



Florida Office of Insurance Regulation

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Insurance Commissioner

Medical Malpractice Financial Information
Closed Claim Database and Rate Filings
Annual Report

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Executive Summary

Section 627.912(6)(b)&(c), Florida Statutes, requires the Office of Insurance Regulation (Office) 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 the Office during the 2017 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 25 medical malpractice insurance writers that constituted 80% of the overall Florida market in 2017.

Market size and cost components – Florida is the fourth largest U.S. state in terms of total medical malpractice premium, with roughly \$550 million in 2017 direct written premium. Among the top 10 states by premium, Florida's:

- Combined loss and defense and cost containment ratio of 83.7% ranks third highest;
- Non-claims-based expense ratio of 27.5% is the third highest;
- Claims-based adjusting and other expense of 4.6% ranks fourth highest; and
- Combined ratio (total payouts to premium) of 115.8%, up from 104.7% in 2016, is the second highest.

Carrier financial strength – It is estimated that the Florida medical malpractice line of business for the top 25 carriers standing alone generated a direct before reinsurance profit on surplus (Florida after tax profit/loss divided by surplus allocated to Florida) of 1.4% in 2017. This return compares negatively with the average countrywide all-lines net return on surplus for Florida's leading medical malpractice writers of 4.6%, which is up from 2.8% in 2016. This was different than the higher stock market returns in 2017, but both have shown volatility. Related financial information in the report suggests that the leading malpractice carriers as a class remain financially strong.

Breakdown of the market between licensed carriers and total of surplus lines insurers and risk retention groups (RRGs) – For the overall medical malpractice market, 65% of the premium is generated by licensed insurance companies as opposed to surplus lines carriers 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 insurance companies:

- Physicians and surgeons: 81%
- Other healthcare professionals: 64%
- Hospitals: 8%
- Other facilities: 6%

For the most part, loss ratios within the segments in the physicians subline did not differ meaningfully by carrier type. However, differences in loss ratios between segments were seen where the premium volume is low, as with the other sublines.

Company Admissions activity – Fourteen entities, including three RRGs, entered the Florida malpractice market during 2017. No carrier became inactive. One insurer's registration was revoked during 2017 and another insurer's registration was suspended. One risk retention group surrendered its Florida registration and one withdrew its registration. No new risk purchasing groups entered the market during 2017.

Legislation – No bills relating directly to medical malpractice were passed during the 2018 legislative session. The Florida Supreme Court decision in *National Deaf Academy v. Townes* held that in order for a claim to be considered medical malpractice, rather than ordinary negligence, it must be a direct result of receiving medical care or treatment by a healthcare provider that involves the use of professional judgement and skill.

Breakdown of the market by subline – Physicians malpractice dominates the medical malpractice premium in Florida. Sixty-five percent (65%) of the 2017 Florida medical malpractice written premium was for physicians, 19% was for other healthcare professionals, 5% was for hospitals, and 11% was for other medical facilities.

Key financial information on physicians malpractice – Florida is the third largest state for physicians malpractice, with \$359 million in 2017 direct written premium. Its loss ratio during 2017, specifically excluding defense and cost containment, at 60.2%, was the third highest among the top 10 states. That ranking translates to an estimated 2017 combined (all costs divided by all premiums) ratio of 118%, second highest among the top ten states. This is very near the all medical malpractice estimated combined ratio of 116%. Physicians malpractice loss ratios differ markedly among carriers, ranging from as low as 10% to as high as 106%.

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

Market concentration – The commonly-used Herfindahl-Hirschman (Herfindahl) index of market concentration, is 1,403 for physicians malpractice insurance. That is below the 1,500 threshold that would suggest 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 three out of eight of the examples priced, Florida rates were the highest among all 10 states. In the remaining examples, Florida's rank varied from second to third.

Rate filings – There were 84 medical malpractice rate filings either approved or processed as informational in Florida during 2017. This is down from 98 in 2016 and 90 in 2015. The average rate change for a Florida physician as a result of rate filings resolved in 2017 was +0.6%. This was derived by taking the actual rate changes approved in 2017 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 2017, including:

- Dentists rates: +2.9%
- Professional nurses rates: +2.0%
- Podiatrists, optometrists, chiropractors, and similar professionals rates: +0.0%

Professional liability claims reporting system data – During 2017, 2,575 claims were reported as closed (down from 3,173 in 2016); 1,253 claims were closed for female claimants and 1,322 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 \$868 million, 24% below 2016, which in turn was 31% above 2015, was paid over the lifetime of the claims closed in 2017; \$660 million was paid in damages, the remainder in loss adjustment expenses.

Historical context – The Office 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 benefited 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)&(c), Florida Statutes, requires the Office to publish an annual report of the state of the medical malpractice insurance market in Florida. The statute requires the Office to utilize three data resources:

1) The National Association of Insurance Commissioners (NAIC) annual financial statement filings; 2) The closed claims database maintained by the Office; and 3) An analysis of rate filings filed with the Office 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, Massachusetts, Texas, Maryland, and Georgia. The report also compares Florida direct losses incurred, expenses borne, and other key financial criteria with those of the other top 10 states.

As part of this report, a few global adjustments to the data were necessary. Since captives of large healthcare chains have a different marketing structure than conventional insurers, they have

different operating characteristics than conventional insurance companies. One large carrier, Healthcare Indemnity (HCI), primarily covers the risks of its owner (a hospital chain), and its data was removed from the October 2017 version and the preceding versions of this report. Another captive belonging to a large hospital chain, The Healthcare Underwriting Company, RRG, was removed from the October 2017 version and the preceding versions of this report as well. Therefore, both captives were removed from the data used to produce this report. Further, due to the diminishing volume of the carriers merged into NORCAL (FD Insurance and Medicus Insurance), they are no longer combined into NORCAL in this year's report.

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 the Office's legislative summary was used as well. In that 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

As mentioned earlier, 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.

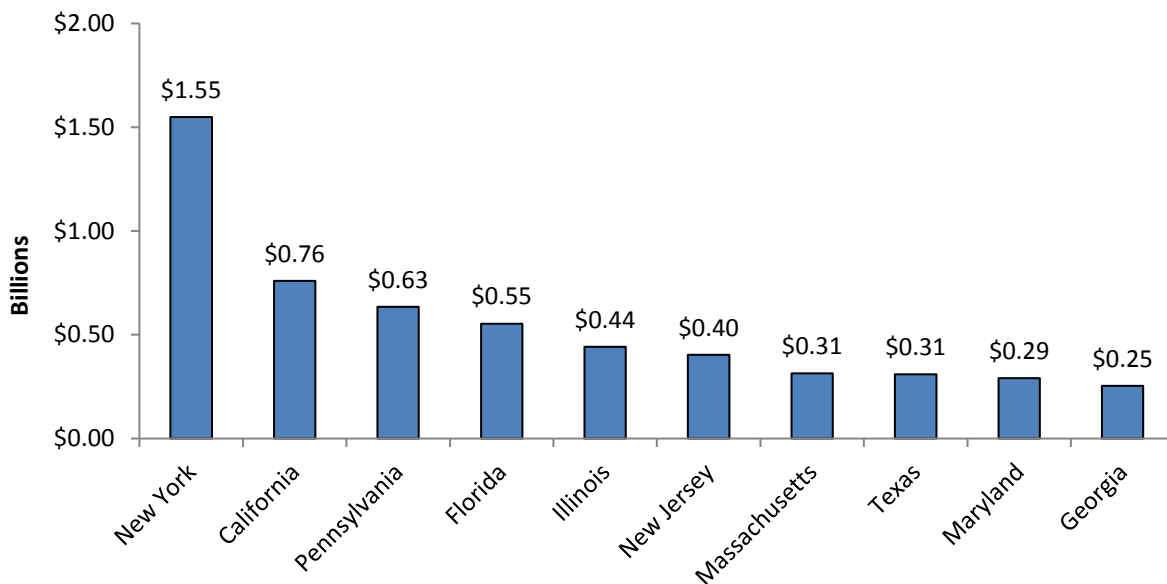
Comparisons to Other Leading States

Comparative data for the Florida medical malpractice market and that of the top 10 states for total malpractice premium follows.

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 graph below 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 eighth in terms of medical malpractice premium. Florida ranks third by population and fourth within its peer group for medical malpractice premium.

2017 Top 10 States for Medical Malpractice Direct Written Premium



Data from two captive insurers was removed from this analysis and all subsequent charts.

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 chart on the following page.

2017 All Medical Malpractice Direct Loss Ratios

Written Premium Rank	State	2017 All Medical Malpractice Direct Loss Ratio	Loss Ratio Rank
10	Georgia	86.3%	1
3	Pennsylvania	67.1%	2
4	Florida	58.7%	3
1	New York	57.2%	4
7	Massachusetts	56.0%	5
5	Illinois	55.4%	6
2	California	46.8%	7
9	Maryland	31.5%	8
6	New Jersey	29.7%	9
8	Texas	8.6%	10

Before discussing the results of the chart, a few points about this data should be mentioned. When actuaries and other professionals compute the rates companies charge, they replace this data with 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 ranked the highest, with Pennsylvania second. The aggregate direct loss ratio for the Florida market was third in 2017, up from seventh in 2016. The national average in 2017 for all states and territories was 44.2% – slightly lower than the 48.5% loss ratio in 2016. Florida’s loss ratio increased from 48.0% to 58.7% in 2017.

However, losses are not the only benefits insureds receive from their policies. 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 on the next page.

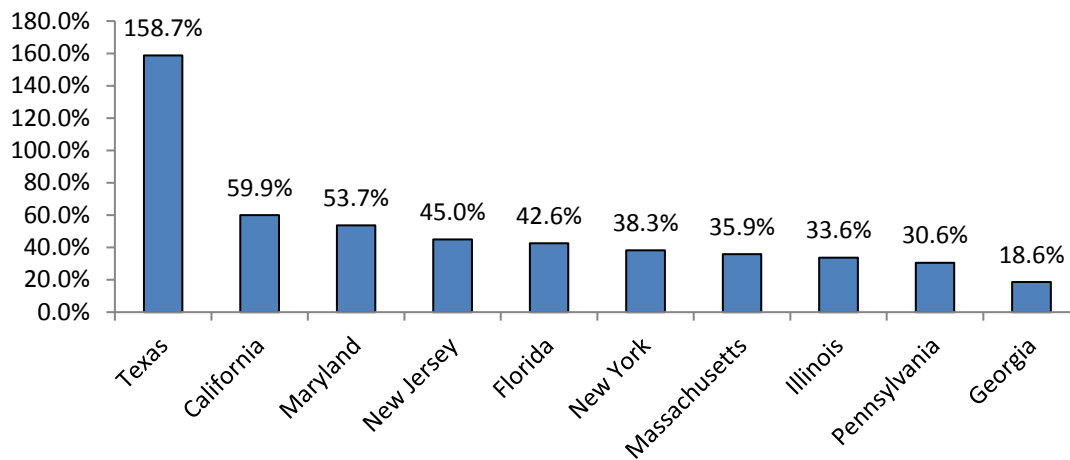
2017 All Medical Malpractice Direct Loss and DCC Ratios

Written Premium Rank	State	2017 All Medical Malpractice Direct Loss and DCC Ratio	Loss & DCC Rank
10	Georgia	102.4%	1
3	Pennsylvania	87.6%	2
4	Florida	83.7%	3
1	New York	79.1%	4
7	Massachusetts	76.1%	5
2	California	74.8%	6
5	Illinois	74.0%	7
9	Maryland	48.5%	8
6	New Jersey	43.1%	9
8	Texas	22.3%	10

The loss and DCC ratio rankings loosely mirror the loss ratio rankings somewhat. Georgia, with the highest loss ratio, also had the highest loss and DCC ratio among the top 10 states in 2017. In this case, Pennsylvania was second again and Florida was third (up from eighth in 2016).

Alternatively, DCC can be considered as frictional costs associated with the payment of damages to claimants¹. Following that approach, the graph below shows the ratios of incurred (accrued in a calendar year) DCC to incurred loss.

2017 All Medical Malpractice Direct DCC to Loss Ratios



¹ It is important to note that 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, etc. 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.

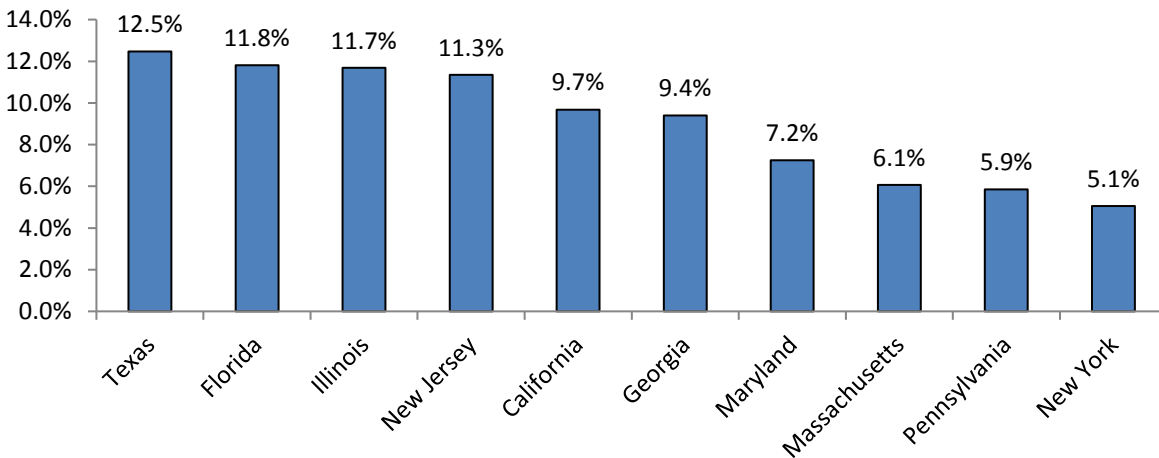
Note that Florida had the fifth highest ratio of DCC to loss among the top 10 states in 2017. Although this data may also be distorted by the same factors that can distort the loss ratio, it is suggestive of relative efficiency in DCC expenditures. The very high ratio for Texas is caused by a very low booked loss ratio of 8.6%. This may reflect costs or may be driven by reserve changes.

Expense Information for the Top 10 States

While loss and DCC may be considered as the benefits provided under a malpractice policy, the 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. Florida AOE, other acquisition, and general expense for each company were determined by pro-rating countrywide figures using direct malpractice earned premium. In that way, if a state is dominated by (or has a higher-than-average percentage in the mix, by market share, of) companies with high expenses, the state would show a higher-than-average expense ratio. If a state had a high proportion of lower-overhead insurance companies, it would show as a lower expense state. By custom of the business, the commission and taxes are generally related to written premium (in effect, related to sales). AOE, other acquisition, and general expense are generally related to earned premium (relating them to the period when benefits are provided).

The largest expense provision related to written premiums is commission. The average commission ratios for the top 10 states (by direct written premium) are shown below.

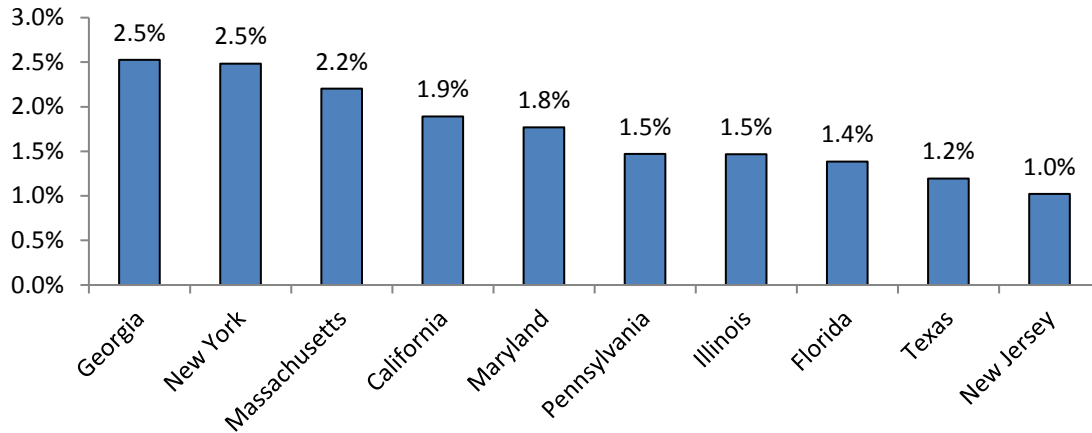
2017 All Medical Malpractice Direct Commission to Written Premium Ratios



Florida is among the states with higher commission ratios (second highest). The Florida commission is about 0.5% higher than last year's 11.3%.

Ratios of premium tax to written premium for the top 10 states are shown below.

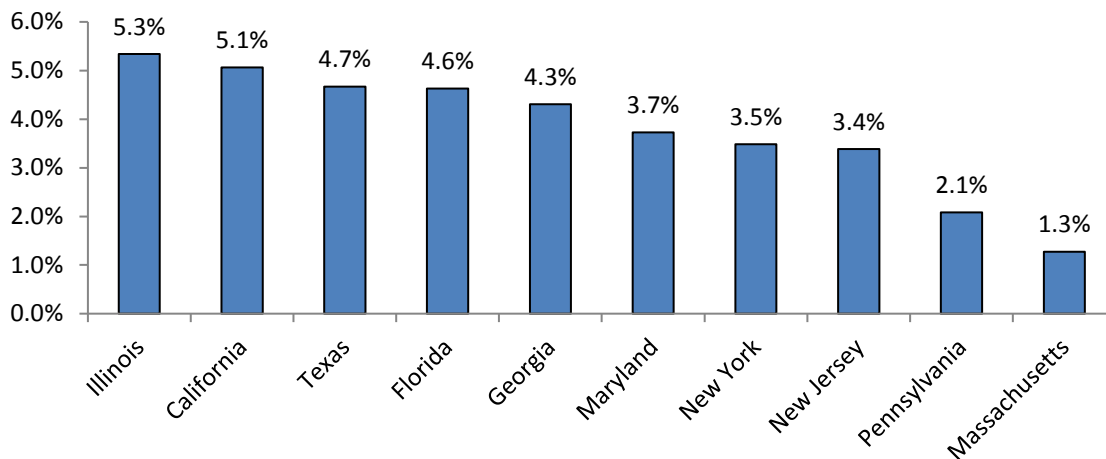
2017 All Medical Malpractice Premium Tax to Direct Written Premium Ratios



Differences in premium tax percentages are somewhat reduced from those in 2016, and Florida's premium tax expense has decreased from 2.2% in 2016.

The commission expense ratios shown on the prior page and premium tax expense ratios above are based on actual state and company data. The next step involves the 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.

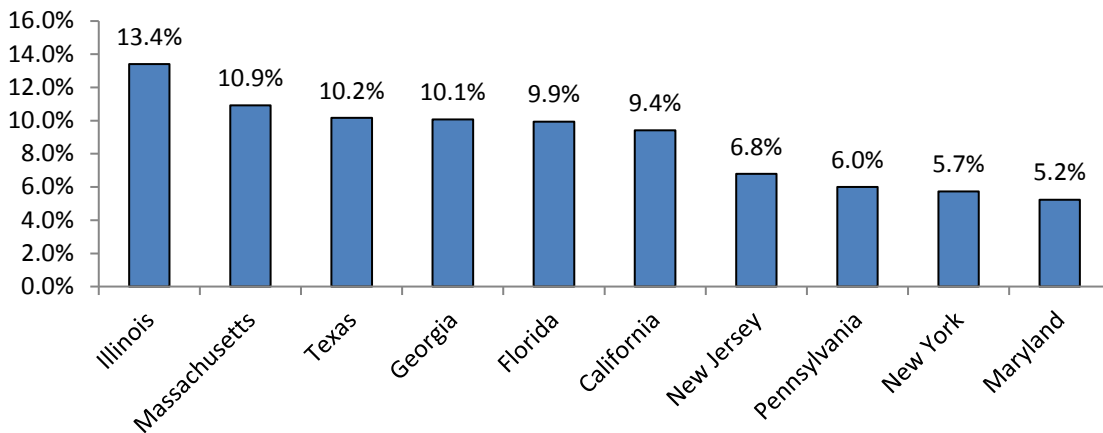
2017 All Medical Malpractice AOE to Direct Earned Premium Ratios



Last year, Florida had the second highest AOE expense ratio within the peer group. In 2017, Florida has the fourth highest AOE expense ratio.

