



# State of Connecticut Insurance Department

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## Connecticut Medical Malpractice Annual Report

March 2008

**Connecticut Medical Malpractice Annual Report – 2008**

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## **Connecticut Medical Malpractice Annual Report – 2008**

### **I. Introduction**

Pursuant to Section 14 of Public Act 05-275, codified as Connecticut General Statute Section 38a-395, the Connecticut Insurance Department (the “Department”) hereby submits its 2008 annual report to the General Assembly. The report summarizes the Connecticut medical malpractice liability closed claim data received by the Department for calendar years 2006, 2007 and the fourth quarter of calendar year 2005. In addition, it provides a summary of rate filing activity for 2007, premium information by medical provider specialty for 2007 and industry calendar year experience for 2005, 2006 and 2007.

### **II. Background**

The Connecticut legislature passed Public Act 05-275 (the “Act”) in 2005. This Act, among other things, required that after January 1, 2006 each insurer “that insures a physician, surgeon, hospital, advanced practice registered nurse or physician assistant against professional liability” provide the Insurance Commissioner with a closed claim report on a quarterly basis. For purposes of closed claim reporting, an “insurer” includes captives and self-insured entities or persons. In 2007, the legislature passed Public Act 07-25 which expanded the definition of medical specialties for which closed claim reporting was required. The expanded reporting, effective October 1, 2007, requires submission of closed claims for all “medical professionals and hospitals”. The definition of “medical professional” has the same meaning as provided in Section 38a-976 of the Connecticut General Statutes (CGS). The details of the requirements for the claim information to be reported are provided in Section 38a-395 of the CGS, Sub-section (c) and a copy of 38a-395 as revised in 2007 is attached as Appendix 1.

The Act further stipulates that the Insurance Commissioner establish an electronic database composed of the closed claim information pursuant to 38a-395. Insurance Department staff developed a format for collecting the required information and a software application insurers could utilize to submit the data. The Medical Malpractice Closed Claim Data Collection Application software can be downloaded from the Department’s website and, after being populated by the closed claims for the quarter, sent back to the Department for inclusion in the database. When preparing claim data for submission, insurers can access the Medical Malpractice Closed Claim Data Collection Application Users Guide which is also on the Department’s website. The Department currently has a project underway to enhance the reporting software capabilities with the expectation that a web-based user application will be available in the second quarter. A copy of the current Users Guide is attached as Appendix 2.

The individual closed claim data collected by the Department, as required by 38a-395, is kept confidential and is not subject to public record requests. As a result, this report

summarizes data in order to maintain the confidentiality of the individual claim information filed by each reporting entity.

### **III. Data Collection**

The data elements captured in the application software are submitted to the Department on a quarterly basis. Closed claim reports are due by the 10<sup>th</sup> of the month following the last month of each quarter. In addition to the closed claim data, the Department's software application also captures annual calendar year premium and loss information as required in the statute. Information on rate filing activity was compiled from the Department's files.

We received data from 76 insuring entities, which included 27 admitted insurance companies, 18 surplus lines carriers, 4 risk retention groups and 27 hospitals or hospital groups that are either self-insured or insured with a captive. Data reporting in 2007 improved over 2006 in terms of both accuracy and completeness. During the summer, Department staff reviewed the claim data for reasonability and accuracy and made corrections as appropriate. While there are still some delays in providing the closed claim information, compliance with the data submission requirements by insurers was generally good. As was the case last year, most of the risk retention groups (RRG's) continue to assert that the Federal Liability Risk Retention Act provides them an exemption from having to report claim data to Connecticut or any other state. Fortunately, most of the RRG's have relatively small market shares, with the exception of MCIC Vermont, Inc. (MCIC), which is the third leading writer of medical malpractice liability insurance in the state. MCIC, although continuing to assert the exemption, agreed to supply claim information to the Department this year.

Since the publication of last year's report, we have received additional closed claim data from a number of entities that were unable to meet the prior year's filing deadline. In addition, we now are receiving claim information from MCIC. As a result of these additional submissions, claims reported as closing in calendar year 2006 increased by 138 over the number included in last year's report, a 24% increase. As such, any comparisons of this year's report to last year's published report will be distorted.

### **IV. Description of Analysis**

A claim is a demand for compensation due to alleged malpractice of a health care provider or facility as defined in the Act. For the purposes of this report, and based on general practice, when an insurer opens a file and begins to investigate the circumstances of a demand for compensation, a claim has occurred, whether or not a lawsuit is ever filed. When the file is closed, even when the claimant receives no payment, the claim must be reported and counted as a closed claim.

