

2024 medical malpractice annual report

Claims closed 2019 through 2023
October 2024

Mike Kreidler, *Insurance Commissioner*

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About this report

Early in the 2000s, a “hard market” emerged nationally for most types of insurance. During this period, medical professional liability insurance became expensive and hard to find for many types of medical providers and facilities.

In 2006, the Washington state Legislature enacted comprehensive health care liability reform legislation ([2SHB 2292](#)) to address a number of concerns, including the cost and availability of medical professional liability insurance. This law also created reporting requirements for medical malpractice claims that are resolved and closed, with the intent to collect data to support policy decisions. The Office of the Insurance Commissioner (OIC) began publishing annual reports in 2010 that summarize the data.

This report has three sections:

1. The current condition of the medical professional liability insurance market.
2. Summary data for closed claims reported by insurers, risk retention groups and self-insurers.¹
3. Summary data for lawsuits reported by attorneys.

¹ For simplicity, we will use the term “insurers” when referring to admitted insurers, surplus line insurers and risk retention groups.

Key statistics

This section includes premium, loss and defense cost data reported by insurers and self-insurers to the National Association of Insurance Commissioners (NAIC), closed claim data reported by insurers and self-insurers to the OIC, and lawsuit data reported by attorneys to the OIC.

About the medical professional liability insurance market

- In Washington state, the incurred loss and defense cost ratio for 2023 was 83.4%. This is similar to the 81.6% ratio for the five-year period from 2018 to 2022.
- Defense costs decreased to 17.8% of earned premium in 2023. For the five-year period from 2018 to 2022, this ratio was 19.4%.
- Direct written premiums continued to increase in 2023, reaching \$241 million. This was the highest total since 2006.
- Loss development continued to be favorable overall but showed signs of flattening. For example, Physicians Insurance decreased its reserves by \$61 million over its original estimates, but this is lower than the \$89 million decrease in last year's report and the \$111 million decrease two years ago. When insurers lower their reserves² for older claims, this translates to profit for the current year.
- Profitability results were mixed. The operating ratio for Physicians Insurance A Mutual Company, the admitted insurer with the largest market share in Washington state, increased from 95.2% in 2022 to 102.5% in 2023. For The Doctors Company, the admitted insurer with the second largest market share, the operating ratio decreased from 91% in 2022 to 84.8% in 2023.³

² Claim reserves are money set aside to meet future payments associated with claims incurred but not settled on a given date. If a claim reserve is too high or an investigation shows there is no legal responsibility to pay the claim, the insurer either lowers the reserve or removes the claim reserve from its books. If an insurer lowers total claim reserves for past years, this decreases incurred losses in the current year.

³ Operating ratios measure overall profitability from underwriting and investment activities. Operating ratios are calculated using countrywide data.

About claim data submitted by insurers and self-insurers

Total claims

Insurers and self-insurers reported closing 3,043 claims between 2019 and 2023 with indemnity payments, defense costs, or both types of payments.⁴ ⁵ Commercial insurers and risk retention groups reported 1,809 claims, while self-insured entities reported 1,234 claims.⁶

Payments to claimants

Insurers and self-insurers closed 47.2% of all claims with an indemnity payment to a claimant.

- Indemnity payments totaled \$1 billion on 1,437 claims over the five-year period, or \$707,889 per paid claim. For claims closed in 2023, the average indemnity payment increased to \$900,549 per paid claim.
- Economic loss payments totaled \$636 million, an average of \$442,503 per paid claim. On average, insurers and self-insurers attributed 62.5% of each claim payment to economic loss.
- Of the claims closed with an indemnity payment, 19.3% closed with a payment of \$1 million or more. These claims account for 77.2% of the total paid indemnity over the five-year period.

Defense costs

Insurers and self-insurers paid \$248 million to defend 2,772 claims, an average of \$89,691 per claim. The average defense cost decreased by 20.7% from 2022 to 2023, but the median defense cost increased by 14.5% over the same period.

Method of settlement

Insurers and self-insurers settled most claims with paid indemnity by negotiation between the claimant and the insurer. Of the claims with an indemnity payment, insurers and self-insurers settled 66.8% by negotiation and 28.5% by alternate dispute resolution.⁷ Negotiations comprised 55.9% of the total paid indemnity, while alternate dispute resolution comprised 42.6%.

⁴ This report includes claims data reported through March 24, 2024, and audited through June 11, 2024.

⁵ For simplicity, this report substitutes “defense costs” for the technical phrase “defense and cost containment expenses.” Defense and cost containment expenses are expenses allocated to a specific claim to defend an insured, including court costs, fees paid to defense attorneys, and fees for expert witnesses. These expenses do not include the internal costs to operate a claims department.

⁶ Commercial insurers include admitted (licensed) insurers, surplus line insurers and joint underwriting associations.

⁷ Alternate dispute resolutions include arbitration, mediation and private trials.

Payments by type of medical provider

Insurers and self-insurers identified the type of medical provider in 71.9% of the closed claim reports.⁸ Claimants made the remaining claims against an organization, not an individual medical provider.

- Nursing resulted in the most closed claims at 260. Of these claims, 155 resulted in paid indemnity averaging \$495,220.
- For physician specialties, obstetrics and gynecology accounted for the most closed claims at 189, with 101 paid claims resulting in paid indemnity averaging \$1,184,577.
- Neurological surgery had the highest average paid indemnity at \$2.5 million.
- Podiatry the highest average defense cost at \$312,017.

Payments and defense costs by age of claim

- The longer a claim takes to be settled, the higher the paid claims tend to be. Claims closed within the first year had average paid indemnity of \$234,126. Claims that took at least three years to settle had average indemnity payments of \$1.2 million.
- Defense costs also increased with the age of the claim. Claims closed within the first year had average defense costs of \$11,663. Claims that took at least three years had average defense costs of \$180,146.

Regional comparisons

King County had the most claims (844), the highest average paid indemnity (\$971,361), the highest average economic loss (\$684,747), and the highest average defense cost (\$126,345).

Allegations

- "Vicarious liability" was the most common allegation, with 721 claims and 285 indemnity payments averaging \$725,404.
- "Improper performance" was the second-most common allegation, with 464 claims and 203 indemnity payments averaging \$527,841.
- "Failure to identify fetal distress" was the allegation with the highest average paid indemnity at \$3.2 million.
- "Failure to monitor" was the allegation with the highest average defense cost at \$452,577.

⁸ Physician specialties, dental specialties and other types of medical providers.

About lawsuits filed and settled by attorneys

If an attorney files a lawsuit to resolve a medical malpractice incident, they should report data about the lawsuit to the OIC once the litigation is resolved.

For settlements resolved between 2019 and 2023⁹:

Compensation to claimants

Attorneys reported claimants received \$131 million in total compensation on 70 claims, an average of \$1.9 million per paid settlement. Attorney fees totaled \$36 million, an average of \$508,966 per paid settlement. On average, attorney fees were 27.3% of the total compensation paid to the claimant.

How lawsuits settled

Lawsuits settled between the parties had the highest average paid indemnity at \$2.9 million, and the highest average legal expense at \$669,542.

Gender of claimant

Settlements for male claimants were significantly more costly than settlements for female claimants. Average indemnity payments to male claimants were 114.2% higher than payments to female claimants, and average legal expenses were 74.2% higher.

Age of claimant

Settlements involving claimants under 21 years old had the highest average paid indemnity at \$3.7 million, and the highest average legal expense at \$1.3 million.

Regional comparisons

King County had the largest number of lawsuits filed, with 27 lawsuits or 36% of the statewide total. King County also had the highest average legal expense at \$905,953. The "Puget Sound Metro" region (Kitsap, Pierce and Thurston counties) had the highest average paid indemnity at \$3 million.

⁹ This report includes data submitted on or before March 24, 2024, and audited through Sept. 9, 2024.

Introduction

Under the [Revised Code of Washington \(RCW\) 48.140](#), insurers, risk retention groups (collectively “insurers”) and self-insurers must submit a report to the insurance commissioner every time they close a medical malpractice claim.¹⁰ Under [RCW 7.70.140](#), attorneys must report aggregate settlement data from all defendants after they resolve all claims related to a medical malpractice lawsuit. This report includes data submitted by insurers, self-insurers and attorneys in summary form that protects the confidentiality of people and organizations involved in the claim or settlement process.¹¹

Insurers, self-insurers and attorneys must report claim data for the prior year to the OIC by March 1 each year.¹² Attorneys’ compliance with the reporting law has been low, and the insurance commissioner does not have enforcement mechanisms to improve compliance.¹³ As a result, this report provides very few summary exhibits for settlement data reported by attorneys, since the data is incomplete. Most of the exhibits in this report focus on data reported by insurers and self-insurers.¹⁴

This report has three sections:

1. Market analysis
2. Summary data for closed claims reported by insurers and self-insurers
3. Summary data for lawsuits reported by attorneys

Market analysis

This section is an overview of the medical professional liability insurance market in Washington state and around the country that includes:

- An analysis of the profitability of the largest authorized medical malpractice insurers in Washington state.
- Information about premiums, incurred losses and defense costs for medical professional liability insurance.

¹⁰ A risk retention group (RRG) is an owner-controlled insurance company authorized by the Federal Risk Retention Act of 1986. An RRG provides liability insurance to members who are in similar or related business or activities. The federal act allows one state to charter an RRG and allows the RRG to engage in the business of insurance in all states. The federal act pre-empts state law in many significant ways. See [RCW 48.92.030](#)(1). For simplicity, and to protect the confidentiality of data, we include them with all other insurers in this report.

¹¹ [RCW 48.140.040](#)(3) says the OIC must take steps to protect the confidentiality of claim data, and [RCW 48.140.060](#) required the OIC to adopt rules to achieve this result.

¹² See [RCW 48.140.020](#)(2) and [WAC 284-24E-090](#).

¹³ In 2010, the OIC proposed legislation, which the Legislature did not enact, that would have added enforcement mechanisms to the existing law. These bills were introduced as [SB 6412](#) and [HB 2963](#).

¹⁴ [RCW 48.140.050](#) lists information that must be provided by this report.

Summary data for closed claims reported by insurers and self-insurers

Insurers and self-insurers report claims with an indemnity payment and/or defense costs.¹⁵ ¹⁶ Each closed claim report is associated with one defendant.¹⁷ Claims can be made for a variety of allegations. People can make allegations against an organization, a medical provider or both.

Insurers and self-insurers reported three primary types of closed claim data:

1. **Defense costs:** These are expenses paid to defend claims and include expenses allocated to a specific claim, such as court costs and fees paid to defense attorneys or expert witnesses. They do not include internal costs to settle claims, such as salaries for claims staff or operating overhead for a claims department.¹⁸
2. **Economic damages:** Most of these amounts are estimates of the claimant's economic damages made by the insurer or self-insurer when it makes a payment to settle the claim.¹⁹ In a few cases, a court itemized economic damages when it issued a verdict.
3. **Paid indemnity:** The amount the insurer or self-insurer paid to the claimant to resolve the claim.

Summary data for lawsuits reported by attorneys

If an attorney files a lawsuit alleging medical malpractice, the attorney must report data after the lawsuit is resolved. Many attorneys, however, do not comply with [RCW 7.70.140](#), so data in this report is incomplete. Therefore, this section of the report is less detailed than the closed claim section.

Attorneys reported two primary types of settlement data:

1. **Total paid indemnity:** Total compensation paid by all defendants to the claimant. Indemnity payments may come from several defendants if a lawsuit named more than one party.²⁰
2. **Legal expenses:** All sums paid by the claimant to the attorney, including attorney fees, expert witness fees, court costs and all other legal expenses.²¹ ²²

¹⁵ [RCW 48.140.010](#)(1) defines a claim.

¹⁶ Under [WAC 284-24D-060](#), if an insurer or self-insurer closes a claim without an indemnity payment or defense costs, it is not required to report the claim to the OIC.

¹⁷ [RCW 48.140.010](#)(3) defines a closed claim.

¹⁸ See [WAC 284-24D-020](#)(1), [WAC 284-24D-330](#) and [WAC 284-24D-340](#).

¹⁹ See [WAC 284-24D-350](#), [WAC 284-24D-360](#), [WAC 284-24D-362](#), [WAC 284-24D-364](#), and [WAC 284-24D-370](#).

²⁰ See [WAC 284-24E-150](#).

²¹ Attorney fees for legal representation are generally contingent fees that are payable if indemnity payments are made by one or more defendants.

²² See [RCW 7.70.140](#)(2)(b)(v).

Closed claim and lawsuit statistics are different

One cannot compare data reported by insurers, self-insurers and risk retention groups to the data reported by attorneys because:

- Insurers, self-insurers and risk retention groups report all closed claims in which they make payments or incur expenses to defend the claim. Attorneys report data only if they filed a lawsuit against one or more defendants.
- Insurers, self-insurers and risk retention groups report data separately for each defendant. Attorneys submit one final settlement report that includes payments made by all defendants they sued.
- Insurers, self-insurers and risk retention groups are more diligent in reporting closed claim data.

Example: If an attorney sues several medical providers for their actions related to an incident with a poor medical outcome, some providers may resolve the litigation early, while others may be involved in the dispute resolution process for years. Insurers and self-insurers report claims as they resolve the claims against their customers, while an attorney waits until claims against all defendants are resolved to report the settlement.

Market analysis

This is an overview of the medical malpractice market in Washington state primarily using calendar year premium and loss data from the National Association of Insurance Commissioners (NAIC).

Market participants

The medical professional liability insurance market has three primary types of participants:

1. Admitted insurers regulated by the insurance commissioner.
2. Unregulated surplus lines insurers.
3. Risk retention groups regulated by their home state.

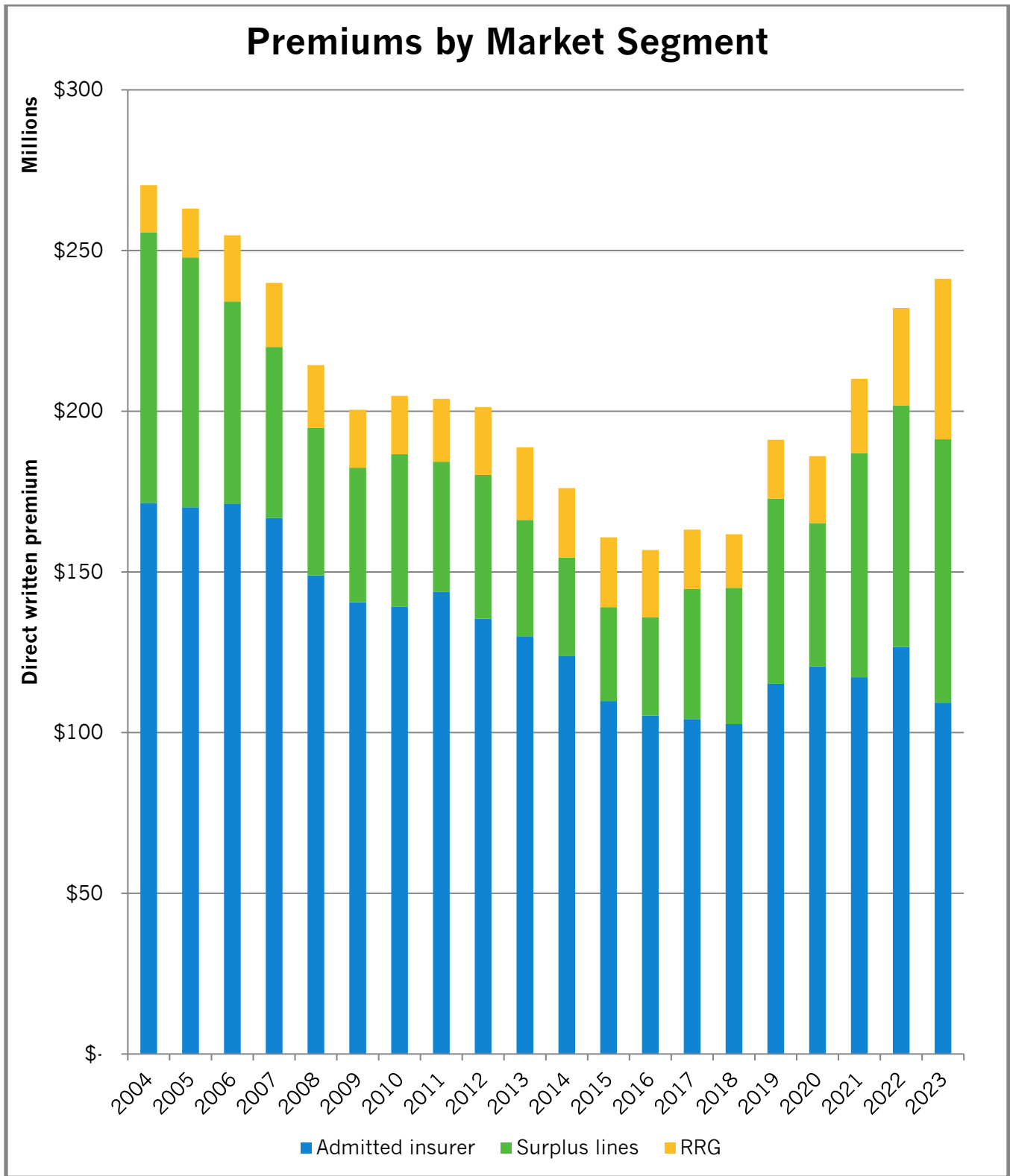
In 2000, admitted insurers wrote 95.4% of medical professional liability insurance premiums in Washington state. Physicians Insurance Group led the market with 52.7% of the admitted market share and 50.3% of the total market share.²³ In 2023, admitted insurers wrote only 45.3% of premiums, and the remainder of the market was written by surplus line insurers and risk retention groups. Physicians Insurance Group still had more than half of the admitted market share at 55%, but its share of the overall market was much lower, at 33.1%.²⁴

Medical professional liability insurance has been a profitable line of business for insurers in Washington state, but profit results have been mixed in recent years. For Physicians Insurance A Mutual Company, the admitted insurer with the largest market share in Washington state, the operating ratio for 2019-2023 was 100.9%, a significant decline from its 2014-2018 ratio of 89.2%. However, for The Doctors Company, the admitted insurer with the second largest market share, this ratio improved from 98.4% to 91.3% over the same period.

