.0%	0.0%	Physicians and Surgeons Professional Liability

Company	Rate Change Effective Date	Reported Earned Premium (000's)	Cumul. Market Share	Policy Count	Proposed Rate Change	Final Rate Change	Program
ISMIE Mutual Insurance Company	6/15/2023	$2,924	97%	454	0.0%	0.0%	Physicians, Surgeons, and Allied Health Professionals
Fair American Insurance and Reinsurance Company	1/1/2024	$2,163	98%	221	4.5%	4.5%	Psychiatrists Professional Liability Insurance Program
Allied World Insurance Company	7/20/2017	$2,103	99%	337	-10.5%	-10.5%	Psychiatrists Professional and General Liability Program
Florida Medical Malpractice JUA	**7/1/2023**	**$1,665**	**99%**	**106**	**0.6%**	**0.6%**	**Physicians & Surgeons**
ProAssurance Indemnity Company, Inc.	3/1/2023	$1,016	99%	59	0.0%	0.0%	Ascension Health Risk Purchasing Group Program
ProAssurance Indemnity Company, Inc.	3/1/2023	$468	100%	26	0.0%	0.0%	Physicians & Surgeons Standard Program
Positive Physicians Insurance Company	12/31/2022	$344	100%	31	0.0%	0.0%	Physician's & Surgeon's Professional Liability
Health Care Indemnity, Inc	1/1/2023	$253	100%	1	0.0%	0.0%	Contracted Physicians
Liberty Insurance Underwriters, Inc.	3/1/2023	$188	100%	13	0.0%	0.0%	Physicians and Surgeons
Liberty Insurance Underwriters, Inc.	1/1/2023	$157	100%	28	0.0%	0.0%	Psychiatrists Professional Liability
American Casualty Company of Reading, PA	8/3/2023	$118	100%	2	0.0%	0.0%	Physicians and Surgeons
Continental Casualty Company	9/15/2023	$118	100%	2	0.0%	0.0%	Physicians and Surgeons
Continental Insurance Company	9/15/2023	$118	100%	2	0.0%	0.0%	Physicians and Surgeons
Accredited Surety and Casualty Company, Inc.	3/15/2019	$0	0%	0	0.0%	0.0%	The Doctor's Armor
Doctors Direct Insurance, Inc.	11/18/2021	$0	0%	0	0.0%	0.0%	Physicians and Surgeons Professional Liability
Healthcare Underwriters Group, Inc.	8/5/2023	$0	0%	0	0.0%	0.0%	Physicians & Surgeons Medical Professional Liability
Physicians Insurance Company	**9/14/2021**	**$0**	**0%**	**0**	**0.0%**	**0.0%**	**Physicians and Surgeons**
Preferred Professional Insurance Company	12/19/2022	$0	0%	0	0.0%	0.0%	Physicians & Surgeons Professional Liability

Company	Rate Change Effective Date	Reported Earned Premium (000's)	Cumul. Market Share	Policy Count	Proposed Rate Change	Final Rate Change	Program
ProAssurance Indemnity Company, Inc.	6/2/2021	$0	0%	0	0.0%	0.0%	OBRA RPG
State Volunteer Mutual Insurance Company	1/1/2023	$0	0%	0	20.4%	20.4%	Physicians and Surgeons Professional Liability
Total:		**$327,515**		**15,583**			
Premium Weighted Average Rate Change:						**3.81%**	
Policy Count Weighted Average Rate Change:						**3.42%**	

When the latest approved rates are taken together, as in the previous table, the overall physicians' medical malpractice rates have increased by roughly 3.8%.

A portion of the physicians insured in Florida (22.4%) 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 two physicians rate filings approved during 2022 that did not involve a rate change.

Non-Rate Change Physicians Rate Filings Resolved in 2022

Company	Impact of Filing	Resolution Date	Program
MedMal Direct Insurance Company	**An error was included on Underwriting Rate Manual page submitted in FCC 21-032170. This rule filing removes the section inadvertently included in the Reduced Practice Hours Discount rule.**	**5/23/2022**	**Physicians & Surgeons**
ProAssurance Indemnity Company, Inc.	The changes alter language regarding requirements for the risk management program discount. Changes include introduction of a schedule rating plan in accordance with 69O-170.004 F.A.C.	6/7/2022	Ob-Gyn Risk Alliance Program

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**.**

2022 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	$211,197,698	**1**	2
New York	$181,335,372	**2**	1
Florida	**$178,808,492**	**3**	**4**
Texas	$132,998,835	**4**	7
New Jersey	$77,692,975	**5**	6
Pennsylvania	$74,801,678	**6**	3
Illinois	$71,750,241	**7**	5
Arizona	$48,556,351	**8**	15
Maryland	$42,702,808	**9**	9
Ohio	$42,119,691	**10**	11

As with physicians malpractice, the state rankings differ somewhat from those of the overall malpractice market but are also very similar overall. Two of the top 10 states for all medical malpractice (#8 Georgia and #10 Massachusetts) are 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 30.5% loss ratio in Texas to 58.9% in Illinois. 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.

2022 Direct Loss Ratios of Top 10 Other Healthcare Professionals Malpractice States

Premium Rank	State	Other Healthcare Professionals Direct Loss Ratio
1	California	33.5%
2	New York	56.7%
3	**Florida**	**34.9%**
4	Texas	30.5%
5	New Jersey	42.6%
6	Pennsylvania	44.7%
7	Illinois	58.9%
8	Arizona	47.9%
9	Maryland	37.1%
10	Ohio	38.0%

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 #11 NCMIC RRG specialize in certain professions such as podiatrists, chiropractors, or dentists. Other companies may specialize as well.

Key 2022 Financial Information for Top Other Healthcare Professionals Malpractice Carriers in Florida

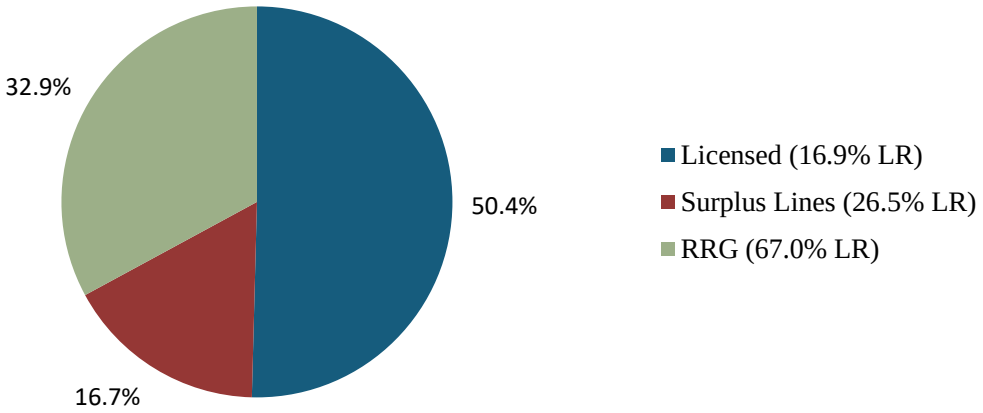
Company	Direct Florida Other Healthcare Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Other Healthcare Earned Premium	Direct Loss Ratio
Emergency Capital Management Group, A RRG	$35,072,772	**1**	19.6%	19.6%	$33,267,933	88.6%
Medical Protective Company	$28,097,897	**2**	15.7%	35.3%	$24,354,180	13.3%
Doctors Company, An Interinsurance Exchange	$17,783,781	**3**	9.9%	45.3%	$17,019,610	-28.0%

Company	Direct Florida Other Healthcare Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Other Healthcare Earned Premium	Direct Loss Ratio
American Casualty Company of Reading, PA	$17,457,488	**4**	9.8%	55.0%	$17,366,841	29.1%
Landmark American Insurance Company	$10,605,186	**5**	5.9%	61.0%	$10,953,032	46.3%
Admiral Insurance Company	$8,046,857	**6**	4.5%	65.5%	$7,438,629	16.2%
OMS National Insurance Company, RRG	$7,249,621	**7**	4.1%	69.5%	$6,985,445	61.1%
ProAssurance Insurance Company of America	$6,594,390	**8**	3.7%	73.2%	$6,534,642	14.7%
Graph Insurance Group, a Risk Retention Group	$6,506,786	**9**	3.6%	76.9%	$6,035,533	49.1%
Liberty Insurance Underwriters Inc.	$5,309,866	**10**	3.0%	79.8%	$5,181,303	42.9%
NCMIC RRG Inc	$5,095,588	**11**	2.8%	82.7%	$4,942,305	0.1%

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 2022 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 risk retention group 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 $178.8 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 is 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, eight dentists malpractice rate change filings were approved by OIR during 2022. As with the physicians segment, companies may certify that rates are adequate. There were seven certifications made in 2022. There were no dentists malpractice filings not involving a rate change that were approved during 2022. A total of fifteen dentists filings were resolved and one filing was withdrawn in 2022. In accordance with prior reports, the affected portion of the market is reflected in policy counts, as reported in the filings, rather than premium.