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

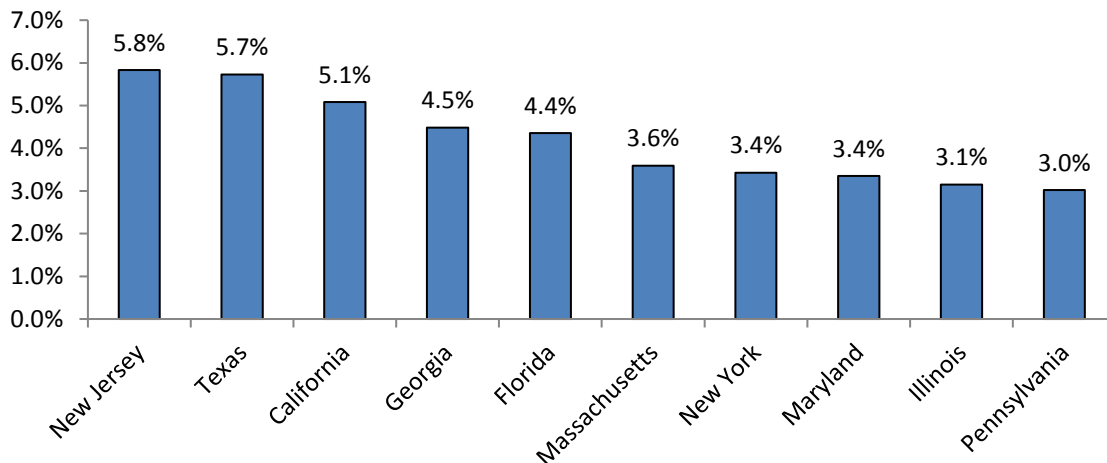
2017 All Medical Malpractice General Expense to Direct Earned Premium Ratios



Florida has the fifth highest general expense ratio among the top 10 states at 9.9%, roughly the same as last year. However, its place has moved from the third highest in 2016.

Other acquisition expense is also related to earned premium due to the way it is stored in the NAIC database. The other acquisition expense ratios are shown in the following graph.

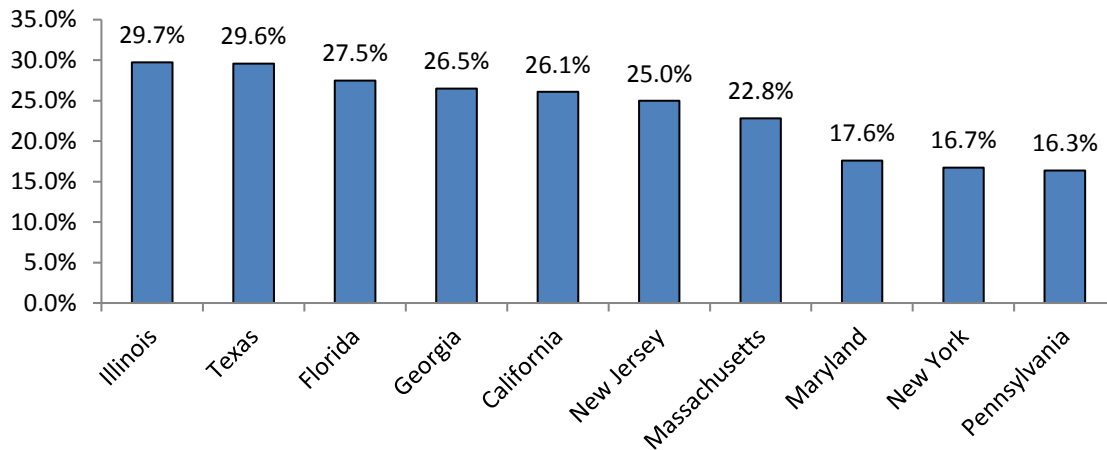
2017 All Medical Malpractice Other Acquisition Expense to Direct Earned Premium Ratios



These ratios are typically not as high as the general expense ratios. Although Florida's other acquisition expense ratio was midrange in the peer group (fifth), recall that Florida is near the upper end of commission expense, so that Florida's total acquisition expense (commission and other acquisition combined of 16.2%) ratio was somewhat high (third) within the peer group.

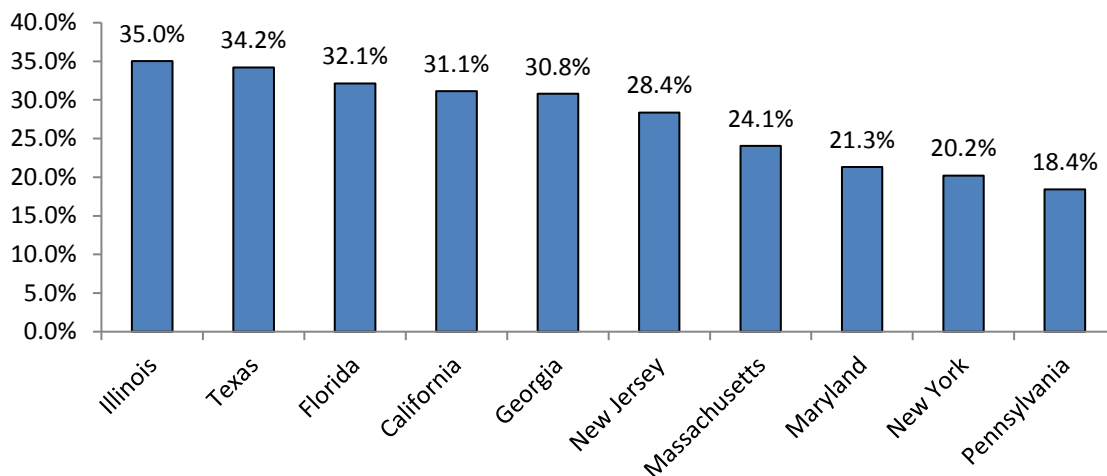
In calculating the overall expense ratio, the industry standard approach involves the combination of the commission, tax, general expense, and other acquisition ratios (and excludes AOE since the AOE ratio relates better to the amount of claims to be adjusted rather than premium). Ratios on that basis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

2017 All Medical Malpractice Standard (No AOE) Expense Ratios



A review of the chart shows that Florida's standard expense ratio is the third highest among the top 10 states (up from the fourth highest in 2016), while Pennsylvania's is the lowest. When AOE expense is added to the above expense ratios (as a step in computing total underwriting profitability), Florida still has the third highest expense ratio of the top 10 states.

2017 All Medical Malpractice Expense Ratios (Inclusive of AOE)



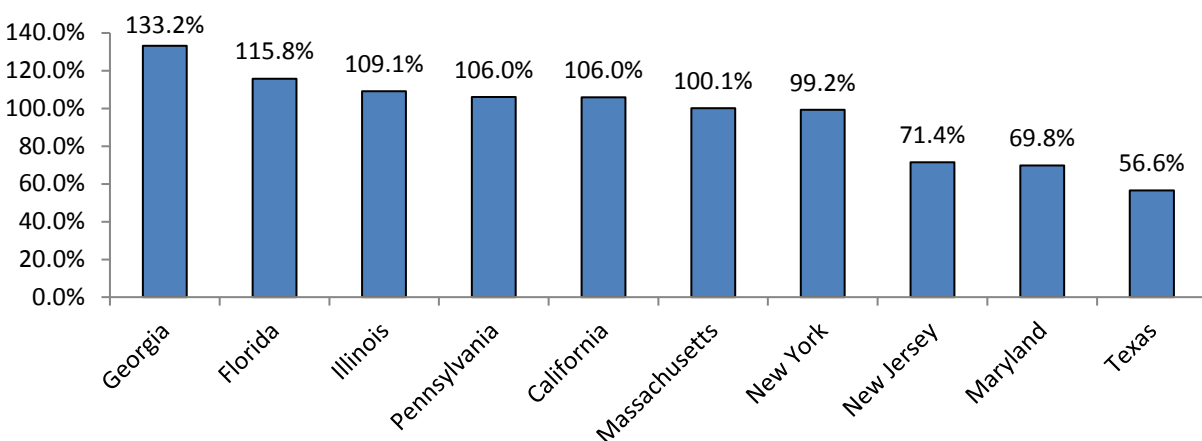
Profitability Measures for the Top 10 States

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 and 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, though, 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.

The majority of the data available in the NAIC financial database is “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, one should understand that a deeper actuarial analysis of the individual state data for each company (which is not included in the NAIC database) may be needed to fully understand medical malpractice profitability in the state.

The combined ratios for the top 10 states are shown below.

2017 All Medical Malpractice Direct Combined Ratios



The chart shows that the overall medical malpractice line is generating underwriting losses in six states and underwriting profits in four states. However, the combined ratios shown do not include the income the insurers earn on their investments. When that is reflected, it is likely that medical malpractice in some of the states with high combined ratios is nonetheless profitable. Florida is second in the peer group with a 115.8% combined ratio.

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 both an aggregate, nationwide, and on a by-state, 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, the Office 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, prepared by Deloitte, provided a financial analysis of insurers representing 80% of the market on a *direct written premium* basis as a surrogate for net written premium. The Office 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 those 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 lump data from all lines of business 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 2017 direct written premium of the companies that comprise 80% of the total medical malpractice insurance market in Florida is shown below (highlighted rows indicate insurers that are domiciled in Florida in this exhibit and other exhibits in this report).

2017 Florida Written Premium for Leading Malpractice Carriers

Premium Rank	Company	Direct Written Premium	Market Share	Cumulative Share
1	Doctors Company, An Interinsurance Exchange	\$116,324,194	21.0%	21.0%
2	MAG Mutual Insurance Company	\$61,867,987	11.2%	32.2%
3	Medical Protective Company	\$54,112,429	9.8%	42.0%
4	NORCAL Mutual Insurance Company	\$33,127,012	6.0%	48.0%
5	National Fire & Marine Insurance Company	\$21,905,735	4.0%	51.9%
6	ProAssurance Casualty Company	\$15,522,596	2.8%	54.7%
7	MedMal Direct Insurance Company	\$14,859,718	2.7%	57.4%
8	American Casualty Company of Reading, PA	\$12,655,241	2.3%	59.7%
9	Columbia Casualty Company	\$11,177,388	2.0%	61.7%
10	Continental Casualty Company	\$10,214,800	1.8%	63.6%
11	Samaritan RRG, Inc.	\$10,013,174	1.8%	65.4%
12	Evanston Insurance Company	\$9,362,389	1.7%	67.1%
13	MCIC Vermont (A Reciprocal RRG)	\$8,345,450	1.5%	68.6%
14	Physicians Insurance Company	\$6,553,771	1.2%	69.8%
15	Landmark American Insurance Company	\$6,517,475	1.2%	70.9%

Premium Rank	Company	Direct Written Premium	Market Share	Cumulative Share
16	Admiral Insurance Company	\$6,138,594	1.1%	72.1%
17	OMS National Insurance Company, RRG	\$5,978,841	1.1%	73.1%
18	Healthcare Underwriters Group, Inc.	\$5,842,304	1.1%	74.2%
19	Ophthalmic Mutual Insurance Company (A RRG)	\$5,607,289	1.0%	75.2%
20	ProAssurance Specialty Insurance Company, Inc.	\$5,470,010	1.0%	76.2%
21	Podiatry Insurance Company of America	\$5,366,140	1.0%	77.2%
22	Allied World Surplus Lines Insurance Company	\$5,118,214	0.9%	78.1%
23	Homeland Insurance Company of NY	\$4,651,649	0.8%	78.9%
24	NCMIC RRG Inc	\$4,640,333	0.8%	79.8%
25	Physicians Professional Liability RRG, Inc.	\$4,556,289	0.8%	80.6%
Top 80% Total		\$445,929,022		
Total Florida Market		\$553,296,642		

In terms of organizational structure, 10 of the sample companies are licensed property/casualty insurers, eight are surplus lines companies (#5 National Fire & Marine, #9 Columbia Casualty, #12 Evanston, #15 Landmark American, #16 Admiral, #20 ProAssurance Specialty, #22 Allied World Surplus, and #23 Homeland). There was one reciprocal-type insurer (#1 Doctors Company); and six RRGs (#11 Samaritan, #13 MCIC Vermont, #17 OMS National, #19 Ophthalmic Mutual, #24 NCMIC, and #25 Physicians Professional).

There are some differences and similarities in the market when compared to the sample firms in the 2017 Annual Report on 2016. This year, achieving the 80% market share requirement required the inclusion of 25 insurers, with two of the insurers being domiciled in Florida. This differs slightly from the number of companies required in last year's annual report, and is significantly different from the situation when the reforms were first instituted. In last year's report, 27 insurers were required and two were domiciled in Florida. However, in the original 2004 report, only 11 insurers were required, two of which were domiciled in Florida. In the 2005 report, 12 insurers were required, two of which were domiciled in Florida.

Another finding is that the total medical malpractice insurance written premium for the state of Florida as reported above decreased (0.2%) to \$553 million in 2017 from \$554 million in 2016. However, since the 2004 reforms, the premium has decreased from \$860 million in 2004 and \$850 million in 2005.

Over the long term, this represents a substantial decrease (36%) in the overall medical malpractice premium reported in Florida since 2004. This could be partially attributable to the lowering of rates. However, it may also be due to new arrangements by physicians including the use of individual bonding, purchasing malpractice insurance through hospitals/employers as well as utilization of self-insurance funds, or other non-traditional insurance mechanisms.

The loss experience of those leading carriers in Florida is relevant as well. It is shown in the table below.

2017 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	\$114,639,883	75.7%	89.3%
2	MAG Mutual Insurance Company	\$59,767,486	64.6%	110.7%
3	Medical Protective Company	\$50,627,368	104.2%	157.6%
4	NORCAL Mutual Insurance Company	\$21,951,795	80.0%	106.5%
5	National Fire & Marine Insurance Company	\$20,806,615	55.6%	74.0%
6	ProAssurance Casualty Company	\$15,815,248	10.5%	16.6%
7	MedMal Direct Insurance Company	\$14,426,304	51.2%	91.8%
8	American Casualty Company of Reading, PA	\$12,753,970	29.6%	43.3%
9	Columbia Casualty Company	\$8,494,992	173.5%	184.7%
10	Continental Casualty Company	\$9,915,527	43.4%	65.6%
11	Samaritan RRG, Inc.	\$9,653,322	38.2%	54.6%
12	Evanston Insurance Company	\$11,025,406	60.0%	73.5%
13	MCIC Vermont (A Reciprocal RRG)	\$8,344,492	121.0%	126.3%
14	Physicians Insurance Company	\$6,496,692	35.4%	54.5%
15	Landmark American Insurance Company	\$6,316,575	31.2%	37.4%
16	Admiral Insurance Company	\$5,722,414	31.6%	40.7%
17	OMS National Insurance Company, RRG	\$5,730,681	20.9%	38.5%
18	Healthcare Underwriters Group, Inc.	\$6,119,706	58.0%	97.8%
19	Ophthalmic Mutual Insurance Company (A RRG)	\$5,509,396	21.4%	36.2%
20	ProAssurance Specialty Insurance Company, Inc.	\$5,344,098	40.7%	50.8%
21	Podiatry Insurance Company of America	\$5,430,002	59.2%	103.8%
22	Allied World Surplus Lines Insurance Company	\$5,152,884	10.8%	45.2%
23	Homeland Insurance Company of NY	\$4,999,856	35.7%	47.2%
24	NCMIC RRG Inc	\$4,621,690	-22.6%	-54.3%
25	Physicians Professional Liability RRG, Inc.	\$4,450,064	23.7%	38.0%
Top 80% Total		\$424,116,466	65.9%	90.8%
Total Florida Market		\$543,110,585	58.7%	83.7%

As some of the very low loss ratios show, even carriers with as much as \$9 million in annual earned premium in a single state may exhibit significant fluctuations in loss ratios within the state. However, noting that in 2016 the Florida all companies loss ratio was 48% and the 2016

Florida loss and DCC ratio was 71%, one may see that the overall state results are more stable than those of individual companies, but still subject to substantial changes from year to year.

The ratios above are “calendar year” values. As such, they represent all the loss (or loss and DCC) amounts recorded during 2017. The actual claims reported in 2017 under claims made policies (so-called “report year”) are a portion of the calendar year result. Those represent the true costs associated with the policies earning in 2017. 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- and two-year period after the reserves are set may be seen in the charts below.

**2017 One-Year Development as Percentage of 2016 Incurred Loss, and
Four Prior One-Year Development Values**

Company	2017	2016	2015	2014	2013
Doctors Company, An Interinsurance Exchange	-13%	-10%	-16%	-10%	-11%
MAG Mutual Insurance Company	-10%	-12%	-33%	-40%	-67%
Medical Protective Company	-55%	-38%	-50%	+126%	-74%
NORCAL Mutual Insurance Company	+10%	0%	-21%	-21%	-12%
ProAssurance Casualty Company	-37%	-53%	-53%	-99%	-86%

**2017 Two-Year Development as Percentage of 2015 Incurred Loss, and
Four Prior Two-Year Development Values**

Company	2017	2016	2015	2014	2013
Doctors Company, An Interinsurance Exchange	-24%	-26%	-27%	-21%	-20%
MAG Mutual Insurance Company	-21%	-43%	-64%	-82%	-98%
Medical Protective Company	-92%	-81%	-701%	+122%	-18%
NORCAL Mutual Insurance Company	+11%	-14%	-33%	-32%	-34%
ProAssurance Casualty Company	-85%	-103%	-131%	-196%	-240%

(Note that the Medical Protective values may have been affected by a special reinsurance transaction.)

Expense Information for Leading Medical Malpractice Carriers in Florida

The language of Section 627.912, Florida Statutes, clearly suggests that information on the profitability of medical malpractice companies doing business in Florida is desired. Specific information on the profitability of just medical malpractice, strictly within the state of Florida

would be desirable. However, certain expense information (AOE, general expense, and other acquisition expense) is only routinely reported on a countrywide basis. While only 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), only 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.

2017 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	8.7%	0.4%
2	MAG Mutual Insurance Company	6.5%	4.3%
3	Medical Protective Company	13.0%	0.2%
4	NORCAL Mutual Insurance Company	10.1%	2.8%
5	National Fire & Marine Insurance Company	29.3%	0.0%
6	ProAssurance Casualty Company	0.0%	1.9%
7	MedMal Direct Insurance Company	0.0%	2.1%
8	American Casualty Company of Reading, PA	39.3%	1.6%
9	Columbia Casualty Company	14.0%	0.0%
10	Continental Casualty Company	11.9%	2.2%
11	Samaritan RRG, Inc.	7.8%	0.0%
12	Evanston Insurance Company	18.9%	0.0%
13	MCIC Vermont (A Reciprocal RRG)	0.1%	2.8%
14	Physicians Insurance Company	10.7%	1.8%
15	Landmark American Insurance Company	21.2%	0.0%
16	Admiral Insurance Company	16.1%	0.0%
17	OMS National Insurance Company, RRG	5.9%	0.0%
18	Healthcare Underwriters Group, Inc.	9.4%	0.3%
19	Ophthalmic Mutual Insurance Company (A RRG)	0.0%	0.0%
20	ProAssurance Specialty Insurance Company, Inc.	21.5%	0.0%
21	Podiatry Insurance Company of America	0.5%	2.1%
22	Allied World Surplus Lines Insurance Company	25.9%	0.0%
23	Homeland Insurance Company of NY	18.2%	0.0%
24	NCMIC RRG Inc	0.0%	5.8%
25	Physicians Professional Liability RRG, Inc.	9.6%	0.0%

The ratios fluctuate widely, due in part to differences in sales strategies. The tax ratios also show significant fluctuations between companies, possibly due to differences in the types of tax that companies categorize as premium tax within the annual statement. Further, the presence of reciprocal 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.