²³ In 2000, Physicians Insurance Group sold insurance through three companies: Physicians Insurance A Mutual Company; Western Professional Insurance Company; and Northwest Dentists Insurance Company. Western Professional Insurance Company is no longer actively writing insurance, and a group including the ODS Companies and the Washington State Dental Association purchased Northwest Dentists Insurance Company in 2007.

²⁴ As of 2023, Physicians Insurance Group sells insurance through two companies: Physicians Insurance A Mutual Company, an admitted insurer domiciled in the state of Washington, and Physicians Insurance Risk Retention Group Inc., a risk retention group domiciled in the state of Vermont.

This chart shows the distribution of written premiums for each segment of the medical professional liability insurance market.



Loss history

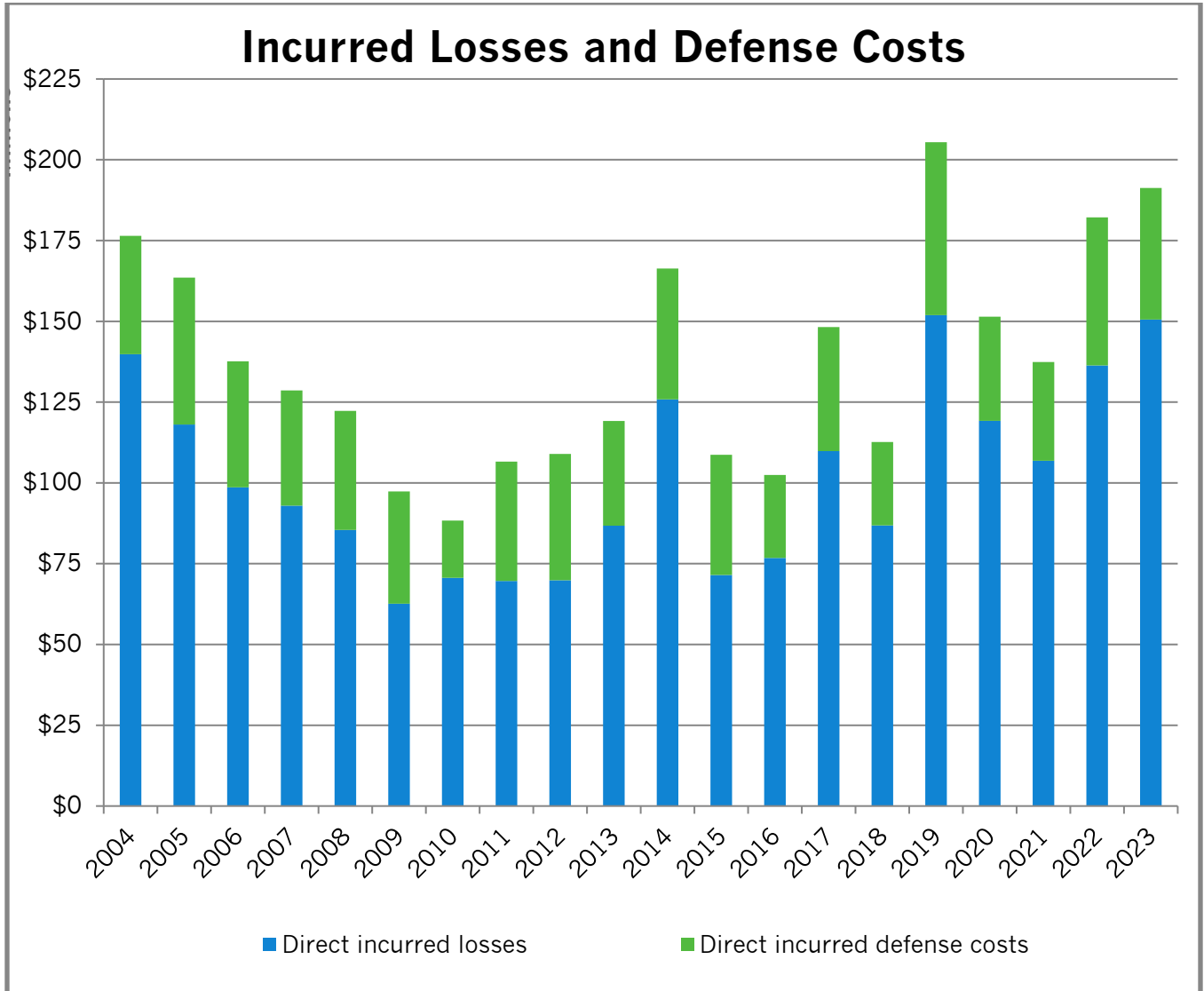
The following table shows data for the total Washington state market, which includes admitted insurers, surplus line insurers and risk retention groups. The pure loss ratio is the ratio of direct incurred losses (excluding defense costs) to direct earned premium. The defense cost ratio is the ratio of direct incurred defense costs to direct earned premium.

The overall incurred loss and defense cost ratio for medical professional liability insurance in Washington state was 83.4% in 2023, which was similar to recent years. For the five-year period from 2018 to 2022, this ratio was 81.6%.

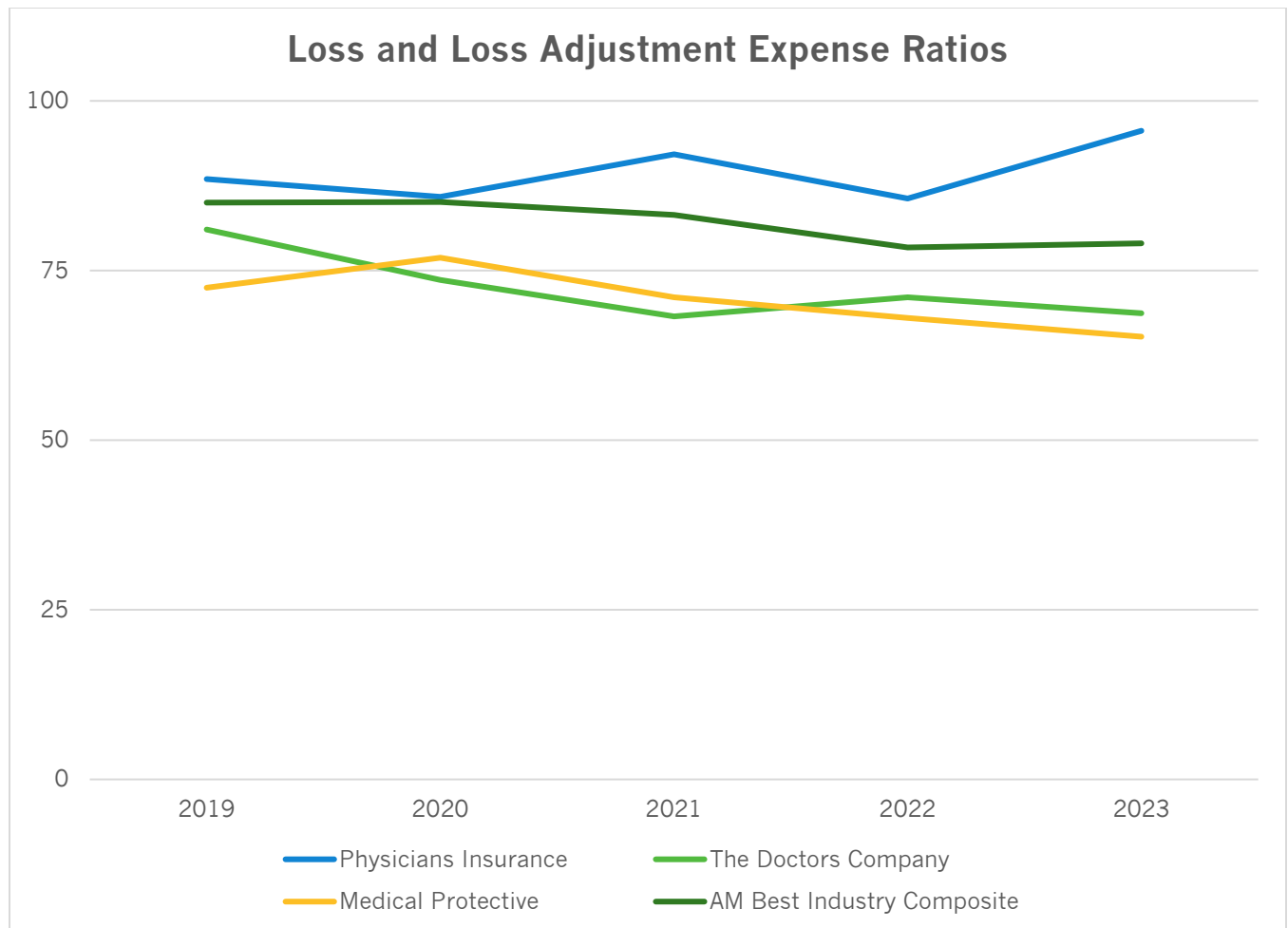
Overall Washington state medical malpractice insurance market loss experience

Year	Direct written premium	Direct earned premium	Pure loss ratio	Defense cost ratio	Incurred loss & defense cost ratio
2004	\$270,352,631	\$258,075,781	54.2%	14.2%	68.4%
2005	\$263,090,674	\$258,403,214	45.7%	17.6%	63.3%
2006	\$254,759,071	\$253,104,467	39.0%	15.4%	54.4%
2007	\$239,959,432	\$241,654,054	38.5%	14.8%	53.2%
2008	\$214,357,164	\$218,726,595	39.1%	16.8%	55.9%
2009	\$200,445,437	\$202,466,303	30.9%	17.1%	48.1%
2010	\$204,786,151	\$199,165,328	35.5%	8.9%	44.4%
2011	\$203,869,400	\$201,195,699	34.6%	18.4%	53.0%
2012	\$201,288,240	\$193,926,182	36.0%	20.1%	56.2%
2013	\$188,761,301	\$187,007,042	46.4%	17.3%	63.7%
2014	\$176,091,879	\$182,705,913	68.9%	22.2%	91.1%
2015	\$160,752,756	\$164,616,659	43.4%	22.6%	66.0%
2016	\$156,825,836	\$158,126,354	48.5%	16.2%	64.8%
2017	\$163,187,482	\$157,522,013	69.7%	24.4%	94.1%
2018	\$161,729,173	\$164,622,766	52.7%	15.7%	68.4%
2019	\$191,108,177	\$192,612,461	78.9%	27.8%	106.7%
2020	\$186,040,296	\$176,978,799	67.3%	18.2%	85.6%
2021	\$210,111,147	\$208,682,922	51.2%	14.6%	65.8%
2022	\$232,144,024	\$224,149,078	60.8%	20.4%	81.3%
2023	\$241,201,894	\$229,313,172	65.7%	17.8%	83.4%
Total	\$4,120,862,165	\$4,073,054,802	49.8%	17.8%	67.6%

This chart shows statewide industry incurred losses and defense costs by calendar year.



This chart compares loss and defense cost ratios for Physicians Insurance A Mutual Company, The Doctors Company and Medical Protective Company to industrywide data obtained from A.M. Best.²⁵ The Doctors Company and Medical Protective Company are two of the largest writers of medical professional liability insurance in the United States. The loss and defense cost ratio for Physicians Insurance continues to be higher than for the market overall.



²⁵ Best's Market Segment Report – Medical Professional Liability: Profitability Buoyed by Net Investment Income (May 1, 2024)

Claim reserves

Loss development is the change in the estimated cost of a particular group of claims between the beginning and end of a period in time. Favorable loss development means losses and defense costs decreased from the beginning to the end of the period.²⁶ Reserves released from prior years translate into profit for the current year.

Appendix B shows data from the 2023 annual statement for Physicians Insurance A Mutual Company.²⁷ The first table shows the change in incurred loss and defense cost reserves over time. The second table shows the cumulative loss development for different time periods. Overall, Physicians Insurance had favorable incurred loss development and returned some of its profits to policyholders in the form of dividends totaling \$35 million from 2014 to 2020. However, since then, loss development has been less favorable, and no dividends have been paid.

Appendix B also shows loss development for The Doctors Company and Medical Protective Company. As compared to Physicians Insurance, loss development has been more favorable for both of these companies.

²⁶ Insurers compile the first estimate of incurred losses three months after the end of the year. Medical malpractice claims often take a long time to resolve and the first estimate of incurred losses may be very inaccurate and subject to revisions in later years. There will be changes to total incurred losses from one period to the next, as more claims are paid and the insurer revises reserves for other claims using new information. "Loss development" is the technical term for the change in incurred losses from period to period.

²⁷ Consolidated data from Schedule P, part 2, sections 1 and 2 for medical professional liability occurrence and claims made policies written in all states. Washington state-specific information is not available.

Washington state market in 2023

Physicians Insurance dominates the admitted medical professional liability insurance market in Washington. The Doctors Company and Medical Protective are also important participants in the market due to both their premium volume and their strong position in the national medical professional liability marketplace. Premiums written by Physicians Insurance best indicate the profitability of this type of insurance in Washington state, whereas premiums written by The Doctors Company and Medical Protective Company indicate profitability nationwide.

The following table shows direct written premiums for these companies in 2023, both in Washington state and nationwide.

Insurer direct written premiums

Insurer	Washington direct written premium	Nationwide direct written premium	WA % of Nationwide
Physicians Ins A Mutual Co	\$60,128,317	\$80,658,566	74.5%
Doctors Co An Interins Exch	\$11,615,970	\$779,926,227	1.5%
Medical Protective Co	\$8,765,664	\$731,483,514	1.2%

Washington state direct written premiums for the state's 10 largest admitted insurers

Admitted insurer	Washington direct written premium	Admitted market share
Physicians Ins A Mut Co	\$60,128,317	55.0%
Doctors Co An Interins Exch	\$11,615,970	10.6%
Medical Protective Co	\$8,765,664	8.0%
American Cas Co Of Reading PA	\$6,009,878	5.5%
Dentists Ins Co	\$4,678,336	4.3%
Proselect Ins Co	\$3,862,954	3.5%
Aspen Amer Ins Co	\$2,357,102	2.2%
NCMIC Ins Co	\$1,950,774	1.8%
Liberty Ins Underwriters Inc	\$1,552,256	1.4%
ProAssurance Ins Co of Amer	\$1,551,076	1.4%
All other admitted insurers	\$6,879,370	6.3%
Total	\$109,351,697	100.0%

National market in 2023

Appendix A shows the profitability for Physicians Insurance A Mutual Company, The Doctors Company and Medical Protective Company for the 10-year period ending Dec. 31, 2023, using two ratios:

- The operating ratio, which is the combined ratio minus the net investment income ratio.^{28 29}
- The combined ratio, which is the sum of the expense ratio, loss ratio, and dividend ratio.^{30 31 32}

The following table summarizes overall profitability by operating ratios.³³ Following a significant improvement in 2022, the operating ratio for Physicians Insurance A Mutual Company increased to 102.5% in 2023. Meanwhile, The Doctors Company posted an operating ratio under 100% for the seventh consecutive year. Of the three companies, Medical Protective Company continues to have the lowest operating ratio.

Operating ratios by company

Year	Physicians Insurance	Doctors Company	Medical Protective
2014	85.7%	102.7%	128.5%
2015	89.5%	98.1%	37.2%
2016	90.6%	101.6%	49.3%
2017	88.7%	93.6%	46.7%
2018	90.8%	95.7%	47.9%
2019	96.0%	99.3%	48.8%
2020	105.5%	94.1%	60.9%
2021	105.1%	89.9%	57.3%
2022	95.2%	91.0%	56.1%
2023	102.5%	84.8%	53.1%

²⁸ The operating ratio measures a company's overall operational profitability from underwriting and investment activities. If an operating ratio is below 100%, the company is making a profit from its underwriting and investment activities.

²⁹ The net investment income ratio is calculated by dividing net investment income by net earned premiums.