2022 Rate Filings for Dentists Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date	Program
Doctors Company, An Interinsurance Exchange (The)	5032	2.1%	2.1%	11/16/2022	Medical Malpractice - Dental Specialty
Doctors Company, An Interinsurance Exchange (The)	4700	4.5%	4.0%	3/16/2022	Medical Malpractice - Dental Specialty
Aspen American Insurance Company	987	9.3%	6.2%	5/3/2022	Dental Program
Fortress Insurance Company	658	6.2%	2.1%	3/24/2022	Medical Malpractice Line 11 Dentists
Fortress Insurance Company	658	3.2%	0.9%	12/24/2022	Medical Malpractice - Dentists
Florida Medical Malpractice JUA	**36**	**18.2%**	**0.0%**	**4/18/2022**	**Medical Malpractice - Dentists**
Berkshire Hathaway Specialty Insurance Company	0	0.0%	0.0%	3/15/2022	Professional Protection Dental
Professional Solutions Insurance Company	0	0.0%	0.0%	7/15/2022	Dental Professional Liability
Average Approved Rate Change:			**3.1%**		

The companies with approved rate increases during 2022 showed an approved rate increase of 3.1%, compared to a 4.3% increase in 2021. 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 seven dentist malpractice filings with no rate impact approved in 2022, shown below.

Rate Certifications for Dentist Rate Filings Resolved in 2022

Company	Policy Count	Resolution Date	Program
Medical Protective Company (The)	866	10/17/2022	Dentists and Oral Surgeons Professional Liability
NCMIC Insurance Company	206	4/8/2022	Dental Professional Liability - Claims Made
NCMIC Insurance Company	206	4/8/2022	Dental Professional Liability - Occurrence
The Cincinnati Indemnity Company	167	10/19/2022	Professional Dentists
The Cincinnati Insurance Company	167	10/19/2022	Professional Dentists
Proselect Insurance Company	11	12/8/2022	Provider Medical Professional Liability Coverage for Dentists
Proselect Insurance Company	5	2/25/2022	Provider Medical Professional Liability Coverage for Dentists

There were no dentist rate filings approved during 2022 that did not involve a rate change.

Nurses Malpractice Rate Filing Data

A small number (seven) of the rate filings for nurses malpractice insurance were accepted as informational or approved by OIR during 2022. 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, six nurses malpractice rate change filings were processed as informational by OIR during 2022. There was one nurses malpractice filing not involving a rate change that was processed during 2022 and the law governing actuarial certifications does not apply to nurses malpractice. So, a total number of seven nurses filings were processed during 2022.

2022 Rate Filings for Nurses Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Acknowledged	Resolution Date	Program
American Casualty Company of Reading, Pennsylvania	15,559	0.3%	0.1%	12/27/2022	Florida Nurses Professionals
Medical Protective Company (The)	4,405	0.0%	0.0%	2/11/2022	Nurses – Medical Malpractice
Medical Protective Company (The)	3,105	0.3%	0.1%	9/28/2022	Nurses – Medical Malpractice
Medical Protective Company (The)	1,443	0.0%	0.0%	4/21/2022	Nurses – Medical Malpractice
Florida Medical Malpractice JUA	**184**	**0.1%**	**0.1%**	**5/3/2022**	**Professional Nurses**
Doctors Company, An Interinsurance Exchange (The)	0	0.0%	0.0%	4/18/2022	Advance Practice Clinicians
Average Acknowledged Rate Change:			**0.1%**		

There was one nurses malpractice filing without a rate impact processed in 2022, shown in the following table.

Non-Rate Change Nurses Rate Filings Resolved in 2022

Company	Impact of Filing	Resolution Date	Program
Church Mutual Insurance Company, S.I.	**Limited Review Filing - Information not verified**	3/20/2022	Professional Nurses

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 2022 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 2022, 34 miscellaneous healthcare professionals malpractice filings were resolved by OIR. Nineteen (19) filings were approved or processed as informational by OIR regarding miscellaneous healthcare professionals malpractice rate changes. Eleven (11) certification filings were processed. One (1) filing was withdrawn by the carriers before resolution. No filings were disapproved and three (3)

miscellaneous healthcare professionals malpractice filings that did not involve rate changes were approved by OIR during 2022.

2022 Rate Filings for Miscellaneous Healthcare Professionals Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved or Acknowledged	Resolution Date	Program
American Casualty Company of Reading, Pennsylvania	37,113	26.0%	5.6%	12/27/2022	Other Healthcare Professionals
Medical Protective Company (The)	34,397	27.2%	18.1%	9/28/2022	Other Healthcare Professionals
Medical Protective Company (The)	32,527	0.0%	0.0%	2/1/2022	MedPro Provider Solutions, Inc., an RPG
Doctors Company, An Interinsurance Exchange (The)	802	10.9%	5.0%	7/19/2022	Ancillary Healthcare Professionals
Proassurance Insurance Company of America	650	6.7%	5.0%	9/27/2022	Medical Professional Liability - Podiatric
Proassurance Insurance Company of America	650	6.7%	5.0%	9/27/2022	Healthcare Professional Liability Program
Medical Protective Company (The)	317	0.0%	0.0%	2/1/2022	Multi-Specialty Healthcare Professionals
Doctors Company, An Interinsurance Exchange (The)	41	10.9%	5.0%	6/28/2022	Chiropractors & Podiatrists
National Union Fire Insurance Co. of Pittsburgh, PA	36	-2.0%	-7.3%	3/7/2022	Glatfelter Healthcare Practice Program
Medical Protective Company (The)	35	0.0%	0.0%	11/28/2022	Professional Liability - MPS RPG Pharmacists & Pharmacy Technicians
Medical Protective Company (The)	12	16.3%	16.3%	6/1/2022	Professional Liability - Allied Healthcare Providers (Pharmacists, Podiatrists, and Chiropractors)
Florida Medical Malpractice JUA	**10**	**-5.4%**	**0.0%**	**4/25/2022**	**Other Healthcare Professionals**
Florida Medical Malpractice JUA	**5**	**-4.5%**	**0.0%**	**4/18/2022**	**Medical Malpractice - Other Healthcare Professionals**
Doctors Company, An Interinsurance Exchange (The)	4	0.0%	0.0%	4/18/2022	Dental Hygienists and Dental Certified Registered Nurse Anesthetists
Medical Protective Company (The)	0	0.0%	0.0%	5/11/2022	MSHP - Podiatrists
Medical Protective Company (The)	0	0.0%	0.0%	5/11/2022	Professional Liability - Podiatrist
Medical Protective Company (The)	0	0.0%	0.0%	5/11/2022	MedPro Provider Solutions RPG

Company	Policy Count	Rate Change Indicated	Rate Change Approved or Acknowledged	Resolution Date	Program
Medical Protective Company (The)	0	0.0%	0.0%	11/28/2022	Professional Liability - MSHP Pharmacists & Pharmacy Technicians
Preferred Professional Insurance Company	0	0.0%	0.0%	6/13/2022	Professional Liability - Podiatry
Average Approved or Acknowledged Rate Change:			**7.9%**		

Some carriers in this segment did not report rate changes, and some comparatively modest changes were approved or processed as informational during 2022. The rate change information provided shows changes ranging from -7.3% to +18.1%.