2017 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	8.1%	11.8%	2.6%
2	MAG Mutual Insurance Company	3.4%	13.4%	4.4%
3	Medical Protective Company	0.0%	11.1%	7.5%
4	NORCAL Mutual Insurance Company	7.3%	7.2%	8.1%
5	National Fire & Marine Insurance Company	10.6%	1.7%	0.6%
6	ProAssurance Casualty Company	11.2%	4.9%	5.9%
7	MedMal Direct Insurance Company	1.3%	28.0%	1.3%
8	American Casualty Company of Reading, PA	2.2%	2.5%	2.7%
9	Columbia Casualty Company	3.0%	8.6%	8.8%
10	Continental Casualty Company	10.0%	5.2%	5.1%
11	Samaritan RRG, Inc.	0.8%	4.0%	0.3%
12	Evanston Insurance Company	8.5%	13.5%	0.3%
13	MCIC Vermont (A Reciprocal RRG)	0.0%	0.0%	0.0%
14	Physicians Insurance Company	1.6%	11.8%	14.4%
15	Landmark American Insurance Company	0.8%	0.3%	0.4%
16	Admiral Insurance Company	1.8%	6.8%	4.6%
17	OMS National Insurance Company, RRG	3.2%	21.2%	4.8%
18	Healthcare Underwriters Group, Inc.	5.4%	34.0%	8.7%
19	Ophthalmic Mutual Insurance Company (A RRG)	5.6%	17.3%	13.5%
20	ProAssurance Specialty Insurance Company, Inc.	13.9%	4.9%	5.5%
21	Podiatry Insurance Company of America	7.1%	0.2%	16.9%
22	Allied World Surplus Lines Insurance Company	0.6%	5.3%	8.5%
23	Homeland Insurance Company of NY	6.8%	15.3%	1.3%
24	NCMIC RRG Inc	-2.0%	1.6%	5.0%
25	Physicians Professional Liability RRG, Inc.	0.0%	0.0%	0.0%

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 presented earlier) of the top medical malpractice carriers in Florida are shown below.

2017 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	23.4%	18
2	MAG Mutual Insurance Company	28.5%	14
3	Medical Protective Company	31.8%	9
4	NORCAL Mutual Insurance Company	28.3%	15
5	National Fire & Marine Insurance Company	31.5%	10
6	ProAssurance Casualty Company	12.7%	21
7	MedMal Direct Insurance Company	31.4%	11
8	American Casualty Company of Reading, PA	46.0%	2
9	Columbia Casualty Company	31.3%	12
10	Continental Casualty Company	24.3%	17
11	Samaritan RRG, Inc.	12.0%	23
12	Evanston Insurance Company	32.7%	6
13	MCIC Vermont (A Reciprocal RRG)	2.8%	25
14	Physicians Insurance Company	38.7%	4
15	Landmark American Insurance Company	21.9%	19
16	Admiral Insurance Company	27.5%	16
17	OMS National Insurance Company, RRG	31.9%	7
18	Healthcare Underwriters Group, Inc.	52.3%	1
19	Ophthalmic Mutual Insurance Company (A RRG)	30.8%	13
20	ProAssurance Specialty Insurance Company, Inc.	31.9%	8
21	Podiatry Insurance Company of America	19.6%	20
22	Allied World Surplus Lines Insurance Company	39.8%	3
23	Homeland Insurance Company of NY	34.8%	5
24	NCMIC RRG Inc	12.3%	22
25	Physicians Professional Liability RRG, Inc.	9.6%	24

While the differences are not as pronounced as in some of the individual expense component analyses, these ratios still range from as low² as 3% to a high of 52%. Among the top five carriers, one has an expense ratio of 23%, while the remaining four all have ratios in a range between 28% and 32%.

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 limited to “calendar year” information. That data includes a mix of 2017 losses and changes in the 2016 and prior years. So, one should recognize that data over several years may be more meaningful than one year of data. So, a single year’s profit or loss may not be a reliable indicator of the strength of the market. In this section, the 2017 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. As a first step, the Florida loss and DCC ratios may be added with the AOE and expense ratios shown in the previous table to produce estimated combined ratios. The results are shown in the table below.

**2017 Direct Estimated Florida Malpractice Combined Ratios for
Leading Florida Malpractice Carriers**

Premium Rank	Company	Combined Ratio
1	Doctors Company, An Interinsurance Exchange	120.7%
2	MAG Mutual Insurance Company	142.6%
3	Medical Protective Company	189.4%
4	NORCAL Mutual Insurance Company	142.1%
5	National Fire & Marine Insurance Company	116.2%
6	ProAssurance Casualty Company	40.4%
7	MedMal Direct Insurance Company	124.5%
8	American Casualty Company of Reading, PA	91.5%
9	Columbia Casualty Company	218.9%
10	Continental Casualty Company	99.8%
11	Samaritan RRG, Inc.	67.4%
12	Evanston Insurance Company	114.7%
13	MCIC Vermont (A Reciprocal RRG)	129.2%

² An expense ratio of 3% is very unusual, since some expenses are needed to administer policies. What entity pays those costs for MCIC Vermont (A Reciprocal RRG) and how the costs are funded is unknown.

Premium Rank	Company	Combined Ratio
14	Physicians Insurance Company	94.7%
15	Landmark American Insurance Company	60.1%
16	Admiral Insurance Company	70.0%
17	OMS National Insurance Company, RRG	73.6%
18	Healthcare Underwriters Group, Inc.	155.5%
19	Ophthalmic Mutual Insurance Company (A RRG)	72.6%
20	ProAssurance Specialty Insurance Company, Inc.	96.5%
21	Podiatry Insurance Company of America	130.5%
22	Allied World Surplus Lines Insurance Company	85.6%
23	Homeland Insurance Company of NY	88.8%
24	NCMIC RRG Inc	-43.9%
25	Physicians Professional Liability RRG, Inc.	47.6%

There is a broad range of different combined ratios among the top Florida malpractice carriers. Eleven (11) show combined ratios over 100%, with 10 showing combined ratios over 115%. Reserving complications could exacerbate the values, but the 2016 year generated 13 companies with combined ratios over 100%, eight 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 quite possible, though, that an analysis with more data than could be gleaned from the NAIC database 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-tax³ 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. Consequently, the financial data in the NAIC database only includes a single countrywide all-lines surplus value for each company. However, 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

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.

the interest of simplicity, an approach of allocating surplus according to direct⁴ written premium was used. The results are shown in the following chart.

2017 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	\$390.66
2	MAG Mutual Insurance Company	\$209.80
3	Medical Protective Company	\$196.51
4	NORCAL Mutual Insurance Company	\$88.37
5	National Fire & Marine Insurance Company	\$133.53
6	ProAssurance Casualty Company	\$32.93
7	MedMal Direct Insurance Company	\$13.27
8	American Casualty Company of Reading, PA	\$3.45
9	Columbia Casualty Company	\$4.82
10	Continental Casualty Company	\$16.23
11	Samaritan RRG, Inc.	\$23.98
12	Evanston Insurance Company	\$10.17
13	MCIC Vermont (A Reciprocal RRG)	\$15.71
14	Physicians Insurance Company	\$5.57
15	Landmark American Insurance Company	\$2.72
16	Admiral Insurance Company	\$7.35
17	OMS National Insurance Company, RRG	\$22.96
18	Healthcare Underwriters Group, Inc.	\$23.75
19	Ophthalmic Mutual Insurance Company (A RRG)	\$29.07
20	ProAssurance Specialty Insurance Company, Inc.	\$2.67
21	Podiatry Insurance Company of America	\$8.84
22	Allied World Surplus Lines Insurance Company	\$2.01
23	Homeland Insurance Company of NY	\$2.87
24	NCMIC RRG Inc	\$2.72
25	Physicians Professional Liability RRG, Inc.	\$19.41

The next step involves estimating the total profit that each company earned in Florida during 2017. 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

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.

2017 were subtracted from the underwriting profit, so the results would be comparable to the way insurers report their overall profit. As a next step, the investment income and underwriting profit were added together. As with the surplus, the investment income must be allocated to Florida. Many methods may be used to perform the allocation. As before, this report uses a simplified approach. Investment was allocated to the Florida medical malpractice 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 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 follow.

Components of 2017 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	-\$27.27	\$32.11	\$4.83
2	MAG Mutual Insurance Company	-\$31.95	\$10.93	-\$21.02
3	Medical Protective Company	-\$45.27	\$8.04	-\$37.24
4	NORCAL Mutual Insurance Company	-\$9.25	\$5.90	-\$3.35
5	National Fire & Marine Insurance Company	-\$3.36	\$5.25	\$1.89
6	ProAssurance Casualty Company	\$9.42	\$3.14	\$12.57
7	MedMal Direct Insurance Company	-\$3.54	\$0.72	-\$2.82
8	American Casualty Company of Reading, PA	\$1.09	\$0.11	\$1.20
9	Columbia Casualty Company	-\$10.10	\$0.43	-\$9.67
10	Continental Casualty Company	\$0.02	\$6.76	\$6.78
11	Samaritan RRG, Inc.	\$3.14	\$4.32	\$7.47
12	Evanston Insurance Company	-\$1.62	\$3.71	\$2.08
13	MCIC Vermont (A Reciprocal RRG)	-\$2.44	\$1.03	-\$1.41
14	Physicians Insurance Company	\$0.35	\$0.30	\$0.65
15	Landmark American Insurance Company	\$2.52	\$0.50	\$3.02
16	Admiral Insurance Company	\$1.72	\$0.27	\$1.99
17	OMS National Insurance Company, RRG	\$1.51	\$1.07	\$2.58
18	Healthcare Underwriters Group, Inc.	-\$3.40	\$1.39	-\$2.01
19	Ophthalmic Mutual Insurance Company (A RRG)	\$0.51	\$1.12	\$1.64
20	ProAssurance Specialty Insurance Company, Inc.	\$0.19	\$0.03	\$0.22
21	Podiatry Insurance Company of America	-\$1.66	\$0.63	-\$1.03
22	Allied World Surplus Lines Insurance Company	\$0.74	\$0.22	\$0.96

Premium Rank	Company	Post-Dividend Underwriting Profit/Loss	Allocated Investment Income	Florida Pre-Tax Profit
23	Homeland Insurance Company of NY	\$0.56	\$0.05	\$0.61
24	NCMIC RRG Inc	\$6.29	\$0.01	\$6.30
25	Physicians Professional Liability RRG, Inc.	\$2.33	\$0.92	\$3.25

Using that, and the tax rate each company paid on total income in 2017 (capped between 0% and 35%), one may compute the estimate direct post-tax profit and return on surplus. The results are shown in the table below.

Estimated 2017 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	1.2%	\$4.77	1.2%
2	MAG Mutual Insurance Company	0.0%	-\$21.02	-10.0%
3	Medical Protective Company	35.0%	-\$24.20	-12.3%
4	NORCAL Mutual Insurance Company	4.3%	-\$3.21	-3.6%
5	National Fire & Marine Insurance Company	0.0%	\$1.89	1.4%
6	ProAssurance Casualty Company	7.0%	\$11.68	35.5%
7	MedMal Direct Insurance Company	6.6%	-\$2.64	-19.9%
8	American Casualty Company of Reading, PA	0.0%	\$1.20	34.8%
9	Columbia Casualty Company	31.0%	-\$6.67	-138.6%
10	Continental Casualty Company	13.8%	\$5.85	36.0%
11	Samaritan RRG, Inc.	17.9%	\$6.13	25.6%
12	Evanston Insurance Company	18.3%	\$1.70	16.7%
13	MCIC Vermont (A Reciprocal RRG)	0.0%	-\$1.41	-9.0%
14	Physicians Insurance Company	0.0%	\$0.65	11.7%
15	Landmark American Insurance Company	0.0%	\$3.02	111.3%
16	Admiral Insurance Company	11.7%	\$1.76	23.9%
17	OMS National Insurance Company, RRG	26.8%	\$1.89	8.2%
18	Healthcare Underwriters Group, Inc.	35.0%	-\$1.30	-5.5%
19	Ophthalmic Mutual Insurance Company (A RRG)	0.6%	\$1.63	5.6%
20	ProAssurance Specialty Insurance Company, Inc.	35.0%	\$0.15	5.4%
21	Podiatry Insurance Company of America	13.1%	-\$0.90	-10.1%
22	Allied World Surplus Lines Insurance Company	32.0%	\$0.65	32.4%
23	Homeland Insurance Company of NY	35.0%	\$0.40	13.9%
24	NCMIC RRG Inc	32.1%	\$4.28	157.4%
25	Physicians Professional Liability RRG, Inc.	0.0%	\$3.25	16.7%

The leading Florida medical malpractice carrier, the Doctors Company, generated an estimated 1.2% return on surplus in 2017. The carrier showing the highest estimated return on surplus (#24 NCMIC) is a small RRG that is part of an insurer group and might have inter-company pooling agreements that would allow them to hold lesser amounts of surplus in subsidiaries. For example, NCMIC's ratio of written premium to allocated Florida surplus is 171%, but the Doctors Company's ratio is 30%. That low ratio of premium to surplus also explains why the Doctors Company, which had a significant underwriting profit on premium in prior years, had a fairly typical return on surplus in those years.

The Florida values are compared to the countrywide returns on surplus posted by those carriers in the upcoming chart. 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 2017 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	1.2%	1.2%	7.0%
2	MAG Mutual Insurance Company	-10.0%	-11.1%	3.5%
3	Medical Protective Company	-12.3%	-9.5%	4.1%
4	NORCAL Mutual Insurance Company	-3.6%	-3.6%	7.3%
5	National Fire & Marine Insurance Company	1.4%	1.4%	1.2%
6	ProAssurance Casualty Company	35.5%	35.5%	11.4%
7	MedMal Direct Insurance Company	-19.9%	-19.9%	-21.7%
8	American Casualty Company of Reading, PA	34.8%	34.8%	1.6%
9	Columbia Casualty Company	-138.6%	-138.6%	2.7%
10	Continental Casualty Company	36.0%	36.0%	8.9%
11	Samaritan RRG, Inc.	25.6%	25.6%	25.3%
12	Evanston Insurance Company	16.7%	16.7%	11.6%
13	MCIC Vermont (A Reciprocal RRG)	-9.0%	-20.7%	6.8%
14	Physicians Insurance Company	11.7%	11.7%	-12.5%
15	Landmark American Insurance Company	111.3%	116.3%	3.7%
16	Admiral Insurance Company	23.9%	23.9%	1.6%

Premium Rank	Company	Florida	Florida	Countrywide
		Direct Post-Capped-Tax Return on Surplus	Direct Post-Uncapped-Tax Return on Surplus	Net Post-Tax Return on Surplus
17	OMS National Insurance Company, RRG	8.2%	8.2%	7.3%
18	Healthcare Underwriters Group, Inc.	-5.5%	28.3%	0.7%
19	Ophthalmic Mutual Insurance Company (A RRG)	5.6%	5.6%	1.1%
20	ProAssurance Specialty Insurance Company, Inc.	5.4%	5.2%	10.0%
21	Podiatry Insurance Company of America	-10.1%	-10.1%	3.8%
22	Allied World Surplus Lines Insurance Company	32.4%	32.4%	-2.4%
23	Homeland Insurance Company of NY	13.9%	13.4%	0.6%
24	NCMIC RRG Inc	157.4%	157.4%	13.2%
25	Physicians Professional Liability RRG, Inc.	16.7%	19.2%	2.4%
Totals for Top 80% of the Florida Market:		1.4%	1.9%	4.6%
Totals for Overall Florida Malpractice Market:		-12.1%	-14.9%	-1.8%

The data above suggest that in 2017, Florida medical malpractice policies of the top 25 carriers generated lesser returns than the carriers' other policies. However, it is possible that a significant portion of the difference may be generated by volatility in claims costs (as discussed on pages 14 and 25). Note also that the majority of the difference between the 1.4% return for the leading carriers in Florida and the -12.1% return for the market as a whole is due almost entirely to the losses of a single risk retention group. That risk retention group is now in runoff.

While the Florida returns have been low overall, 17 carriers posted positive operating returns under the capped tax approach, and eight 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. Rather, the total surplus funds of an insurer are available to meet all premium shortfalls from all sources. Should insurers suffer adverse results in other areas, it could affect their ability to sell medical malpractice policies in Florida. This report provides some metrics of the overall financial solidity of the top Florida medical malpractice carriers.

One key metric from the last chart of the previous section, the overall countrywide return on surplus, relates to the overall financial strength of the Florida malpractice carriers. Specifically, the average countrywide post-tax net of reinsurance return was 4.6% for the leading carriers and

-1.8% for the market as a whole. Considering that in 2017 the Dow Jones industrial stocks⁵ gained 23.9%, and the Standard and Poor's index gained 17.7%, the return of the carriers appears to be different from the overall stock market, although both have shown volatility. However, this still generally supports the viability of the leading Florida malpractice carriers in the medium term. Three of the carriers had negative overall countrywide returns, though.

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 table below shows the percentage change during 2017 in the cost of claims underlying the 2016 reserves and the percentage change during the 2016-2017 period in the cost of claims held in the 2015 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 2016 Loss and Loss Adjustment Expense Reserves and Two-Year Development on 2015 Reserves

Florida Written Premium Rank	Company	<u>All Lines One-Year Reserve</u>		<u>All Lines Two-Year Reserve</u>	
		<u>Development</u>		<u>Development</u>	
		As Percentage of 2016 Reserves	As Percentage of 2016 Surplus	As Percentage of 2015 Reserves	As Percentage of 2015 Surplus
1	Doctors Company, An Interinsurance Exchange	-4.1%	-3.2%	-7.7%	-6.0%
2	MAG Mutual Insurance Company	-3.6%	-2.1%	-7.7%	-4.3%
3	Medical Protective Company	-9.7%	-4.7%	-17.0%	-8.6%
4	NORCAL Mutual Insurance Company	4.8%	4.2%	5.5%	5.0%
5	National Fire & Marine Insurance Company	-6.0%	-1.4%	-9.7%	-1.8%
6	ProAssurance Casualty Company	-7.1%	-9.5%	-15.4%	-19.9%
7	MedMal Direct Insurance Company	32.1%	21.4%	33.4%	19.1%
8	American Casualty Company of Reading, PA	0.0%	0.0%	0.0%	0.0%
9	Columbia Casualty Company	0.0%	0.0%	0.0%	0.0%
10	Continental Casualty Company	-2.4%	-4.0%	-3.3%	-5.6%
11	Samaritan RRG, Inc.	-12.0%	-6.0%	-8.9%	-3.8%
12	Evanston Insurance Company	-6.4%	-11.1%	-9.2%	-16.7%
13	MCIC Vermont (A Reciprocal RRG)	1.6%	2.9%	-1.9%	-3.9%
14	Physicians Insurance Company	11.9%	7.9%	13.5%	2.9%

⁵ All items were computed using the Finance section in Yahoo.com.

Florida Written Premium Rank		Company	<u>All Lines One-Year Reserve</u>		<u>All Lines Two-Year Reserve</u>	
			<u>Development</u>		<u>Development</u>	
			As	As	As	As
			Percentage of 2016 Reserves	Percentage of 2016 Surplus	Percentage of 2015 Reserves	Percentage of 2015 Surplus
15	Landmark American Insurance Company	-4.0%	-1.1%	-13.7%	-3.8%	
16	Admiral Insurance Company	0.0%	0.0%	0.0%	0.0%	
17	OMS National Insurance Company, RRG	-13.1%	-7.0%	-16.0%	-8.7%	
18	Healthcare Underwriters Group, Inc.	-3.3%	-1.9%	-5.1%	-3.4%	
19	Ophthalmic Mutual Insurance Company (A RRG)	0.2%	0.0%	-13.0%	-2.7%	
20	ProAssurance Specialty Insurance Company, Inc.	0.0%	0.0%	0.0%	0.0%	
21	Podiatry Insurance Company of America	-1.4%	-1.6%	-7.0%	-7.8%	
22	Allied World Surplus Lines Insurance Company	2.8%	2.6%	6.5%	5.5%	
23	Homeland Insurance Company of NY	0.0%	0.0%	0.0%	0.0%	
24	NCMIC RRG Inc	-45.1%	-15.7%	-52.5%	-16.0%	
25	Physicians Professional Liability RRG, Inc.	-25.4%	-12.1%	-37.4%	-19.5%	

This table compares the reserve runoff to the surplus and carried reserves of the past, not the current booked losses as in the previous chart. Nonetheless, a review of the table will show that, as in the last year's report, the booked costs of claims occurring through 2015 and 2016 have generally been reduced in the last two years. This could be a result of a systematic weakening of reserves in recent years, or, considering the profitability of recent years and the consistency of the negative development with prior versions of this report, the most likely scenario is that 2015 and 2016 reserves were set conservatively. The latter scenario would suggest significant financial strength among medical malpractice carriers.