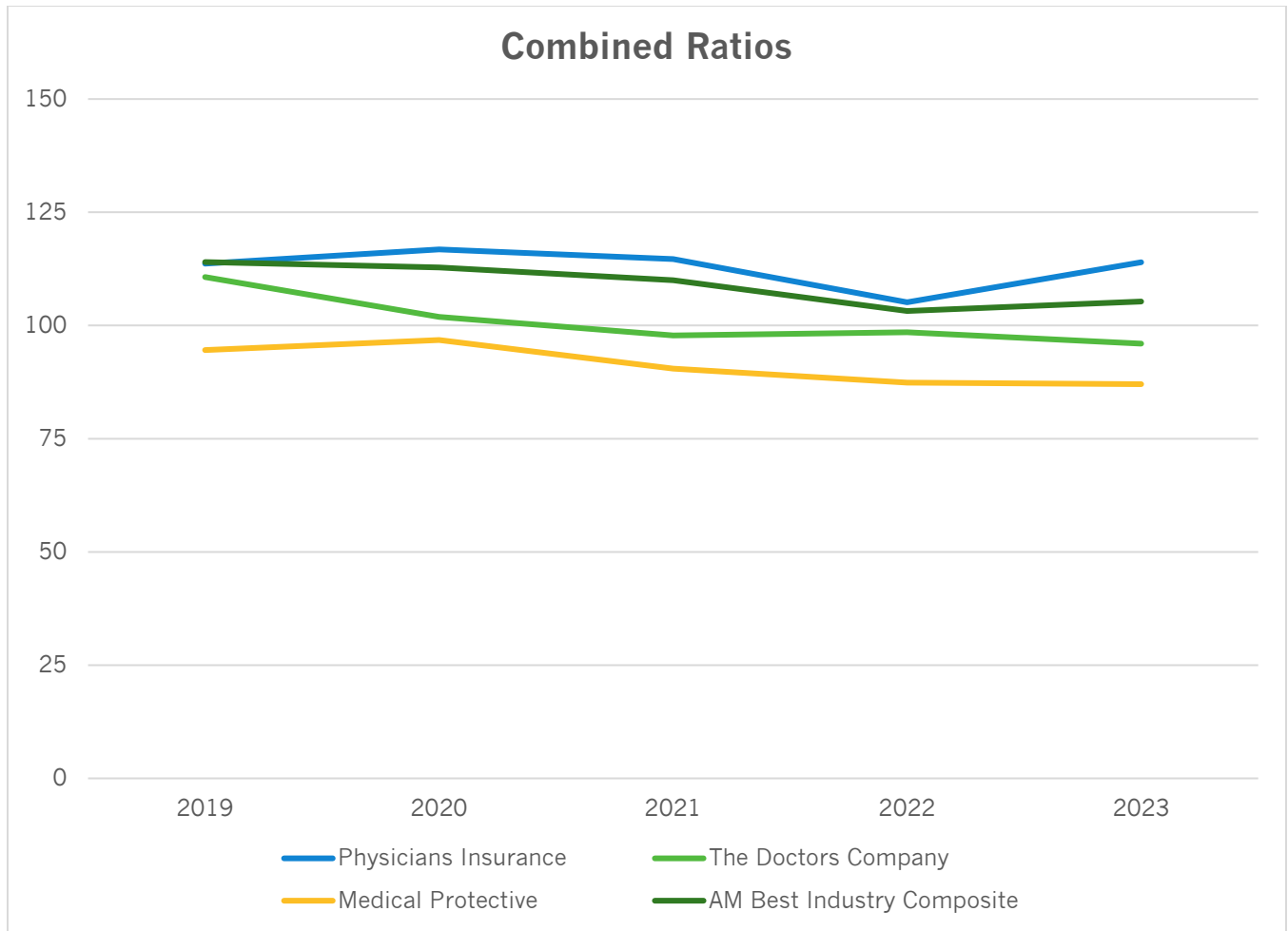
³⁰ The expense ratio is calculated by dividing incurred underwriting expenses by net written premiums.

³¹ The loss ratio is calculated by dividing losses and defense costs by net earned premiums.

³² The dividend ratio is calculated by dividing policyholder dividends by net earned premiums.

³³ Loss portfolio transfers between Medical Protective and its affiliates distorted its operating ratios in 2014 and 2015.

This chart compares combined ratios from Physicians Insurance, The Doctors Company and Medical Protective Company to cumulative data obtained from A.M. Best.^{34 35}



³⁴ Best's Market Segment Report – Medical Professional Liability: Profitability Buoyed by Net Investment Income (May 1, 2024)

³⁵ The combined ratio measures how well an insurance company is performing in its daily operations. A ratio below 100% means the company is making an underwriting profit. A company can make an operating profit if the combined ratio is above 100%, because the ratio does not include investment income.

Summary data for closed claims reported by insurers and self-insurers

Overall summary of closed claim data by year closed

Item	2019	2020	2021	2022	2023
Claims closed	667	604	563	638	571
Claims paid	305	264	279	309	280
Paid indemnity	\$188,833,420	\$156,600,864	\$152,441,343	\$267,207,399	\$252,153,696
Average indemnity payment	\$619,126	\$593,185	\$546,385	\$864,749	\$900,549
Median indemnity payment	\$125,000	\$125,000	\$150,000	\$250,000	\$262,500
Economic loss	\$139,127,976	\$96,830,671	\$75,258,105	\$171,142,844	\$153,517,041
Average economic loss	\$456,157	\$366,783	\$269,742	\$553,860	\$548,275
Median economic loss	\$75,000	\$65,000	\$75,000	\$130,138	\$107,463
Claims with defense costs	597	557	500	587	531
Defense costs	\$44,859,170	\$54,922,741	\$34,377,900	\$66,658,698	\$47,804,824
Average defense cost	\$75,141	\$98,605	\$68,756	\$113,558	\$90,028
Median defense cost	\$23,130	\$17,341	\$23,450	\$30,373	\$34,778

From 2019 to 2023, insurers and self-insurers paid \$1 billion on 1,437 claims, or \$707,889 per paid claim.³⁶ Following a significant increase in 2022, the average indemnity payment continued to trend upward in 2023, reaching \$900,549.

The total economic loss was \$636 million, or \$442,503 per paid claim. On average, insurers and self-insurers attributed 62.5% of indemnity payments to economic loss. The average economic loss decreased by 1% from 2022 to 2023, while the median economic loss decreased by 17.4%.

Claims reported by insurers and self-insurers included defense costs 91.1% of the time. Insurers and self-insurers paid \$249 million to defend 2,772 claims, or an average defense cost of \$89,691. The average defense cost decreased by 20.7% from 2022 to 2023, but the median defense cost increased by 14.5% over the same period.

³⁶ These amounts differ from what we reported in prior reports, because reporting entities can edit their data. For example, a reporting entity can re-open a claim, make additional payments and edit the report to show it closed a year later than earlier reported.

Related claims

Insurers and self-insurers identified medical incidents for which they defended more than one claim. This happens if a claimant alleges more than one medical provider or facility is responsible for their injury and the insurer covers both parties.

From 2008³⁷ to 2023, insurers and self-insurers reported 1,622 multiclaim incidents. 53% of the multiclaim incidents resulted in indemnity payments. The aggregate average indemnity payment per incident was \$751,568, which is 106.3% higher than the average per-claim indemnity payment for the same period.

Often, related claims from a single incident are resolved at different times, so there can be a lag between the insurer's or self-insurer's first claim report related to an incident and its final report that closes the series of related claims. This means average indemnity payments at the incident level will increase over time as additional claims related to previously reported incidents are resolved.

³⁷ Because claims related to the same incident can be closed on different dates, this discussion of incident-level information uses all available closed claim data, which insurers started reporting to the OIC in 2008. The remainder of our analysis of closed claim data uses information related to claims closed between 2019 and 2023.

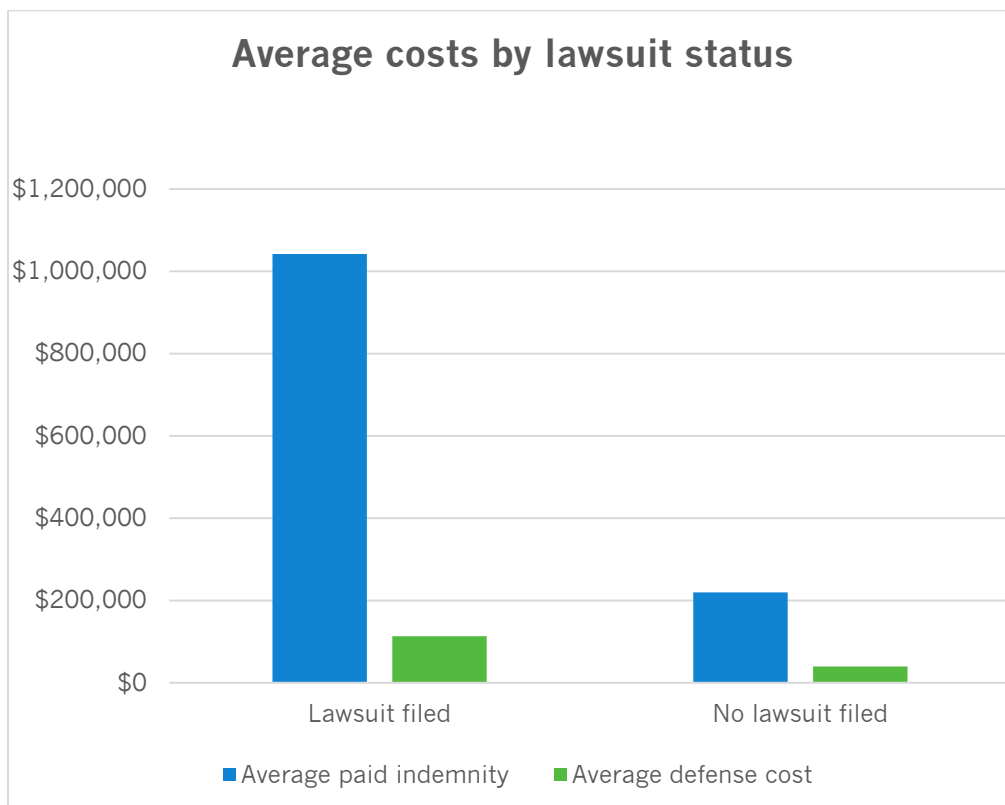
Lawsuit status

This table summarizes litigation data.³⁸

Closed claim data by lawsuit status

Lawsuit status	Claims closed	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Lawsuit filed	1,906	853	\$1,042,064	1,889	\$113,145
No lawsuit filed	1,137	584	\$219,788	883	\$39,516
Total	3,043	1,437	\$707,889	2,772	\$89,691

Of the 3,043 claims reported, claimants filed lawsuits 62.6% of the time. Insurers and self-insurers incurred defense costs in 99.1% of the claims in which the plaintiff filed a lawsuit. Lawsuits resulted in indemnity payments 44.8% of the time, whereas 51.4% of claims without litigation resulted in indemnity payments.



³⁸ These amounts are not comparable to lawsuit settlement data reported by attorneys. Insurers and self-insurers report data for each defendant. Attorneys submit one settlement report that includes payments made by all defendants named in the lawsuit.

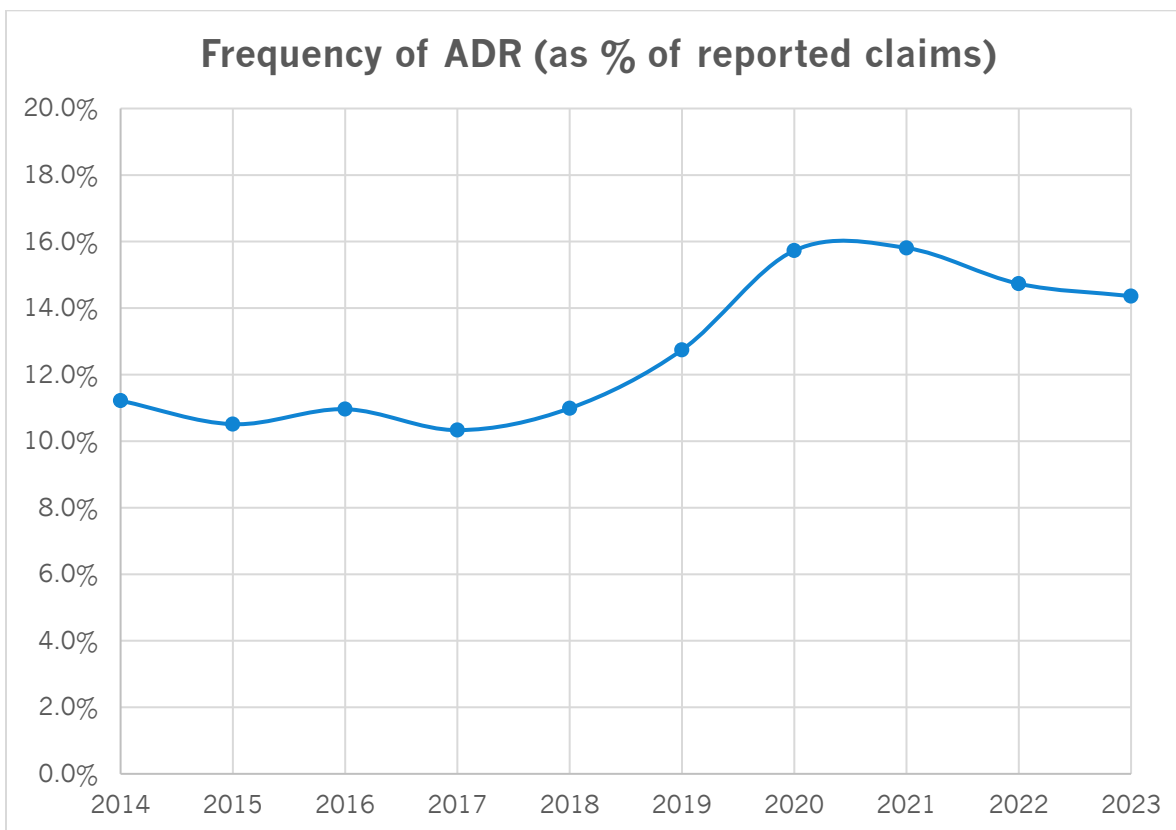
Method of settlement

Closed claim data by settlement method

Method of settlement	Claims closed	Claims paid	Average paid indemnity	Claims with defense costs	Average defense costs
Settled by parties	1,111	960	\$592,125	885	\$114,647
Abandoned by claimant	897	55	\$42,996	859	\$27,123
Court disposed claim	590	12	\$1,054,578	590	\$96,589
Alternative dispute resolution	445	410	\$1,057,992	438	\$152,681
Total	3,043	1,437	\$707,889	2,772	\$89,691

Alternative dispute resolutions (“ADR”) include arbitration, mediation and private trials. Of the claims settled by ADR, 92.1% resulted in an indemnity payment, and those payments averaged \$1.1 million. By comparison, negotiations between parties resulted in an indemnity payment 86.4% of time, and those payments averaged \$592,125.

The following chart shows how the usage of ADR has changed over the last 10 years.



Size of indemnity payments

This table shows that insurers and self-insurers settled 52.8% of claims without making an indemnity payment. 52.7% of the remaining claims had indemnity payments of \$200,000 or less.

Closed claim data based on the size of the indemnity payment

Range of paid indemnity	Claims reported	% of claims reported	Paid Indemnity	% of paid indemnity	Average paid indemnity
\$0	1,606	52.8%	\$0	0.0%	\$0
\$1 - \$200,000	757	24.9%	\$46,769,342	4.6%	\$61,782
\$200,001 - \$400,000	215	7.1%	\$64,599,914	6.4%	\$300,465
\$400,001 - \$600,000	92	3.0%	\$46,290,955	4.6%	\$503,163
\$601,000 - \$800,000	64	2.1%	\$46,262,191	4.5%	\$722,847
\$800,001 - \$999,999	32	1.1%	\$28,488,097	2.8%	\$890,253
\$1 million or more	277	9.1%	\$784,826,223	77.2%	\$2,833,308
Total	3,043	100.0%	\$1,017,236,722	100.0%	\$707,889

This next table shows how defense costs are related to the size of the indemnity payment.

Defense cost data based on the size of the indemnity payment

Range of paid indemnity	Claims with defense costs	% of claims with defense costs	Defense costs	% of total defense costs	Average defense cost
\$0	1,606	57.9%	\$96,715,909	38.9%	\$60,222
\$1 - \$200,000	508	18.3%	\$27,414,316	11.0%	\$53,965
\$200,001 - \$400,000	208	7.5%	\$21,167,384	8.5%	\$101,766
\$400,001 - \$600,000	86	3.1%	\$12,556,025	5.1%	\$146,000
\$600,001 - \$800,000	64	2.3%	\$6,761,569	2.7%	\$105,650
\$800,001 - \$999,999	31	1.1%	\$2,784,820	1.1%	\$89,833
\$1 million or more	269	9.7%	\$81,223,310	32.7%	\$301,945
Total	2,772	100.0%	\$248,623,333	100.0%	\$89,691

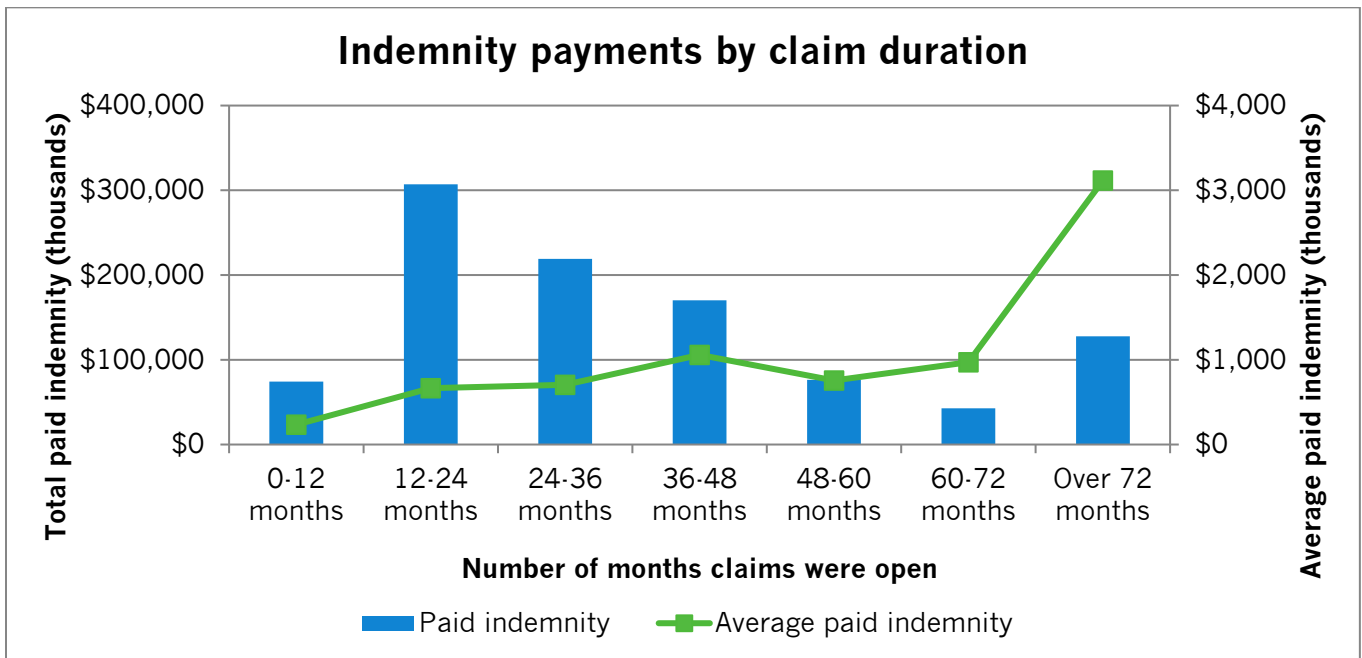
Claim duration

This table shows claims by age on the date they were closed. Average indemnity payments and average defense costs tend to increase with the age of the claim.