In this report, two primary pieces of claim data are analyzed:

- **Paid indemnity:** The amount of compensation paid to a claimant or plaintiff on behalf of each defendant.
- **Allocated Loss Adjustment Expenses (ALAE):** These are expenses associated with defending the case. They are comprised of payments to defense counsel for legal services, and other expenses incurred by the insuring entity to handle a specific claim, such as investigations or fees for expert witnesses.

In this analysis, as displayed in Appendix 3, we organized and summarized the data to reflect the types of medical malpractice claims, the age and size of these claims and the type of insurer. For purposes of this report, we define Commercial Insurer (“Commercial Insurer”) to include admitted insurers and surplus lines carriers. Also, experience for captives, RRG’s and self-insurers (captives/self-insurers) was combined. Readers of this report should keep in mind that when comparing the three years displayed in the closed claim exhibits that there is only one quarter of data in 2005 and four quarters in 2006 and 2007.

This second annual report contains more data for our analysis of medical malpractice claims in Connecticut. Although we now have nine quarters of claim data, the overall statistical credibility of the data is still somewhat limited and therefore, caution should be exercised in drawing any definitive conclusions at this time. Subsequent annual reports will continue to add more data, eventually allowing trends to emerge and the opportunity for additional detail in the analysis.

Appendix 4 includes an exhibit displaying full calendar year premiums and losses for 2005, 2006 and 2007. It should be noted that the losses displayed in Appendix 4 are not comparable to the closed claim data provided in Appendix 3. The paid losses in Appendix 4 include partial payments on claims that are still open and the incurred losses include reserve estimates on open cases.

In Appendix 5, we have provided annual financial statement data from the National Association of Commissioners (NAIC) database. For calendar years 2006 and 2007 we have displayed premium, loss, expense and investment income data individually for the top 15 insurers writing medical malpractice insurance in Connecticut. In addition, we have provided similar data for all companies combined for calendar years 2001 – 2007. These exhibits do not include data for captives or self-insurers, but do include RRG’s.

## **V. Limitations of Analysis**

The loss analysis is based entirely on historical closed claim data. That is, claims are reported to us and included in this analysis based on the quarter and year in which they reach a final outcome. Some arose from fairly recent medical incidents, but most arose from incidents that occurred a number of years ago.

The Department has relied on the accuracy of the data submitted by the various insuring entities. Other than checking the claim data for reasonability, the Department has not attempted to verify or audit the accuracy of the submitted information directly with the reporting entities. As such, the quality of the analysis is dependent on the accuracy of the data submitted by the insurers and self-insurers.

This report is not intended to be used to evaluate past or current medical malpractice liability insurance rates.

## **VI. Key Findings**

While the data is limited in that it only includes claims closed in nine calendar quarters, there are some observations that can be made from an analysis of the claim information. Greater detail is provided in Section VII which provides the narrative describing the reports and charts in Appendix 3.

- **Total Claims:** A total of 1506 closed claims were reported for the nine quarters included in the reporting period. Commercial Insurers reported more than half of the claims, or 805. Captives/self-insurers reported 701 claims.
- **Indemnity Payments:** Indemnity payments include all compensation paid to claimants or plaintiffs. A majority of medical malpractice claims resulted in no indemnity payments. Over half (55%) of the claims, 822, had no indemnity payments, while the remainder, 684, closed with an indemnity payment. The total amount paid to claimants was \$458.6 million, an average of \$670,455 each for those claims with an indemnity payment. The payments include amounts for both economic and non-economic damages. Fewer claims were reported as closed in 2007 compared to 2006 and the average indemnity payment decreased from approximately \$729,000 in 2006 to \$640,000 in 2007.
- **Defense Counsel Payments:** Over half of the claims closed with no payments to claimants, yet 82%, or 1,232, generated legal expenses to defend the claim. These expenses totaled \$60.3 million, an average of \$48,944 per claim. Of these, over half (659) had no payments to claimants, averaging \$33,894 for legal expenses. While the average indemnity payment in 2007 was lower than in 2006, legal defense costs increased from an average of approximately \$45,000 to \$56,000.
- **Indemnity Payments and Size of Claims:** There were 100 claims over \$1 million in size, which represented 14.6% of the total claims with indemnity payments. However, the total payments for these claims were \$308.8 million or 67% of the indemnity payments for all claims reported.
- **Indemnity Payments and Age of Claim:** The amount paid to claimants increased with the age of the claim. Of the 684 claims that closed with an indemnity payment, 70 closed within one year of being reported and had an average paid indemnity of \$124,884. That average figure rose to \$309,715 for 79 claims closing in their second

year, and to \$794,160 for 158 claims closing in their third year. The 114 claims that closed between 60 and 90 months from being reported averaged \$1,206,168.