2022 Rate Certifications for Miscellaneous Healthcare Professionals Market Segment

Company	Policy Count	Resolution Date	Program
Proassurance Insurance Company of America	762	12/19/2022	Healthcare Professional Liability Program - Chiropractic
Great Divide Insurance Company	306	2/18/2022	Doctor of Chiropractic Professional Liability
Medical Protective Company (The)	35	10/17/2022	RPG Professional Liability - Pharmacists & Pharmacy Techs
Medical Protective Company (The)	31	4/7/2022	Stand Alone Program - Chiropractors
CAMPMED Casualty & Indemnity Company, Inc.	8	5/24/2022	Healthcare Providers - Pharmacists and Pharmacy Technicians
Campmed Casualty & Indemnity Company, Inc.	2	10/12/2022	Podiatry Medical Professional Liability
Philadelphia Indemnity Insurance Company	1	2/9/2022	Chiropractors under Cover Pro Healthcare
Continental Insurance Company	0	9/30/2022	Allied Healthcare Facilities
Medical Protective Company (The)	0	4/8/2022	Master RPG Program - Chiropractors
Medical Protective Company (The)	0	4/8/2022	Multi-Specialty Healthcare Professionals (MSHP) - Chiropractors
Medical Protective Company (The)	0	10/17/2022	MSHP - Pharmacists & Pharmacy Techs

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 2022, which did not involve rate changes. These three filings covered different classes and involved different aspects of the rating procedure.

Non-Rate Change Miscellaneous Healthcare Professionals Rate Filings Resolved in 2022

Company	Impact of Filing	Resolution Date	Program
Church Mutual Insurance Company, S.I.	Non-adopting ISO CL2021-RRU1 approved in OIR file log number 21-026109, which made rule revisions that included updating the language in the return premium section	4/20/2022	Medical Malpractice - Other Healthcare Professionals
Medical Protective Company (The)	Risk Management Credit Rule - The rule is being revised to clarify the requirements a Risk Management Course must meet in order to be eligible for a credit. There is no rate impact associated with this change.	2/8/2022	Chiropractors and Podiatrists - MPS RPG
Medical Protective Company (The)	Risk Management Credit Rule - The rule is being revised to clarify the requirements a Risk Management Course must meet in order to be eligible for a credit. There is no rate impact associated with this change.	2/8/2022	Chiropractors and Podiatrists and Multi-Specialty Healthcare Professionals

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.

2022 Top 10 States by Hospital Malpractice Direct Written Premium

State	2022 Hospital Direct Written Premium	Hospital Written Premium Rank	All Malpractice Written Premium Rank
New York	$498,474,820	**1**	1
Pennsylvania	$449,532,252	**2**	3
Massachusetts	$183,329,286	**3**	10
Maryland	$157,183,470	**4**	9
Connecticut	$138,111,308	**5**	13
California	$94,501,955	**6**	2
Florida	**$60,634,346**	**7**	**4**
Missouri	$50,999,431	**8**	18
Texas	$47,466,278	**9**	7
New Jersey	$46,588,341	**10**	6

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 40.7% in Maryland to 122.6% in New York. 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.

2022 Direct Loss Ratios of Top 10 Hospital Malpractice States

Premium Rank	State	2022 Hospital Direct Loss Ratio
1	New York	122.6%
2	Pennsylvania	70.3%
3	Massachusetts	53.6%
4	Maryland	40.7%
5	Connecticut	102.8%
6	California	78.8%
7	**Florida**	**56.9%**

Premium Rank	State	2022 Hospital Direct Loss Ratio
8	Missouri	73.1%
9	Texas	88.1%
10	New Jersey	52.4%

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 seven 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 2022 Financial Information for Top Hospital Malpractice Carriers in Florida

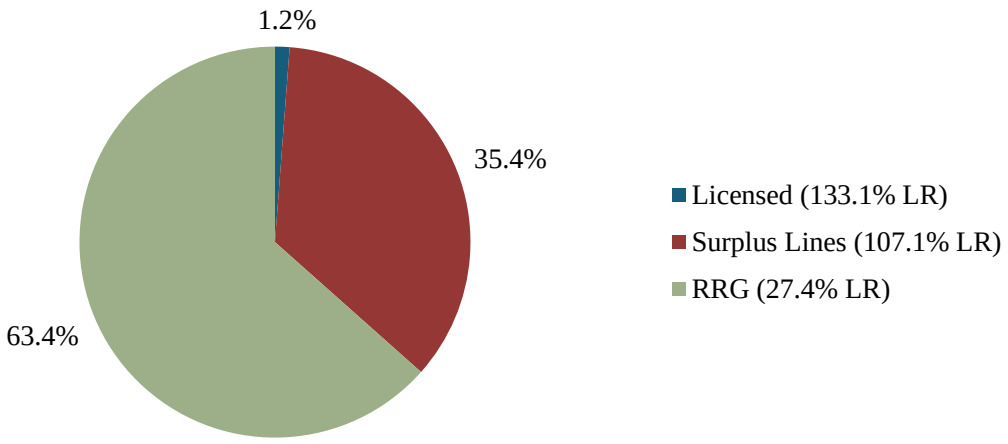
Company	Direct Florida Hospital Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Hospital Earned Premium	Direct Loss Ratio
Southwest Physicians RRG, Inc.	$13,380,576	**1**	22.1%	22.1%	$13,380,576	20.8%
MCIC Vermont (A Reciprocal RRG)	$9,962,586	**2**	16.4%	38.5%	$9,962,586	12.2%
National Fire & Marine Insurance Company	$7,629,617	**3**	12.6%	51.1%	$7,629,617	32.8%
Cleveland Clinic Risk Retention Group LLC	$6,199,726	**4**	10.2%	61.3%	$6,199,726	60.5%
Coverys Specialty Insurance Company	$5,217,409	**5**	8.6%	69.9%	$5,217,409	68.8%
Illinois Union Insurance Company	$4,068,909	**6**	6.7%	76.6%	$4,068,909	22.0%
Clinician Assurance Inc., a Risk Retention Group	$3,007,454	**7**	5.0%	81.6%	$3,007,454	106.5%

Composition of the Florida Hospital Malpractice Market by Type of Insurer

A breakdown of the 2022 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 2022 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, with a smaller segment 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 and three rate certifications were approved during 2022 and there were no filings without a rate impact approved. There was one filing withdrawn during 2022. 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.

2022 Rate Filings for Hospital Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date	Program
Florida Medical Malpractice JUA	**0**	**10.2%**	**0.0%**	**4/18/2022**	**Medical Malpractice - Hospitals**
Average Approved Rate Change:			**0.0%**		

2022 Rate Certifications for Hospitals Market Segment

Company	Policy Count	Resolution Date	Program
Proselect Insurance Company	1	12/8/2022	Entity Medical Professional Liability Coverage for Hospitals
Continental Casualty Company	0	9/30/2022	Hospital
Proselect Insurance Company	0	2/18/2022	Entity Medical Professional Liability Coverage for Hospitals

In total, OIR approved four hospital filings during 2022, one filing was withdrawn, and no filings were disapproved. No non-rate change filings were made, and three rate certifications for hospitals were processed during 2022.

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.

2022 Top 10 States by Other Facilities Malpractice Direct Written Premium

State	2022 Other Healthcare Facilities Direct Written Premium	Other Healthcare Facilities Written Premium Rank	All Malpractice Written Premium Rank
California	$202,370,091	**1**	2
New York	$168,686,841	**2**	1
Florida	**$133,720,749**	**3**	**4**
Texas	$129,714,230	**4**	7
Pennsylvania	$115,657,148	**5**	3
Illinois	$108,870,423	**6**	5
New Jersey	$84,161,717	**7**	6
Georgia	$72,077,597	**8**	8
Ohio	$67,330,586	**9**	11
Tennessee	$60,770,079	**10**	12

Florida is ranked third for other facilities as compared to its rank of fourth for all malpractice combined.

The direct loss ratios of those top 10 states are shown in the following table. In 2022, the other facilities loss ratios among states varied just as much as those in the hospital subline.

2022 Direct Loss Ratios of Top 10 Other Facilities Malpractice States

Premium Rank	State	2022 Other Healthcare Facilities Direct Loss Ratio
1	California	25.0%
2	New York	46.9%
3	**Florida**	**57.2%**
4	Texas	53.3%
5	Pennsylvania	50.2%
6	Illinois	16.7%
7	New Jersey	46.6%
8	Georgia	58.0%
9	Ohio	37.8%
10	Tennessee	69.0%

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.