Closed claim data by claim duration

Notice date to closed date	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense costs
0-12 months	768	317	\$234,126	578	\$11,663
12-24 months	1,002	462	\$664,759	945	\$48,353
24-36 months	561	311	\$704,266	545	\$127,276
36-48 months	327	161	\$1,056,978	324	\$155,036
48-60 months	193	101	\$755,633	190	\$141,005
60-72 months	101	44	\$970,478	101	\$206,004
Over 72 months	91	41	\$3,114,146	89	\$325,773
Total	3,043	1,437	\$707,889	2,772	\$89,691

For the 3,043 claims, the average length of time between the notice date and the closed date was 25.6 months, and the median length of time was 20.8 months. Insurers and self-insurers closed 76.6% of all claims within 36 months. Overall, claims closed within 36 months accounted for 59% of total paid indemnity and 49% of total defense costs.

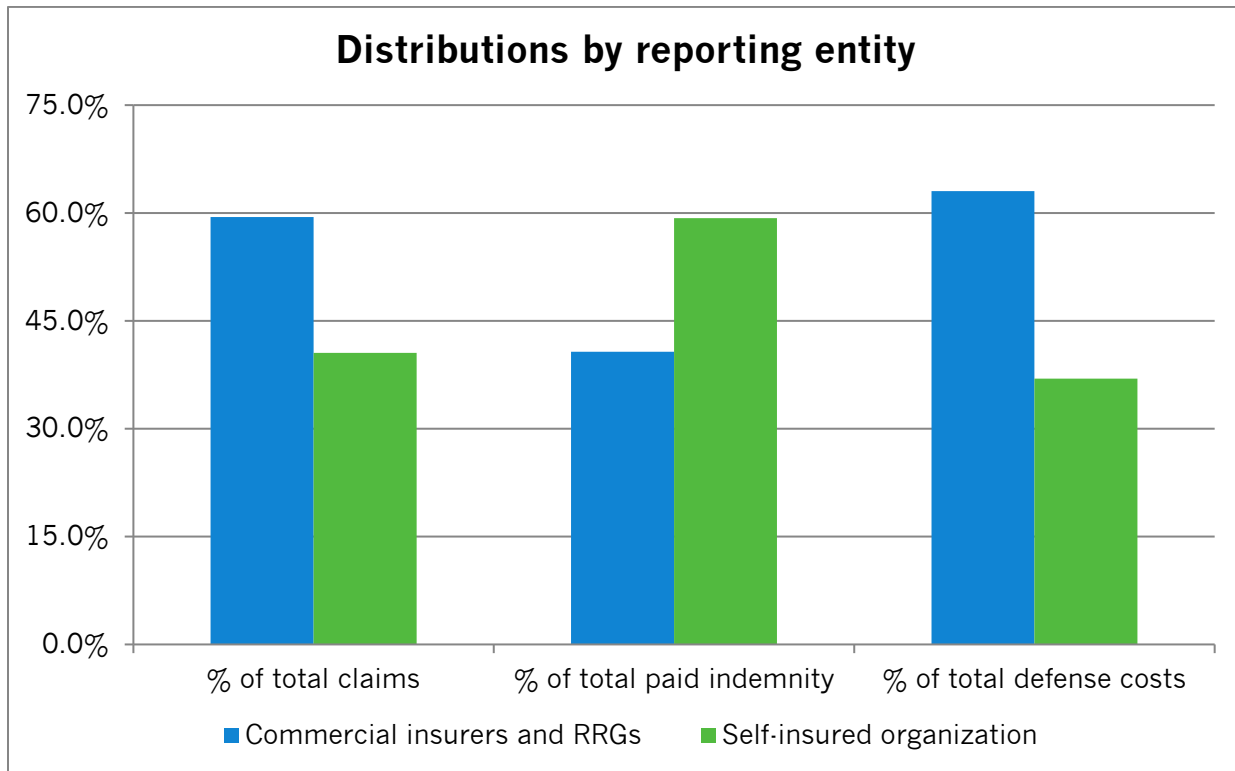


Type of reporting entity

Commercial insurers³⁹ and risk retention groups (“RRGs”) reported the highest number of claims, but only 38% of those claims resulted in indemnity payments. By comparison, self-insured organizations reported indemnity payments for 60.7% of claims. Self-insured organizations also reported significantly higher indemnity payments.

Closed claim data by reporting entity type

Reporting entity	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense costs
Commercial insurers and RRGs	1,809	688	\$601,929	1,755	\$89,296
Self-insured organization	1,234	749	\$805,220	1,017	\$90,372
Total	3,043	1,437	\$707,889	2,772	\$89,691



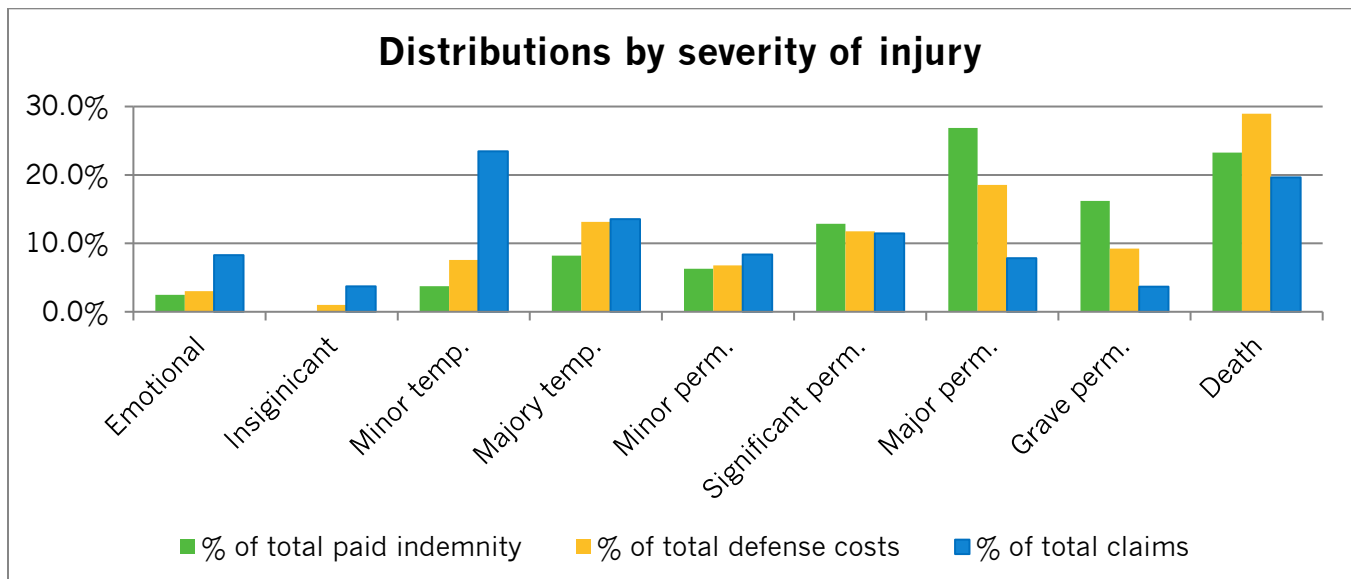
³⁹ Commercial insurers include admitted (licensed) insurers, surplus line insurers and joint underwriting associations.

Injury outcome

This exhibit shows compensation and defense costs by severity of injury.⁴⁰ Injuries were most often classified as minor and temporary, but these claims comprised only 3.7% of total paid indemnity and 7.6% of total defense costs. Grave permanent injuries⁴¹ had the highest average paid indemnity and average defense costs, followed by major permanent injuries in both respects.

Closed claim data by injury outcome

Injury outcome	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense costs
Emotional injury only	252	92	\$274,342	222	\$33,836
Insignificant injury	113	29	\$27,679	101	\$24,589
Minor temporary injury	714	335	\$113,583	578	\$32,599
Major temporary injury	412	211	\$395,919	369	\$88,520
Minor permanent injury	255	118	\$542,898	239	\$70,639
Significant permanent injury	349	150	\$871,473	335	\$87,340
Major permanent injury	238	144	\$1,897,946	231	\$199,554
Grave permanent injury	112	57	\$2,893,310	110	\$208,523
Death	598	301	\$786,045	587	\$122,566
Total	3,043	1,437	\$707,889	2,772	\$89,691



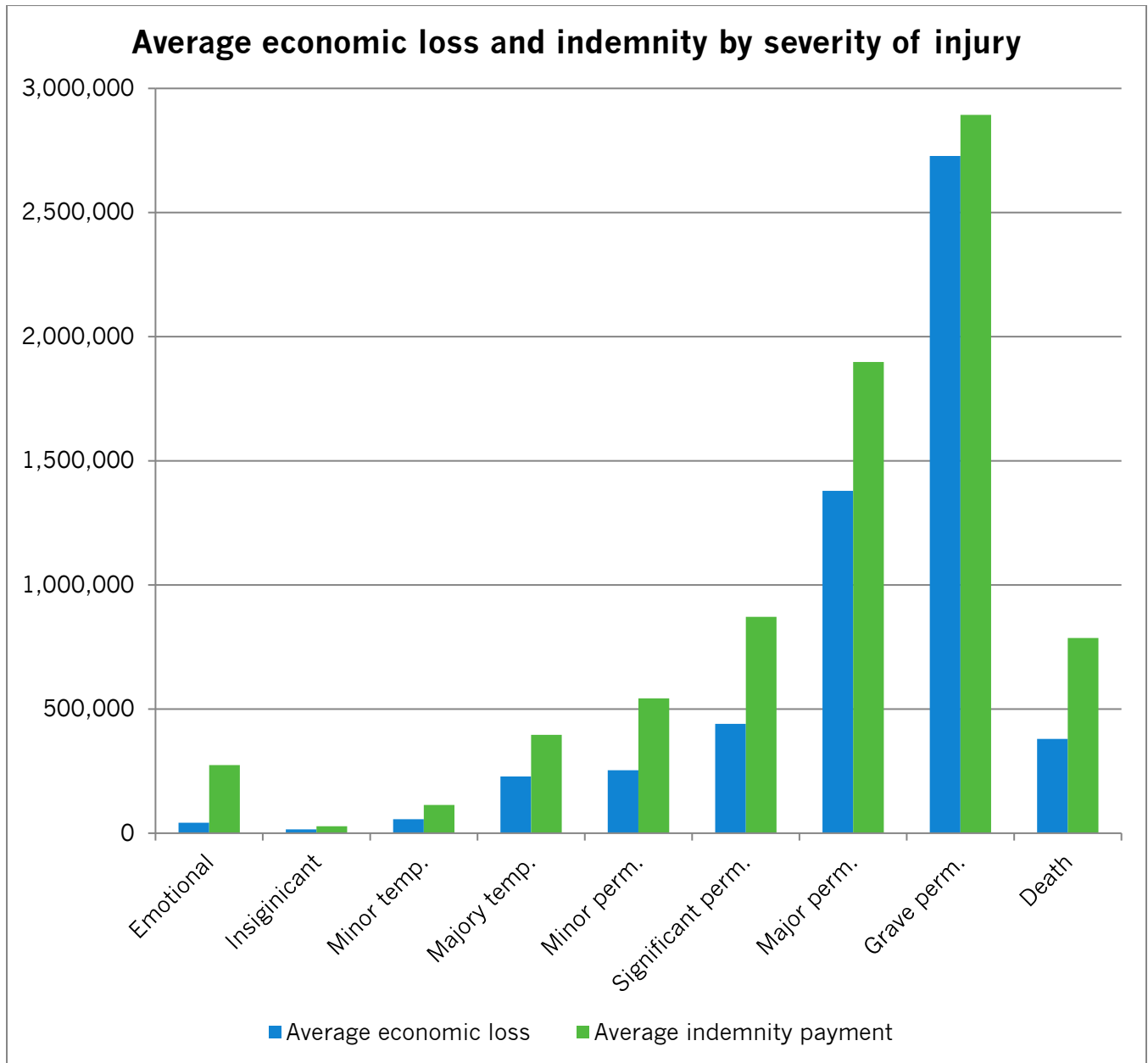
⁴⁰ For a description of each type of injury outcome, see [WAC 284-24D-220](#).

⁴¹ Grave permanent injuries include quadriplegia and severe brain damage, requiring lifelong dependent care.

If they made an indemnity payment, insurers and self-insurers reported the economic loss related to the injury.⁴² The insurer or self-insurer either estimated the economic loss or reported the amount of economic loss awarded by a court.

Patient death claims had a lower average economic loss than claims for significant permanent injury, major permanent injury, or grave permanent injury. If a patient dies, compensation for economic loss is largely calculated based on lost income and services the patient would have provided.

This chart shows the relationship between injury outcome, average paid indemnity and average economic loss.



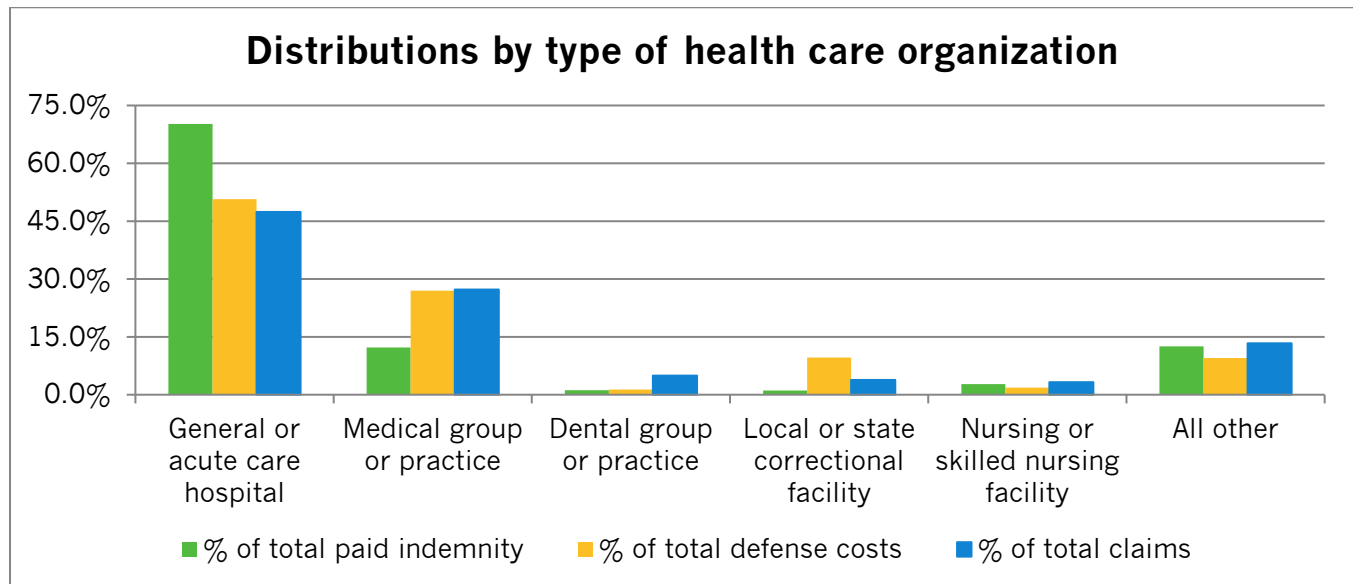
⁴² The components of economic losses are described in [WAC 284-24D-360](#).

Type of health care organization

This exhibit shows data segmented by the type of health care organization or provider group.⁴³

Closed claim data by health care organization or provider group type

Health care organization	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense costs
General or acute care hospital	1,442	738	\$967,492	1,293	\$97,519
Medical group or practice	830	305	\$409,219	791	\$84,857
Dental group or practice	151	66	\$178,155	138	\$23,993
Local or state correctional facility	116	37	\$303,712	100	\$239,482
Nursing or skilled nursing facility	99	62	\$448,445	96	\$47,280
Chiropractic group or practice	37	23	\$320,826	36	\$81,977
Ambulatory surgical center	31	10	\$424,000	30	\$71,647
Podiatric group or practice	30	14	\$300,000	30	\$43,484
Ambulatory clinic or center	23	12	\$850,388	22	\$113,360
All other organizations	284	170	\$597,605	236	\$62,337
Total	3,043	1,437	\$707,889	2,772	\$89,691



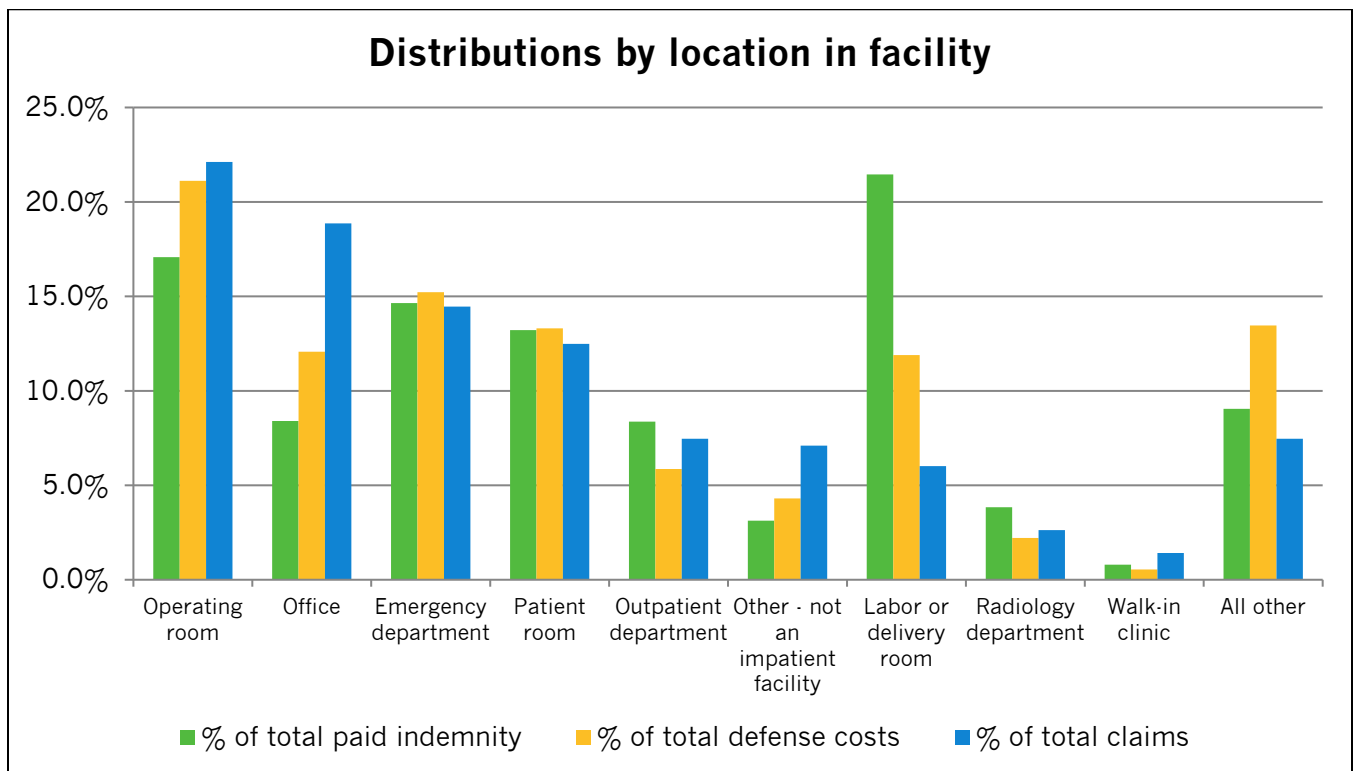
⁴³ Under [RCW 48.140.060](#) and [RCW 42.56.400\(10\)](#), the insurance commissioner must protect the identify of each insuring entity, self-insurer, claimant, health care provider, or health care facility involved in a particular claim or collection of claims. For this reason, types of organizations with few claims are grouped together.