- **Defense Counsel Payments and Age of Claim:** Defense counsel payments also increased with the age of claim, starting with an average of \$4,181 for claims that closed in their first year, and rising to \$12,371 and \$39,680 for claims in their second and third years, respectively. For claims closing five or more years after being reported, the average was \$96,286.
- **Claim Outcomes:** Of the 1506 reported claims, 684 were resolved in favor of the claimant or plaintiff. Of the claims resolved in favor of the claimant or plaintiff, 97.5% were settled, with 93.1% settled before trial began. The remaining 822 claims were resolved in favor of the defendant. Of the claims resolved in favor of the defendant, 89.8% were settled, with 89.0% settled before trial began.

## **VII. Detailed Findings**

This discussion corresponds to the reports and charts attached as Appendix 3. The reader is encouraged to review those exhibits for full details.

### **Claims by Insurer (Reports 1, 2 and 3)**

Of the total of 1,506 claims, 684, or 45% had indemnity payments to a claimant at an average value of \$670,455. Commercial Insurers reported a greater number of claims than captives/self-insurers and a slightly lower proportion of claims with indemnity payments (42% versus 49%). However, the average claim size was much greater for Commercial Insurers, \$800,632 versus \$540,278 for captives/self-insurers. Fewer claims were reported as closing in 2007 compared to 2006 and the average indemnity payment decreased from approximately \$729,000 in 2006 to \$640,000 in 2007. The decreases in both claim counts and average values were seen for both Commercial Insurers and captives/self-insurers.

Of the total 1,506 claims, approximately four out of five had payments to defense counsel. There was little difference between Commercial Insurers and captives/self-insurers in the proportion of claims with legal defense costs. However, Commercial Insurers average legal expenses were much higher per claim (approximately \$56,000 versus \$40,000). On claims with indemnity payments, the average payment for legal costs was \$75,016 for Commercial Insurers compared to only \$55,851 for captives/self-insurers. While the average indemnity payment in 2007 was lower than in 2006, legal defense costs increased from an average of approximately \$45,000 to \$56,000.

When other ALAE are included with defense counsel payments, the total of \$72.4 million represents the amount expended to defend and investigate claims. This represents approximately 16% of the total indemnity payments. Commercial Insurers expended a higher percentage (17.6% versus 13.1%), largely as a result of a wide difference in calendar year 2007. Although the dollars expended in 2007 over 2006 did not increase,

the percentages increased when compared to much lower indemnity payments in the most recent year.

### **Claims by Size (Reports 4 and 5)**

Of the total 1506 claims, 684 had indemnity payments. The distribution of these claims by size is shown on Report 4 and on Charts 4-1 and 4-2. Of the 684 claims, 100, or 14.6%, had payments greater than \$1 million. Indemnity payments for these claims totaled \$308.8 million, or 67% of the total claim payments. Claims greater than \$500,000, but less than \$1 million added another 106 claims (15.5%) with \$83.6 million of payments. Thus, the 206 claims greater than \$500,000 represent approximately 30% of the claims, but 86% of the total paid indemnity.

On the other hand, almost two fifths of legal defense costs (37.0%) are expended to defend claims where there are no indemnity payments. The distribution of the defense counsel payments by size of loss is shown on Report 5 and Chart 5-1. Legal defense costs for the \$1 million and above claims represent 21.6 % of the total. And, the average amount of defense costs per claim generally increases as the claims get larger.

### **Age of Claim (Report 6)**

These exhibits display claims by age at the time of closing from both report date and injury date and provide the average length of time to closure. The majority of claims with indemnity payments, almost 60%, closed between two and five years of being reported. Overall, it took a little less than three and one half years from the report date to close claims with indemnity payments. The time from the date of incident to closure was slightly less than five years, which suggests claims are reported roughly 16 months after injury. Average payments generally increased as the claim aged, with claims closing after five years averaging approximately \$1.2 million per claim. The distribution of claims and payments by age can be seen on Report 6, part 2 and Charts 6-1 and 6-2.

The greater the age of the claim, the more likely it was to have legal costs to defend the claim. Of the claims that closed within one year, 41% had defense counsel payments. For claims closing after five years, the percentage rises to 96%. As with indemnity costs, the average legal cost associated with a claim increased as the claim aged. Claims closed in the first year averaged legal costs of \$4,181 while those closing five or more years after being reported averaged \$96,286. The distribution of defense counsel payments by age of claim are displayed on Report 6, part 3 and Chart 6-2.

### **Severity of Injury (Report 7)**

Of the 1506 claims reported as closed, 179, or 26% were due to the death of the injured party, with average paid indemnity of \$812,527. Injuries identified as either “major permanent” or “grave permanent” had average paid indemnity of \$2,377,105, approximately three and one half times the overall average indemnity payment. These types of claims include quadriplegia and brain damage cases, requiring lifelong dependent care. Although these 77 severe “permanent injury” claims were only 11% of

the total number, they accounted for 40% of the total payments. The average payments by injury type are shown on Report 7, part 1 and Chart 7-1.