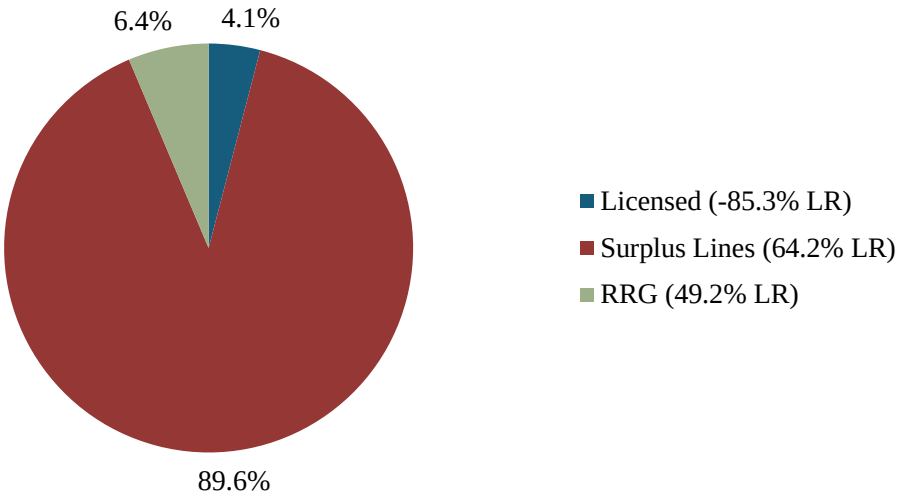
Key 2022 Financial Information for Top Other Facilities Malpractice Carriers in Florida

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	$24,987,929	**1**	18.7%	18.7%	$23,132,613	110.0%
American Modern Surplus Lines Insurance Company	$17,388,555	**2**	13.0%	31.7%	$11,971,383	45.0%
Columbia Casualty Company	$14,835,039	**3**	11.1%	42.8%	$12,946,374	78.3%
Ironshore Specialty Insurance Company	$10,361,963	**4**	7.7%	50.5%	$9,988,285	59.9%
Evanston Insurance Company	$4,925,804	**5**	3.7%	54.2%	$4,638,145	39.0%
TDC Specialty Insurance Company	$4,576,603	**6**	3.4%	57.6%	$4,582,125	32.2%
Arch Specialty Insurance Company	$4,556,276	**7**	3.4%	61.0%	$4,681,044	34.3%
Coverys Specialty Insurance Company	$4,277,905	**8**	3.2%	64.2%	$4,773,989	23.6%
Lexington Insurance Company	$4,258,193	**9**	3.2%	67.4%	$3,860,619	-29.3%
Endurance American Specialty Insurance Company	$4,016,009	**10**	3.0%	70.4%	$3,387,635	51.0%
Caring Communities, A Reciprocal RRG	$3,941,672	**11**	2.9%	73.3%	$3,941,672	50.4%
General Star Indemnity Company	$3,779,726	**12**	2.8%	76.1%	$3,739,532	44.8%
Illinois Union Insurance Company	$3,625,921	**13**	2.7%	78.9%	$2,967,705	48.0%
Healthcare Professional Long Term Care Risk Retention Group, Inc.	$3,257,979	**14**	2.4%	81.3%	$2,579,200	27.3%

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

A breakdown of the 2022 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 2022 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 two other facilities rate filings processed as informational or approved by OIR during 2022 are listed in the following table. No filings were withdrawn, and no filings were disapproved. Both of the carriers making filings in this segment are domiciled in Florida, as shown by the shaded cells in the tabs. 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.

2022 Rate Filings for Other Facilities Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Acknowledged	Resolution Date	Program
MedMal Direct Insurance Company	**18**	**0.0%**	**0.0%**	**1/19/2022**	**Medical Malpractice - Healthcare Facilities**
Florida Medical Malpractice JUA	**5**	**-110.0%**	**0.0%**	**4/25/2022**	**Other Facilities**

Company	Policy Count	Rate Change Indicated	Rate Change Acknowledged	Resolution Date	Program
Average Acknowledged Rate Change:			**0.0%**		

Non-Rate Change Other Facilities Rate Filings Resolved in 2022

Company	Impact of Filing	Resolution Date	Program
Church Mutual Insurance Company, S.I.	Non-adopting ISO CL2021-RRU1 approved in OIR file log number FLOIR # 21-026092 which made rule revisions that included updating the language in the return premium section	4/19/2022	Independent Commercial Package Institutional Program - Assisted Living Facilities
Church Mutual Insurance Company, S.I.	Non-adopting ISO CL2021-RRU1 approved in OIR file log number FLOIR # 21-026092 which made rule revisions that included updating the language in the return premium section	3/20/2022	Independent Commercial Package Institutional Program - Other Facilities
Church Mutual Insurance Company, S.I.	Non-adopting ISO CL2021-RRU1 approved in OIR file log number 21-026097, which made rule revisions that included updating the language in the return premium section	4/20/2022	Independent Commercial Package Institutional Program - Nursing Homes

As with the other sublines, most filings simply reaffirmed the rates presently in use. No rate certifications for other facilities were processed during 2022 and there were three other facilities rate filing approved during 2022 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 of January 1, 2022 to December 31, 2022 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 2022, 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 30 carrier claims closed in 2022, the average difference between occurrence and when the claim

was filed was 491 days, and the average difference between when a claim was filed and when the claim was closed was 870 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 26 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 2022, the Florida medical malpractice insurance companies reported 3,026 closed claims in Florida. Of those 3,026 claims closed in 2022, 1,542 claims were filed by males and 1,484 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 2022 is distributed as shown in the following table.

Location of Injury for Claims Closed in 2022

Location	Number of Claims
Hospital Inpatient Facility	1,419
Physician's Office	441
Emergency Room	313
Other Hospital/Institution	243
Other Location	177
Hospital Outpatient Facility	138
Nursing Home	128
Other Outpatient Facility	126
Patient's Home	27
Prison	14
Total	**3,026**

The data show that the largest number of claims came from hospital inpatient facilities, which together with physicians' offices and emergency rooms generated roughly 71.8% of all claims closed in 2022 (down slightly from roughly 72.3% in 2021 and 72.0% in 2020).

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 2022.

Severity Codes for Claims Closed in 2022

Severity Class	Number of Claims
1 - Emotional only	107
2 - Slight lacerations	82
3 - Minor infections, missed fracture, etc.	463
4 - Major burns, drug reaction	326
5 - Loss of finger, damage to organs	323
6 - Deafness, loss of limb, loss of eye	362
7 - Paraplegia, blindness, loss of limbs	247
8 - Quadriplegia, brain damage	109
9 - Death	1,007
Total	**3,026**

Class "9" (i.e., death) is the leading category for medical malpractice claims closed and accounted for 33.2% of all the claims closed in 2022 (up slightly from 32.5% in 2021).

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 2022 are shown in the following table.

2022 Closed Claims in Top 10 Counties

Rank	County	Number of Claims	2021 County this Rank
1	Dade	439	Dade
2	Palm Beach	365	Palm Beach
3	Broward	267	Broward
4	Hillsborough	241	Hillsborough
5	Pinellas	186	Pinellas
6	Orange	165	Orange
7	Duval	156	Duval
8	Out of state	96	Lee
9	Pasco	80	Pasco
10	Lee	72	St. Lucie

The top 10 counties are ordered slightly differently than the 2021 top 10 counties. Eleven (11) Florida counties had no closed claims reported through the closed claim reporting system during 2022.

Entities with the Most Closed Claims

In 2022, 184 entities reported closed medical malpractice claims. Of those reporting, 80 only closed either one or two claims. Conversely, 44 reported 10 or more claims. They are:

Entities Reporting 10 or More Closed Claims in 2022

(30 Leading Carriers Listed in Bold)

Entity	Number of Claims
Health Care Indemnity Inc.	440
Doctors Company, An Interinsurance Exchange	**333**
NORCAL Mutual Insurance Company	**175**
Medical Protective Company	**154**
National Fire & Marine Insurance Company	**145**
MAG Mutual Insurance Company	**130**
EmCare Holdings, Inc.	118
The Healthcare Underwriting Company, A RRG	100
Baptist Health South Florida	89

Entity	Number of Claims
BayCare Health System	77
MedMal Direct Insurance Company	**52**
Columbia Casualty Company	**51**
Team Health, Inc.	48
ProAssurance Casualty Company	**43**
ProAssurance Insurance Company of America	**42**
Lexington Insurance Company	41
Florida Hospital Physician Group	40
Public Health Trust of Miami-Dade County	40
ProAssurance Specialty Insurance Company, Inc.	33
ProSelect Insurance Company	**31**
Samaritan RRG, Inc.	**31**
Florida Hospital East Orlando	29
Reliant Health Care Service, Inc.	29
Applied Medico-Legal Solutions RRG, Inc.	**27**
OMS National Insurance Company, RRG	**27**
Pediatrix Medical Group, Inc.	27
Mount Sinai Medical Center	25
Lone Star Alliance, Inc., a RRG	23
North Broward Hospital District	20
ProAssurance Indemnity Company, Inc.	20
Lee Memorial Health System	17
Continental Casualty Company	16
Admiral Insurance Company	**15**
Aspen American Insurance Company	**15**
Coverys Specialty Insurance Company	**12**
Landmark American Insurance Company	**12**
Allied World Surplus Lines Insurance Company	11
Aspen Specialty Insurance Company	11
Fortress Insurance Company	11
American Casualty Company of Reading, PA	**10**
Evanston Insurance Company	**10**
South Broward Hospital District	10
Cincinnati Insurance Company	10
Verde Insurance Company	10

The companies in bold type are among the 30 companies comprising 80% of the 2022 direct written premium in Florida. As the data shows, although these companies are in the top 30 of direct written premium calculations, they are not all necessarily the ones with the most closed claims in 2022. 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 19 of the 44 entities

with the most closed claims in 2022 are in the sample of 30 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 2022 combined were as shown in the following table.