Location within the facility

This exhibit shows data by location within the facility where the incident leading to the claim occurred.

Closed claim data by location within the facility

Location within facility	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense costs
Operating room	673	310	\$560,442	618	\$84,956
Office	574	218	\$392,312	552	\$54,360
Emergency department	440	188	\$792,657	405	\$93,469
Patient room	380	212	\$634,199	337	\$98,190
Outpatient department	227	134	\$635,406	181	\$80,558
Other - not an inpatient facility	216	90	\$353,895	198	\$54,043
Labor or delivery room	183	104	\$2,098,217	177	\$167,045
Radiology department	80	31	\$1,260,677	73	\$75,342
Walk-in clinic	43	22	\$370,476	36	\$37,580
All other locations	227	128	\$719,257	195	\$171,630
Total	3,043	1,437	\$707,889	2,772	\$89,691

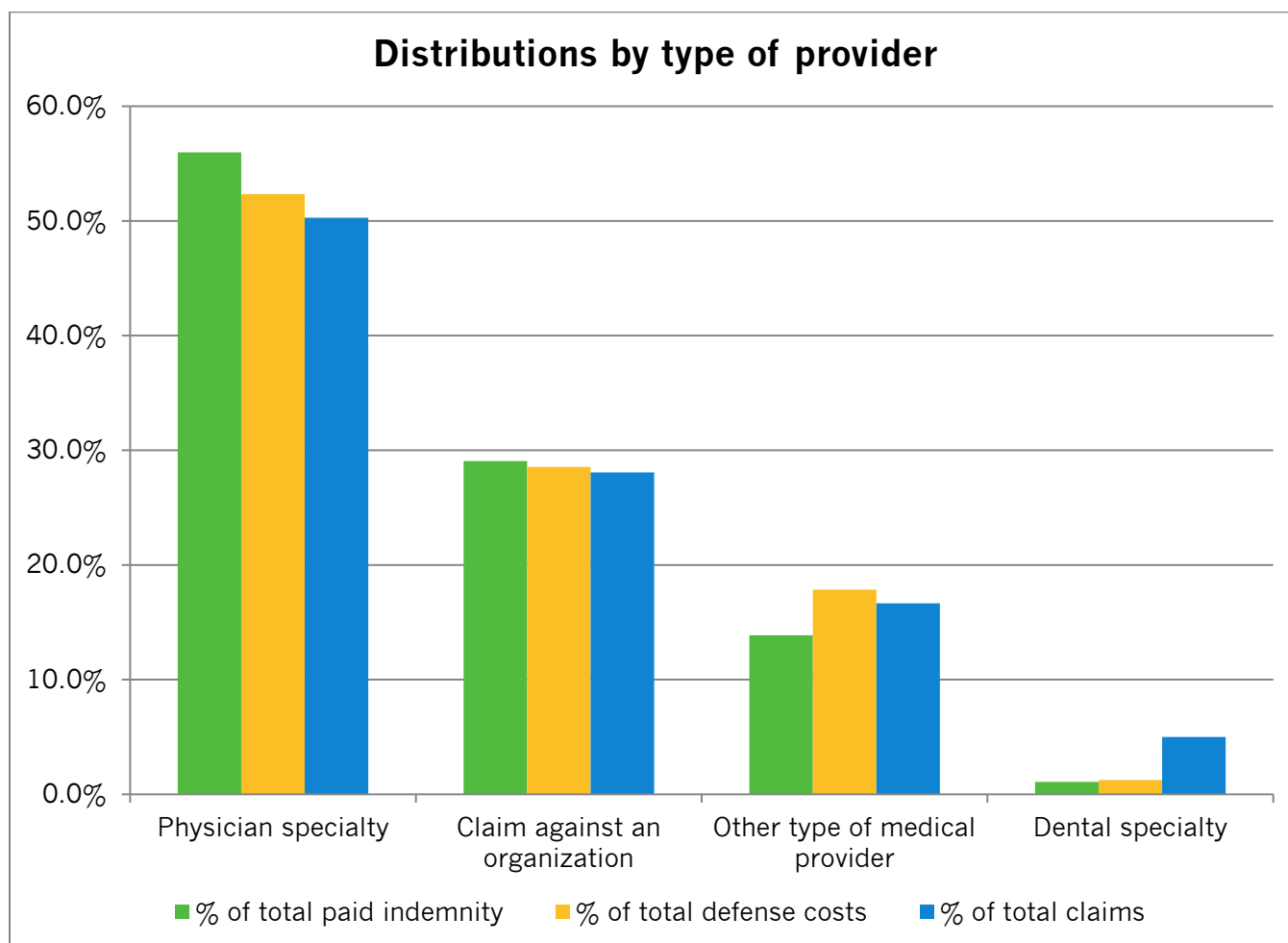


Type of medical provider

This exhibit shows data by type of medical provider. The “physician specialty” category includes surgeons, general practice physicians, radiologists, neurologists, psychiatrists and many more. The “other type of medical provider” category includes nursing, physician assistants, technicians, pharmacy, podiatry and psychology, among others.

Closed claim data by provider type

Provider type	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Physician specialty	1,530	675	\$843,593	1,435	\$90,695
Claim against an organization	854	403	\$733,641	771	\$92,082
Other type of medical provider	507	293	\$481,546	428	\$103,667
Dental specialty	152	66	\$167,594	138	\$22,548
Total	3,043	1,437	\$707,889	2,772	\$89,691



This table shows claim data for physician specialties that had the largest number of claims.⁴⁴

Closed claim data by physician type

Provider specialty	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Obstetrics and gynecology	189	101	\$1,184,577	181	\$126,144
Emergency medicine	173	64	\$886,440	160	\$96,778
Family practice	159	66	\$789,141	144	\$88,657
Orthopedic surgery	148	72	\$350,282	136	\$55,428
Radiology	136	52	\$979,499	133	\$84,616
General surgery	132	64	\$396,985	123	\$79,917
Internal medicine	80	30	\$865,967	75	\$67,646
Anesthesiology	73	41	\$585,006	61	\$102,490
Neurological surgery	70	26	\$2,455,854	70	\$107,541
Cardiovascular diseases	43	23	\$1,345,538	40	\$86,165
Gastroenterology	42	21	\$695,151	37	\$123,450
Pediatrics	39	13	\$2,018,522	37	\$212,244
Urological surgery	31	14	\$473,410	31	\$40,828
All other physician types	215	88	\$536,086	207	\$69,834
Total	1,530	675	\$843,593	1,435	\$90,695

The largest number of claims against physician specialties were for obstetrics and gynecology. The most common allegations against this specialty were “improper performance” with 31 claims, “improper management” with 30 claims, and “failure to diagnose” with 14 claims.

Neurological surgery ranked highest among physician specialties in average paid indemnity. The most common allegation against this specialty was “improper performance” with 21 claims.

Pediatrics ranked highest among physician specialties in average defense costs. The most common allegations against this specialty were “failure to diagnose” and “improper performance” with five claims each.

⁴⁴ Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), some specialties are grouped together to maintain confidentiality.

This table shows claim data for other types of medical providers.⁴⁵ Nursing staff accounted for the majority of these claims. The most common allegation against nursing staff was “failure to ensure patient safety” with 35 claims, followed by “failure to monitor” with 23 claims and “failure to diagnose” with 21 claims. Physician assistants had the second-highest number of claims, and the most common allegation against this type was “failure to diagnose” with 24 claims.

Closed claim data for other types of medical providers

Provider type	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Nursing	260	155	\$495,220	205	\$59,279
Physician assistant	83	44	\$505,810	73	\$166,207
Podiatry	37	18	\$355,694	37	\$312,017
Chiropractic	34	21	\$347,333	33	\$87,845
Emergency medicine	20	10	\$870,834	16	\$107,490
All other types	73	45	\$437,188	64	\$61,266
Total	507	293	\$481,546	428	\$103,667

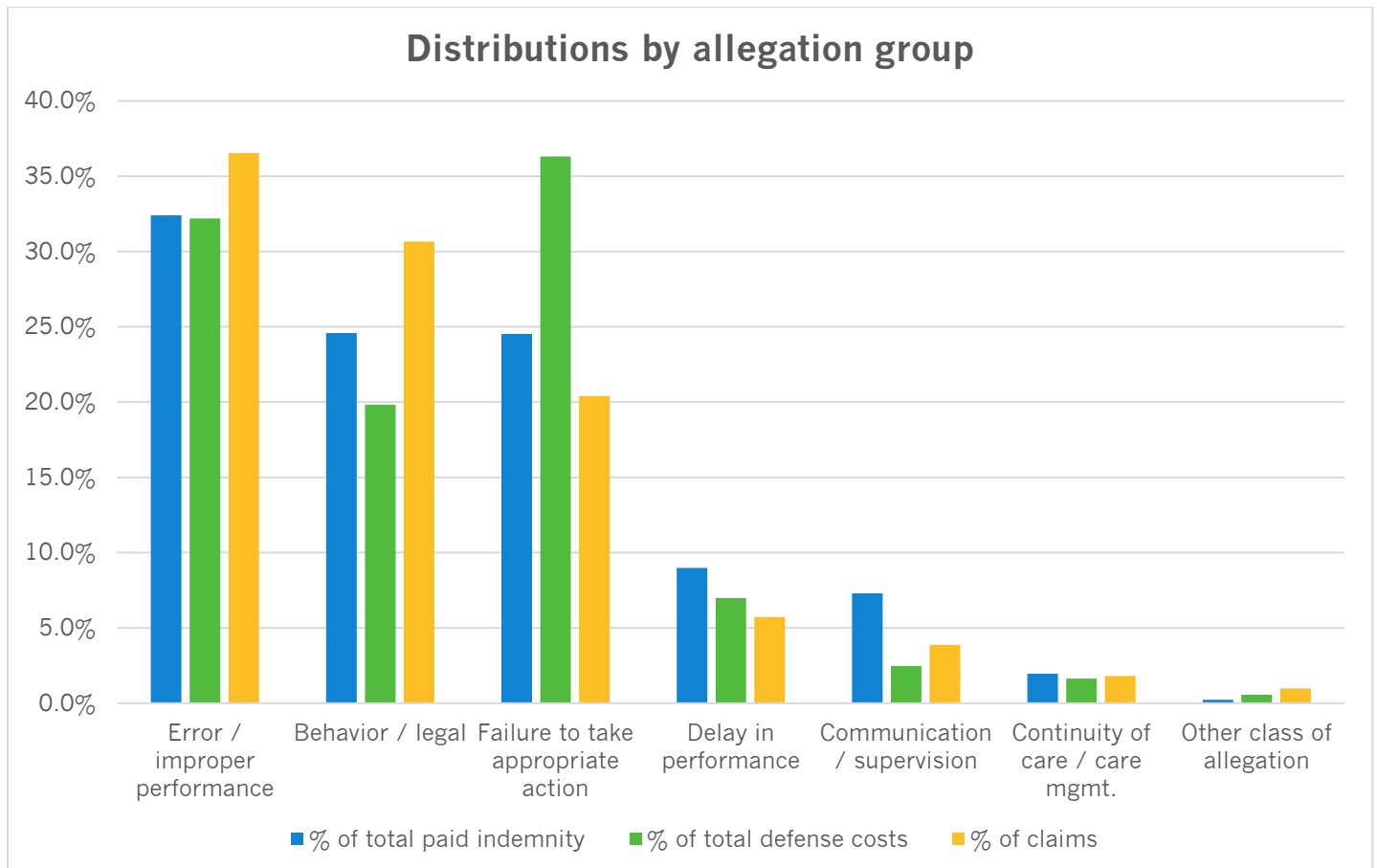
⁴⁵ Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), some types of providers are grouped together to maintain confidentiality.

Claim allegations

Insurers and self-insurers identified the primary complaint that led to the medical malpractice claim. This table shows the most common classes of allegations.

Closed claim data by claim allegation group

Allegation group	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Error / improper performance	1,112	543	\$607,104	1,007	\$79,480
Behavior / legal	933	406	\$616,077	841	\$58,617
Failure to take appropriate action	621	281	\$887,929	584	\$154,602
Delay in performance	174	92	\$994,148	164	\$105,854
Communication / supervision	118	77	\$964,475	100	\$61,522
Continuity of care / care mgmt.	55	28	\$710,912	48	\$84,912
Other class of allegation	30	10	\$231,220	28	\$50,533
Total	3,043	1,437	\$707,889	2,772	\$89,691



The next two pages show the most common specific allegations for each major class of allegation.

Closed claim data for specific allegations

Error / improper performance	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Improper performance	464	203	\$527,841	441	\$70,732
Improper technique	164	94	\$380,930	131	\$53,640
Improper management	163	70	\$1,138,928	155	\$124,043
Patient history, exam, or workup problem	49	17	\$1,014,543	45	\$61,610
Wrong diagnosis or misdiagnosis	34	16	\$791,500	33	\$87,325
Surgical or other foreign body retained	30	19	\$308,043	28	\$62,055
Equipment utilization problem	20	16	\$376,962	17	\$43,385
Wrong body part	17	14	\$135,926	12	\$33,109
Behavior / legal	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Vicarious liability	721	285	\$725,404	655	\$61,515
Failure to ensure patient safety	92	69	\$270,476	74	\$57,745
Sexual misconduct	30	21	\$691,619	27	\$49,580
Failure to take appropriate action	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Failure to diagnose	343	159	\$899,146	330	\$90,096
Failure to treat	72	22	\$427,604	69	\$208,591
Failure to monitor	63	31	\$488,038	52	\$452,577
Failure to recognize a complication	35	18	\$1,264,672	31	\$68,086
Failure to order appropriate test	35	16	\$706,837	33	\$399,020
Failure to identify fetal distress	19	12	\$3,219,109	19	\$178,242

Delay in performance	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Delay in diagnosis	102	49	\$942,342	96	\$102,653
Delay in treatment	45	25	\$578,783	43	\$75,137
Delay in performance	19	11	\$712,937	17	\$106,960
Communication / supervision	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Failure to instruct or communicate w/patient	46	32	\$1,178,622	32	\$49,215
Improper supervision	21	14	\$483,759	20	\$70,797
Failure to supervise	19	11	\$310,872	19	\$54,957
Communication problem btwn. practitioners	17	11	\$872,406	15	\$50,996
Continuity of care / care management	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Failure or delay in referral or consultation	21	11	\$505,146	16	\$79,008

This table shows the most common allegations against physician specialties.

Closed claim data based on allegations against physicians

Allegation made against physician specialty	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Failure to diagnose	290	132	\$943,792	279	\$95,140
Improper performance	278	120	\$738,851	270	\$88,025
Improper technique	127	61	\$555,599	107	\$60,210
Improper management	112	44	\$1,274,617	107	\$127,918
Delay in diagnosis	83	39	\$871,339	79	\$108,796
Patient history, exam, or workup problem	43	14	\$974,088	40	\$65,710
Failure to treat	42	12	\$607,083	42	\$139,223
Failure to instruct or communicate w/patient	28	20	\$720,644	22	\$43,594
Wrong diagnosis or misdiagnosis	27	15	\$811,600	26	\$101,264
Failure to order appropriate test	27	13	\$791,876	26	\$96,281
Delay in treatment	26	12	\$535,012	24	\$98,892
Surgical or other foreign body retained	26	18	\$320,990	24	\$68,410
Failure to recognize a complication	24	10	\$1,972,905	23	\$62,777

This table shows the most common allegation against dental specialties. "Improper performance" was alleged in almost two-thirds of these claims.

Closed claim data based on allegations against dental providers

Allegation made against dental provider	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Improper performance	99	38	\$166,645	92	\$24,833

This table shows the most common allegations made against other types of medical providers.