Likewise, the average legal costs associated with the 77 most serious non-death claims were significantly higher than the overall average. For those claims, 71 of which had defense counsel costs, the average was \$114,224 compared to \$66,253 for all claims with defense counsel costs. The average legal costs by injury type are displayed on Report 7, part 2 and Chart 7-2. For claims where no indemnity payment was made, 80% had dense counsel payments that averaged \$33,894. However, for the most serious non-death permanent injury claims, 95% required legal defense at an average cost of \$57,525. Details of legal costs for these claims by injury type are displayed on Report 7, part 3 and Chart 7-3.

### **Claims by Physician Specialty (Report 8)**

These exhibits show the medical provider specialties for which claims were reported that had indemnity payments. Hospitals – General had the most claims followed by the Physicians-other category. The majority (over 88%) of the Hospital claims were reported by the captives/self-insurers, while Commercial Insurers reported the most in the Physicians-other category.

The average paid indemnity amounts vary significantly by specialty and are often distorted by one or two large claims. For the Hospitals-General category, which had 50% of the claims, the average indemnity payment was \$726,572, or slightly higher than the overall average. In reviewing the Report 8 exhibits, the reader should be aware that nine quarters of data is not sufficient to properly measure differences in claim costs by specialty. As additional years of data are gathered, these exhibits will become more informative.

Report 8, Part 2 also displays base premiums by medical provider specialty for Commercial Insurers. For purposes of this report, base premiums are defined as the manual premium before the application of increased limits factors or experience debits and credits. Base premiums were not available from the captives/self-insurers.

### **Claims by Outcome (Report 9)**

Reporting entities were asked to indicate the method of final disposition for each closed claim:

- Of the 1506 closed claims, 55% resulted in no payment to the plaintiff. Of these, 90% were settled and virtually all cases were resolved either before litigation began (33.3%) or before trial (55.7%). Claims closed before a lawsuit was filed tended to be less serious and closed within approximately two years of the incident date on average. Of the claims that were not settled, the average time to final resolution was 22 months longer than for settled cases.

- The remaining 45% of closed claims resulted in indemnity payments to the plaintiff. Of these, 97.5% were settled, with most of those being settled before trial. Only 17 of the 684 claims were the result of court judgments for the plaintiff.
- Of the cases resolved by trial, only 17% resulted in payments to the plaintiff. For cases that were settled, 47% resulted in payments to the plaintiff.
- For claims where indemnity was paid, the average value for settled cases was \$654,266 with additional expenses for total ALAE of \$63,609 per claim. For cases that had court dispositions, the average payment was \$1,305,628 with \$183,704 of ALAE per claim.
- The “average severity of injury rating” column measures the seriousness of the claim by averaging the severity rating (e.g., major permanent, death, etc.) for the claims in each category. This simply shows that the less serious claims, whether settled in favor of the plaintiff or the defendant, are the ones closed before litigation.

### **Claim Reserves (Report 10)**

These exhibits display combined final indemnity and all ALAE payments with the initial and final reserves for those claims. The reserve amounts represent the insurer’s best estimate at that point in time of what they believe the ultimate payment will be when the claim finally closes. A comparison of the initial reserves to the final payments shows that the first estimates were more than 270% understated. There was not a lot of difference between the Commercial Insurers and the captives/self-insurers in the amount of understatement of the initial reserves.

The final reserve amounts were much closer to the final payments. They were overstated by roughly 6%, with Commercial Insurers somewhat higher at an approximate 8% overestimate, and captives/self-insurers at 2%. While these values represent averages for all nine quarters of data combined, it should be noted that overstatements for claims closed in 2007 were greater than for 2006. These differences in the estimates versus the final payments highlight the difficulty all insurers have in accurately assessing what the ultimate payout will be for a particular claim. This is especially true in the early stages of claim development when details related to the incident are still incomplete.

And lastly, the data presented in Report 10 does not include experience for MCIC. While MCIC was able to provide data for the other reports, they did not have complete historical claim file data for this report. They have agreed to provide the information going forward beginning with reserve information for claims closing in calendar year 2008.

### **Economic and Non-Economic Damages (Report 11)**

Reporting entities were asked to split the final indemnity payment into economic and non-economic damages. Economic damages are usually defined as objectively verifiable monetary losses such as medical expenses, loss of earnings, burial costs, etc. Non-economic damages typically refer to subjective non-monetary losses such as pain, suffering, inconvenience, emotional distress, etc. For slightly over one half of the cases,

or 371, insurers failed to provide this split in the reported data as they indicated that such information was not available in the final settlement.