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

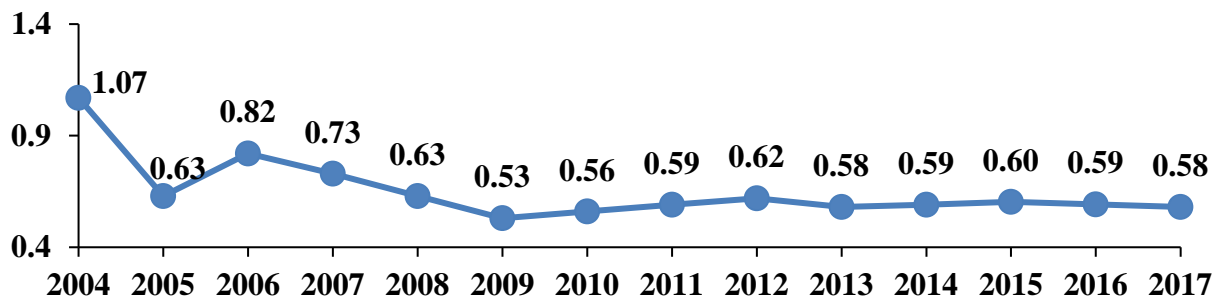
2017 Ratios of Premium to Surplus for Leading Malpractice Carriers

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		29.8%	27.9%
2	MAG Mutual Insurance Company	29.5%	31.0%	
3	Medical Protective Company	27.5%	11.9%	
4	NORCAL Mutual Insurance Company	37.5%	53.7%	

Florida Written Premium Rank	Company	All Lines Direct Premiums to Surplus Ratio	All Lines Net Premiums to Surplus Ratio
5	National Fire & Marine Insurance Company	16.4%	16.3%
6	ProAssurance Casualty Company	47.1%	57.8%
7	MedMal Direct Insurance Company	112.0%	71.6%
8	American Casualty Company of Reading, PA	367.2%	0.0%
9	Columbia Casualty Company	232.1%	0.0%
10	Continental Casualty Company	62.9%	56.1%
11	Samaritan RRG, Inc.	41.7%	41.7%
12	Evanston Insurance Company	92.1%	78.5%
13	MCIC Vermont (A Reciprocal RRG)	53.1%	51.5%
14	Physicians Insurance Company	117.6%	92.3%
15	Landmark American Insurance Company	239.9%	21.3%
16	Admiral Insurance Company	83.5%	0.0%
17	OMS National Insurance Company, RRG	26.0%	23.9%
18	Healthcare Underwriters Group, Inc.	24.6%	34.6%
19	Ophthalmic Mutual Insurance Company (A RRG)	19.3%	17.4%
20	ProAssurance Specialty Insurance Company, Inc.	204.9%	0.0%
21	Podiatry Insurance Company of America	60.7%	50.4%
22	Allied World Surplus Lines Insurance Company	254.5%	45.3%
23	Homeland Insurance Company of NY	162.1%	0.0%
24	NCMIC RRG Inc	170.7%	16.3%
25	Physicians Professional Liability RRG, Inc.	23.5%	23.7%

It is generally thought to be highly desirable for the net written premium to surplus ratio to be under 300%. All of the carriers fall in 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 2017 Florida medical malpractice written premium) was 0.58. As the graph below shows, it is only slightly lower than the ratio developed in 2016.

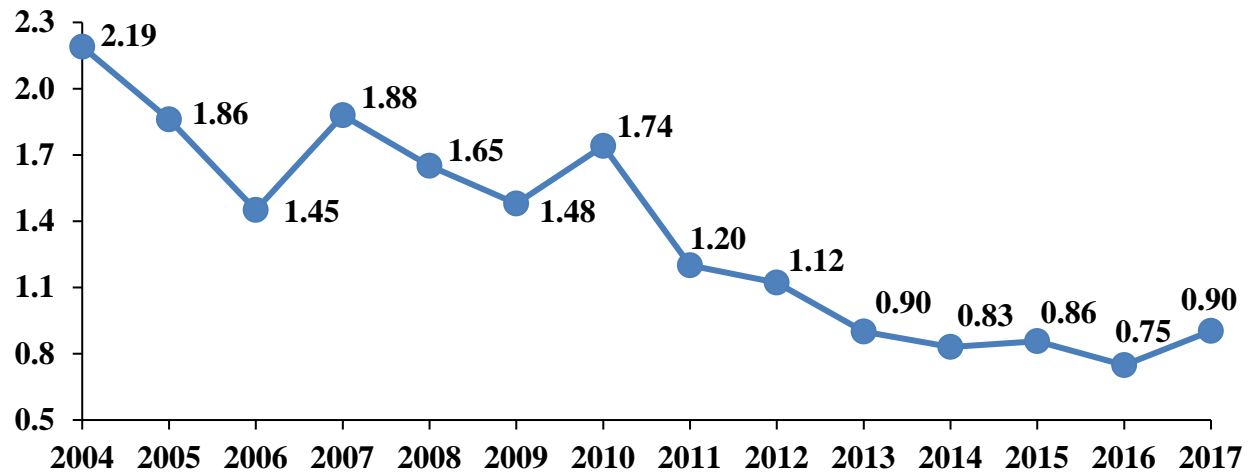
Historical Average Ratio of Net Written Premium to Surplus



The ratio of premiums written to surplus has generally remained low throughout the post-2004 period. The lower values generally fall in the 2008-present period.

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

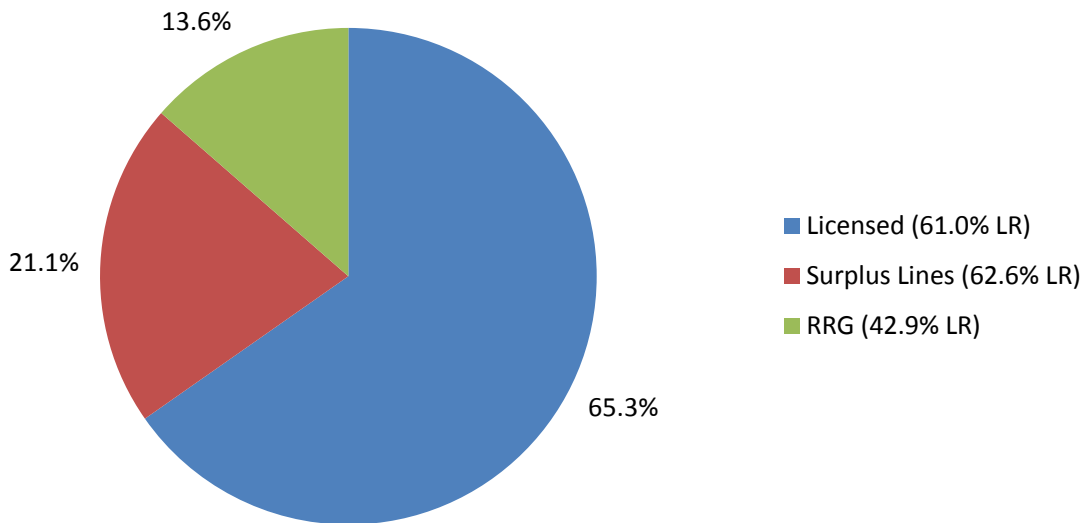


There is no precise statutory requirement for the net liabilities to surplus ratio, although the more recent ratios certainly suggest enhanced financial strength.

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

There are different types of companies that may sell medical malpractice in Florida. The most common are licensed property/casualty companies that offer protection from the Florida Insurance Guaranty Association in the event the companies fail. Licensed companies must also file rates and policy contract language with the Office. There are surplus lines companies that do not offer guaranty fund protection and do not file rates or contract terms (to purchase such a policy, unavailability of the coverage in the “admitted” 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 premium by entity type is shown on the next page, along with the overall loss ratio for each entity type.

**Composition of Overall 2017 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 is sold by licensed property/casualty insurance companies. It is important to consider that these results include facilities (including hospitals) and other healthcare professionals along with 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, hence, each subline should be measured separately. However, when a company is admitted to write medical malpractice in Florida, its license generally allows it to write all types of medical malpractice coverage. Information from the company admissions unit of the Office 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 the Office. During 2017, the insurance companies and risk retention groups shown on the following page entered the medical malpractice insurance market in Florida.

Carriers Entering the Florida Medical Malpractice Market in 2017

Company	Type of Entity	Domiciliary State
Accredited Surety Casualty Company, Inc.	Property/Casualty Insurer	FL
AmGUARD Insurance Company	Property/Casualty Insurer	PA
Continental Heritage Insurance Company	Property/Casualty Insurer	FL
EastGUARD Insurance Company	Property/Casualty Insurer	PA
Everest Denali Insurance Company	Property/Casualty Insurer	DE
Everest Premier Insurance Company	Property/Casualty Insurer	DE
Nationwide Mutual Insurance Company	Property/Casualty Insurer	OH
NorGUARD Insurance Company	Property/Casualty Insurer	PA
Stratford Insurance Company	Property/Casualty Insurer	NH
TDC National Assurance Company	Property/Casualty Insurer	OR
Vantapro Specialty Insurance Company	Property/Casualty Insurer	AR
Franklin Casualty Insurance Company (A RRG)	RRG	VT
Medchoice Risk Retention Group, Inc.	RRG	VT
The Mutual Risk Retention Group, Inc.	RRG	HI

In 2017, 14 insurance carriers entered the Florida market. Only three of the new entrants are risk retention groups.

Of the 14 new carriers, 11 are admitted insurers. This compares to the four new insurers that were admitted into the Florida medical malpractice market both in 2016 and in 2015. As noted in last year's report, it may be premature to draw broad conclusions about the Florida market from this data.

No new risk purchasing groups were registered in Florida during 2017. Risk purchasing groups do not provide insurance. They pool insureds into groups to make them more attractive to insurers already licensed in Florida.

One insurance company (Guarantee Insurance Company) had its Florida license revoked during 2017. Another insurance company, Public Service Insurance Company, had its license suspended during 2017. One risk retention group, Ironshore Risk Retention Group (D.C.) Inc., surrendered its Florida registration. One risk purchasing group, Doctors and Surgeons National Risk Retention Group, Inc., withdrew its Florida registration during 2017.

Recent Medical Malpractice Legislation

No bills relating directly to medical malpractice were passed during the 2018 legislative session. The Florida Supreme Court decision in *National Deaf Academy v. Townes* held that in order for a claim to be considered medical malpractice (rather than ordinary negligence), it must be a direct

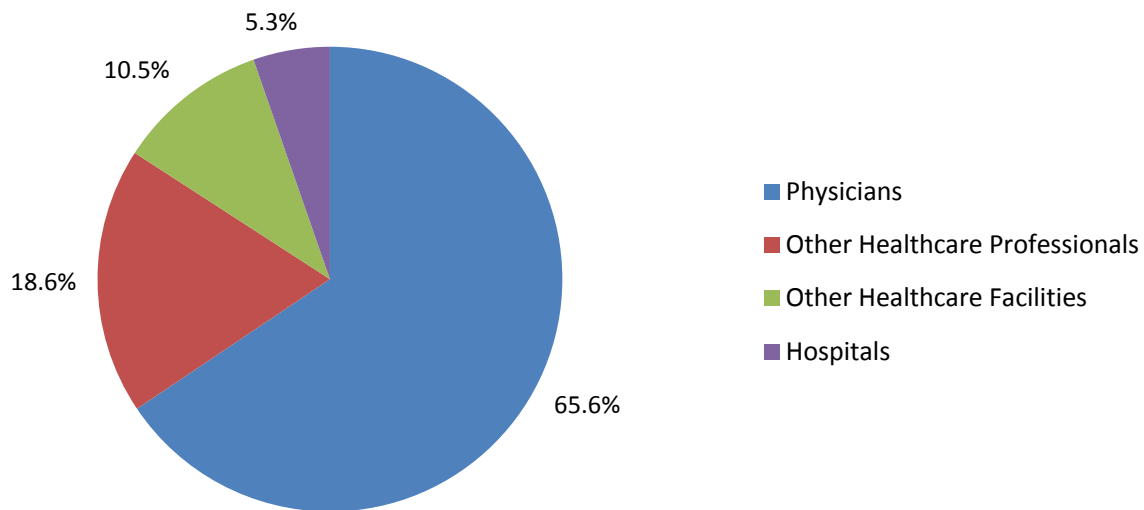
result of receiving medical care or treatment by a healthcare provider that involves the use of professional judgement and skill.

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 chart shows, the physicians and surgeons category represents 66% of the 2017 medical malpractice premium, and is by far the most prevalent.

2017 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 United States, the leading physicians and surgeons malpractice carriers in Florida, the types of insurers selling

physicians malpractice in Florida, marketplace dynamics for the physicians insurance subline in Florida, and information on rate filings made in the physicians subline during 2017.

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 below.

2017 Top 10 States by Physicians Malpractice Direct Written Premium

State	2017 Physicians Written Premium	Physicians Written Premium Rank	All Medical Malpractice Written Premium Rank
New York	\$963,155,195	1	1
California	\$428,529,191	2	2
Florida	\$358,784,797	3	4
Illinois	\$298,075,554	4	5
New Jersey	\$268,940,258	5	6
Pennsylvania	\$235,863,065	6	3
Georgia	\$166,373,103	7	10
Maryland	\$146,503,831	8	9
Arizona	\$143,735,765	9	13
Ohio	\$140,143,851	10	11

These closely mirror the all malpractice rankings. Only two of the top 10 states for all medical malpractice (#7 Massachusetts and #8 Texas) are not on this list. Pennsylvania, Georgia, and Arizona have noticeably different rankings for physicians malpractice than for all medical malpractice. The precise reason is not known, but it is possible that in Massachusetts, Pennsylvania, and Texas, physicians may be much more prone to obtain coverage as part of their association with a hospital.

While DCC information and expense information by subline is not included in the NAIC database, incurred loss and earned premium information is included. The 2017 loss ratios of strictly physicians malpractice for the top 10 states follow on the next page.

2017 Direct Loss Ratios of Top 10 Physicians Malpractice States

Premium Rank	State	2017 Physicians Direct Loss Ratio
6	Pennsylvania	62.3%
7	Georgia	60.3%
3	Florida	60.2%
1	New York	56.4%
8	Maryland	41.2%
4	Illinois	40.0%
9	Arizona	36.5%
10	Ohio	29.6%
2	California	28.9%
5	New Jersey	22.7%

Florida ranks third in this list, up from sixth in 2016, and its rank is similar to its rank (also third) in the total malpractice review. Further, half of the top 10 physicians malpractice states (Pennsylvania, Georgia, Florida, New York, and Maryland) had loss ratios of over 40%.

Since physicians malpractice is such a large part of the total malpractice market, it is reasonable⁶ 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 2017 Direct Combined Ratios of Top 10 Physicians Malpractice States

Premium Rank	State	2017 Physicians Direct Combined Ratio
10	Ohio	484.7%
3	Florida	117.9%
7	Georgia	102.3%
6	Pennsylvania	99.8%
1	New York	98.2%
4	Illinois	88.5%
8	Maryland	84.7%

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.

		2017 Physicians Direct Combined	
Premium Rank	State	Ratio	
2	California	77.4%	
9	Arizona	76.5%	
5	New Jersey	61.2%	

By this reckoning, Florida ranks second highest in physicians combined ratios, up from sixth in the previous study. As with the analysis of total medical malpractice, this suggests some stress in profitability in physicians malpractice insurance, but that could be driven by the risk retention group that entered runoff recently. Also, note that the very high ratio in Ohio is driven by a very high ratio of DCC to loss, which in turn is caused by a the very low (2.4%) all malpractice loss ratio in Ohio (contrasting with the 29.6% for just physicians malpractice).

Leading Physicians Carriers in Florida

As with the total malpractice market, it is helpful to identify the leading carriers for physicians malpractice in Florida (defined as in statute, as those constituting 80% of the physicians malpractice market). As the following table shows, it only requires nine carriers, compared to ten last year, to constitute 80% of the physicians malpractice market in Florida.

Key 2017 Financial Information for Top Physicians Malpractice Carriers in Florida

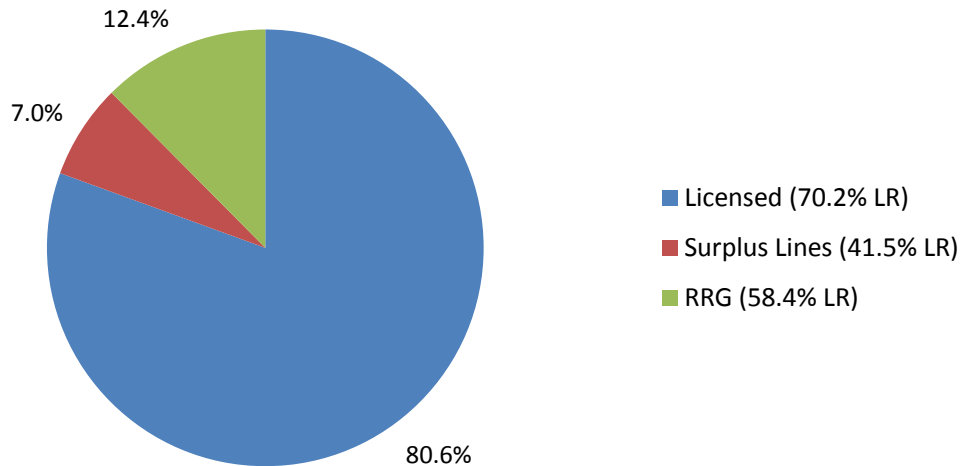
Company	Direct Florida Physician Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Physician Earned Premium	Direct Loss Ratio
Doctors Company, An Interinsurance Exchange	\$103,194,503	1	28.8%	28.8%	\$102,063,410	79.6%
MAG Mutual Insurance Company	\$61,227,706	2	17.1%	45.8%	\$59,032,524	63.0%
Medical Protective Company	\$40,212,419	3	11.2%	57.0%	\$38,204,569	106.1%
NORCAL Mutual Insurance Company	\$32,899,105	4	9.2%	66.2%	\$21,770,683	79.1%
ProAssurance Casualty Company	\$15,113,922	5	4.2%	70.4%	\$15,403,196	10.4%
MedMal Direct Insurance Company	\$14,859,718	6	4.1%	74.6%	\$14,426,304	51.2%
Samaritan RRG, Inc.	\$10,013,174	7	2.8%	77.4%	\$9,653,322	38.2%
Physicians Insurance Company	\$6,553,771	8	1.8%	79.2%	\$6,496,692	35.4%
Healthcare Underwriters Group, Inc.	\$5,842,304	9	1.6%	80.8%	\$6,119,706	58.0%

The loss ratios for the top nine insurers vary widely. The loss ratios of the #5 carrier, ProAssurance, and the #3 carrier, Medical Protective, range from 10% to 106%. 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 in the previous page, the top nine physicians insurers comprise 80% of the physicians malpractice market, whereas the top 25 comprise 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 companies 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 physicians malpractice market is shown below.

Composition of 2017 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 between 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 carriers 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. First, data on the percentage of each carrier’s total premium from all lines of business that is for physicians malpractice follows.

**2017 Percentage of Leading Carriers’ All Lines Countrywide
Direct Written Premium that is from Physicians Malpractice (All States)**

Florida Physicians Premium Rank	Company	Total Physicians Written Premium to Total Written Premium Ratio
1	Doctors Company, An Interinsurance Exchange	93.0%
2	MAG Mutual Insurance Company	92.6%
3	Medical Protective Company	69.2%
4	NORCAL Mutual Insurance Company	98.7%
5	ProAssurance Casualty Company	85.7%
6	MedMal Direct Insurance Company	100.0%
7	Samaritan RRG, Inc.	100.0%
8	Physicians Insurance Company	100.0%
9	Healthcare Underwriters Group, Inc.	100.0%

All the top nine carriers could be described as physicians malpractice specialists.

The table below 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.

**2017 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	16.2%
2	MAG Mutual Insurance Company	24.4%
3	Medical Protective Company	7.2%
4	NORCAL Mutual Insurance Company	11.9%
5	ProAssurance Casualty Company	10.9%
6	MedMal Direct Insurance Company	78.8%

Florida Physicians Premium Rank	Company	Florida Physicians Written Premium to Total Written Premium Ratio
7	Samaritan RRG, Inc.	100.0%
8	Physicians Insurance Company	99.3%
9	Healthcare Underwriters Group, Inc.	50.1%

Three may be regarded as Florida physicians malpractice specialists.

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.

As the first step, the quality of the competition, at least to the extent that it is determinable from NAIC data, 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 website⁷ 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 calculation⁸ of the Herfindahl index is shown on the next page. As one may see, the index is somewhat below the threshold for moderate concentration.