Financial Data from Closed Claim System - Aggregation of All Claims Closed in 2022

Category of Payment	Amount
Indemnity Paid	$941,974,287
LAE Paid to Defense Counsel	$230,045,061
All Other LAE Paid	$47,746,175
Non-Economic Loss	$238,972,161
Economic Loss - Incurred to Date by Claimant	$102,090,925
Economic Loss - Anticipated by Claimant	$116,383,240

The total of the indemnity and loss adjustment expense (LAE) categories is $1,219,765,523 (up 28.5% from 2021), which represents the total amount paid by insurance companies, self-insurers, and surplus lines insurers for claims settled in 2022. In many instances, (approximately 28.8% 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 2022 closed claims shows $238,972,161 in non-economic loss (down approximately 8.4% from 2021, which was in turn up 33.9% from 2020) and combined incurred and anticipated economic loss of $218,474,165 (up 15.8% from 2021, which was in turn up 30.5% from 2020).

The non-economic and economic fields are not submitted on all claims. For example, the total of economic and non-economic loss of $$457,446,326 represents 48.6%, not 100%, of the total loss paid, down from 58.5% in 2021. 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 ($218 million) is less than the amount of non-economic losses paid ($239 million).

Closed Claims of Leading Carriers in Florida

Much of this report has focused on the top 30 leading writers of medical malpractice in the state of Florida in 2022. 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] 24 of the 30 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 2022

Company	Total Days	Report to Disposition	Occurrence to Report
Doctors Company, An Interinsurance Exchange	1,561	1,010	551
MAG Mutual Insurance Company	1,578	1,079	499
Medical Protective Company	1,470	854	616
National Fire & Marine Insurance Company	1,251	936	316
NORCAL Mutual Insurance Company	1,404	864	541
Columbia Casualty Company	1,025	558	467
MedMal Direct Insurance Company	**1,553**	**996**	**558**
Samaritan RRG, Inc.	1,113	578	535
American Casualty Company of Reading, PA	1,051	699	352
Coverys Specialty Insurance Company	1,784	1,137	648
ProAssurance Casualty Company	1,792	1,158	634

[10] No closed claim data available for Emergency Capital Management Group, A Risk Retension Group, LLC, Southwest Physicians RRG, Inc, American Modern Surplus Lines Insurance Company, MCIC Vermont (A Reciprocal RRG), Illinois Union Insurance Company, or Titan Risk Retention Group, Inc. in 2022.

Company	Total Days	Report to Disposition	Occurrence to Report
Admiral Insurance Company	873	513	360
Applied Medico-Legal Solutions RRG, Inc.	1,587	987	600
Landmark American Insurance Company	1,332	675	658
Ironshore Specialty Insurance Company	1,657	1,278	379
Professional Security Insurance Company	984	700	284
Torus Specialty Insurance Company	1,032	952	80
ProSelect Insurance Company	1,588	1,025	563
Medical Mutual Insurance Company of North Carolina	952	412	541
Aspen American Insurance Company	999	461	538
Ophthalmic Mutual Insurance Company (A RRG)	1,205	709	496
OMS National Insurance Company, RRG	1,371	955	415
Evanston Insurance Company	2,045	1,479	566
ProAssurance Insurance Company of America	1,445	864	581
Average	**1,361**	**870**	**491**

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 2022, including those of other entities, the total number of days between occurrence and final disposition averaged 1,553 days (4.3 years) with a range from 614 days (1.7 years) to disposition to a maximum of 5,128 days (14.0 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	210	333	63.1%
MAG Mutual Insurance Company	93	130	71.5%
Medical Protective Company	79	153	51.6%
National Fire & Marine Insurance Company	105	145	72.4%
NORCAL Mutual Insurance Company	118	175	67.4%

Company	Claims With Indemnity Payments	Total Claims	Percentage With Indemnity Payments
Columbia Casualty Company	36	51	70.6%
MedMal Direct Insurance Company	**43**	**52**	**82.7%**
Samaritan RRG, Inc.	19	31	61.3%
American Casualty Company of Reading, PA	7	10	70.0%
Coverys Specialty Insurance Company	7	12	58.3%
ProAssurance Casualty Company	22	43	51.2%
Admiral Insurance Company	11	15	73.3%
Applied Medico-Legal Solutions RRG, Inc.	19	27	70.4%
Landmark American Insurance Company	12	12	100.0%
Ironshore Specialty Insurance Company	4	4	100.0%
Professional Security Insurance Company	5	5	100.0%
Torus Specialty Insurance Company	1	1	100.0%
ProSelect Insurance Company	22	31	71.0%
Medical Mutual Insurance Company of North Carolina	1	4	25.0%
Aspen American Insurance Company	10	15	66.7%
Ophthalmic Mutual Insurance Company (A RRG)	7	7	100.0%
OMS National Insurance Company, RRG	20	27	74.1%
Evanston Insurance Company	9	10	90.0%
ProAssurance Insurance Company of America	19	42	45.2%
Total	**879**	**1,335**	**65.8%**

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 30 leading companies in 2022 contained the claim payments summarized in the following table.

Breakdown of Loss and LAE Paid on 2022 Closed Claims by Leading Carriers in Florida

Company	Indemnity Payments	LAE Paid to Defense Counsel	All Other LAE Paid
Doctors Company, An Interinsurance Exchange	$51,661,746	$15,284,525	$5,739,759
MAG Mutual Insurance Company	$32,013,179	$9,854,969	$2,799,291

Company	Indemnity Payments	LAE Paid to Defense Counsel	All Other LAE Paid
Medical Protective Company	$17,111,989	$4,268,362	$2,326,138
National Fire & Marine Insurance Company	$17,685,689	$5,928,559	$604,083
NORCAL Mutual Insurance Company	$23,784,114	$7,266,768	$1,034,476
Columbia Casualty Company	$4,495,043	$302,197	$595,898
MedMal Direct Insurance Company	**$8,633,497**	**$2,495,682**	**$57,433**
Samaritan RRG, Inc.	$9,025,000	$1,575,697	$545,925
American Casualty Company of Reading, PA	$858,750	$81,578	$229,417
Coverys Specialty Insurance Company	$2,707,500	$771,254	$248,219
ProAssurance Casualty Company	$5,464,499	$2,096,581	$1,106,230
Admiral Insurance Company	$1,826,252	$298,453	$81,213
Applied Medico-Legal Solutions RRG, Inc.	$2,920,000	$1,191,719	$459,881
Landmark American Insurance Company	$4,275,000	$791,392	$55,821
Ironshore Specialty Insurance Company	$1,775,000	$179,028	$10,948
Professional Security Insurance Company	$3,340,000	$379,050	$153,348
Torus Specialty Insurance Company	$200,000	$0	$0
ProSelect Insurance Company	$8,955,250	$4,559,336	$356,707
Medical Mutual Insurance Company of North Carolina	$250,000	$171,090	$0
Aspen American Insurance Company	$5,220,000	$499,793	$13,058
Ophthalmic Mutual Insurance Company (A RRG)	$3,397,500	$0	$0
OMS National Insurance Company, RRG	$4,653,076	$1,395,164	$0
Evanston Insurance Company	$2,125,000	$965,678	$0
ProAssurance Insurance Company of America	$3,129,300	$3,145,044	$62,808