For the claims where the split was provided, approximately 67% of the payments were for non-economic damages. The average value of these claims was \$672,176, or very close to the overall average for all claims with indemnity payments. This suggests that there were not a disproportionate share of either very large or small claims in this sample. Commercial Insurers provided the split on 62% of the claims reported and 67% of those payments were for non-economic damages. Captives/self-insurers provided the split on only 30% of reported claims and had about the same proportion allocated to non-economic damages at 64%.

## **VIII. Rate Filings and Industry Calendar Year Data**

### **Rate Filings for Professional Liability**

There were three rate filings received and approved by the Department during 2007 for physicians and surgeons, hospitals, advanced practice registered nurses or physician assistants. The filings were as follows:

- Medical Protective Company – a 24.2% rate decrease effective 8/1/07
- Professional Liability Insurance Company of America – initial rates effective 9/1/07
- The Doctors Company – a 7.1% rate increase effective 8/1/07 for new business and 10/1/07 for renewal business

### **Calendar Year Premium and Losses (Appendix 4, Report 12)**

Report 12 displays calendar year earned premium and losses for 2005, 2006 and 2007, separately for Commercial Insurers, captives (including RRG's) and self-insurers. This information is compiled from data submissions provided by insuring entities that responded to the data call. As such, it includes data from captives and self insurers that are not included in the industry data in Appendix 5. It should be noted that the paid losses included in this exhibit are not directly comparable to the amounts shown in the closed claim reports in Appendix 3. The paid losses in Report 12 include partial payments on claims that are still open. It should also be noted that the incurred losses in Report 12 do not include reserves for incurred but not reported claims.

While only three years of data is not enough to determine trends, we do observe when comparing the most recent two years, that the 2007 premium is down slightly from 2006 and that relatively more business was written by captives and self-insurers.

### **Industry Data from the NAIC (Appendix 5)**

In Appendix 5, we display industry data compiled from annual financial statements provided to the NAIC by all companies writing medical malpractice business in Connecticut. Data is included for licensed companies, surplus lines companies and risk

retention groups, but excludes captives. It also includes data from companies that write business for medical provider specialties (e.g., chiropractors or psychiatrists) that were not included in the Connecticut-specific data call until the fourth quarter of 2007.

The first four exhibits provide historical industry premium, loss and expense experience from 2001 to 2007. Exhibit 1 displays experience for all companies combined and also includes profitability ratios from the NAIC Report on Profitability by Line by State (Profitability Report). Ratios are shown separately for underwriting profit (premiums less losses and expenses as a percent of earned premium) and profit on the insurance transaction (underwriting profit plus investment earnings less federal income taxes as a percent of earned premium). These results show that after two very bad years in 2001 and 2002, the industry has been profitable since with 2006 showing a 13.6 % return. While the profitability report is not yet available for 2007, the deterioration in the incurred loss ratio suggests that results are likely to be worse than 2006. Exhibits 2, 3 and 4 provide the same experience, without the profitability information, separately for licensed companies, surplus lines companies, and risk retention groups. The deteriorating loss ratio for 2007 is particularly evident for the surplus lines and RRG's, while experience for the licensed companies showed a slight improvement over 2006.

Exhibits 5 and 6 provide premium, loss and expense experience for 2006 and 2007 separately for the top fifteen writers in 2007. Overall, written premiums declined by 3.5% from 2006 to 2007. The market is concentrated with 92% of the premium written by the top 15 insurers and almost 50% by the top two, Connecticut Medical Insurance Company and ProSelect Insurance Company. The third leading writer, MCIC, is a hospital risk retention group and has another 22 % of the premium. Non-admitted carriers (i.e., surplus lines and risk retention groups) are writing approximately 36% of the business in 2007 which is consistent with their market share over the last six years.

In addition, we have provided on Exhibit 7 investment income earnings for 2006 and 2007 for the 15 leading insurers in the state. Combined, these companies write more than 92% of the statewide premium. These investment earnings are not specific to medical malpractice insurance or to policies written just in Connecticut as they are derived from all assets held by the companies. They also reflect total earnings for all insurance companies in a group, not just the company writing business in Connecticut. While investment income for this group of insurers increased by approximately 12% in 2007 compared to 2006, the two leading writers of medical malpractice liability insurance in the state (CMIC and ProSelect) showed more modest increases of 2.5% and 6.2% respectively.