⁷ <http://www.justice.gov/atr/public/guidelines/hhi.html>

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

Herfindahl Index for Florida Physicians Malpractice Market

Company	Florida Physicians Market Share	Squared Market Share
Doctors Company, An Interinsurance Exchange	29	833
MAG Mutual Insurance Company	17	293
Medical Protective Company	11	126
NORCAL Mutual Insurance Company	9	85
ProAssurance Casualty Company	4	17
MedMal Direct Insurance Company	4	18
Samaritan RRG, Inc.	3	8
Physicians Insurance Company	2	3
Healthcare Underwriters Group, Inc.	1	1
All Other Groups & Companies	20	18
Herfindahl-Hirschman Index		1,403

Another way to look at the Florida medical malpractice 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 major coverage, pricing, etc. decision by 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 tables on the following page 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	29%	No	Yes	Yes
MAG Mutual Insurance Company	17%	Yes	Yes	Yes
Medical Protective Company	11%	Yes	Yes	Yes
NORCAL Mutual Insurance Company	9%	Yes	Yes	Yes
ProAssurance Casualty Company	4%	Yes	Yes	Yes
MedMal Direct Insurance Company	4%	Yes	Yes	Yes
Samaritan RRG, Inc.	3%	Yes	Yes	Yes
Physicians Insurance Company	2%	Yes	Yes	Yes
Healthcare Underwriters Group, Inc.	1%	Yes	Yes	Yes

The Florida physicians malpractice market appears to be reasonably capable of offering alternatives to moderately adverse activity by any company or group except the Doctors Company. Further, if the other carriers perceive that the market opportunity is strong enough to risk additional new business in the amount of 15-25% of their current business, the market could conceivably offer alternatives to the Doctors Company that supply the necessary insurance capacity.

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	29%	No	No	No
MAG Mutual Insurance Company	17%	No	No	Yes
Medical Protective Company	11%	No	Yes	Yes
NORCAL Mutual Insurance Company	9%	No	Yes	Yes
ProAssurance Casualty Company	4%	Yes	Yes	Yes
MedMal Direct Insurance Company	4%	Yes	Yes	Yes
Samaritan RRG, Inc.	3%	Yes	Yes	Yes
Physicians Insurance Company	2%	Yes	Yes	Yes
Healthcare Underwriters Group, Inc.	1%	Yes	Yes	Yes

In the event of an outright withdrawal from Florida, the physicians malpractice market is at risk of availability problems in four situations (up from three in 2016). Should the #1 group leave Florida, the remaining carriers would have to increase their writings by more than 25% (actually, by approximately 41%) for all Florida physician policyholders to be served. Should the #2 carrier exit the market, a substantial, but more modest, writing increase of slightly over 20% would be required of the remaining groups. Should the #3 carrier exit the market, a writing increase of slightly over 12% would be needed of the remaining groups, and should the #4 carrier exit, a writing increase of slightly over 10% would be required.

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, the Office obtained the rating manuals of the top three carriers (by 2017 physicians malpractice volume) within each of the top 10 states for physicians malpractice from the insurance regulatory bodies of the various states. The Office was unable to rate the examples for the number three carrier in Arizona, Preferred Physicians Medical RRG, because as a risk retention group it is not required to file rates in Arizona. All other examples could be prepared. So, 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 chart that begins on the next page.

Summary of Results of Premium Comparisons between Leading States

Physician Class	State Rank	State	Company	Territory	Premium
Results for Territories with Highest Rates					
Family Practitioner	Highest (1)	Florida	Doctors Company	Dade	\$ 42,772
	1	Florida	Doctors Company	Dade	\$ 42,772
	Lowest (10)	California	Doctors Company	Riverside, San Bernardino	\$ 11,009
Emergency Room Dr.	Highest (1)	Florida	Doctors Company	Dade	\$ 90,479
	1	Florida	Doctors Company	Dade	\$ 90,479
	Lowest (10)	Georgia	MAG Mutual	Remainder of State	\$ 24,592
Orthopedist	Highest (1)	New York	Medical Liability Mutual	Nassau, Suffolk	\$ 140,199
	3	Florida	Doctors Company	Dade	\$ 115,155
	Lowest (10)	Georgia	Medical Protective	Remainder of State	\$ 35,081
Obstetrician	Highest (1)	New York	Physicians' Reciprocal Insurers	Nassau, Suffolk	\$ 201,691
	2	Florida	Doctors Company	Dade	\$ 190,829
	Lowest (10)	Arizona	Mutual Ins. Co. of AZ	Entire State	\$ 50,263
Results for Territories with Lowest Rates					
Family Practitioner	Highest (1)	Florida	Doctors Company	Remainder of State	\$ 21,934
	1	Florida	Doctors Company	Remainder of State	\$ 21,934
	Lowest (10)	New York	Hospitals Insurance Co.	Livingston, Monroe, Ontario, Seneca, Wayne, Yates	\$ 4,195
Emergency Room Dr.	Highest (1)	Maryland	Doctors Company	Remainder of State	\$ 49,320
	2	Florida	Doctors Company	Remainder of State	\$ 46,399
	Lowest (10)	California	Doctors Company	Alameda, Contra Costa, etc.*	\$ 11,257
Orthopedist	Highest (1)	Pennsylvania	Medical Mutual Ins. Co. of NC	Adams, Allegheny, etc.*	\$ 72,566
	3	Florida	Doctors Company	Remainder of State	\$ 59,054
	Lowest (10)	California	Doctors Company	Alameda, Contra Costa, etc.*	\$ 17,120
Obstetrician	Highest (1)	Maryland	ProAssurance	Remainder of State	\$ 127,126
	3	Florida	Doctors Company	Remainder of State	\$ 97,861
	Lowest (10)	California	Doctors Company	Alameda, Contra Costa, etc.*	\$ 25,190

*Full territory definitions are in Appendix A.

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

Physicians Malpractice Rate Filings in 2017

A modest overall premium level increase was effected by the overall market in their 2017 filings. So, on the average, overall rates for the admitted market companies (the only companies required to file their rates) remained approximately the same. That represents an average of no change contained in the typical rate filing, with about 1% of the admitted market not having a rate filing resolved during 2017.

Calendar year 2017 featured 84 filings⁹ that were either approved or processed as informational (68 rate filings, 10 actuarial certifications, six not involving rate changes) of all types of medical malpractice, and 12 that were withdrawn by the carriers before a resolution was made. No malpractice filings were disapproved. Within the physicians segment of the medical malpractice line, 33 malpractice filings were resolved by the Office. During 2017, 19 filings were approved by the Office regarding physicians malpractice rate changes, new company initial rates, or mathematically affirming rate levels. Six filings were simply actuarial certifications, as allowed by a recent law change, that company rates were adequate. Those certification filings were just informational. Eight physicians filings were withdrawn by the carriers before a decision was made. No physicians filing was disapproved, and no physicians malpractice filings (not involving rate changes) were approved or processed as informational by the Office during 2017.

Of course, 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. Seven filings effected rate changes ranging from a 10.5% decrease to a 6.8% increase. Some of those were changed during the Office's review from the amount initially requested by the companies.

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 1% (down from 11% in 2016) of the admitted market by premium either did not have rate changes resolved during calendar year 2017 or withdrew their filings before they were resolved with the Office. 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 2017 is shown on the following page.

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 a perfunctory basis.

2017 Rate Filings for Physicians Market Segment

Company	Policy Count	Reported Earned Premium (000's)	Rate Change Indicated	Rate Change Proposed	Rate Change Approved	Resolution Date
Doctors Company, An Interinsurance Exchange	3,047	\$106,996	1.9%	0.0%	0.0%	1/4/2017
MAG Mutual Insurance Company	1,401	\$56,186	0.0%	0.0%	0.0%	6/7/2017
MAG Mutual Insurance Company	1,390	\$53,744	5.0%	2.5%	2.5%	2/21/2017
Medical Protective Company	2,837	\$34,766	19.8%	3.0%	3.0%	2/22/2017
NORCAL Mutual Insurance Company	1,364	\$29,053	0.0%	0.0%	0.0%	4/17/2017
NORCAL Mutual Insurance Company	1,326	\$29,053	7.0%	0.0%	0.0%	8/3/2017
ProAssurance Casualty Company	1,135	\$17,482	2.0%	0.0%	0.0%	2/22/2017
MedMal Direct Insurance Company	923	\$12,985	0.0%	0.0%	0.0%	2/21/2017
Physicians Insurance Company	910	\$5,550	3.1%	-0.5%	-0.5%	7/28/2017
Healthcare Underwriters Group, Inc.	507	\$5,513	8.7%	0.0%	0.0%	3/24/2017
Fair American Insurance and Reinsurance Company	307	\$2,507	6.7%	0.4%	5.1%	10/25/2017
Allied World Insurance Company	337	\$2,103	-8.7%	-10.5%	-10.5%	7/18/2017
ProAssurance Indemnity Company, Inc.	103	\$1,338	25.8%	0.0%	0.0%	2/22/2017
Florida Medical Malpractice JUA	105	\$1,061	-17.4%	-1.6%	-1.6%	4/26/2017
Aspen American Insurance Company	18	\$263	0.0%	0.0%	6.8%	7/6/2017
ProAssurance Indemnity Company, Inc.	3	\$39	-0.7%	0.0%	0.0%	2/22/2017
Accredited Surety and Casualty Company, Inc.	0	\$0	0.0%	0.0%	0.0%	9/25/2017
Liberty Insurance Underwriters Inc.	0	\$0	0.0%	0.0%	0.0%	1/17/2017
Medical Mutual Insurance Company of North Carolina	0	\$0	0.0%	0.0%	0.0%	12/14/2017
Average Rate Change for Doctors Insured by Above Companies:			5.6%	0.5%	0.6%	
Market Share (%) of Admitted Insurance Companies Not Making Rate Changes:		1.2%				
Average Rate Change for Doctors in Florida (Insured by Admitted Companies):			5.5%	0.5%	0.6%	

2017 Rate Certifications for Physicians Market Segment

Company	Policy Count	Reported Earned Premium (000's)	Resolution Date
Doctors Company, An Interinsurance Exchange	3,704	\$106,871	12/15/2017
NORCAL Mutual Insurance Company	1,368	\$26,176	12/19/2017
Health Care Indemnity Inc.	1	\$462	12/13/2017
Preferred Professional Insurance Company	25	\$444	11/13/2017
National Union Fire Insurance Company of Pittsburgh, PA	26	\$144	9/7/2017
Capitol Indemnity Corporation	0	\$0	12/13/2017

It is also instructive to look beyond just a single calendar year. There have been a certain number of rate filings so far in 2018. The table on the next two pages shows the latest effective rate change for each licensed carrier writing physicians medical malpractice. As with the table of rate filings resolved in 2017, only filings involving either an actuarial certification that rates are adequate or a definitive action by the Office (either an approval or disapproval) are included. Filings withdrawn by carriers are not.

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

Company	Rate Change Effective Date	Reported Earned Premium (000's)	Cumulative Market Share	Policy Count	Proposed Rate Change	Final Rate Change
Doctors Company, An Interinsurance Exchange	12/31/2017	\$106,871	39%	3,704	0.0%	0.0%
MAG Mutual Insurance Company	4/1/2017	\$53,744	59%	1,390	2.5%	2.5%
Medical Protective Company	7/1/2017	\$34,766	72%	2,837	3.0%	3.0%
NORCAL Mutual Insurance Company	3/1/2018	\$26,176	81%	1,368	0.0%	0.0%
ProAssurance Casualty Company	5/1/2017	\$17,482	88%	1,135	0.0%	0.0%
MedMal Direct Insurance Company	6/1/2017	\$12,985	93%	923	0.0%	0.0%
Physicians Insurance Company	9/1/2017	\$5,550	95%	910	-0.5%	-0.5%
Healthcare Underwriters Group, Inc.	4/1/2017	\$5,513	97%	507	0.0%	0.0%
Fair American Insurance and Reinsurance Company	1/1/2018	\$2,507	98%	307	0.4%	5.1%
Allied World Insurance Company	7/20/2017	\$2,103	98%	337	-10.5%	-10.5%
ProAssurance Indemnity Company, Inc.	5/1/2017	\$1,338	99%	103	0.0%	0.0%
Florida Medical Malpractice JUA	7/1/2017	\$1,061	99%	105	-1.6%	-1.6%
American Casualty Company of Reading, PA	5/15/2016	\$608	100%	1	19.1%	20.0%
Health Care Indemnity Inc.	1/1/2018	\$462	100%	1	0.0%	0.0%
Preferred Professional Insurance Company	12/19/2017	\$444	100%	25	0.0%	0.0%
Aspen American Insurance Company	7/15/2017	\$263	100%	18	0.0%	6.8%

Company	Rate Change Effective Date	Reported Earned Premium (000's)	Cumulative Market Share	Policy Count	Proposed Rate Change	Final Rate Change
National Union Fire Insurance Company of Pittsburgh, PA	11/30/2017	\$144	100%	26	0.0%	0.0%
ProAssurance Indemnity Company, Inc.	5/1/2017	\$39	100%	3	0.0%	0.0%
Accredited Surety and Casualty Company, Inc.	10/1/2017	\$0	100%	0	0.0%	0.0%
Capitol Indemnity Corporation	1/1/2018	\$0	100%	0	0.0%	0.0%
Capitol Indemnity Corporation	1/1/2017	\$0	100%	0	0.0%	0.0%
Liberty Insurance Underwriters Inc.	4/1/2017	\$0	100%	0	0.0%	0.0%
Medical Mutual Insurance Company of North Carolina	1/2/2018	\$0	100%	0	0.0%	0.0%
Totals						
Item Counts:		\$272,056		13,700		
Premium Weighted Average Rate Change:						0.88%
Policy Count Weighted Average Rate Change:						0.70%

When the latest approved rates are taken together, as in the table above, the overall physicians medical malpractice rates have increased by roughly 0.7%.

A portion of the physicians insured in Florida (19%) are insured by either ‘surplus lines’ carriers or risk retention groups, neither of which are 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. So, there are portions of the impact on the average physician that could not be quantified.

No non-rate change physicians filings were made in 2017.

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, even to physical therapists, with many other classes involved as well. 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

With that caveat, the next step is to summarize the relevant information that could be obtained from the NAIC financial database. The following chart shows the top 10 states for this subline with respect to direct written premium.

2017 Top 10 States by Other Healthcare Professionals Malpractice Direct Written Premium

State	2017 Other Healthcare Professionals Direct Written Premium	Other Healthcare Professionals Written Premium Rank	All Malpractice Written Premium Rank
California	\$1,270,332,931	1	2
New York	\$145,513,306	2	1
Florida	\$135,615,014	3	4
Texas	\$101,481,678	4	8
Pennsylvania	\$84,868,653	5	3
New Jersey	\$59,928,461	6	6
Illinois	\$56,192,032	7	5
Maryland	\$51,548,711	8	9
Ohio	\$39,762,064	9	11
Massachusetts	\$35,667,219	10	7

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

The direct loss ratios of those top 10 states are included in the chart on the next page. The loss ratios range from a -82.5% loss ratio in Maryland to 72.9% 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 to 50% (possibly higher) and still likely earn an underwriting profit.

**2017 Direct Loss Ratios of Top 10 Other Healthcare Professionals
Malpractice States**

		2017 Other Healthcare Professionals Direct Loss Ratio
Premium Rank	State	
1	California	57.1%
2	New York	44.3%
3	Florida	24.7%
4	Texas	50.1%
5	Pennsylvania	16.2%
6	New Jersey	45.8%
7	Illinois	72.9%
8	Maryland	-82.5%
9	Ohio	47.1%
10	Massachusetts	59.7%

Leading Other Healthcare Professionals Carriers in Florida

Key information on the carriers comprising 80% (by direct written premium) of the Florida other healthcare professionals malpractice market is shown on the following page. 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 #7 Podiatry Insurance Company and #8 NCMIC RRG specialize in certain professions such as podiatrists, chiropractors, or dentists. Other companies may specialize as well.

**Key 2017 Financial Information for Top Other Healthcare Professionals
Malpractice Carriers in Florida**

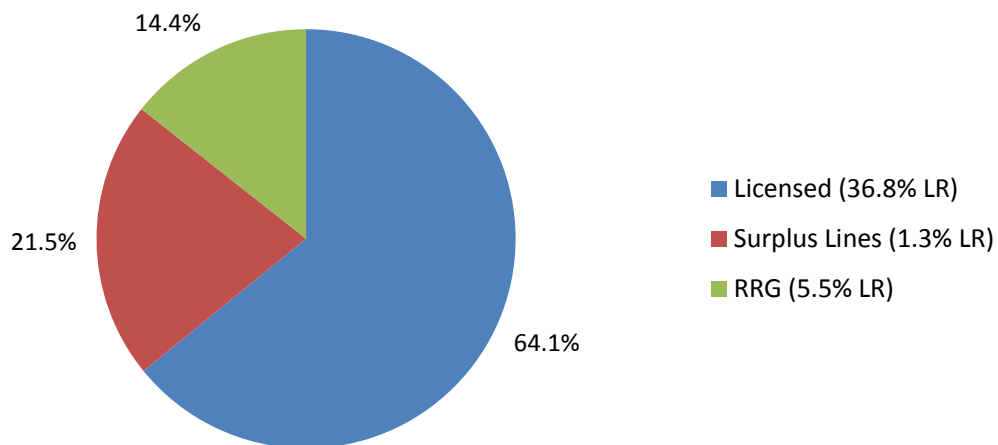
Company	Direct Florida Other Healthcare Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Other Healthcare Earned Premium	Direct Loss Ratio
Medical Protective Company	\$13,900,010	1	13.7%	13.7%	\$12,422,799	97.6%
American Casualty Company of Reading, PA	\$12,655,241	2	12.5%	26.2%	\$12,753,970	29.0%
Doctors Company, An Interinsurance Exchange	\$12,190,528	3	12.0%	38.2%	\$11,643,696	45.2%
Evanston Insurance Company	\$7,398,228	4	7.3%	45.5%	\$8,510,561	74.8%
Landmark American Insurance Company	\$6,517,475	5	6.4%	51.9%	\$6,316,575	31.6%

Company	Direct Florida Other Healthcare Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Other Healthcare Earned Premium	Direct Loss Ratio
OMS National Insurance Company, RRG	\$5,978,841	6	5.9%	57.8%	\$5,730,681	20.9%
Podiatry Insurance Company of America	\$5,366,140	7	5.3%	63.1%	\$5,430,002	59.2%
NCMIC RRG Inc	\$4,640,333	8	4.6%	67.6%	\$4,621,690	-22.6%
Continental Casualty Company	\$4,364,248	9	4.3%	71.9%	\$4,746,326	19.8%
Liberty Insurance Underwriters Inc.	\$3,933,126	10	3.9%	75.8%	\$3,905,795	34.8%
Admiral Insurance Company	\$2,984,871	11	2.9%	78.8%	\$2,778,471	24.2%
Gables RRG Inc	\$2,789,685	12	2.7%	81.5%	\$2,785,009	23.6%

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 below. This is designed to provide clarity on the markets most often served by surplus lines companies and risk retention groups.

Composition of 2017 Florida Other Healthcare Professionals Medical Malpractice Insurance Market (Written Premium) by Insurer Type - Including Loss Ratios for Each Type of Insurer



This segment has somewhat higher participation by surplus lines carriers, but is still dominated by licensed property/casualty insurance companies. The loss ratios do differ significantly between segments, but the total premium volume in this segment, at \$101 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 in the Office’s I-File Forms and Rates Search System (I-File) may be broken down between dentists, nurses, and what the I-File system considers to be other healthcare professionals. Since that breakdown is available, rate filing information for those major segments within the NAIC other healthcare professionals subline are presented separately.

Dentists Malpractice Rate Filing Data

Details of the dentists malpractice filings with rate impacts carried to completion are shown in the following table. Overall, eight dentists malpractice rate change filings were approved by the Office during 2017 (one filing was withdrawn). As with the physicians segment, companies may certify that rates are adequate. Two such certifications were made. One dentists malpractice filing not involving a rate change was approved during 2017, for a total of 12 dentists filings resolved during 2017. In accordance with prior reports, the affected portion of the market is reflected in policy counts (as reported in the filings) rather than premium.