Closed claim data based on allegations against other types of medical providers

Allegation made against other type of provider	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Improper performance	85	45	\$270,158	77	\$66,696
Failure to diagnose	49	25	\$654,400	47	\$65,436
Failure to ensure patient safety	40	33	\$152,264	25	\$48,723
Improper management	32	17	\$487,284	32	\$104,167
Improper technique	29	25	\$48,936	18	\$29,415
Failure to monitor	26	16	\$131,004	17	\$85,117

This table shows the most common allegations made against an organization. The most common allegation, "vicarious liability," is secondary liability in which the organization becomes responsible for the acts of an employee or another third party when it had the right, ability or duty to control those actions.

Closed claim data based on allegations against organizations

Allegation made against an organization	Claims reported	Claims paid	Average paid indemnity	Claims with defense costs	Average defense cost
Vicarious liability	654	274	\$728,037	590	\$63,573
Failure to ensure patient safety	43	33	\$402,431	40	\$52,399
Failure to supervise	17	10	\$341,559	17	\$57,604
Improper supervision	15	12	\$560,958	15	\$72,958

Counties

Insurers and self-insurers reported the county where the medical incident occurred.⁴⁶ To provide information about differences by location, we divided the state into 10 regions.⁴⁷ A few claims were reported as occurring outside of Washington state (not shown).

Closed claim data by region

County/region	Claims reported	Claims paid	Average paid indemnity	Average economic loss	Claims with defense costs	Average defense costs
King	844	430	\$971,361	\$684,747	755	\$126,345
Pierce	364	181	\$803,664	\$452,751	344	\$102,311
Spokane	351	145	\$511,711	\$316,957	319	\$90,396
Yakima - Tri Cities	244	114	\$406,385	\$222,353	226	\$52,598
Snohomish	244	96	\$732,712	\$459,063	225	\$56,293
Puget Sound Metro	233	99	\$693,819	\$407,294	228	\$79,926
East balance	217	99	\$487,006	\$282,580	194	\$48,797
Clark	189	101	\$422,474	\$220,575	159	\$75,322
West balance	174	86	\$709,330	\$347,458	156	\$92,703
North Sound	169	79	\$509,481	\$289,126	154	\$63,929

King County had the most claims, the highest average paid indemnity, the highest average economic loss, and the highest average defense costs.

The proportion of indemnity payments attributed to economic damages varied significantly by region. The highest such proportion was in King County, where insurers and self-insurers attributed 70.5% of indemnity payments to economic loss. The lowest was in the “west balance” region, where insurers and self-insurers attributed 49% of indemnity payments to economic loss.

⁴⁶ Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), some counties are grouped together to maintain confidentiality.

⁴⁷ **Yakima-Tri Cities** includes Benton, Franklin and Yakima counties. **East balance** includes Adams, Asotin, Chelan, Columbia, Douglas, Ferry, Garfield, Grant, Kittitas, Lincoln, Okanogan, Pend Oreille, Stevens, Walla Walla and Whitman counties. **Puget Sound Metro** includes Kitsap and Thurston counties. **West balance** includes Clallam, Cowlitz, Grays Harbor, Jefferson, Klickitat, Lewis, Mason, Pacific, Skamania and Wahkiakum counties. **North Sound** includes Island, San Juan, Skagit and Whatcom counties.

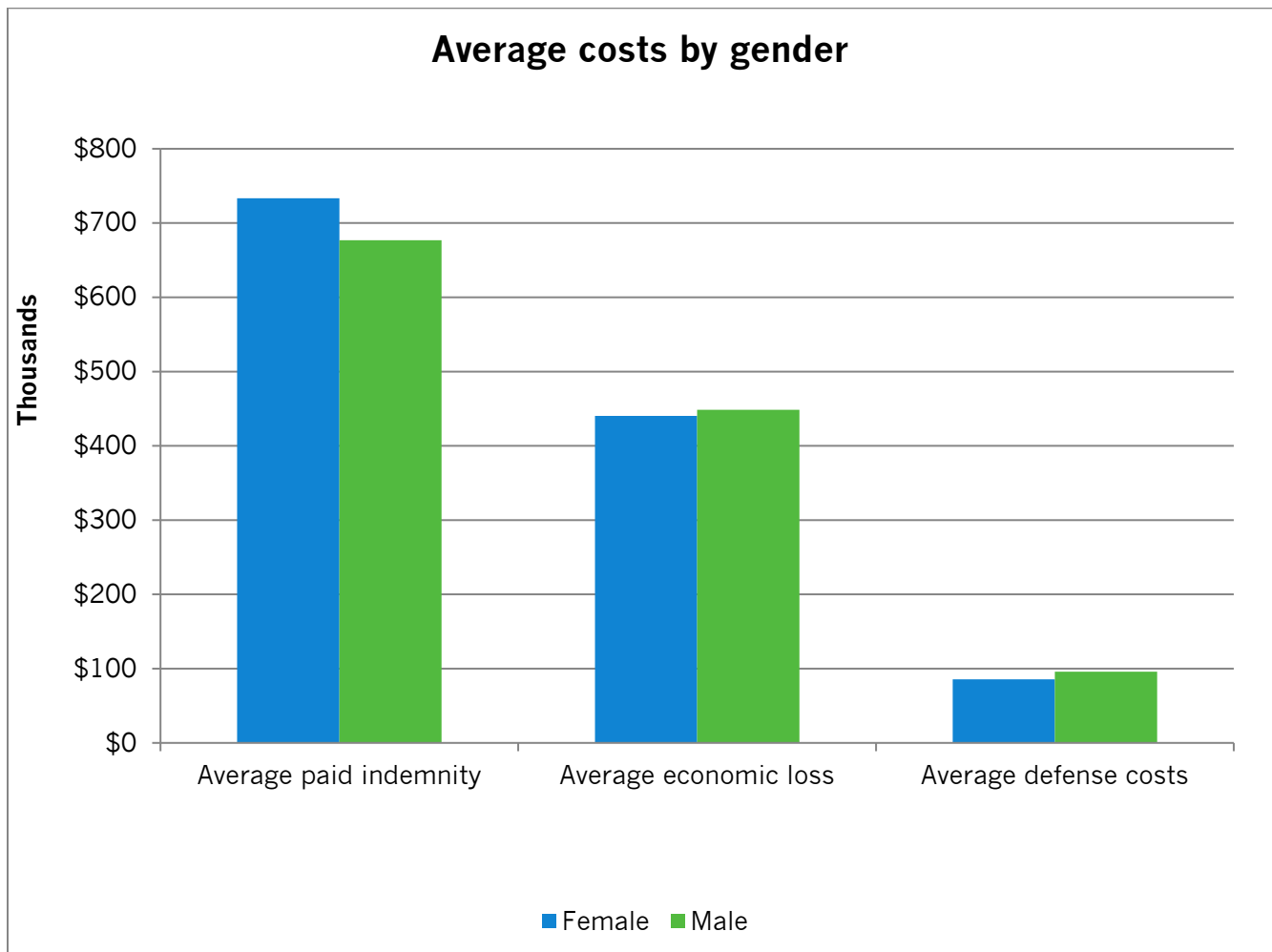
Gender of claimant

This exhibit shows data by gender. For a few claims, the gender was reported as unknown (not shown).

Closed claim data by gender of claimant

Gender	Claims reported	Claims paid	Average paid indemnity	Average economic loss	Claims with defense costs	Average defense costs
Female	1,760	839	\$733,429	\$440,310	1,604	\$85,703
Male	1,274	593	\$676,851	\$448,464	1,159	\$95,833

Average indemnity payments were higher when the injured person was female, while average economic losses and average defense costs were higher when the injured person was male. The chart below illustrates this comparison.

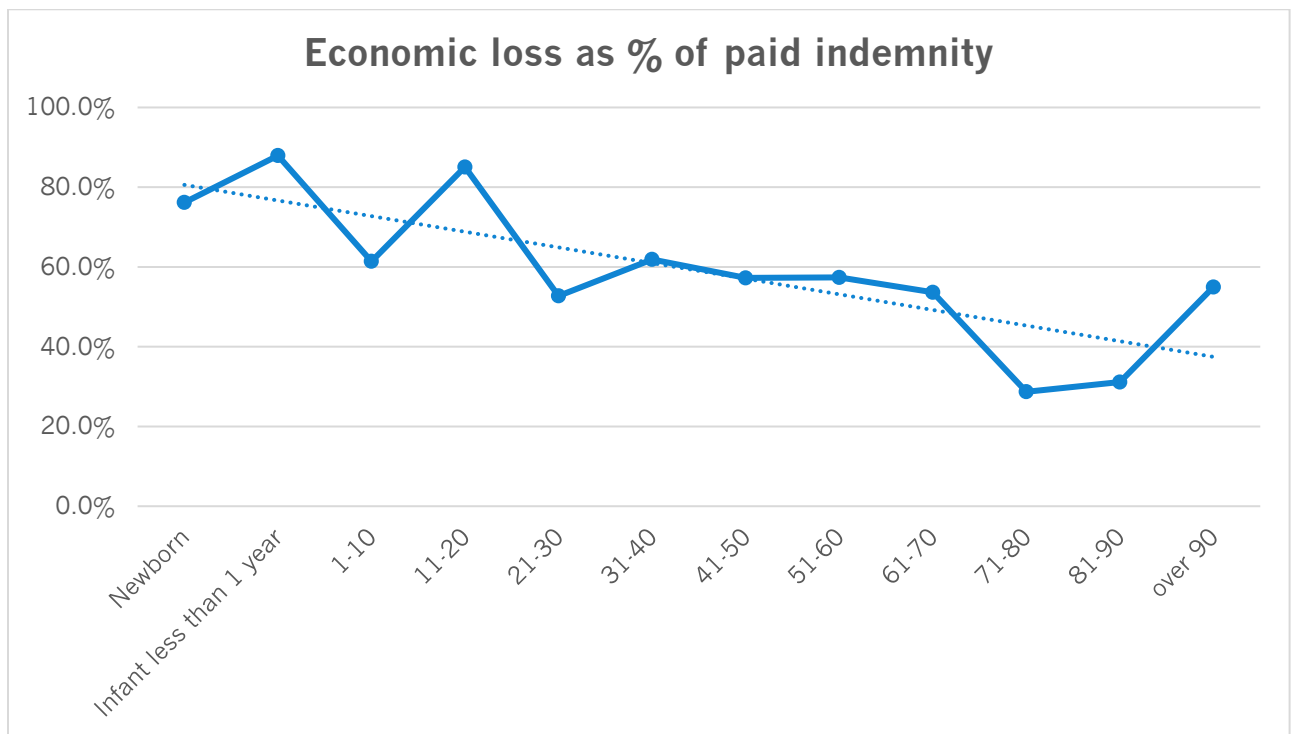


Age of claimant

Insurers and self-insurers reported the age group of the claimant.

Closed claim data by claimant age group

Age group	Claims reported	Claims paid	Average paid indemnity	Average economic loss	Claims with defense costs	Average defense cost
Newborn	140	82	\$2,246,392	\$1,711,180	136	\$214,043
Infant less than 1 year	41	19	\$3,524,887	\$3,099,197	39	\$123,750
1-10	91	45	\$996,935	\$612,257	81	\$89,352
11-20	89	50	\$1,525,863	\$1,297,867	75	\$108,118
21-30	245	107	\$678,081	\$357,588	222	\$165,151
31-40	385	170	\$554,208	\$343,046	345	\$72,744
41-50	471	185	\$756,206	\$432,946	433	\$66,196
51-60	704	303	\$486,454	\$279,096	646	\$81,111
61-70	469	239	\$444,096	\$238,258	429	\$82,764
71-80	257	140	\$398,905	\$114,472	234	\$53,826
81-90	119	78	\$314,118	\$97,778	104	\$63,331
over 90	32	19	\$229,149	\$125,935	28	\$65,461
Total	3,043	1,437	\$707,889	\$442,503	2,772	\$89,691



Trends

This chart shows estimates of trends in frequency and severity.⁴⁸

Ten-year fitted trends

Year closed	Average paid indemnity	Average limited indemnity	Average defense costs	Average of limited indemnity + defense costs	Number of claims closed
2014	\$269,353	\$236,575	\$57,946	\$156,488	1,043
2015	\$379,443	\$222,156	\$65,547	\$147,899	1,018
2016	\$281,475	\$219,375	\$66,183	\$155,416	894
2017	\$330,787	\$195,279	\$62,103	\$138,894	813
2018	\$454,123	\$276,282	\$73,733	\$203,129	819
2019	\$619,126	\$290,427	\$75,141	\$200,059	667
2020	\$593,185	\$316,672	\$98,605	\$229,344	604
2021	\$546,385	\$331,798	\$68,756	\$225,488	563
2022	\$864,749	\$411,475	\$113,558	\$303,769	638
2023	\$900,549	\$419,683	\$90,028	\$289,520	571
Annual trend	14.3%	8.2%	5.9%	8.8%	-7.1%

Average limited indemnity amounts were calculated by restricting individual claims to a maximum of \$1 million, which is a way to reduce volatility in the trend estimate. The estimated trend in the number of claims closed is low due to late-reported claims. There will likely be more claims than the 571 already reported for 2023.

These trends in medical malpractice insurance costs are not reliable estimates of changes over time for several reasons. Medical malpractice claims can take several years to close, and the averages shown for each closed-year include data from incidents that occurred over many years. Thus, trends estimated using closed-year data can be distorted by changes in claim settlement rates. Because of these distortions, the trend in the number of claims closed is a poor estimate of frequency trend. A frequency is calculated as the number of claims per exposure (e.g., per policy or per physician). Since insurers do not report policy counts, physician counts or other exposure data, we cannot calculate a true frequency trend. These trend estimates could also be distorted by changes in data reporting compliance over time.

⁴⁸ An analysis of trends in frequency and severity is required by [RCW 48.140.050\(1\)\(a\)\(i\)](#). Trends shown are based on exponential least squares regression.

Summary data for lawsuits reported by attorneys

This section of the report presents data submitted by plaintiffs’ attorneys following the resolution of lawsuits against health care providers and facilities.

Overall summary of lawsuit settlement data by year settled

Item	2019	2020	2021	2022	2023
Settlements reported by attorneys	18	11	15	12	19
Settlements with paid indemnity	16	11	14	11	18
Total paid indemnity	\$15,340,000	\$12,520,000	\$30,144,287	\$16,325,000	\$56,385,000
Average payment to claimant	\$958,750	\$1,138,182	\$2,153,163	\$1,484,091	\$3,132,500
Median payment to claimant	\$700,000	\$650,000	\$750,000	\$450,000	\$750,000
Total legal expenses	\$6,313,494	\$4,818,014	\$11,883,351	\$5,307,299	\$11,245,121
Average legal expense	\$350,750	\$438,001	\$792,223	\$442,275	\$591,848
Total attorney fees	\$5,351,851	\$4,321,180	\$10,931,815	\$4,901,279	\$10,121,500
Average fee paid to attorney	\$334,491	\$392,835	\$780,844	\$445,571	\$562,306

From 2019 to 2023, claimants received \$131 million in compensation on 70 settlements, averaging \$1.9 million per settlement.

Claimants paid \$40 million for legal expenses, averaging \$527,564 per lawsuit. Claimants also paid \$36 million in attorney fees, averaging \$508,966 per settlement with paid indemnity.⁴⁹ On average, the attorney fee was 27.3% of the total compensation paid to the claimant.

The average indemnity payment per settlement reported by attorneys was much higher than the average indemnity payment reported by insurers on a per-defendant basis. Per-lawsuit averages are expected to be higher than per-defendant averages, since settlements reported by attorneys can involve multiple defendants. Averages reported by attorneys may be biased high; attorneys might be less likely to report data to the OIC for lawsuits resulting in small indemnity payments.

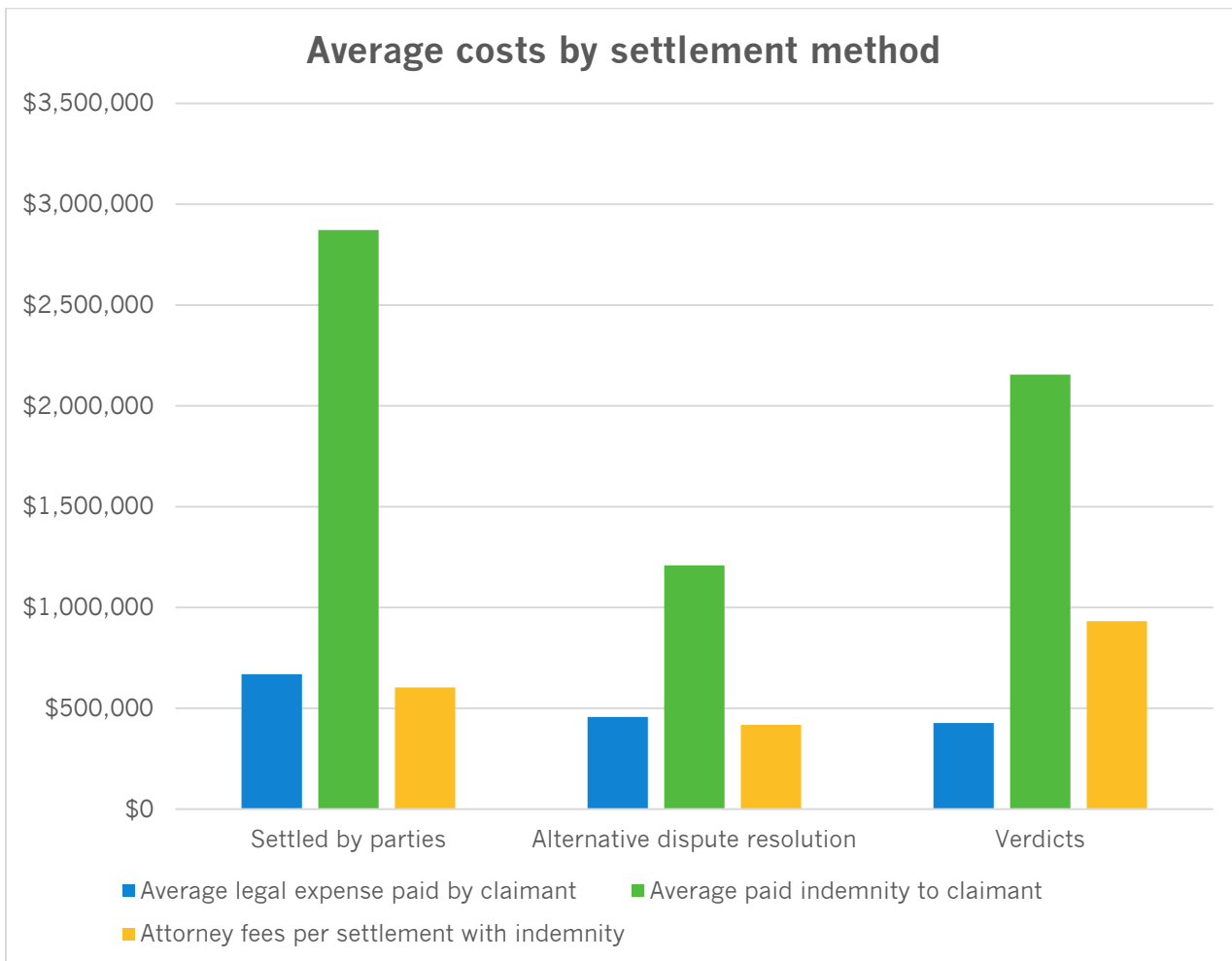
⁴⁹ Attorneys in this area of litigation typically work on a contingency basis and receive fees if one or more defendants compensate the claimant.