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	$20,740	$32,354	$33,966	$63,450
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	Remainder of State	$5,284	$15,754	$19,917	$29,447
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**	**$52,713**	**$112,624**	**$141,919**	**$237,535**
Florida	**Doctors Company**	**Remainder of State**	**$27,031**	**$57,755**	**$72,780**	**$121,813**
Florida	**MAG Mutual**	**Broward, Dade**	**$37,822**	**$75,041**	**$127,670**	**$218,506**
Florida	**MAG Mutual**	**Remainder of State**	**$17,736**	**$34,935**	**$58,915**	**$99,332**
Florida	**Medical Protective**	**Broward, Dade**	**$38,132**	**$96,944**	**$116,975**	**$183,850**
Florida	**Medical Protective**	**Remainder of State**	**$22,300**	**$56,693**	**$68,406**	**$107,516**
Georgia	Doctors Company	Entire State	$17,714	$42,238	$52,413	$93,661
Georgia	MAG Mutual	Remainder of State	$15,113	$32,691	$43,120	$83,452
Georgia	MAG Mutual	Catoosa, Chatooga, Dade, Fannin, Floyd, Gilmer, Murray, Rabun, Towns, Union, Walker, Whitfield	$10,277	$22,230	$29,322	$56,747
Georgia	Medical Mutual of NC	Entire State	$13,511	$26,711	$37,118	$45,947
Illinois	Doctors Company	Cook, Madison, St. Clair	$37,707	$95,558	$113,472	$129,581
Illinois	Doctors Company	Adams, Knox, Peoria, Rock Island	$17,722	$44,913	$53,332	$60,902
Illinois	ISMIE Mutual	Madison, Will	$43,412	$74,960	$116,220	$162,336
Illinois	ISMIE Mutual	Adams, Knox, Peoria, Rock Island	$21,796	$36,824	$56,468	$78,428
Illinois	Medical Protective	Cook, Jackson, Madison, St. Clair, Will	$35,457	$45,776	$88,245	$172,502
Illinois	Medical Protective	Adams, Knox, Peoria, Rock Island	$15,957	$20,601	$39,713	$77,633
New Jersey	MDAdvantage Ins. Co. of NJ	Entire State	$11,546	$26,422	$37,616	$81,464

State	Company	Territory	Family Practitioner 1M/3M Rate	Emergency Room Dr. 1M/3M Rate	Orthopedist 1M/3M Rate	Obstetrician 1M/3M Rate
New Jersey	Princeton Insurance Co.	Entire State	$22,390	$55,526	$55,526	$132,301
New Jersey	Proselect Insurance Co.	Entire State	$14,844	$35,106	$68,802	$131,473
New York	Hospitals Insurance Co.	Nassau, Suffolk	$23,685	$79,374	$114,842	$159,594
New York	Hospitals Insurance Co.	Livingston, Monroe, Ontario, Seneca, Wayne, Yates	$4,243	$14,220	$20,574	$28,591
New York	Medical Liability Mutual	Nassau, Suffolk	$28,680	$100,919	$139,063	$193,254
New York	Medical Liability Mutual	Livingston, Monroe, Ontario, Seneca, Wayne, Yates	$5,138	$18,080	$24,914	$34,622
Pennsylvania	Medical Protective	Delaware, Philadelphia	$24,598	$75,842	$89,167	$143,486
Pennsylvania	Medical Protective	Remainder of State	$15,869	$48,931	$57,527	$92,572
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, Venango, Warren, Washington, Westmoreland, York	$10,930	$19,343	$31,413	$50,067
Texas	Doctors Company	Brooks, Cameron, Hidalgo, Jim Hogg, Starr, Webb, Willacy, Zapata	$19,401	$43,049	$47,498	$78,459
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,	$11,021	$22,104	$24,389	$40,290

State	Company	Territory	Family Practitioner 1M/3M Rate	Emergency Room Dr. 1M/3M Rate	Orthopedist 1M/3M Rate	Obstetrician 1M/3M Rate
		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				
Texas	NORCAL Mutual	El Paso, Webb	$9,185	$16,074	$26,637	$42,710
Texas	NORCAL Mutual	Andrews, 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, Wilbarger, Wichita, Yoakum	$4,785	$8,374	$13,877	$22,250

Appendix B

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

2022

2022 Rank	2021 Rank	State	Direct Written Premium	Direct Earned Premium	Incurred Losses	Incurred DCC
1	1	New York	$1,764,355,525	$1,761,390,854	$1,225,964,519	$333,952,673
2	2	California	$967,006,520	$948,794,416	$257,340,782	$178,128,510
3	4	Pennsylvania	$912,565,414	$876,826,070	$567,860,558	$208,337,905
4	**3**	**Florida**	**$877,689,954**	**$834,999,482**	**$365,759,310**	**$109,137,737**
5	6	Illinois	$546,501,136	$534,606,882	$219,470,262	$111,659,320
6	5	New Jersey	$522,666,767	$516,607,831	$279,766,602	$97,857,123
7	7	Texas	$495,521,742	$465,214,429	$184,021,419	$67,233,719
8	8	Georgia	$400,551,284	$385,581,024	$279,293,341	$37,565,294
9	10	Maryland	$372,609,163	$363,983,992	$152,967,108	$56,894,265
10	9	Massachusetts	$363,551,498	$356,429,249	$181,870,623	$66,007,682
11	11	Ohio	$265,014,865	$263,145,309	$132,885,263	$53,907,570
12	12	Tennessee	$261,034,140	$256,563,571	$174,302,057	$64,435,334
13	14	Connecticut	$253,051,556	$251,023,097	$224,954,393	$40,228,749
14	13	Michigan	$251,152,341	$249,965,361	$127,890,903	$60,659,936
15	15	Arizona	$239,672,259	$234,074,133	$122,487,093	$41,629,090
16	17	Washington	$232,144,024	$224,149,078	$136,345,785	$45,829,220
17	16	Virginia	$231,964,812	$228,572,493	$119,892,718	$47,247,795
18	18	Missouri	$200,509,073	$193,690,325	$122,303,378	$44,550,801
19	19	North Carolina	$198,147,500	$193,091,540	$56,776,540	$42,196,744
20	20	Colorado	$186,235,129	$186,991,408	$82,054,943	$20,263,428
21	21	Alabama	$170,445,574	$165,993,456	$104,752,398	$66,469,698
22	22	Indiana	$164,430,398	$156,607,861	$62,654,304	$56,153,672
23	23	Kentucky	$133,590,293	$133,108,502	$69,455,395	$29,429,773
24	26	Oregon	$116,605,152	$113,641,450	$95,487,904	$28,728,275
25	24	Oklahoma	$116,416,726	$116,038,070	$61,232,059	$21,461,276
26	25	Louisiana	$115,377,760	$114,773,195	$30,130,420	$21,069,549
27	27	Minnesota	$103,419,353	$101,059,012	$45,896,290	$19,933,140
28	29	Nevada	$98,333,572	$96,893,942	$31,308,542	$16,369,211
29	30	Kansas	$95,164,109	$90,506,440	$46,158,396	$14,462,272
30	28	South Carolina	$89,532,278	$89,541,667	$50,709,953	$24,252,643
31	31	Wisconsin	$86,693,959	$85,262,982	$46,001,278	$22,923,423
32	34	Arkansas	$79,761,771	$79,496,642	$40,532,142	$18,169,618
33	35	Utah	$78,688,752	$73,922,870	$36,151,520	$21,093,631
34	32	Iowa	$75,119,680	$77,291,926	$62,213,606	$15,187,585
35	33	Puerto Rico	$74,285,588	$72,924,658	$25,091,186	$17,112,914
36	36	West Virginia	$72,141,502	$68,454,885	$33,738,794	$15,314,590
37	37	New Mexico	$66,601,220	$70,498,187	$89,112,490	$40,287,581
38	39	New Hampshire	$58,398,349	$56,395,662	$43,685,544	$12,323,298
39	38	Mississippi	$58,031,514	$58,892,515	$23,291,397	$11,035,815
40	40	Maine	$52,815,678	$52,468,851	$26,975,777	$835,652