**Connecticut Medical Malpractice Annual Report – 2008**

**Appendix 1**

**Medical Malpractice Data Reporting Requirements  
Connecticut General Statute 38a-395**



**Substitute Senate Bill No. 249**

**Public Act No. 07-25**

**AN ACT CONCERNING MEDICAL MALPRACTICE DATA REGARDING MEDICAL PROFESSIONALS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 38a-395 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

(a) As used in this section:

(1) "Claim" means a request for indemnification filed by a [physician, surgeon, hospital, advanced practice registered nurse or physician assistant] medical professional or hospital pursuant to a professional liability policy for a loss for which a reserve amount has been established by an insurer;

(2) "Closed claim" means a claim that has been settled, or otherwise disposed of, where the insurer has made all indemnity and expense payments on the claim; [and]

(3) "Insurer" means an insurer that insures a [physician, surgeon, hospital, advanced practice registered nurse or physician assistant] medical professional or hospital against professional liability. "Insurer" includes, but is not limited to, a captive insurer or a self-insured person; and

(4) "Medical professional" has the same meaning as provided in section 38a-976.

(b) On and after January 1, 2006, each insurer shall provide to the Insurance Commissioner a closed claim report, on such form as the commissioner prescribes, in accordance with this section. The insurer shall submit the report not later than ten days after the last day of the calendar quarter in which a claim is closed. The report shall only include information about claims settled under the laws of this state.

(c) The closed claim report shall include:

(1) Details about the insured and insurer, including: (A) The name of the insurer; (B) the professional liability insurance policy limits and whether the policy was an occurrence policy or was issued on a claims-made basis; (C) the name, address, health care provider professional license number and specialty coverage of the insured; and (D) the insured's policy number and a unique claim number.

(2) Details about the injury or loss, including: (A) The date of the injury or loss that was the basis of the claim; (B) the date the injury or loss was reported to the insurer; (C) the name of the institution or location at which the injury or loss occurred; (D) the type of injury or loss, including a severity of injury rating that corresponds with the severity of injury scale that the Insurance Commissioner shall establish based on the severity of injury scale developed by the National Association of Insurance Commissioners; and (E) the name, age and gender of any injured person covered by the claim. Any individually identifiable health information, as defined in 45 CFR 160. 103, as from time to time amended, submitted pursuant to this subdivision shall be confidential. The reporting of the information is required by law. If necessary to comply with federal privacy laws, including the Health Insurance Portability and Accountability Act of 1996, (P. L. 104-191) (HIPAA), as from time to time amended, the insured shall arrange with the insurer to release the required information.

(3) Details about the claims process, including: (A) Whether a lawsuit was filed and, if so, in which court; (B) the outcome of such lawsuit; (C) the number of other defendants, if any; (D) the stage in the process when the claim was closed; (E) the dates of the trial, if any; (F) the date of the judgment or settlement, if any; (G) whether an appeal was filed and, if so, the date filed; (H) the resolution of any appeal and the date such appeal was decided; (I) the date the claim was closed; (J) the initial indemnity and expense reserve for the claim; and (K) the final indemnity and expense reserve for the claim.

(4) Details about the amount paid on the claim, including: (A) The total amount of the initial judgment rendered by a jury or awarded by the court; (B) the total amount of the settlement if there was no judgment rendered or awarded; (C) the total amount of the settlement if the claim was settled after judgment was rendered or awarded; (D) the amount of economic damages, as defined in section 52-572h, or the insurer's estimate of the amount in the event of a settlement; (E) the amount of noneconomic damages, as defined in section 52-572h, or the insurer's estimate of the amount in the event of a settlement; (F) the amount of any interest awarded due to the failure to accept an offer of judgment or compromise; (G) the amount of any remittitur or additur; (H) the amount of final judgment after remittitur or additur; (I) the amount paid by the insurer; (J) the amount paid by the defendant due to a deductible or a judgment or settlement in excess of policy limits; (K) the amount paid by other insurers; (L) the amount paid by other defendants; (M) whether a structured settlement was used; (N) the

expense assigned to and recorded with the claim, including, but not limited to, defense and investigation costs, but not including the actual claim payment; and (O) any other information the commissioner determines to be necessary to regulate the professional liability insurance industry with respect to [**physicians, surgeons, hospitals, advanced practice registered nurses or physician assistants**] medical professionals or hospitals, ensure the industry's solvency and ensure that such liability insurance is available and affordable.

(d) (1) The commissioner shall establish an electronic database composed of closed claim reports filed pursuant to this section.

(2) The commissioner shall compile the data included in individual closed claim reports into an aggregated summary format and shall prepare a written annual report of the summary data. The report shall provide an analysis of closed claim information including a minimum of five years of comparative data, when available, trends in frequency and severity of claims, itemization of damages, timeliness of the claims process, and any other descriptive or analytical information that would assist in interpreting the trends in closed claims.

(3) The annual report shall include a summary of rate filings for professional liability insurance for [**physicians, surgeons, hospitals, advanced practice registered nurses and physician assistants**] medical professionals or hospitals, which have been approved by the department for the prior calendar year, including an analysis of the trend of direct losses, incurred losses, earned premiums and investment income as compared to prior years. The report shall include base premiums charged by insurers for each specialty and the number of providers insured by specialty for each insurer.