Method of settlement

This exhibit shows data segmented by lawsuit settlement method.

Lawsuit settlement data by settlement method

Lawsuit settlement method	Average legal expense paid by claimant	Average paid indemnity to claimant	Attorney fees per settlement with indemnity	Attorney fee as % of indemnity
Settled by parties	\$669,542	\$2,872,115	\$603,636	21.0%
Alternative dispute resolution	\$457,107	\$1,209,146	\$417,971	34.6%
Verdicts	\$427,223	\$2,154,762	\$932,089	43.3%

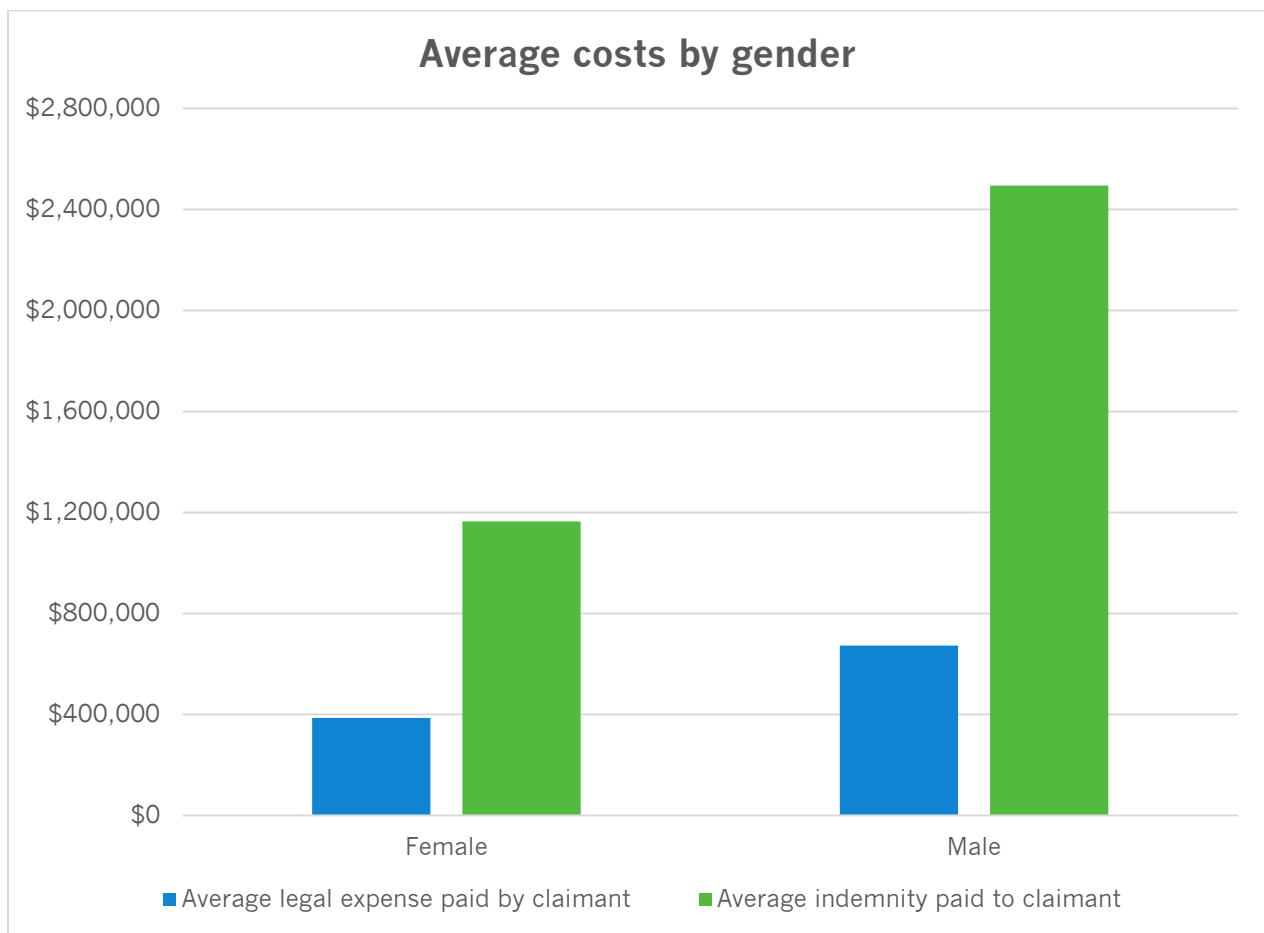


Gender of claimant

Slightly more settlements involved female claimants: 50.7% compared to 49.3% with male claimants. However, male claimants accounted for 70.6% of the total paid indemnity and 62.9% of the total legal expense.

Lawsuit settlement data by gender

Gender	Settlements with legal expenses	Total legal expenses	Average legal expense paid by claimant	Settlements with paid indemnity	Total paid indemnity	Average indemnity paid to claimant
Female	38	\$14,678,067	\$386,265	33	\$38,425,000	\$1,164,394
Male	37	\$24,889,212	\$672,681	37	\$92,289,287	\$2,494,305
Total	75	\$39,567,279	\$527,564	70	\$130,714,287	\$1,867,347

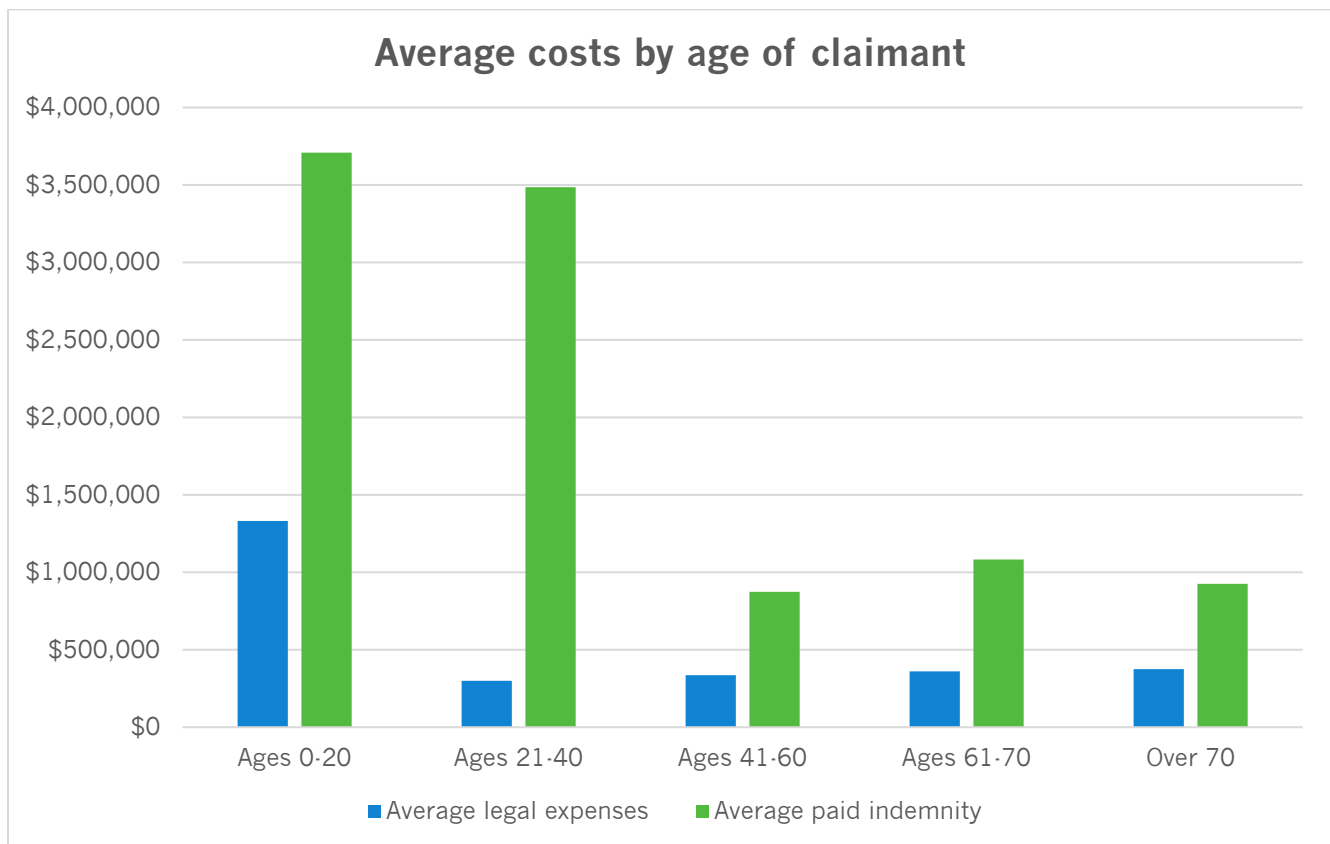


Age of claimant

This table shows data segmented by the age of the claimant. Lawsuits involving claimants in the youngest age group were the most expensive to settle and had the highest average indemnity payment.

Lawsuit settlement data by claimant age group

Age group	Settlements with legal expenses	Total legal expenses	Average legal expenses	Settlements with paid indemnity	Total paid indemnity	Average paid indemnity
Ages 0-20	14	\$18,636,342	\$1,331,167	13	\$48,214,287	\$3,708,791
Ages 21-40	12	\$3,593,476	\$299,456	11	\$38,345,000	\$3,485,909
Ages 41-60	20	\$6,713,418	\$335,671	18	\$15,720,000	\$873,333
Ages 61-70	17	\$6,124,203	\$360,247	16	\$17,325,000	\$1,082,813
Over 70	12	\$4,499,840	\$374,987	12	\$11,110,000	\$925,833
Total	75	\$39,567,279	\$527,564	70	\$130,714,287	\$1,867,347

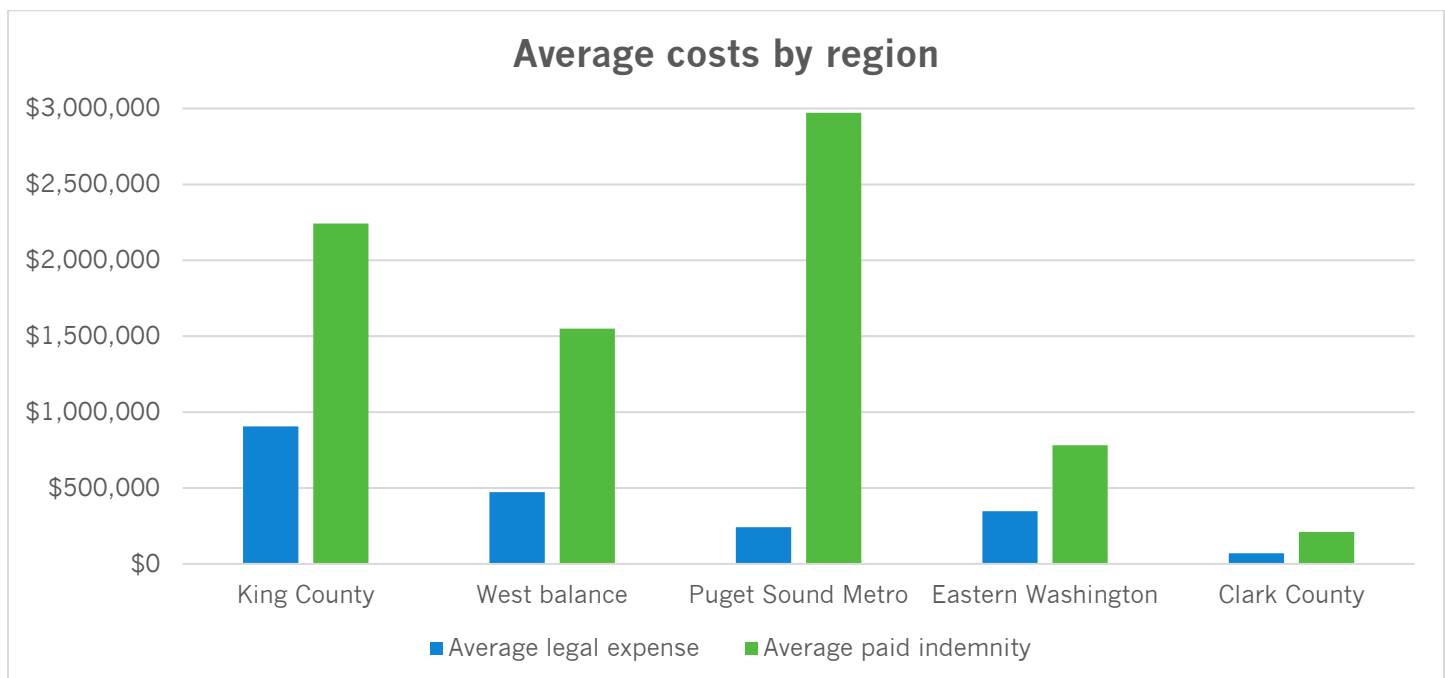


Counties

Attorneys reported settlement data by county where the medical incident occurred. To provide meaningful information regarding differences by location, we divided the state into five regions.^{50 51}

Lawsuit settlement data by region

County/region	Settlements with legal expenses	Total legal expenses	Average legal expense	Settlements with paid indemnity	Total paid indemnity	Average paid indemnity
King County	27	\$24,460,728	\$905,953	27	\$60,544,287	\$2,242,381
West balance	17	\$8,040,362	\$472,962	15	\$23,250,000	\$1,550,000
Puget Sound Metro	14	\$3,381,752	\$241,554	13	\$38,625,000	\$2,971,154
Eastern Washington	9	\$3,126,053	\$347,339	9	\$7,030,000	\$781,111
Clark County	8	\$558,384	\$69,798	6	\$1,265,000	\$210,833
Total	75	\$39,567,279	\$527,564	70	\$130,714,287	\$1,867,347



⁵⁰ Under [RCW 48.140.060](#) and [RCW 42.56.400](#)(10), some counties are grouped together to maintain confidentiality.

⁵¹ **Puget Sound Metro** includes Kitsap, Pierce and Thurston counties. **West balance** includes Clallam, Cowlitz, Grays Harbor, Island, Jefferson, Klickitat, Lewis, Mason, Pacific, San Juan, Skagit, Skamania, Snohomish, Wahkiakum and Whatcom counties. **Eastern Washington** includes Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Grant, Kittitas, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman and Yakima counties.

Report limitations

Analysis based on historical closed claim data has multiple limitations:

1. There is a natural mismatch in timing between premiums and losses used to calculate loss ratios and profitability ratios for commercial insurers. Premiums used for loss ratios are earned during the calendar year, but the amounts booked as incurred losses during the same calendar year are from claims from various accident years. As a result, most losses do not correspond to the same policies that the premium comes from.
2. Claims are reported based on the year in which they reach final resolution. Some arose from recent medical incidents, but many arose from incidents that occurred several years prior.
3. This report contains claims that closed during a limited period.
4. The OIC cannot use data in this report to evaluate past or current medical professional liability insurance rates. Insurers develop medical malpractice rates using an analysis of open and closed claims, and develop rates based on an estimate of expected future claim costs and expenses.
5. In producing this report, the OIC relied upon data submitted by insurers, self-insurers and attorneys. Data may contain anomalies. The OIC audits data and adopted administrative rules that contain data definitions and reporting instructions, but the accuracy of the report still depends largely on the accuracy of the data reported by others. People who report data may interpret data fields differently or make errors.
6. The OIC did not adjust the data for economic differences occurring during the report period, such as inflation and the cost of medical care.
7. Insurers and self-insurers do not report policy limits, so the report does not analyze the data by type of policy, whether coverage is primary or excess, limits of coverage, or size of deductibles or retentions to determine if coverage limits affect the frequency or severity of claims.
8. Insurers and self-insurers reported data separately for each defendant. This reporting method may overstate the frequency of "incidents" and understate the severity of an "incident," but it reduces inconsistencies and inaccuracies by limiting the amount of incomplete reporting.
9. This report analyzes only closed claims. Any claims that are still open, such as claims that are in settlement negotiations or on trial, are not included in this study. The analysis of closed claim information is valuable. However, open claims information may be more indicative of the current claims environment. For example, the impact of recent legislation or judicial decisions will not be reflected in a closed claim database.
10. Although insurers and self-insurers report data only after the claim has been closed, they occasionally re-open claims that were previously closed. Amounts reported may not be the true, ultimate amounts.