2022 Rank	2021 Rank	State	Direct Written Premium	Direct Earned Premium	Incurred Losses	Incurred DCC
41	41	Nebraska	$49,812,694	$47,197,485	$20,821,610	$14,583,869
42	43	Idaho	$42,011,352	$40,318,511	$16,877,945	$7,888,719
43	42	Montana	$40,886,562	$40,962,178	$14,367,060	$8,493,355
44	46	Hawaii	$40,129,258	$38,804,392	$31,372,532	$7,133,432
45	45	Rhode Island	$39,918,675	$37,314,325	$11,465,764	$8,801,698
46	44	Delaware	$37,766,328	$38,604,262	$43,095,581	$11,494,491
47	47	District of Columbia	$32,315,623	$33,156,669	$7,880,284	$3,339,184
48	48	Other Territories	$26,371,058	$25,673,725	$9,165,761	$6,118,272
49	49	Alaska	$24,954,115	$24,446,327	$209,464	$2,362,190
50	50	Vermont	$21,141,392	$20,656,955	$24,527,681	$1,693,955
51	51	Wyoming	$19,836,808	$19,282,872	$3,249,113	$3,311,452
52	52	South Dakota	$18,311,513	$17,644,344	$9,382,473	$6,189,033
53	53	North Dakota	$13,869,168	$14,106,349	$5,621,572	$3,610,314
Grand Total:			**$11,117,997,575**	**$10,752,552,779**	**$5,810,739,328**	**$2,318,673,799**

Appendix C

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

2022

2022 Rank	2021 Rank	State	Loss and DCC Ratio
1	52	New Mexico	183.6%
2	16	Delaware	141.4%
3	5	Vermont	126.9%
4	23	Oregon	109.3%
5	50	Connecticut	105.6%
6	33	Alabama	103.1%
7	27	Iowa	100.1%
8	43	New Hampshire	99.3%
9	45	Hawaii	99.2%
10	14	Tennessee	93.1%
11	46	New York	88.6%
12	41	Pennsylvania	88.5%
13	39	South Dakota	88.3%
14	29	Missouri	86.1%
15	51	South Carolina	83.7%
16	48	Georgia	82.2%
17	21	Washington	81.3%
18	1	Wisconsin	80.8%
19	40	Utah	77.4%
20	8	Indiana	75.9%
21	19	Michigan	75.4%
22	38	Nebraska	75.0%
23	20	Kentucky	74.3%
24	2	Arkansas	73.8%
25	24	Virginia	73.1%
26	42	New Jersey	73.1%
27	13	West Virginia	71.7%
28	18	Oklahoma	71.3%
29	3	Ohio	71.0%
30	11	Arizona	70.1%
31	26	Massachusetts	69.5%
32	28	Kansas	67.0%
33	15	North Dakota	65.4%
34	4	Minnesota	65.1%
35	32	Illinois	61.9%
36	49	Idaho	61.4%
37	44	Other Territories	59.5%
38	17	Mississippi	58.3%

2022 Rank	2021 Rank	State	Loss and DCC Ratio
39	10	Puerto Rico	57.9%
40	30	Maryland	57.7%
41	**37**	**Florida**	**56.9%**
42	36	Montana	55.8%
43	22	Colorado	54.7%
44	53	Rhode Island	54.3%
45	9	Texas	54.0%
46	12	Maine	53.0%
47	6	North Carolina	51.3%
48	31	Nevada	49.2%
49	34	California	45.9%
50	7	Louisiana	44.6%
51	47	Wyoming	34.0%
52	25	District of Columbia	33.8%
53	35	Alaska	10.5%
National Average:			**73.5%**

Appendix D

Physicians Malpractice Data for States and U.S. Territories

2022

Written Premium Rank	State	Direct Physicians Written Premium	Direct Physicians Earned Premium	Direct Physicians Incurred Loss	Loss Ratio
1	New York	$902,753,916	$904,513,306	$428,816,885	47.4%
2	**Florida**	**$490,221,136**	**$476,355,813**	**$201,155,294**	**42.2%**
3	California	$455,397,043	$446,798,297	$64,750,396	14.5%
4	Illinois	$320,400,297	$313,814,691	$146,255,188	46.6%
5	New Jersey	$311,757,137	$419,515,533	$168,539,038	40.2%
6	Pennsylvania	$255,464,905	$250,196,261	$162,375,432	64.9%
7	Georgia	$242,931,116	$236,568,540	$183,309,958	77.5%
8	Texas	$182,380,803	$173,218,876	$42,918,013	24.8%
9	Michigan	$145,659,149	$145,970,484	$81,503,278	55.8%
10	Arizona	$137,438,827	$137,810,265	$75,981,401	55.1%
11	Virginia	$136,026,538	$138,985,128	$80,511,555	57.9%
12	Maryland	$127,285,862	$121,729,528	$49,159,562	40.4%
13	Tennessee	$121,405,821	$119,699,575	$39,323,136	32.9%
14	Ohio	$111,440,037	$113,394,372	$59,692,671	52.6%
15	North Carolina	$100,044,122	$100,403,112	($6,964,260)	-6.9%
16	Washington	$99,285,896	$95,633,494	$34,057,527	35.6%
17	Massachusetts	$94,651,614	$90,689,583	$60,830,589	67.1%
18	Colorado	$94,520,456	$95,179,914	$39,636,499	41.6%
19	Missouri	$92,768,167	$88,336,998	$62,797,650	71.1%
20	Alabama	$86,875,053	$80,593,001	$44,662,170	55.4%
21	Indiana	$78,257,448	$72,983,466	$22,770,384	31.2%
22	Connecticut	$69,286,326	$69,829,881	$60,680,219	86.9%
23	Oregon	$64,729,816	$63,411,451	$43,089,401	68.0%
24	Nevada	$64,379,303	$64,066,877	$11,712,484	18.3%
25	Oklahoma	$61,879,084	$61,917,102	$33,494,440	54.1%
26	Kentucky	$59,172,514	$58,737,178	$39,922,864	68.0%
27	South Carolina	$54,287,061	$54,371,596	$25,892,847	47.6%
28	Louisiana	$53,920,549	$54,503,518	$8,269,809	15.2%
29	Arkansas	$42,311,121	$42,592,345	$22,594,959	53.0%
30	Kansas	$41,574,957	$40,531,320	$11,815,795	29.2%
31	Utah	$36,741,548	$36,022,254	$19,777,511	54.9%
32	Wisconsin	$36,223,955	$36,508,966	$11,593,535	31.8%
33	West Virginia	$35,703,229	$33,507,574	$19,624,375	58.6%
34	Iowa	$33,610,598	$33,084,921	$32,225,047	97.4%
35	Puerto Rico	$33,381,667	$32,559,212	$13,321,388	40.9%
36	Minnesota	$33,331,190	$34,655,954	$18,942,946	54.7%
37	New Mexico	$25,107,261	$30,083,953	$40,404,900	134.3%
38	Delaware	$24,268,805	$24,711,953	$11,173,206	45.2%
39	New Hampshire	$24,248,373	$24,284,023	$9,878,762	40.7%

Written Premium Rank	State	Direct Physicians Written Premium	Direct Physicians Earned Premium	Direct Physicians Incurred Loss	Loss Ratio
40	Maine	$23,606,470	$22,760,019	$5,956,967	26.2%
41	Idaho	$22,585,312	$21,534,287	$8,395,389	39.0%
42	Mississippi	$18,956,951	$17,808,919	$11,428,967	64.2%
43	Hawaii	$17,993,319	$18,588,737	$16,114,174	86.7%
44	Montana	$17,527,613	$17,091,333	$2,411,038	14.1%
45	Rhode Island	$16,844,798	$15,404,925	$23,389,515	151.8%
46	Other Territories	$15,566,705	$13,631,298	$6,017,238	44.1%
47	District of Columbia	$14,146,720	$14,873,070	$2,941,494	19.8%
48	Alaska	$13,561,605	$13,751,508	($80,961)	-0.6%
49	Nebraska	$12,416,368	$15,451,431	$5,164,408	33.4%
50	Wyoming	$11,306,369	$10,870,678	($1,065,582)	-9.8%
51	Vermont	$8,147,989	$8,172,961	$5,820,689	71.2%
52	South Dakota	$5,583,779	$5,875,574	$3,410,114	58.0%
53	North Dakota	$5,145,542	$5,997,667	$1,168,873	19.5%
Grand Total:		**$5,584,512,240**	**$5,619,582,722**	**$2,567,569,177**	**45.7%**