(4) Not later than March 15, 2007, and annually thereafter, the commissioner shall submit the annual report to the joint standing committee of the General Assembly having cognizance of matters relating to insurance in accordance with section 11-4a. The commissioner shall also (A) make the report available to the public, (B) post the report on its Internet site, and (C) provide public access to the contents of the electronic database after the commissioner establishes that the names and other individually identifiable information about the claimant and practitioner have been removed.

(e) The Insurance Commissioner shall provide the Commissioner of Public Health with electronic access to all information received pursuant to this section. The Commissioner of Public Health shall maintain the confidentiality of such information in the same manner and to the same extent as required for the Insurance Commissioner.

Approved May 18, 2007

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**Appendix 2**

**Medical Malpractice Closed Claim Data  
Collection Application Users Guide**

**MEDICAL MALPRACTICE CLOSED CLAIM DATA COLLECTION**  
**UNDER CONNECTICUT PUBLIC ACT 05-275**

**Introduction:**

Public Act 05-275 (the “Act”) requires Medical Malpractice insurance providers to report closed claims data to the Connecticut Department of Insurance (the “Department”) and authorizes the Department to establish a reporting format to capture this data. The reporting requirement applies to all admitted and non-admitted insurers, risk retention groups, captives, and self-insured entities. A quarterly report is required to be sent to the Department not later than 10 days after the close of the quarter in which the claim is closed.

The Act requires that all insurers report, among other information, the costs of defending medical malpractice claims, and paying judgments and settlements for their insured health care providers and health care entities. The closed claim report must be submitted to the Department on the Medical Malpractice Closed Claim Data Collection Application software that can be downloaded through the Department’s website. The reporting obligation commences with claims closed during the fourth quarter of 2005 (subject to the noted exception below) and each calendar quarter thereafter. This quarterly information is required to be submitted to the Department not later than 10 days after the last day of the quarter in which a claim is closed.

While submitting information via the Department’s application, users can access this *Medical Malpractice Closed Claims Data Collection Application User Guide* for instructions. If you need assistance or have questions regarding an insurer’s closed claim reporting obligations, you may contact the Department at (860) 297-3998 or via e-mail at [ctinsdept.propcasualty@po.state.ct.us](mailto:ctinsdept.propcasualty@po.state.ct.us). Subject matter should reference Medical Malpractice Closed Claim database: Attention- George Bradner

**The definitions of certain terms used in the Data Application Software are as follows:**

**Claim:** “Claim” means a request for indemnification filed by a physician, surgeon, hospital, advanced practice registered nurse or physician assistant pursuant to a professional liability policy **for a loss for which an insurer has established a reserve amount.**

**Closed Claim:** “Closed Claim” means a claim that has been settled, or otherwise disposed of through judicial process, where the insurer has made all indemnity **and expense payments** on the claim.

The Department understands that some insurers may define a claim as closed when the final indemnity amount has been established. The statute clearly defines a "closed claim" as one “where the insurer has made all indemnity **and expense payments** on a claim”. In order to accommodate this situation the Department request that companies delay submission of such claims until the next quarterly report in order to capture all paid expenses.

For those insurers who don't mark claims as closed until all expenses are paid they will be required to report based on the calendar quarter the claim was closed.

**Insured:** The term “insured” includes those individuals and entities for which an insurer provides coverage for medical malpractice liability claims.

**Insurer:** “Insurer” means an insurer that insures a physician, surgeon, hospital, advanced practice registered nurse or physician assistant against professional liability. "Insurer" includes, but is not limited to, admitted and non-admitted insurers, risk retention groups, captives, and self-insured entities.

**Captive Domicile:**

The jurisdiction where the captive has obtained its original license and under whose laws it is organized as a legal entity.

**Captive License #:**

The license number given to the captive by the regulators in the captive domicile.

**Non-Hospital Healthcare Provider:**

A long-term care facility; a physician group practice.

**Self-Insured Trust:**

A trust maintained by a health care provider in which liability is accrued and assets held for the payment of professional liability claims.

**Voluntary Attending Physician:**

A credentialed member of a health care facility’s medical staff who is not employed by the health care facility.