2017 Rate Filings for Dentists Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date
Doctors Company, An Interinsurance Exchange	4112	19.6%	5.0%	1/4/2017
Fortress Insurance Company	763	-2.4%	-0.4%	2/21/2017
Medical Protective Company	715	6.6%	3.0%	10/18/2017
Medical Protective Company	689	3.9%	0.0%	2/22/2017
American Casualty Company of Reading, PA	574	0.0%	0.1%	12/6/2017
NCMIC Insurance Company	243	0.0%	0.0%	3/15/2017
Cincinnati Indemnity Company	235	-10.2%	-10.2%	1/4/2017
Florida Medical Malpractice JUA	47	25.7%	25.7%	4/26/2017
Average Approved Rate Change:			2.9%	

The companies carrying filings to completion during 2017 showed a 2.9% increase, above the average 0.5% increase in 2016. 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.

2017 Rate Certifications for Dentists Market Segment

Company	Policy Count	Resolution Date
Cincinnati Indemnity Company	259	12/5/2017
NCMIC Insurance Company	239	11/15/2017

As the following table shows, there was one dentists rate filing approved during 2017 that did not involve a rate change.

Non-Rate Change Dentists Rate Filings Resolved in 2017

Company	Impact of Filing	Resolution Date
Cincinnati Indemnity Company	Filing removed language referencing a form that is no longer in use from manual.	8/17/2017

Nurses Malpractice Rate Filing Data

A small number (six) of rate filings for nurses malpractice were processed by the Office during 2017. The disposition is shown in the table below. 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 includes situations where some companies have different programs covering different types 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 simply requires the companies to submit rate pages on an informational basis. No approval by the Office 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 the Office during 2017. No nurses malpractice filings not involving a rate change were processed during 2017, and no nurses filings were withdrawn. The law governing actuarial certifications does not apply to nurses malpractice. So, a total number of six nurses filings were processed during 2017.

2017 Rate Filings for Nurses Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date	Program
Medical Protective Company	673	56.0%	16.0%	3/27/2017	MSHP - Nurse Practitioners
Medical Protective Company	673	0.0%	0.0%	6/21/2017	MSHP - Nurse Practitioners

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date	Program
Medical Protective Company	673	0.0%	0.0%	7/5/2017	MSHP - Nurse Practitioners
Medical Protective Company	665	0.0%	0.0%	7/31/2017	Certified Registered Nurse Anesthetist
Medical Protective Company	271	-22.8%	-22.8%	5/25/2017	Allied Healthcare - Nurses
Florida Medical Malpractice JUA	146	10.7%	10.7%	4/26/2017	Professional Nurses
Average Final Rate Change:			2.0%		

The nurses malpractice carriers generally filed a wide range of rate changes—ranging from a 22.8% decrease to a 16.0% increase.

No nurses malpractice filings without a rate impact were filed in 2017.

Miscellaneous Healthcare Professionals Malpractice Rate Filing Data

The remaining professionals covered by medical malpractice 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 chart on the following page shows the rate changes processed by the Office during 2017 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 the Office is neither requested nor provided. During 2017, 37 miscellaneous healthcare professionals malpractice filings were resolved by the Office. Twenty-seven (27) filings were approved or processed as informational by the Office regarding miscellaneous healthcare professionals malpractice rate changes. Two certification filings were processed. Three filings were withdrawn by the carriers before resolution. No filings were disapproved, and five miscellaneous healthcare professionals malpractice filings that did not involve rate changes were approved by the Office during 2017.

2017 Rate Filings for Miscellaneous Healthcare Professionals Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date	Program
American Casualty Company of Reading, PA	48,431	0.0%	0.0%	12/12/2017	Chiropractors and Podiatrists
PACO Assurance Company, Inc.	971	5.0%	5.0%	10/25/2017	Individual Pharmacists
PACO Assurance Company, Inc.	833	0.0%	0.0%	2/21/2017	Chiropractors

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date	Program
Podiatry Insurance Company of America	722	-2.0%	-2.0%	10/16/2017	Chiropractors
Medical Protective Company	449	-8.8%	-8.8%	5/25/2017	Chiropractors
Pharmacists Mutual Insurance Company	375	0.0%	-3.4%	3/10/2017	OUM Chiropractor
Great Divide Insurance Company	271	0.0%	0.0%	2/21/2017	Podiatrists
National Union Fire Insurance Company of Pittsburgh, PA	265	0.0%	0.0%	3/27/2017	Master RPG - Chiropractors
Medical Protective Company	178	13.0%	13.0%	5/26/2017	Master RPG - Podiatrists
Medical Protective Company	87	0.0%	0.0%	2/22/2017	MSHP - Chiropractors
Doctors Company, An Interinsurance Exchange	34	0.0%	0.0%	1/4/2017	MSHP - Podiatrists
Medical Protective Company	19	24.1%	0.0%	2/22/2017	Master RPG - Pharmacists & Pharmacy Technicians
Florida Medical Malpractice JUA	9	0.9%	2.7%	4/26/2017	MSHP - Pharmacists & Pharmacy Technicians
Doctors Company, An Interinsurance Exchange	8	5.0%	5.0%	1/5/2017	Chiropodist/Podiatrist
Medical Protective Company	8	0.0%	0.0%	2/22/2017	Chiropractor Professional Liability Plus
Medical Protective Company	6	-56.6%	-56.6%	4/26/2017	Other Healthcare Professionals
Medical Protective Company	6	0.0%	0.0%	6/21/2017	Allied Healthcare Providers
MAG Mutual Insurance Company	4	-20.0%	-20.0%	9/7/2017	Allied Healthcare Providers
Philadelphia Indemnity Insurance Company	3	0.0%	0.0%	1/17/2017	OUM Chiropractor
Florida Medical Malpractice JUA	2	0.0%	0.0%	4/26/2017	Podiatrists
Ace American Insurance Company	0	0.0%	0.0%	3/7/2017	Healthcare Professional Liability
Cincinnati Indemnity Company	0	0.0%	0.0%	2/21/2017	Dental Hygienists and Dental Certified Registered Nurse Anesthetists
Medical Protective Company	0	0.0%	0.0%	2/22/2017	Human Services Agencies
Medical Protective Company	0	0.0%	0.0%	2/22/2017	Other Healthcare Professionals
Medical Protective Company	0	0.0%	0.0%	2/22/2017	Allied Healthcare Providers
Medical Protective Company	0	0.0%	0.0%	2/22/2017	Allied Healthcare Providers
Medical Protective Company	0	0.0%	0.0%	2/22/2017	Healthcare Providers Services Organization
Average Final Rate Change:			0.0%		

Some carriers in this segment did not report rate changes, and some comparatively modest changes were approved or processed as informational during 2017. The rate change information provided shows changes ranging from -56.6% to +13.0%.

2017 Rate Certifications for Miscellaneous Healthcare Professionals Market Segment

Company	Policy Count	Resolution Date	Program
Great Divide Insurance Company	200	12/21/2017	Chiropractors
Doctors Company, An Interinsurance Exchange	36	12/15/2017	Chiropractors and Podiatrists

The table below shows all the rule and related filings approved or processed as informational for other healthcare professionals (of all types except physicians, dentists, and nurses) in 2017, which did not involve rate changes. These five filings covered different classes and involved different aspects of the rating procedure.

Non-Rate Change Miscellaneous Healthcare Professionals Rate Filings Resolved in 2017

Company	Impact of Filing	Resolution Date	Program
Ace American Insurance Company	Reduced filing	1/18/2017	Psychologists
Ace American Insurance Company	Reduced filing	6/20/2017	Health Care and Allied Professional and Supplemental Liability
Liberty Insurance Underwriters Inc.	Correction of prior filing where the filed table was inadvertently removed	1/25/2017	Healthcare Providers Professional Liability
Philadelphia Indemnity Insurance Company	Corrections to State Exception Pages PI-CPHC-RU 9-12 FL for Chiropractors	4/21/2017	Chiropractors
Philadelphia Indemnity Insurance Company	Revisions in premium installment plans	12/21/2017	Chiropractors

Analysis of the Hospital Malpractice Subline

Data for the hospital malpractice subline is analyzed in this report as well. 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. But 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 make 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 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.

2017 Top 10 States by Hospital Malpractice Direct Written Premium

State	2017 Hospital Direct Written Premium	Hospital Written Premium Rank	All Malpractice Written Premium Rank
New York	\$363,154,666	1	1
Pennsylvania	\$280,965,412	2	3
Massachusetts	\$160,149,004	3	7
Maryland	\$84,304,215	4	9
California	\$82,682,340	5	2
Connecticut	\$81,043,417	6	16
New Jersey	\$42,595,993	7	6
Illinois	\$33,188,594	8	5
Missouri	\$32,575,164	9	20
Florida	\$29,171,391	10	4

Florida is now represented in the top 10 states (but as #10 of ten states, rather than #4 for all malpractice premium). 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. Precise information on this subject is unavailable within the NAIC financial database.

The direct loss ratios of those top 10 states are included in the table below. They range widely, from 15.3% in Maryland to 125.8% in Illinois. The volatility these show 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.

2017 Direct Loss Ratios of Top 10 Hospital Malpractice States

Premium Rank	State	2017 Hospital Direct Loss Ratio
1	New York	58.2%
2	Pennsylvania	69.4%
3	Massachusetts	81.4%
4	Maryland	15.3%
5	California	67.2%
6	Connecticut	109.1%
7	New Jersey	67.0%
8	Illinois	125.8%
9	Missouri	72.5%
10	Florida	118.1%

For comparison, although loss ratios in this subline are often volatile, Florida's 2016 hospital malpractice loss ratio was 80.5%.

Leading Hospital Malpractice Carriers in Florida

Key information on the carriers comprising 80% (by direct written premium) of the Florida hospital malpractice market is shown on the next page. 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.

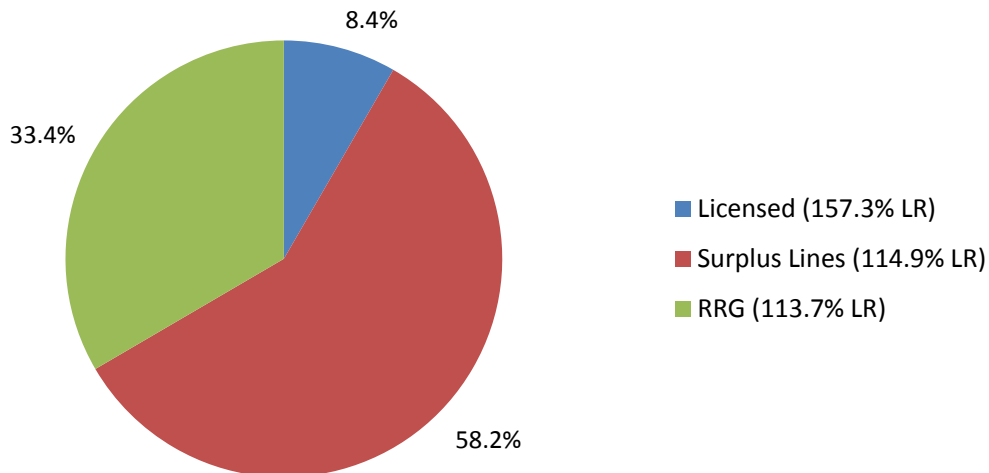
Key 2017 Financial Information for Top Hospital Malpractice Carriers in Florida

Company	Direct Florida Hospital Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Hospital Earned Premium	Direct Loss Ratio
MCIC Vermont (A Reciprocal RRG)	\$8,345,450	1	28.6%	28.6%	\$8,345,450	121.0%
National Fire & Marine Insurance Company	\$6,621,298	2	22.7%	51.3%	\$6,621,298	56.5%
Steadfast Insurance Company	\$2,767,160	3	9.5%	60.8%	\$2,767,160	28.4%
Continental Casualty Company	\$2,437,024	4	8.4%	69.1%	\$2,437,024	145.6%
Admiral Insurance Company	\$1,565,796	5	5.4%	74.5%	\$1,565,796	5.8%
Cruden Bay RRG, Inc.	\$1,420,963	6	4.9%	79.3%	\$1,420,963	72.9%
Illinois Union Insurance Company	\$1,200,604	7	4.1%	83.5%	\$1,200,604	102.9%

Composition of the Florida Hospital Malpractice Market by Type of Insurer

A breakdown of the 2017 hospital malpractice direct written premium by the type of carrier generating the premium is provided below. This is, as with the other sublines, designed to provide clarity on the markets most often served by surplus lines companies and risk retention groups.

Composition of 2017 Florida Hospital Medical Malpractice Insurance Market (Written Premium) by Insurer Type - Including Loss Ratios for Each Type of Insurer



Surplus lines carriers dominate this segment, and only a small segment is covered by licensed property/casualty insurance companies. Further, the loss ratios are somewhat more volatile

between 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, four hospital malpractice rate change filings were processed during 2017. 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 that they believe no filing is required because they have no base rates.

2017 Rate Filings for Hospital Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date
Insurance Services Office, Inc.	0	0.0%	0.0%	3/21/2017
Insurance Services Office, Inc.	0	0.0%	0.0%	3/22/2017
Florida Medical Malpractice JUA	0	4.1%	0.0%	4/26/2017
ProSelect Insurance Company	0	0.0%	0.0%	4/25/2017
Average Approved Rate Change:			0.0%	

In total, the Office processed four hospital filings during 2017, all of which were approved. No certifications or non-rate change filings for hospitals were processed during 2017.

Analysis of the Other Facilities Subline

Data for the malpractice 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 conceivably involves a highly heterogeneous population of insureds. In accordance with that fact, 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 chart shows the top 10 states for the other facilities subline with respect to direct written premium.

2017 Top 10 States by Other Facilities Malpractice Direct Written Premium

State	2017 Other Healthcare Facilities Direct Written Premium	Other Healthcare Facilities Written Premium Rank	All Malpractice Written Premium Rank
California	\$90,270,757	1	2
New York	\$88,855,659	2	1
Florida	\$57,595,560	3	4
Illinois	\$55,944,717	4	5
Texas	\$55,372,204	5	8
Pennsylvania	\$54,246,671	6	3
New Jersey	\$33,907,730	7	6
Georgia	\$33,250,789	8	10
Ohio	\$31,976,896	9	11
Tennessee	\$23,898,169	10	12

Florida has nearly the same rank (third) for other facilities as it does for all malpractice combined (fourth). Considering the large elderly population in Florida, that is somewhat surprising.

The direct loss ratios of those top 10 states are shown in the next table. In 2017, the other facilities loss ratios varied more widely than those of hospitals.

2017 Direct Loss Ratios of Top 10 Other Facilities Malpractice States

Premium Rank	State	2017 Other Healthcare Facilities Direct Loss Ratio
1	California	92.0%
2	New York	67.6%
3	Florida	86.1%

Premium Rank	State	2017 Other Healthcare Facilities
		Direct Loss Ratio
4	Illinois	86.7%
5	Texas	34.5%
6	Pennsylvania	113.8%
7	New Jersey	20.5%
8	Georgia	197.2%
9	Ohio	29.0%
10	Tennessee	-12.4%

Leading Other Facilities Malpractice Carriers in Florida

Key information on the carriers comprising 80% (by direct written premium) of the Florida other facilities malpractice market is shown below. 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 2017 Financial Information for Top Other Facilities Malpractice Carriers in Florida

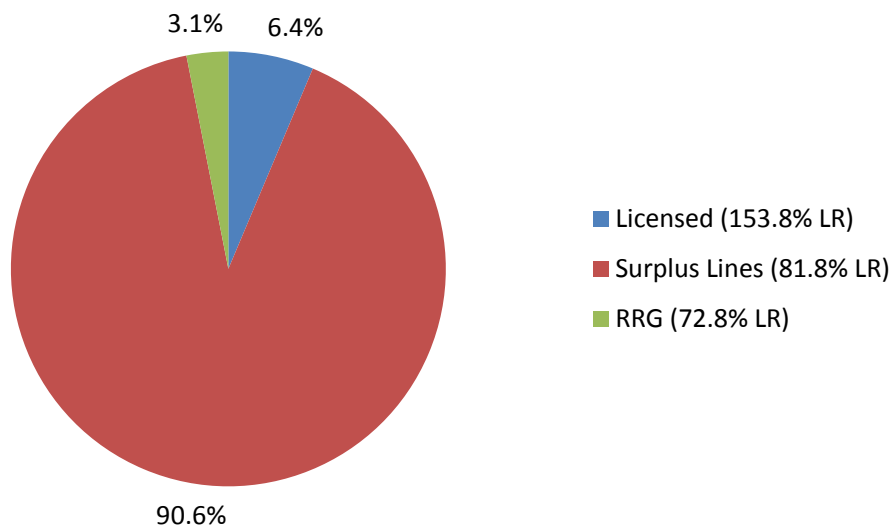
Company	Direct Florida Other Facilities Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Other Facilities Earned Premium	Direct Loss Ratio
National Fire & Marine Insurance Company	\$9,712,692	1	16.9%	16.9%	\$9,776,235	62.3%
Columbia Casualty Company	\$8,304,447	2	14.4%	31.3%	\$5,738,351	43.0%
Arch Specialty Insurance Company	\$4,546,638	3	7.9%	39.2%	\$4,417,432	304.7%
Allied World Surplus Lines Insurance Company	\$4,496,394	4	7.8%	47.0%	\$4,551,056	17.5%
Homeland Insurance Company of NY	\$3,804,432	5	6.6%	53.6%	\$3,979,778	42.1%
Ironshore Specialty Insurance Company	\$2,406,148	6	4.2%	57.8%	\$3,820,484	46.8%
Hallmark Specialty Insurance Company	\$2,015,400	7	3.5%	61.3%	\$909,987	87.5%
Allied World Assurance Company (U.S.) Inc.	\$1,981,048	8	3.4%	64.7%	\$1,876,476	32.4%
Coverys Specialty Insurance Company	\$1,979,568	9	3.4%	68.1%	\$1,451,198	101.2%
Capitol Specialty Insurance Corporation	\$1,918,143	10	3.3%	71.5%	\$1,948,831	0.3%

Company	Direct Florida Other Facilities Written Premium	Written Premium Rank	Market Share	Cumulative Market Share	Direct Florida Other Facilities Earned Premium	Direct Loss Ratio
AXIS Surplus Insurance Company	\$1,713,392	11	3.0%	74.4%	\$1,339,033	50.8%
American Alternative Insurance Corporation	\$1,349,910	12	2.3%	76.8%	\$1,449,843	25.6%
Illinois Union Insurance Company	\$1,159,481	13	2.0%	78.8%	\$1,153,090	3.1%
Evanston Insurance Company	\$1,150,566	14	2.0%	80.8%	\$1,244,669	-187.5%

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

A breakdown of the 2017 other facilities malpractice direct written premium by the type of carrier generating the premium is provided in the following chart. This last analysis of this nature is also designed to provide clarity on the markets most often served by surplus lines companies and risk retention groups.

Composition of 2017 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 carriers, 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 other facilities rate filings processed by the Office during 2017 are listed in the table below. Also, one of the carriers making filings in this segment is Florida domestic (as shown by the shaded cells in the table). 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.

2017 Rate Filings for Other Facilities Market Segment

Company	Policy Count	Rate Change Indicated	Rate Change Approved	Resolution Date	Program
MAG Mutual Insurance Company	60	0.0%	0.0%	12/21/2017	Other Healthcare Facilities
Church Mutual Insurance Company	14	-1.2%	-1.9%	6/14/2017	Nursing Homes
Church Mutual Insurance Company	14	-1.2%	-1.9%	6/14/2017	Assisted Living
Florida Medical Malpractice JUA	2	0.0%	0.0%	4/26/2017	Other Healthcare Facilities
Average Final Rate Change:			-0.6%		

As with the other sublines, some filings simply reaffirmed the rates presently in use. However, two filings, both involving a 1.9% decrease, were approved during 2017. No certifications or non-rate change filings for other facilities were processed during 2017.

Data from the Professional Liability Claims Reporting System

The Office collects closed claim data reported by insurers and self-insured entities. For the purposes of the report, all claims closed during the period January 1, 2017, to December 31, 2017, 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 2017, it is most probable that the occurrence date and/or report date of a specific claim are from a previous year.

This is 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 25 carrier claims closed in 2017, the average difference between occurrence and when the claim was filed was 544 days, and the average difference between when a claim was filed and when the claim was closed was 733 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. As well, trend 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)&(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 25 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 the Office.