Appendices

Appendix A: Profitability

Profitability data for Physicians Insurance A Mutual Company

Year	Net premium written	Net premium earned	U/W expense ratio	Loss & LAE ratio	Divid. ratio	Comb. ratio	Net invest. income	Op. ratio
2014	76,701,101	75,121,138	16.6%	82.1%	6.7%	105.5%	19.8%	85.7%
2015	76,301,471	71,271,073	18.9%	84.4%	7.0%	110.3%	20.8%	89.5%
2016	78,240,313	78,437,989	20.9%	82.2%	6.4%	109.5%	18.8%	90.6%
2017	81,130,272	79,275,075	19.9%	81.0%	6.3%	107.3%	18.5%	88.7%
2018	94,256,910	93,442,936	20.5%	81.0%	5.4%	106.9%	16.1%	90.8%
2019	110,476,767	104,381,324	20.4%	88.5%	4.8%	113.7%	17.6%	96.0%
2020	115,217,227	109,632,385	26.4%	85.9%	4.6%	116.8%	11.3%	105.5%
2021	109,485,335	117,147,815	22.5%	92.1%	0.0%	114.7%	9.6%	105.1%
2022	118,999,420	115,148,844	19.5%	85.6%	0.0%	105.1%	9.9%	95.2%
2023	134,623,064	123,797,768	18.4%	95.6%	0.0%	113.9%	11.4%	102.5%
Total	995,431,880	967,656,347	20.5%	86.6%	3.6%	110.7%	14.6%	96.1%
Five-year period-to-period results								
2014-18	406,630,067	397,548,211	19.4%	82.1%	6.3%	107.8%	18.7%	89.2%
2019-23	588,801,813	570,108,136	21.3%	89.7%	1.8%	112.8%	11.8%	100.9%

Profitability data for The Doctors Company, an Interinsurance Exchange

Year	Net premium written	Net premium earned	U/W expense ratio	Loss & LAE ratio	Divid. ratio	Comb. ratio	Net invest. income	Op. ratio
2014	644,037,543	659,903,069	23.1%	78.3%	2.8%	104.2%	1.4%	102.7%
2015	622,861,093	628,266,492	24.2%	74.5%	3.8%	102.5%	4.4%	98.1%
2016	602,359,134	610,408,597	25.0%	77.7%	4.6%	107.3%	5.7%	101.6%
2017	595,891,924	600,702,260	24.9%	77.0%	3.8%	105.7%	12.0%	93.6%
2018	620,395,036	620,335,603	25.3%	85.7%	2.2%	113.2%	17.5%	95.7%
2019	627,555,678	623,780,051	28.2%	81.0%	1.4%	110.7%	11.3%	99.3%
2020	654,774,790	652,428,039	28.2%	73.6%	0.1%	101.9%	7.8%	94.1%
2021	782,820,035	749,761,353	28.5%	68.2%	1.1%	97.8%	7.9%	89.9%
2022	815,105,449	813,002,941	26.6%	71.0%	0.9%	98.5%	7.6%	91.0%
2023	864,181,824	855,295,789	26.3%	68.7%	1.0%	96.0%	11.2%	84.8%
Total	6,829,982,506	6,813,884,194	26.1%	75.1%	2.0%	103.2%	8.7%	94.6%
Five-year period-to-period results								
2014-18	3,085,544,730	3,119,616,021	24.5%	78.6%	3.4%	106.5%	8.1%	98.4%
2019-23	3,744,437,776	3,083,493,003	27.5%	72.1%	0.9%	100.4%	9.1%	91.3%

Profitability data for The Medical Protective Company⁵²

Year	Net premium written	Net premium earned	U/W expense ratio	Loss & LAE ratio	Divid. ratio	Comb. ratio	Net invest. income	Op. ratio
2014	-680,001,929	-575,282,426	-3.1%	114.5%	0.0%	111.5%	-17.0%	128.5%
2015	226,451,495	214,665,128	23.7%	59.5%	0.0%	83.2%	46.1%	37.2%
2016	255,837,377	228,980,322	23.7%	65.0%	0.0%	88.8%	39.5%	49.3%
2017	239,978,122	251,862,659	26.0%	58.0%	0.0%	84.0%	37.2%	46.7%
2018	260,421,768	260,308,096	24.0%	64.2%	0.0%	88.1%	40.2%	47.9%
2019	288,139,624	274,597,913	22.1%	72.5%	0.0%	94.6%	45.7%	48.8%
2020	347,993,367	349,375,371	19.9%	76.9%	0.0%	96.8%	35.9%	60.9%
2021	355,953,566	339,815,409	19.4%	71.1%	0.0%	90.5%	33.2%	57.3%
2022	392,160,910	359,055,198	19.4%	68.0%	0.0%	87.4%	31.2%	56.1%
2023	368,851,131	368,571,581	21.8%	65.2%	0.0%	87.0%	33.9%	53.1%
Total	2,055,785,431	2,071,949,251	30.1%	54.3%	0.0%	84.3%	52.4%	31.9%
Five-year period-to-period results								
2014-18	302,686,833	380,533,779	85.8%	-18.2%	0.0%	67.7%	127.6%	-59.9%
2019-23	1,753,098,598	1,230,414,118	20.4%	70.6%	0.0%	91.0%	35.5%	55.5%

⁵² Net data for 2014 and 2015 for Medical Protective were distorted by loss portfolio transfer agreements between Medical Protective and its affiliates.

Appendix B: Reserve development

Incurred net losses and cost containment expenses for Physicians Insurance A Mutual Company (\$000 omitted)

Year in which losses occurred	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Prior	114,549	92,735	80,833	69,582	68,447	65,852	65,815	66,262	66,201	66,092
2014	65,379	63,625	59,703	55,647	49,941	49,884	48,820	47,795	47,931	47,569
2015		67,830	64,651	65,694	62,944	64,173	62,406	61,017	60,983	60,421
2016			66,696	62,982	53,921	52,100	53,946	54,874	53,523	53,312
2017				66,331	68,246	69,232	69,300	70,884	71,487	72,459
2018					72,676	71,001	78,728	81,882	88,760	91,712
2019						77,955	70,307	65,942	62,742	61,945
2020							73,508	83,473	86,028	87,603
2021								77,667	73,949	80,465
2022									73,615	73,391
2023										83,933

Cumulative development for Physicians Insurance A Mutual Company (\$000 omitted)

Year in which losses occurred	One-Year Dev.	Two-Year Dev.	Total Dev.
Prior	-109	-170	-48,457
2014	-362	-226	-17,810
2015	-562	-596	-7,409
2016	-211	-1,562	-13,384
2017	972	1,575	6,128
2018	2,952	9,830	19,036
2019	-797	-3,997	-16,010
2020	1,575	4,130	14,095
2021	6,516	2,798	2,798
2022	-224		-224
Total	9,750	11,782	-61,237

Losses and defense and cost containment expenses for The Doctors Company, an Interinsurance Exchange (\$000 omitted)

Year in which losses occurred	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Prior	797,047	722,487	671,307	613,758	608,703	569,525	531,459	541,182	530,644	511,172
2014	523,776	523,475	523,475	520,327	519,162	425,875	394,734	395,845	394,132	390,890
2015		499,160	499,644	498,925	495,904	483,729	461,959	418,049	414,999	407,642
2016			467,527	465,811	467,528	499,157	504,310	496,827	482,741	469,076
2017				466,642	466,886	490,691	490,901	465,749	456,211	449,780
2018					474,260	496,802	503,509	498,148	482,361	448,170
2019						463,018	470,539	471,095	466,350	460,446
2020							456,428	456,422	446,379	431,722
2021								472,809	460,399	460,055
2022									491,782	492,682
2023										548,880

Cumulative development for The Doctors Company, an Interinsurance Exchange (\$000 omitted)

Year in which losses occurred	One-Year Dev.	Two-Year Dev.	Total Dev.
Prior	-19,472	-30,010	-285,875
2014	-3,242	-4,955	-132,886
2015	-7,357	-10,407	-91,518
2016	-13,665	-27,751	1,549
2017	-6,431	-15,969	-16,862
2018	-34,191	-49,978	-26,090
2019	-5,904	-10,649	-2,572
2020	-14,657	-24,700	-24,706
2021	-344	-12,754	-12,754
2022	900		900
Total	-104,363	-187,173	-590,814

**Losses and defense and cost containment expenses for The Medical Protective Company
(\$000 omitted)**

Year in which losses occurred	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Prior	575,640	512,143	462,963	404,019	363,342	344,486	343,635	335,079	334,059	329,911
2014	174,469	177,627	172,179	162,275	153,700	140,992	134,612	128,159	126,884	122,023
2015		186,030	183,767	175,535	168,667	160,859	152,707	142,509	132,941	127,703
2016			185,285	184,199	180,654	175,884	175,177	166,166	156,409	150,896
2017				187,661	185,686	182,851	186,928	180,223	171,476	163,714
2018					193,274	193,409	197,958	193,708	184,621	183,508
2019						199,180	200,850	199,421	191,406	178,307
2020							211,449	213,567	208,908	199,077
2021								223,240	222,550	213,784
2022									222,115	220,412
2023										224,547

Cumulative development for The Medical Protective Company (\$000 omitted)

Year in which losses occurred	One-Year Dev.	Two-Year Dev.	Total Dev.
Prior	-4,148	-5,168	-245,729
2014	-4,861	-6,136	-52,446
2015	-5,238	-14,806	-58,327
2016	-5,513	-15,270	-34,389
2017	-7,762	-16,509	-23,947
2018	-1,113	-10,200	-9,766
2019	-13,099	-21,114	-20,873
2020	-9,831	-14,490	-12,372
2021	-8,766	-9,456	-9,456
2022	-1,703		-1,703
Total	-62,034	-113,149	-469,008

Appendix C: Rate filing information

Rate changes approved in Washington since January 1, 2023

Company	Description	Approved Change	Filed Loss & LAE Trend	Effective Date
ProAssurance Ins. Co. of America	Podiatrists	2.8%	3.0%	9/1/2024
Fortress Insurance Co.	Dentists	3.6%	5.0%	9/1/2024
Insurance Services Office Inc.	Hospitals, Physicians, Surgeons	3.7%	4.5%	9/1/2024
American Cas. Co. of Reading, PA	Dentists	8.8%	5.0%	8/1/2024
ProSelect Ins. Co.	Physicians, Surgeons	5.7%	2.1%	6/1/2024
Insurance Services Office Inc.	Physicians, Surgeons, Dentists	-16.0%	-3.0%	5/1/2024
Medical Protective Co.	Dentists	-1.6%		4/1/2024
Pharmacists Mutual Ins. Co.	Pharmacists	6.2%	9.0%	3/1/2024
ProSelect Ins. Co.	Dentists	25.8%	5.0%	3/1/2024
ProSelect Ins. Co.	Phys. Assist., Nurse Practitioners	29.0%	5.0%	3/1/2024
American Cas. Co. of Reading, PA	Nurse Practitioners	5.8%	6.0%	12/1/2023
Medical Protective Co.	Chiropractors, Optometry, Podiatry	15.0%	3.6%	11/1/2023
Medical Protective Co.	Nurse Practitioners	8.7%	3.4%	10/1/2023
Medical Protective Co.	Physician Assistants	2.4%	3.2%	10/1/2023
Fortress Ins. Co.	Dentists	7.7%	5.0%	8/1/2023
Liberty Ins. Underwriters, Inc.	Optometrists	15.0%	4.0%	8/1/2023
Allied World Ins. Co.	Nurse Practitioners	New Prog.	6.1%	7/14/2023
American Cas. Co. of Reading, PA	Dentists	15.3%	4.5%	7/1/2023
ProSelect Ins. Co.	Physicians, Surgeons	9.0%	2.2%	3/1/2023
Doctors Co. An Interins. Exchange	Physicians, Surgeons, Ancillary	3.0%	2.0%	1/16/2023
Midwifery/Birthing Ctr. Mal. Ins. JUA	Midwives and Birthing Centers	10.0%	2.0%	1/1/2023

Appendix D: 2022 NAIC profitability of medical professional liability insurance

Profitability data by state (ratios: percent of direct premiums earned)

State	Direct premiums earned (000s)	Incurred losses and LAE	U/W expense	Divid.	U/W profit	Invest gain on ins. trans.	Tax on ins. trans.	Profit on ins. trans.
Alabama	\$165,993	110%	19%	1%	-29%	12%	-4%	-13%
Alaska	\$24,610	11%	21%	5%	64%	1%	14%	51%
Arizona	\$234,074	75%	21%	7%	-4%	12%	1%	7%
Arkansas	\$79,595	79%	23%	1%	-4%	11%	1%	7%
California	\$950,150	49%	23%	1%	28%	12%	8%	32%
Colorado	\$188,688	58%	21%	7%	14%	10%	5%	19%
Connecticut	\$251,023	115%	19%	0%	-34%	15%	-5%	-14%
Delaware	\$38,604	153%	24%	0%	-77%	13%	-14%	-50%
Dist. of Columbia	\$33,157	36%	27%	0%	37%	12%	10%	39%
Florida	\$879,598	61%	23%	1%	15%	11%	5%	21%
Georgia	\$386,945	89%	23%	2%	-13%	15%	0%	2%
Hawaii	\$38,804	107%	21%	5%	-33%	12%	-5%	-16%
Idaho	\$40,659	65%	24%	2%	8%	13%	4%	17%
Illinois	\$534,607	66%	23%	0%	11%	17%	5%	23%
Indiana	\$157,338	80%	19%	0%	1%	15%	3%	13%
Iowa	\$77,292	108%	22%	0%	-31%	15%	-4%	-12%
Kansas	\$95,894	74%	23%	1%	3%	13%	3%	13%
Kentucky	\$133,320	79%	24%	1%	-3%	16%	2%	10%
Louisiana	\$115,472	48%	23%	0%	29%	12%	8%	33%
Maine	\$52,469	58%	18%	11%	13%	13%	5%	21%
Maryland	\$363,984	62%	20%	7%	11%	10%	4%	17%
Massachusetts	\$356,429	75%	19%	2%	4%	18%	4%	19%
Michigan	\$250,007	81%	22%	0%	-3%	12%	2%	8%
Minnesota	\$101,059	70%	23%	0%	7%	10%	3%	14%
Mississippi	\$58,893	62%	22%	1%	15%	12%	5%	21%
Missouri	\$195,975	91%	20%	8%	-19%	12%	-2%	-6%
Montana	\$40,962	59%	25%	0%	15%	10%	5%	21%
Nebraska	\$47,197	81%	24%	0%	-5%	15%	2%	9%

Profitability data by state (ratios: percent of direct premiums earned)

State	Direct premiums earned (000s)	Incurred losses and LAE	U/W expense	Divid.	U/W profit	Invest gain on ins. trans.	Tax on ins. trans.	Profit on ins. trans.
Nevada	\$98,351	52%	25%	0%	23%	11%	7%	27%
New Hampshire	\$56,749	106%	24%	2%	-31%	17%	-4%	-11%
New Jersey	\$516,627	79%	23%	0%	-1%	18%	3%	14%
New Mexico	\$70,498	196%	24%	0%	-121%	18%	-23%	-81%
New York	\$1,761,481	96%	19%	0%	-15%	24%	1%	9%
North Carolina	\$194,275	54%	22%	1%	23%	12%	7%	28%
North Dakota	\$14,106	70%	25%	2%	4%	10%	2%	11%
Ohio	\$263,155	76%	23%	1%	0%	14%	2%	12%
Oklahoma	\$116,045	77%	23%	0%	1%	13%	2%	12%
Oregon	\$113,641	118%	21%	0%	-40%	12%	-6%	-21%
Pennsylvania	\$876,575	95%	17%	0%	-12%	15%	0%	3%
Rhode Island	\$37,314	57%	23%	0%	20%	23%	8%	35%
South Carolina	\$90,536	88%	25%	1%	-14%	17%	0%	3%
South Dakota	\$17,644	94%	25%	0%	-18%	13%	-2%	-4%
Tennessee	\$258,809	99%	19%	2%	-21%	18%	-2%	-2%
Texas	\$476,269	57%	24%	0%	19%	10%	6%	24%
Utah	\$74,764	81%	23%	2%	-6%	13%	1%	6%
Vermont	\$20,657	139%	37%	6%	-82%	16%	-15%	-52%
Virginia	\$230,864	78%	24%	2%	-3%	11%	1%	7%
Washington	\$224,149	87%	23%	0%	-10%	11%	0%	1%
West Virginia	\$68,455	77%	24%	0%	-1%	12%	2%	9%
Wisconsin	\$85,263	86%	20%	0%	-7%	13%	1%	6%
Wyoming	\$19,283	36%	23%	0%	41%	13%	11%	43%
Guam	\$1,054	-115%	26%	0%	189%	9%	41%	157%
Puerto Rico	\$72,925	61%	24%	0%	15%	11%	5%	21%
US Virgin Islands	\$668	150%	32%	0%	-82%	8%	-16%	-58%
N. Mariana Islands	\$26	-27%	25%	0%	102%	10%	23%	88%
Countrywide	\$11,652,985	79%	21%	1%	-1%	15%	2%	12%

Profitability data by state (ratios: percent of net worth)

State	Direct premiums earned (000s)	Earned prem. to net worth	Inv. gain on net worth	Tax on inv.gain on net worth	Return on net worth
Alabama	\$165,993	44%	3%	1%	-3%
Alaska	\$24,610	45%	NR	NR	23%
Arizona	\$234,074	41%	3%	1%	6%
Arkansas	\$79,595	46%	3%	1%	6%
California	\$950,150	44%	3%	1%	17%
Colorado	\$188,688	50%	3%	1%	13%
Connecticut	\$251,023	37%	3%	1%	-3%
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Nebraska	\$47,197	36%	3%	1%	6%

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New York	\$1,761,481	25%	3%	1%	5%
North Carolina	\$194,275	44%	3%	1%	15%
North Dakota	\$14,106	50%	3%	1%	8%
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Texas	\$476,269	48%	3%	1%	14%
Utah	\$74,764	42%	3%	1%	5%
Vermont	\$20,657	35%	3%	1%	-15%
Virginia	\$230,864	46%	3%	1%	6%
Washington	\$224,149	48%	3%	1%	3%
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