Appendix E

Written Premium in Top Five States of Leading Florida Malpractice Carriers

2022

Company	State 1	State 2	State 3	State 4	State 5
Doctors Company, An Interinsurance Exchange	CA	FL	TX	MI	NY
	$172,045,805	$134,185,353	$44,552,143	$37,914,139	$34,486,218
MAG Mutual Insurance Company	GA	FL	SC	NC	VA
	$103,265,932	$102,304,401	$23,209,427	$21,740,637	$15,218,213
Medical Protective Company	FL	PA	TX	CA	IL
	$85,967,774	$54,960,511	$54,140,636	$40,477,401	$38,355,891
Emergency Capital Management Group, A RRG	FL	TX	AZ	NV	CA
	$35,072,772	$22,135,160	$7,022,269	$5,080,987	$5,048,678
National Fire & Marine Insurance Company	TX	IL	PA	CA	FL
	$40,063,750	$37,519,359	$35,297,969	$35,100,862	$34,473,181
NORCAL Mutual Insurance Company	CA	FL	PA	TX	NV
	$91,987,731	$30,946,517	$27,778,599	$15,278,701	$10,450,252
Columbia Casualty Company	CA	IL	OH	FL	TX
	$25,289,464	$22,769,878	$21,416,833	$21,412,530	$21,389,845
MedMal Direct Insurance Company	FL	GA	TX	NC	OK
	$20,981,820	$1,902,454	$818,115	$568,157	$394,005
Southwest Physicians RRG, Inc.	FL	AL	PA	MS	IN
	$19,349,573	$6,928,187	$5,828,535	$5,818,412	$2,356,217
Samaritan RRG, Inc.	FL	-	-	-	-
	$18,388,526	-	-	-	-
American Modern Surplus Lines Insurance Company	CA	FL	NJ	PA	NY
	$18,824,008	$17,485,889	$7,999,747	$6,550,505	$5,660,062
American Casualty Company of Reading, PA	CA	NY	FL	TX	NJ
	$36,688,700	$29,159,794	$17,457,488	$16,029,036	$14,925,683
Coverys Specialty Insurance Company	CA	FL	NY	IL	TX
	$44,039,424	$13,488,427	$12,435,848	$11,087,110	$10,093,029
ProAssurance Casualty Company	MI	NV	FL	WI	CA
	$22,506,204	$17,270,214	$13,454,208	$13,057,305	$10,284,843
Admiral Insurance Company	CA	NY	FL	TX	IL
	$31,739,714	$15,477,660	$13,010,668	$12,983,444	$12,552,290
Applied Medico-Legal Solutions RRG, Inc.	NY	FL	CA	TX	NJ
	$35,600,993	$11,563,794	$7,234,904	$7,096,664	$4,068,442
Landmark American Insurance Company	CA	FL	NY	TX	NJ
	$16,758,246	$10,605,186	$9,916,550	$5,955,541	$3,932,433
Ironshore Specialty Insurance Company	CA	TX	PA	IL	NY
	$18,780,180	$14,868,086	$14,267,015	$13,687,135	$12,693,749
MCIC Vermont (A Reciprocal RRG)	NY	CT	MD	FL	DC
	$209,966,573	$129,217,129	$106,751,538	$10,045,914	$3,870,314
Professional Security Insurance Company	CA	NC	GA	FL	TN
	$15,538,009	$11,002,913	$9,989,902	$9,967,934	$5,434,308
Torus Specialty Insurance Company	NY	FL	CA	NJ	TX
	$13,365,453	$9,826,883	$8,996,193	$6,416,113	$6,087,827

Company	State 1	State 2	State 3	State 4	State 5
ProSelect Insurance Company	NJ	MI	OH	CT	NH
	$32,532,488	$28,529,617	$23,300,034	$19,074,981	$12,215,386
Medical Mutual Insurance Company of North Carolina	NC	GA	NJ	VA	PA
	$50,775,820	$22,205,051	$19,591,290	$17,693,293	$17,119,920
Illinois Union Insurance Company	CA	NY	NJ	OH	TN
	$16,997,977	$13,414,557	$10,027,904	$8,336,825	$8,114,814
Titan Risk Retention Group, Inc.	FL	MA	PA	-	-
	$7,800,667	$1,952,808	$1,831,547	-	-
Aspen American Insurance Company	FL	AZ	MI	MD	IL
	$7,402,878	$4,440,447	$4,227,057	$3,352,990	$2,586,533
Ophthalmic Mutual Insurance Company (A RRG)	FL	CA	IL	PA	VA
	$7,339,238	$5,131,408	$4,752,020	$2,723,663	$2,689,842
OMS National Insurance Company, RRG	NY	FL	CA	TX	NJ
	$11,316,195	$7,249,621	$5,949,712	$433,877	$4,120,613
Evanston Insurance Company	NY	CA	IL	FL	TX
	$13,896,816	$9,400,119	$8,305,373	$6,712,363	$6,206,342
Podiatry Insurance Company of America	NY	CA	FL	IL	PA
	$7,765,478	$6,804,136	$6,594,390	$5,412,441	$4,512,394

Appendix F

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

2022

Company	State 1	State 2	State 3	State 4	State 5
Doctors Company, An Interinsurance Exchange	CA	FL	TX	MI	NY
	35%	10%	17%	141%	134%
MAG Mutual Insurance Company	GA	FL	SC	NC	VA
	116%	40%	67%	50%	95%
Medical Protective Company	FL	PA	TX	CA	IL
	62%	54%	33%	9%	54%
Emergency Capital Management Group, A RRG	FL	TX	AZ	NV	CA
	101%	41%	60%	56%	68%
National Fire & Marine Insurance Company	TX	IL	PA	CA	FL
	54%	96%	93%	62%	107%
NORCAL Mutual Insurance Company	CA	FL	PA	TX	NV
	12%	36%	148%	62%	5%
Columbia Casualty Company	CA	IL	OH	FL	TX
	55%	-155%	21%	120%	165%
MedMal Direct Insurance Company	FL	GA	TX	NC	OK
	89%	181%	29%	11%	84%
Southwest Physicians RRG, Inc.	FL	AL	PA	MS	IN
	77%	124%	121%	115%	76%
Samaritan RRG, Inc.	FL	-	-	-	-
	75%	-	-	-	-
American Modern Surplus Lines Insurance Company	CA	FL	NJ	PA	NY
	74%	74%	62%	90%	64%
American Casualty Company of Reading, PA	CA	NY	FL	TX	NJ
	25%	50%	45%	39%	53%
Coverys Specialty Insurance Company	CA	FL	NY	IL	TX
	42%	135%	-180%	65%	33%
ProAssurance Casualty Company	MI	NV	FL	WI	CA
	72%	-30%	125%	86%	167%
Admiral Insurance Company	CA	NY	FL	TX	IL
	37%	112%	1%	49%	28%
Applied Medico-Legal Solutions RRG, Inc.	NY	FL	CA	TX	NJ
	110%	71%	99%	27%	168%
Landmark American Insurance Company	CA	FL	NY	TX	NJ
	45%	63%	62%	40%	63%
Ironshore Specialty Insurance Company	CA	TX	PA	IL	NY
	53%	57%	57%	57%	57%
MCIC Vermont (A Reciprocal RRG)	NY	CT	MD	FL	DC
	94%	113%	38%	23%	74%
Professional Security Insurance Company	CA	NC	GA	FL	TN
	50%	239%	45%	-20%	279%
Torus Specialty Insurance Company	NY	FL	CA	NJ	TX
	50%	77%	-13%	7%	58%

Company	State 1	State 2	State 3	State 4	State 5
ProSelect Insurance Company	NJ	MI	OH	CT	NH
	47%	74%	114%	130%	106%
Medical Mutual Insurance Company of North Carolina	NC	GA	NJ	VA	PA
	20%	116%	170%	33%	134%
Illinois Union Insurance Company	CA	NY	NJ	OH	TN
	234%	84%	84%	56%	54%
Titan Risk Retention Group, Inc.	FL	MA	PA	-	-
	0%	0%	0%	-	-
Aspen American Insurance Company	FL	AZ	MI	MD	IL
	108%	35%	-32%	54%	84%
Ophthalmic Mutual Insurance Company (A RRG)	FL	CA	IL	PA	VA
	83%	68%	30%	88%	139%
OMS National Insurance Company, RRG	NY	FL	CA	TX	NJ
	50%	76%	41%	46%	70%
Evanston Insurance Company	NY	CA	IL	FL	TX
	64%	30%	80%	46%	36%
Podiatry Insurance Company of America	NY	CA	FL	IL	PA
	56%	26%	18%	102%	140%

www.FLOIR.com

J. Edwin Larson Building
200 E. Gaines Street
Tallahassee, Florida 32399
Phone: (850) 413-3140