Medical Malpractice Insurance Claims in Florida

In 2017, the Florida medical malpractice insurance companies reported 2,575 closed claims in Florida. Of those 2,575 claims closed in 2017, 1,253 claims were filed by females and 1,322 claims were filed by males.

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 2017 is distributed as shown in the next table.

Location of Injury for Claims Closed in 2017

Location	Number of Claims
Hospital Inpatient Facility	1,191
Physician's Office	400
Emergency Room	315
Other Outpatient Facility	165
Other Location	150
Hospital Outpatient Facility	148
Other Hospital/Institution	128
Patient's Home	40
Prison	22
Nursing Home	16
Total	2,575

The data show that the largest number of claims came from hospital inpatient facilities, which together with physicians’ offices and emergency rooms generated roughly 74% of all claims closed in 2017 (up from roughly 70% in 2016, but comparable to 2015).

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 table below tabulates the frequencies of the various claims severities for claims resolved in Florida in 2017.

Severity Codes for Claims Closed in 2017

Severity Class	Number of Claims
1 - Emotional only	109
2 - Slight lacerations	72
3 - Minor infections, missed fracture, etc.	402
4 - Major burns, drug reaction	323
5 - Loss of finger, damage to organs	321
6 - Deafness, loss of limb, loss of eye	275
7 - Paraplegia, blindness, loss of limbs	218
8 - Quadriplegia, brain damage	95
9 - Death	760
Total	2,575

Class “9” (i.e., death) is the leading category for medical malpractice claims settled and accounted for 30% of all the claims closed in 2017 (for 2016, it represented 25% of the total).

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 arises from areas with the highest populations. The 10 counties with the most closed medical malpractice claims in 2017 are shown on the following page.

2017 Closed Claims in Top 10 Counties

Rank	County	Number of Claims	2016 County this Rank
1	Dade	309	Broward
2	Hillsborough	246	Dade
3	Palm Beach	245	Duval
4	Broward	222	Hillsborough
5	Pinellas	172	Palm Beach
6	Duval	125	Pinellas
7	Orange	107	Orange
8	St. Lucie	86	St. Lucie
9	Volusia	81	Lee
10	Lee	75	Volusia

The top 10 counties are the same as the 2016 top 10 counties, although some are in a different order. Fifteen (15) Florida counties had no closed claims reported through the closed claim reporting system during 2017.

Entities with the Most Closed Claims

In 2017, 154 entities reported closed medical malpractice claims. Of those reporting, 59 only closed either one or two claims. Conversely, 45 reported 10 or more claims. They are:

Entities Reporting 10 or More Closed Claims in 2017

(25 Leading Carriers Listed in Bold)

Entity	Number of Claims
Health Care Indemnity Inc.	410
Doctors Company, An Interinsurance Exchange	280
MAG Mutual Insurance Company	187
Medical Protective Company	152
FD Insurance Company	149
Continental Casualty Company	101
Lexington Insurance Company, Hospital	94
First Professionals Insurance Company	53
Team Health, Inc., Medical Practitioner	46
ProAssurance Casualty Company	44
Podiatry Insurance Company of America	43
Baptist Health South Florida, Hospital	42
National Fire & Marine Insurance Company	38
Lexington Insurance Company	37
Evanston Insurance Company	35

Entity	Number of Claims
Samaritan RRG, Inc.	32
North Broward Hospital District, Hospital	31
Emcare Holdings, Inc., Medical Practitioner	30
MedMal Direct Insurance Company	27
National Union Fire Insurance Company of Pittsburgh, PA	27
Martin Memorial Medical Center, Inc., Hospital	26
Florida Hospital East Orlando, Hospital	25
Torus Specialty Insurance Company	24
Healthcare Underwriters Group, Inc.	24
Mount Sinai Medical Center, Hospital	19
Lancet Indemnity RRG Inc	19
Physicians Professional Liability RRG, Inc.	19
Medicus Insurance Company	19
Lee Memorial Health System, Hospital	18
Not Provided, Medical Practitioner	17
Florida Physicians Medical Group, Medical Practitioner	16
Applied Medico-Legal Solutions RRG, Inc.	16
Allied World Surplus Lines Insurance Company	16
Baptist Medical Center, Hospital	14
NORCAL Mutual Insurance Company	14
Halifax Medical Center, Hospital	13
South Pinellas Medical Trust	13
Holy Cross Hospital, Hospital	13
University of South Florida Health Sciences Center, Medical Practitioner	12
Columbia Casualty Company	11
OMS National Insurance Company, RRG	11
Florida Medical Malpractice JUA	11
Physicians Insurance Company	11
Fortress Insurance Company	10
University Community Hospital, Hospital	10

The companies in bold type are among the 25 companies comprising 80% of the 2017 direct written premium in Florida. As the data shows, although these companies are in the top 25 of direct written premium calculations, they are not all necessarily the ones with the most closed claims in 2017. 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 17 of the 45 entities with the most closed claims in 2017 are in the sample of 25 companies with the most premium volume. Also, 17 of the claims reported did not identify the entity.

Financial Data

Perhaps the most important information contained in the report is the financial data related to insurance company claims. The amount paid by the insured 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 2017 combined were as shown in the table below.

Financial Data from Closed Claim System - Aggregation of All Claims Closed in 2017

Category of Payment	Amount
Indemnity Paid	\$659,557,899
LAE Paid to Defense Counsel	\$161,335,425
All Other LAE Paid	\$47,141,608
Non-Economic Loss	\$143,845,493
Economic Loss - Incurred to Date by Claimant	\$120,585,256
Economic Loss - Anticipated by Claimant	\$380,057,188

The total of the indemnity and loss adjustment expense (LAE) categories is \$868,034,932 (down 24% from 2016), which represents the total amount paid by insurance companies, self-insurance companies, and surplus lines companies for claims settled in 2017. In many instances, (approximately 34% 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 2017 closed claims shows \$143,845,493 in non-economic loss (down approximately 10% from 2016, which in turn was up 38% from 2015) and combined incurred and anticipated economic loss of \$500,642,444 (up 84% from 2016).

The non-economic and economic fields are not submitted on all claims (witness that the total of economic and non-economic loss of \$644,487,937 represents 98%, not 100%, of the total loss paid, up from 47% in 2016), so the year-to-year comparisons may be distorted by any increase or decrease in the percentage of claims for which data is recorded. There may also be other explanations. 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 (\$501 million) is more than the amount of non-economic losses paid (\$144 million).

Closed Claims of Leading Carriers in Florida

Much of this report has focused on the top 25 leading writers of medical malpractice in the state of Florida in 2017. 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. Because 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 elements¹⁰, 22 of the 25 leading writers of medical malpractice insurance in Florida reported the average times shown in the table below.

Timing of Claims Closed by Leading Carriers in Florida During 2017

Company	Total Days	Report to Disposition	Occurrence to Report
Doctors Company, An Interinsurance Exchange	1,268	693	575
MAG Mutual Insurance Company	1,400	854	546
Medical Protective Company	1,219	657	562
NORCAL Mutual Insurance Company	1,170	538	632
National Fire & Marine Insurance Company	1,463	944	519
ProAssurance Casualty Company	1,310	689	621
MedMal Direct Insurance Company	1,390	823	568
Columbia Casualty Company	1,535	970	565
Continental Casualty Company	1,102	581	521
Samaritan RRG, Inc.	799	344	456
Evanston Insurance Company	1,114	665	449
Physicians Insurance Company	1,076	599	477
Landmark American Insurance Company	949	535	415
Admiral Insurance Company	1,008	520	488
OMS National Insurance Company, RRG	1,481	891	590

¹⁰ American Casualty Company of Reading, PA, MCIC Vermont, and NCMIC RRG reported zero closed claims in 2017. This appears to be due to the nature of their businesses.

Company	Total Days	Report to Disposition	Occurrence to Report
Healthcare Underwriters Group, Inc.	1,482	898	584
Ophthalmic Mutual Insurance Company (A RRG)	1,202	712	490
ProAssurance Specialty Insurance Company, Inc.	1,180	589	591
Podiatry Insurance Company of America	1,019	462	557
Allied World Surplus Lines Insurance Company	1,556	1,111	444
Homeland Insurance Company of NY	2,021	1,379	642
Physicians Professional Liability RRG, Inc.	1,350	663	687
Average	1,277	733	544

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, including those of other entities closed in 2017, the total number of days between occurrence and final disposition averaged 1,337 days (3.7 years) with a range from 237 days to disposition to a maximum of 3,860 days (10.6 years).

The Plaintiff Settlement

Simply because a claim is “closed” 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 on the next chart shows differences among the companies in terms of the percentage of closed claims that were settled, and the percentage of claims that resulted in the 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	148	280	52.9%
MAG Mutual Insurance Company	104	187	55.6%
Medical Protective Company	60	152	39.5%
NORCAL Mutual Insurance Company	13	14	92.9%
National Fire & Marine Insurance Company	22	38	57.9%
ProAssurance Casualty Company	27	44	61.4%
MedMal Direct Insurance Company	16	27	59.3%
Columbia Casualty Company	6	11	54.5%
Continental Casualty Company	57	96	59.4%
Samaritan RRG, Inc.	10	32	31.3%

Company	Claims With Indemnity Payments	Total Claims	Percentage With Indemnity Payments
Evanston Insurance Company	26	35	74.3%
Physicians Insurance Company	9	11	81.8%
Landmark American Insurance Company	2	3	66.7%
Admiral Insurance Company	9	9	100.0%
OMS National Insurance Company, RRG	8	11	72.7%
Healthcare Underwriters Group, Inc.	13	24	54.2%
Ophthalmic Mutual Insurance Company (A RRG)	3	3	100.0%
ProAssurance Specialty Insurance Company, Inc.	4	7	57.1%
Podiatry Insurance Company of America	18	43	41.9%
Allied World Surplus Lines Insurance Company	12	16	75.0%
Homeland Insurance Company of NY	5	6	83.3%
Physicians Professional Liability RRG, Inc.	14	18	77.8%
Total	586	1,067	54.9%

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 25 leading companies in 2017 contained the claim payments summarized in the following table.

Breakdown of Loss and LAE Paid on 2017 Closed Claims by Leading Carriers in Florida

Company	Indemnity Payments	LAE Paid to Defense Counsel	All Other LAE Paid
Doctors Company, An Interinsurance Exchange	\$34,659,231	\$10,530,244	\$5,316,846
MAG Mutual Insurance Company	\$34,102,710	\$9,357,572	\$3,409,496
Medical Protective Company	\$13,759,499	\$3,691,866	\$1,691,567
NORCAL Mutual Insurance Company	\$5,500,000	\$900,669	\$99,191
National Fire & Marine Insurance Company	\$5,363,979	\$1,503,983	\$0
ProAssurance Casualty Company	\$6,214,249	\$1,762,436	\$664,751
MedMal Direct Insurance Company	\$3,157,500	\$2,265,266	\$0
Columbia Casualty Company	\$6,499,000	\$289,431	\$62,377
Continental Casualty Company	\$10,925,444	\$2,598,514	\$1,099,605
Samaritan RRG, Inc.	\$2,150,000	\$560,867	\$344,755

Company	Indemnity Payments	LAE Paid to Defense Counsel	All Other LAE Paid
Evanston Insurance Company	\$7,405,000	\$8,976,816	\$11,204,888
Physicians Insurance Company	\$1,495,000	\$602,430	\$62,356
Landmark American Insurance Company	\$395,000	\$5,815	\$0
Admiral Insurance Company	\$2,750,723	\$254,180	\$2,823,864
OMS National Insurance Company, RRG	\$1,792,000	\$431,097	\$135,158
Healthcare Underwriters Group, Inc.	\$2,272,500	\$2,473,596	\$0
Ophthalmic Mutual Insurance Company (A RRG)	\$705,000	\$0	\$0
ProAssurance Specialty Insurance Company, Inc.	\$1,105,000	\$130,704	\$34,734
Podiatry Insurance Company of America	\$2,345,500	\$980,361	\$168,710
Allied World Surplus Lines Insurance Company	\$2,220,000	\$999,715	\$22,022
Homeland Insurance Company of NY	\$1,255,000	\$241,181	\$0
Physicians Professional Liability RRG, Inc.	\$2,240,000	\$425,795	\$110,835

Notes on Appendices

Included in the appendices are:

- 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 just 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)&(c), Florida Statutes, requires the Office 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)&(c), Florida Statutes, requires the Office to draw upon three data resources:

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

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

Appendix A

Detailed State-to-State Physicians Malpractice Premium Comparisons

State	Company	Territory	Family	Emergency	Orthopedist	Obstetrician
			Practitioner	Room Dr.		
			1M/3M	1M/3M	1M/3M	1M/3M
			Rate	Rate	Rate	Rate
Arizona	Mutual Ins. Co. of AZ	Entire State	\$13,080	\$27,977	\$39,433	\$50,263
Arizona	NORCAL Mutual	Entire State	\$13,558	\$28,607	\$37,691	\$57,622
California	Doctors Company	Riverside, San Bernardino	\$11,009	\$36,507	\$43,208	\$67,235
California	Doctors Company	Alameda, Contra Costa, Madera, Mariposa, Merced, Monterey, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Clara, Santa Cruz	\$4,735	\$11,257	\$17,120	\$25,190
California	Medical Insurance Exchange of CA	Los Angeles, Kern, Orange, Riverside, San Bernardino	\$13,693	\$30,810	\$92,430	\$146,347
California	Medical Insurance Exchange of CA	Northern California and Remainder of State	\$7,207	\$16,216	\$48,647	\$77,025
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	\$42,772	\$90,479	\$115,155	\$190,829
Florida	Doctors Company	Remainder of State	\$21,934	\$46,399	\$59,054	\$97,861
Florida	MAG Mutual	Broward, Dade	\$32,961	\$65,397	\$111,262	\$190,424
Florida	MAG Mutual	Remainder of State	\$15,457	\$30,445	\$51,344	\$86,566
Florida	Medical Protective	Broward, Dade	\$30,943	\$78,660	\$94,935	\$149,183
Florida	Medical Protective	Remainder of State	\$18,094	\$45,999	\$55,515	\$87,237
Georgia	Doctors Company	Entire State	\$12,163	\$30,691	\$37,968	\$61,736
Georgia	MAG Mutual	Remainder of State	\$13,698	\$24,592	\$37,628	\$68,835
Georgia	MAG Mutual	Catoosa, Chatooga, Dade, Fannin, Floyd, Gilmer, Murray, Rabun, Towns, Union, Walker, Whitfield	\$8,219	\$14,755	\$22,577	\$41,301
Georgia	Medical Protective	Remainder of State	\$15,662	\$43,225	\$35,081	\$69,160
Georgia	Medical Protective	Catoosa, Chatooga, Dade, Fannin, Floyd, Gilmer, Murray, Rabun, Towns, Union, Walker, Whitfield	\$12,529	\$34,580	\$28,065	\$55,329
Illinois	Doctors Company	Cook, Madison, St. Clair	\$31,319	\$66,712	\$76,978	\$121,363
Illinois	Doctors Company	Adams, Knox, Peoria, Rock Island	\$14,720	\$31,355	\$36,180	\$57,041
Illinois	ISMIE Mutual	Madison, Will	\$35,764	\$61,756	\$95,752	\$141,740
Illinois	ISMIE Mutual	Adams, Knox, Rock Island	\$16,340	\$27,480	\$42,048	\$61,756
Illinois	Medical Protective	Cook, Jackson, Madison, St. Clair, Will	\$28,622	\$50,738	\$78,735	\$127,083

State	Company	Territory	Family	Emergency	Orthopedist	Obstetrician
			Practitioner	Room Dr.		
			1M/3M	1M/3M	1M/3M	1M/3M
			Rate	Rate	Rate	Rate
Illinois	Medical Protective	Adams, Knox, Peoria, Rock Island	\$12,880	\$22,833	\$35,434	\$57,192
Maryland	Doctors Company	Baltimore City, Baltimore	\$24,420	\$65,402	\$78,912	\$147,105
Maryland	Doctors Company	Remainder of State	\$17,764	\$49,320	\$58,395	\$109,607
Maryland	Medical Mutual Liab. Ins. Society of MD	Baltimore City, Baltimore	\$15,517	\$38,793	\$38,793	\$116,378
Maryland	Medical Mutual Liab. Ins. Society of MD	Remainder of State	\$12,414	\$31,034	\$31,034	\$93,102
Maryland	ProAssurance	Baltimore City, Baltimore	\$20,710	\$52,579	\$66,579	\$158,317
Maryland	ProAssurance	Remainder of State	\$17,040	\$42,536	\$53,735	\$127,126
New Jersey	MDAdvantage Ins. Co. of NJ	Entire State (used Preferred Plus rates)	\$11,515	\$26,297	\$37,420	\$80,992
New Jersey	Princeton Insurance Co.	Entire State	\$19,106	\$39,359	\$46,810	\$99,924
New Jersey	Proselect Insurance Co.	Entire State	\$12,852	\$30,395	\$59,569	\$113,829
New York	Hospitals Insurance Co.	Nassau, Suffolk	\$22,562	\$63,646	\$113,254	\$152,039
New York	Hospitals Insurance Co.	Livingston, Monroe, Ontario, Seneca, Wayne, Yates	\$4,195	\$11,831	\$21,054	\$28,264
New York	Medical Liability Mutual	Nassau, Suffolk	\$27,930	\$78,788	\$140,199	\$188,210
New York	Medical Liability Mutual	Livingston, Monroe, Ontario, Seneca, Wayne, Yates	\$5,192	\$14,646	\$26,063	\$34,988
New York	Physicians' Reciprocal Insurers	Nassau, Suffolk	\$35,545	\$77,102	\$134,586	\$201,691
New York	Physicians' Reciprocal Insurers	Remainder of State	\$14,681	\$31,868	\$55,588	\$83,302
Ohio	Doctors Company	Cuyahoga, Lorain, Mahoning, Trumbull	\$17,499	\$46,772	\$50,510	\$82,202
Ohio	Doctors Company	Brown, Butler, Clark, Clermont, Clinton, Darke, Greene, Hamilton, Miami, Montgomery, Preble, Warren	\$10,173	\$25,832	\$29,143	\$47,408
Ohio	Medical Protective	Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Mahoning, Portage, Trumbull	\$22,678	\$52,357	\$62,118	\$97,614

State	Company	Territory	Family	Emergency	Orthopedist	Obstetrician
			Practitioner	Room Dr.		
			1M/3M	1M/3M	1M/3M	1M/3M
			Rate	Rate	Rate	Rate
Ohio	Medical Protective	Brown, Butler, Clark, Clermont, Clinton, Darke, Greene, Hamilton, Miami, Montgomery, Preble, Shelby, Warren	\$11,661	\$26,924	\$31,942	\$50,198
Ohio	ProAssurance	Cuyahoga, Lorain	\$20,593	\$48,405	\$57,676	\$94,759
Ohio	ProAssurance	Adams, Brown, Butler, Champaign, Clark, Clermont, Clinton, Darke, Greene, Hamilton, Highland, Jackson, Lawrence, Miami, Montgomery, Pike, Preble, Ross, Scioto, Vinton, Warren	\$11,642	\$26,027	\$30,823	\$50,004
Pennsylvania	Medical Mutual Ins. Co. of NC	Bucks, Chester, Delaware, Montgomery, Philadelphia	\$26,522	\$64,980	\$120,943	\$155,156
Pennsylvania	Medical Mutual Ins. Co. of NC	Adams, Allegheny, Armstrong, Beaver, Bedford, Berks, Blair, Bradford, Butler, Cambria, Cameron, Centre, Clarion, Clearfield, Clinton, Crawford, Elk, Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lancaster, Lawrence, Lebanon, Lycoming, McKean, Mercer, Mifflin, Perry, Potter, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Westmoreland, York	\$15,913	\$38,987	\$72,566	\$93,093
Pennsylvania	Medical Protective	Delaware, Philadelphia	\$21,871	\$67,439	\$79,286	\$127,586
Pennsylvania	Medical Protective	Remainder of State	\$14,110	\$43,507	\$51,152	\$82,312
Pennsylvania	NORCAL Mutual	Lackawanna, Monroe, Schuylkill	\$22,103	\$45,916	\$76,411	\$123,942

State	Company	Territory	Family Practitioner 1M/3M Rate	Emergency Room Dr. 1M/3M Rate	Orthopedist 1M/3M Rate	Obstetrician 1M/3M Rate
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	\$15,024	\$28,925	\$46,931	\$74,679

Appendix B
Total Medical Malpractice Data for States and U.S. Territories
2017

2017 Rank	2016 Rank	State	Direct Written Premium	Direct Earned Premium	Incurred Losses	Incurred DCC
1	1	New York	\$1,549,176,842	\$1,568,973,305	\$896,976,405	\$343,485,545
2	2	California	\$759,383,881	\$746,244,913	\$349,083,891	\$209,270,843
3	3	Pennsylvania	\$634,305,984	\$643,269,113	\$431,509,060	\$131,957,985
4	4	Florida	\$553,296,642	\$543,110,585	\$318,631,157	\$135,793,183
5	5	Illinois	\$442,130,912	\$458,668,743	\$253,995,183	\$85,452,935
6	6	New Jersey	\$403,033,417	\$409,726,010	\$121,624,490	\$54,773,919
7	7	Massachusetts	\$313,511,417	\$315,770,114	\$176,753,691	\$63,447,051
8	8	Texas	\$308,766,848	\$308,386,572	\$26,630,580	\$42,273,334
9	9	Maryland	\$291,154,629	\$290,715,544	\$91,704,588	\$49,199,659
10	10	Georgia	\$253,312,085	\$244,954,923	\$211,354,409	\$39,416,562
11	11	Ohio	\$228,849,245	\$233,038,623	\$5,706,850	\$82,436,263
12	13	Tennessee	\$211,790,431	\$211,785,925	\$90,573,305	\$45,519,763
13	12	Arizona	\$205,260,947	\$207,487,417	\$83,522,025	\$39,204,937
14	15	Michigan	\$185,698,683	\$184,544,677	\$186,960,649	\$52,159,452
15	14	Virginia	\$183,567,474	\$183,415,397	\$66,356,553	\$27,810,423
16	16	Connecticut	\$181,836,455	\$176,644,109	\$153,598,815	\$26,962,046
17	17	North Carolina	\$165,562,832	\$166,228,036	\$19,906,811	\$24,954,342
18	18	Washington	\$163,191,332	\$157,525,863	\$109,279,232	\$38,378,783
19	19	Colorado	\$148,626,095	\$152,114,425	\$73,486,411	\$28,861,943
20	20	Missouri	\$139,054,642	\$135,266,076	\$75,566,426	\$34,387,572
21	21	Alabama	\$122,393,571	\$119,716,806	\$56,763,386	\$16,911,590
22	22	Indiana	\$120,350,586	\$115,816,039	\$12,821,056	\$20,502,714
23	23	Kentucky	\$105,338,703	\$106,516,649	\$44,492,896	\$37,841,170
24	24	Oklahoma	\$95,446,584	\$95,744,208	\$45,785,072	\$4,213,005
25	25	Louisiana	\$93,445,845	\$93,057,066	\$25,109,687	\$32,455,405
26	26	Oregon	\$91,263,109	\$90,751,468	\$30,696,550	\$7,561,934
27	28	Wisconsin	\$83,794,137	\$82,266,199	\$679,605	\$11,163,846
28	27	Minnesota	\$78,081,898	\$76,873,965	\$15,613,614	(\$219,092)
29	33	South Carolina	\$72,519,667	\$68,181,677	\$48,277,747	\$22,894,269
30	30	Puerto Rico	\$68,980,406	\$67,433,214	\$20,767,768	\$15,442,209
31	29	Nevada	\$64,137,053	\$64,713,314	\$23,111,934	\$18,509,932
32	34	Arkansas	\$62,516,051	\$61,859,483	\$41,140,872	\$11,390,260
33	31	Iowa	\$61,303,635	\$62,961,197	\$20,612,996	\$12,046,992
34	35	West Virginia	\$59,220,676	\$62,114,203	\$6,760,530	\$8,567,616
35	38	New Mexico	\$58,340,024	\$53,710,118	\$40,995,617	\$28,800,424
36	37	Kansas	\$58,257,192	\$57,923,474	\$21,427,876	\$13,864,528
37	36	Utah	\$57,089,059	\$57,865,647	\$25,185,126	\$15,073,599
38	41	Montana	\$47,972,851	\$42,333,714	\$37,982,170	\$11,452,196
39	40	Maine	\$45,095,090	\$45,185,931	\$37,338,928	\$2,978,568

2017 Rank	2016 Rank	State	Direct Written Premium	Direct Earned Premium	Incurred Losses	Incurred DCC
40	39	Mississippi	\$43,465,274	\$48,854,670	\$9,143,712	\$7,687,954
41	32	New Hampshire	\$39,828,338	\$45,633,838	\$54,021,050	\$13,119,148
42	43	Nebraska	\$32,096,874	\$31,903,265	\$16,221,169	\$14,169,618
43	46	Hawaii	\$31,778,985	\$32,806,554	\$14,311,082	\$6,643,504
44	44	Idaho	\$31,232,273	\$30,543,931	\$15,537,518	\$7,614,701
45	42	Delaware	\$30,033,335	\$31,079,065	\$13,758,436	\$9,353,568
46	45	Rhode Island	\$28,144,655	\$31,745,199	\$21,081,046	\$2,746,209
47	47	District of Columbia	\$27,049,448	\$27,147,091	\$6,492,691	\$1,991,919
48	49	Alaska	\$23,554,205	\$23,813,085	\$13,961,752	\$5,628,599
49	48	Wyoming	\$22,619,717	\$22,718,511	\$13,901,820	\$6,741,494
50	50	Vermont	\$15,693,544	\$17,103,044	\$10,344,723	\$2,158,570
51	51	South Dakota	\$15,305,226	\$15,309,163	(\$775,767)	\$1,198,603
52	53	Other Territories	\$10,597,456	\$9,064,461	(\$3,482,304)	\$801,557
53	52	North Dakota	\$9,424,312	\$9,078,803	(\$29,471,024)	(\$2,090,879)
Grand Total:			\$9,127,880,572	\$9,139,695,422	\$4,453,829,865	\$1,924,962,270

Appendix C

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

2017

2017 Rank	2016 Rank	State	Loss and DCC Ratio
1	55	North Dakota	-347.6%
2	1	Other Territories	-29.6%
3	8	South Dakota	2.8%
4	4	Wisconsin	14.4%
5	50	Minnesota	20.0%
6	13	Texas	22.3%
7	54	West Virginia	24.7%
8	7	North Carolina	27.0%
9	21	Indiana	28.8%
10	9	District of Columbia	31.3%
11	5	Mississippi	34.5%
12	14	Ohio	37.8%
13	35	Oregon	42.2%
14	34	New Jersey	43.1%
15	37	Maryland	48.5%
16	27	Virginia	51.3%
17	40	Iowa	51.9%
18	43	Oklahoma	52.2%
19	23	Puerto Rico	53.7%
20	20	Arizona	59.1%
21	6	Kansas	60.9%
22	18	Alabama	61.5%
23	16	Louisiana	61.9%
24	51	Hawaii	63.9%
25	41	Tennessee	64.3%
26	11	Nevada	64.3%
27	26	Colorado	67.3%
28	22	Utah	69.6%
29	17	Vermont	73.1%
30	36	Illinois	74.0%
31	15	Delaware	74.4%
32	32	California	74.8%
33	53	Rhode Island	75.1%
34	28	Idaho	75.8%
35	19	Massachusetts	76.1%
36	42	Kentucky	77.3%
37	44	New York	79.1%
38	39	Missouri	81.3%
39	12	Alaska	82.3%

2017 Rank	2016 Rank	State	Loss and DCC Ratio
40	31	Florida	83.7%
41	24	Arkansas	84.9%
42	47	Pennsylvania	87.6%
43	29	Maine	89.2%
44	38	Wyoming	90.9%
45	25	Washington	93.7%
46	33	Nebraska	95.3%
47	48	Connecticut	102.2%
48	49	Georgia	102.4%
49	52	South Carolina	104.4%
50	45	Montana	116.8%
51	3	Michigan	129.6%
52	46	New Mexico	129.9%
53	30	New Hampshire	147.1%
National Average:			69.8%

Appendix D

Physicians Malpractice Data for States and U.S. Territories

2017

Written Premium Rank	State	Direct Physicians Written Premium	Direct Physicians Earned Premium	Direct Physicians Incurred Loss	Loss Ratio
1	New York	\$963,155,195	\$981,944,255	\$553,700,025	56.4%
2	California	\$428,529,191	\$424,022,362	\$122,641,388	28.9%
3	Florida	\$358,784,797	\$349,474,910	\$210,286,770	60.2%
4	Illinois	\$298,075,554	\$313,513,760	\$125,461,313	40.0%
5	New Jersey	\$268,940,258	\$282,872,299	\$64,092,887	22.7%
6	Pennsylvania	\$235,863,065	\$263,131,866	\$163,942,122	62.3%
7	Georgia	\$166,373,103	\$166,231,070	\$100,165,908	60.3%
8	Maryland	\$146,503,831	\$148,669,465	\$61,279,951	41.2%
9	Arizona	\$143,735,765	\$147,879,931	\$54,023,826	36.5%
10	Ohio	\$140,143,851	\$148,032,638	\$43,849,769	29.6%
11	Texas	\$139,305,912	\$139,781,143	(\$67,352,541)	-48.2%
12	Tennessee	\$135,478,552	\$134,603,805	\$31,665,632	23.5%
13	Virginia	\$127,573,591	\$128,197,752	\$44,602,845	34.8%
14	Michigan	\$113,900,281	\$115,122,705	\$120,552,222	104.7%
15	North Carolina	\$101,850,796	\$101,387,635	\$10,518,504	10.4%
16	Massachusetts	\$98,567,094	\$103,855,109	\$61,379,045	59.1%
17	Colorado	\$92,483,281	\$95,414,621	\$34,631,118	36.3%
18	Washington	\$88,657,124	\$89,359,626	\$71,468,577	80.0%
19	Missouri	\$76,589,487	\$74,395,839	\$47,760,382	64.2%
20	Alabama	\$75,625,710	\$73,862,725	\$28,544,180	38.6%
21	Connecticut	\$71,265,686	\$67,598,682	\$59,495,274	88.0%
22	Indiana	\$66,189,781	\$65,009,755	(\$13,132,351)	-20.2%
23	Kentucky	\$64,222,592	\$65,442,400	\$21,020,481	32.1%
24	Oklahoma	\$59,482,427	\$61,307,819	\$27,626,018	45.1%
25	Oregon	\$56,866,246	\$56,715,836	\$26,966,192	47.5%
26	Louisiana	\$53,031,828	\$52,848,053	\$6,867,652	13.0%
27	Nevada	\$45,569,468	\$45,974,465	\$15,130,199	32.9%
28	South Carolina	\$44,558,881	\$42,959,303	\$34,951,069	81.4%
29	Utah	\$39,477,108	\$40,450,392	\$14,900,952	36.8%
30	Wisconsin	\$36,295,390	\$37,083,127	\$7,199,810	19.4%
31	West Virginia	\$35,968,265	\$39,786,101	\$35,846,466	90.1%
32	Puerto Rico	\$35,546,205	\$34,354,836	\$9,043,164	26.3%
33	Arkansas	\$35,456,719	\$36,464,336	\$612,381	1.7%
34	Minnesota	\$35,321,340	\$36,224,784	\$22,860,202	63.1%
35	Kansas	\$31,297,550	\$31,919,381	\$12,722,861	39.9%
36	Iowa	\$29,789,839	\$31,267,238	\$24,286,080	77.7%
37	Montana	\$27,298,338	\$21,382,371	\$22,873,039	107.0%
38	New Mexico	\$24,933,978	\$24,427,527	\$9,998,056	40.9%

Written Premium Rank	State	Direct Physicians Written Premium	Direct Physicians Earned Premium	Direct Physicians Incurred Loss	Loss Ratio
39	New Hampshire	\$21,919,170	\$28,121,851	\$37,801,010	134.4%
40	Delaware	\$21,749,760	\$22,083,020	\$8,669,967	39.3%
41	Maine	\$20,440,511	\$20,894,859	\$7,096,636	34.0%
42	Idaho	\$18,444,806	\$18,162,059	\$12,870,028	70.9%
43	District of Columbia	\$17,296,618	\$17,228,741	\$3,511,653	20.4%
44	Hawaii	\$16,367,274	\$16,644,903	\$6,507,762	39.1%
45	Mississippi	\$16,117,160	\$20,091,624	\$486,769	2.4%
46	Rhode Island	\$15,851,441	\$19,143,938	\$11,459,217	59.9%
47	Alaska	\$14,412,142	\$14,876,981	\$10,731,748	72.1%
48	Wyoming	\$13,170,277	\$13,213,549	\$6,887,929	52.1%
49	Nebraska	\$12,556,792	\$12,713,486	\$7,505,920	59.0%
50	South Dakota	\$8,292,279	\$8,547,148	(\$2,263,562)	-26.5%
51	Vermont	\$7,550,485	\$8,962,385	\$4,313,028	48.1%
52	North Dakota	\$5,573,066	\$5,299,118	\$2,533,232	47.8%
53	Other Territories	\$2,807,085	\$3,537,504	\$3,000,217	84.8%
Grand Total:		\$5,205,256,945	\$5,302,491,088	\$2,343,593,022	44.2%

Appendix E

Written Premium in Top Five States of Leading Florida Malpractice Carriers

2017

Company	State 1	State 2	State 3	State 4	State 5
Doctors Company, An Interinsurance Exchange	CA	FL	OH	TX	VA
	\$175,616,410	\$116,324,194	\$38,664,006	\$34,208,901	\$31,779,754
MAG Mutual Insurance Company	GA	FL	NC	SC	VA
	\$86,436,056	\$61,867,987	\$28,285,271	\$18,219,517	\$17,728,624
Medical Protective Company	PA	FL	TX	OH	CA
	\$61,303,278	\$54,112,429	\$46,421,492	\$46,179,692	\$28,489,042
NORCAL Mutual Insurance Company	CA	PA	FL	IL	TX
	\$103,050,192	\$44,220,428	\$33,127,012	\$17,380,797	\$13,674,447
National Fire & Marine Insurance Company	FL	CA	IL	NY	GA
	\$21,905,735	\$17,258,232	\$16,193,398	\$15,794,357	\$14,860,353
ProAssurance Casualty Company	MI	WI	FL	NV	IL
	\$26,449,894	\$24,631,062	\$15,522,596	\$14,667,233	\$12,196,825
MedMal Direct Insurance Company	FL	GA	IL	NC	TX
	\$14,859,718	\$2,243,239	\$821,015	\$310,518	\$206,320
American Casualty Company of Reading, PA	CA	NY	FL	TX	NJ
	\$20,673,839	\$15,501,610	\$12,655,241	\$11,243,470	\$11,234,938
Columbia Casualty Company	PA	TX	IL	FL	CA
	\$13,399,804	\$13,077,635	\$12,554,761	\$11,177,388	\$10,083,141
Continental Casualty Company	OR	FL	WI	NY	AR
	\$16,233,992	\$10,214,800	\$9,813,726	\$7,161,611	\$6,862,989
Samaritan RRG, Inc.	FL	-	-	-	-
	\$10,013,174	-	-	-	-
Evanston Insurance Company	FL	NY	CA	TX	IL
	\$9,362,389	\$8,514,556	\$7,007,644	\$6,395,054	\$4,818,436
MCIC Vermont (A Reciprocal RRG)	NY	MD	CT	FL	DC
	\$165,581,672	\$82,153,124	\$76,135,888	\$8,345,450	\$2,384,949
Physicians Insurance Company	FL	TX	-	-	-
	\$6,553,771	\$45,999	-	-	-
Landmark American Insurance Company	CA	FL	NY	PA	TX
	\$7,290,877	\$6,517,475	\$4,007,537	\$2,794,925	\$2,725,112
Admiral Insurance Company	CA	NY	FL	TX	PA
	\$18,683,707	\$10,400,568	\$6,138,594	\$5,670,823	\$3,275,480
OMS National Insurance Company, RRG	NY	CA	FL	TX	PA
	\$11,323,460	\$6,053,120	\$5,978,841	\$3,699,024	\$3,651,980
Healthcare Underwriters Group, Inc.	FL	OH	KY	TX	IN
	\$5,842,304	\$3,476,899	\$2,154,322	\$121,525	\$57,120

Company	State 1	State 2	State 3	State 4	State 5
Ophthalmic Mutual Insurance Company (A RRG)	FL	IL	CA	VA	PA
	\$5,607,289	\$4,514,861	\$3,901,017	\$2,165,610	\$2,036,543
ProAssurance Specialty Insurance Company, Inc.	TN	MT	TX	FL	PA
	\$16,114,544	\$10,356,989	\$6,051,114	\$5,470,010	\$3,517,377
Podiatry Insurance Company of America	NY	CA	IL	FL	NJ
	\$9,604,089	\$6,308,045	\$5,486,797	\$5,366,140	\$3,907,361
Allied World Surplus Lines Insurance Company	FL	CA	TX	PA	TN
	\$5,118,214	\$4,982,398	\$3,504,355	\$3,232,892	\$2,793,373
Homeland Insurance Company of NY	IL	OH	TX	FL	TN
	\$5,930,099	\$5,644,430	\$5,327,752	\$4,651,649	\$3,534,000
NCMIC RRG Inc	FL	NY	TX	IL	CT
	\$4,640,333	\$3,174,077	\$87,218	\$84,956	\$75,886
Physicians Professional Liability RRG, Inc.	FL	-	-	-	-
	\$4,556,289	-	-	-	-

Appendix F

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

2017

Company	State 1	State 2	State 3	State 4	State 5
Doctors Company, An Interinsurance Exchange	CA	FL	OH	TX	VA
	63%	89%	46%	46%	36%
MAG Mutual Insurance Company	GA	FL	NC	SC	VA
	79%	111%	42%	155%	55%
Medical Protective Company	PA	FL	TX	OH	CA
	84%	158%	-183%	100%	102%
NORCAL Mutual Insurance Company	CA	PA	FL	IL	TX
	36%	68%	107%	127%	18%
National Fire & Marine Insurance Company	FL	CA	IL	NY	GA
	74%	105%	96%	91%	89%
ProAssurance Casualty Company	MI	WI	FL	NV	IL
	68%	4%	17%	53%	-17%
MedMal Direct Insurance Company	FL	GA	IL	NC	TX
	92%	106%	5%	31%	-111%
American Casualty Company of Reading, PA	CA	NY	FL	TX	NJ
	41%	73%	43%	37%	105%
Columbia Casualty Company	PA	TX	IL	FL	CA
	201%	34%	65%	185%	47%
Continental Casualty Company	OR	FL	WI	NY	AR
	57%	66%	54%	29%	102%
Samaritan RRG, Inc.	FL	-	-	-	-
	55%	-	-	-	-
Evanston Insurance Company	FL	NY	CA	TX	IL
	74%	45%	50%	77%	68%
MCIC Vermont (A Reciprocal RRG)	NY	MD	CT	FL	DC
	97%	76%	122%	126%	220%
Physicians Insurance Company	FL	TX	-	-	-
	54%	-36%	-	-	-
Landmark American Insurance Company	CA	FL	NY	PA	TX
	53%	37%	25%	63%	28%
Admiral Insurance Company	CA	NY	FL	TX	PA
	59%	-2%	41%	15%	134%
OMS National Insurance Company, RRG	NY	CA	FL	TX	PA
	37%	45%	38%	3%	189%
Healthcare Underwriters Group, Inc.	FL	OH	KY	TX	IN
	98%	-7%	66%	63%	63%

Company	State 1	State 2	State 3	State 4	State 5
Ophthalmic Mutual Insurance Company (A RRG)	FL	IL	CA	VA	PA
	36%	49%	36%	48%	39%
ProAssurance Specialty Insurance Company, Inc.	TN	MT	TX	FL	PA
	180%	86%	59%	51%	49%
Podiatry Insurance Company of America	NY	CA	IL	FL	NJ
	78%	69%	107%	104%	60%
Allied World Surplus Lines Insurance Company	FL	CA	TX	PA	TN
	45%	259%	35%	237%	182%
Homeland Insurance Company of NY	IL	OH	TX	FL	TN
	72%	41%	42%	47%	57%
NCMIC RRG Inc	FL	NY	TX	IL	CT
	-54%	-3%	20%	23%	13%
Physicians Professional Liability RRG, Inc.	FL	-	-	-	-
	38%	-	-	-	-



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