• **Health Care Provider/Entity Classifications:**

For purposes of closed claim reporting, the Department intends to capture closed claim data for physicians and surgeons under the following categories:

- Advanced Practice Registered Nurse
- Anesthetist
- Gynecology
- Obstetrics/Gynecology (“OB-GYN”)
- Physician - Family, Pediatric or General Practice
- Physician - Family, Pediatric or General Practice with OB
- Physician - Other
- Physician Assistant
- Surgery - Cardiovascular
- Surgery - Plastic
- General Surgery
- Neurosurgery
- Surgery Other
- Urology
- Other

**Health care entity** closed claim data will be captured for the following categories:

- Hospital - Children's
- Hospital - Chronic Disease
- Hospital - General
- Hospital - Maternity
- Hospital - Mentally Ill Persons

**MEDICAL MALPRACTICE CLOSED CLAIM DATA COLLECTION**  
**APPLICATION USER GUIDE**

When initially accessing the report the user will have the option of selecting either the “*yearly reporting*” or “*quarterly closed claim reporting*” function. As provided in the Department’s Data Call and supplemental notices of October 26, 2005 and December 16, 2005, insurers are required to provide both quarterly closed claim data as well as certain other information on a calendar year basis. The following pages of this User Guide provide instructions on quarterly closed claim reporting. Yearly reporting instructions are discussed at the end of this Guide.

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**Quarterly Reporting of Closed Claim**

***Important Information Regarding Multiple Claimants:***

A separate record is required to be entered for each insured that is covered in the closed claim. If one claim file is created with multiple insureds, the insurer is to enter the claim data for each insured under the same claim number as provided in the software. For example, if one closed claim involved three physicians insured by you, we anticipate that three records will be entered, but only under the one claim number. A record is not entered into the database until the insurer has closed the claim according to their business practices. In the example of three physicians, if the insurer opens one claim number with a sub-claim record for each physician, then the insurer should only report the closed claim data to the Department when all three physicians sub-claims are closed. However, if the insurer creates a separate claim file and identifying number for each physician, then a closed claim record is required to be reported after **each** claim is closed.

To begin the application, click on “Quarterly Closed Claim Report”.



## Quarterly Reporting Option—General Information Tab

Once in the application, the user will first need to complete the “General Information Tab” screen that requests “Company Information” and “Contact Information”. This screen will need to be completed once each quarter when new closed claim data is reported.

### General Information:

The user will first need to select the “*Business Type*” based on whether they are a Commercial Insurer, Hospital or Non-Hospital healthcare provider. Depending on the selection the user will be required to fill in information specific to their business under each tab. While information is being input under each topic heading the user will be permitted to navigate among the different tabs to validate information and make any necessary corrections. Once **all** closed claim records have been input for **all** the fields within each tab, the user must then click on the “save” button on the top of the screen to save their closed claim record.

Note: If any required fields are left blank a message will appear advising the user the data is incomplete. Any required fields will then be highlighted in “red”. Once the “save” feature is clicked, no further modification will be permitted to be made.

The screenshot displays the 'Medical Malpractice' application window. At the top, there is a 'Save' button and a message: 'Please make sure all entries are correct before saving.' To the right are 'View' and 'Search entry by Claim/Loss Number' buttons. The main area is divided into four tabs: 'General Information', 'Injured Party Information', 'Insured/Policyholder Information', and 'Court Data'. The 'General Information' tab is active and contains several sections:

- Your Business Type:** Radio buttons for 'Commercial Insurer', 'Hospital' (selected), and 'Non Hospital Healthcare Provider'.
- Hospital/Non-Hospital:** Radio buttons for 'Are you a Self Insured Trust?' and 'Are you a Captive?' (selected).
- With Voluntary Attending Physicians:** Radio buttons for 'No' (selected) and 'Yes'.
- Contact Information:** Text boxes for 'Last Name:', 'First Name:', 'Middle Initial:', 'Phone Number:', 'Ext.:', and 'E-mail Address:'.
- Company Information:** Text boxes for 'Captive License #:', 'Captive Domicile:', 'Name of Captive:', and 'Name of Hospital:'.

At the bottom of the window, there is a table with the following columns: Last Name, First Name, Date Closed, Prim/Exc, O/C, and J/S.

If you are a *Hospital* or *Non-Hospital healthcare provider* you will need to select whether you are a “*self insured trust*” or a “*Captive*” with or without “*voluntary attending physicians*”. If the insurer is a *Captive*, provide the *Captive Code* assigned by the regulatory authority in which the *Captive* is domiciled and its location.

If a “*Self- insured*”, provide the name of the self-insured entity.

### **Contact Information and Company Information:**

The Department requests a single point of contact within your organization should we have questions regarding closed claim records submitted by your organization. Enter the name, phone number and e-mail address of the responsible individual. After you have input the necessary information under contact information and company information, then proceed to the “*Injured Party Tab*”.

## **INJURED PARTY INFORMATION**

Fully complete this screen and enter the company unique claim number assigned to the insured. We understand that this number in many instances may not be unique to an insured but may in fact be assigned to multiple insureds being covered under the claim. Next, provide the date of injury or loss, date claim reported and date claim closed. Then provide the total claim expenses paid by the insurer. In subsequent screens, you will be asked to provide detailed information regarding indemnity, loss adjustment and legal expense payments.

This screen requires the number of insured(s) or entities involved in the claim. If more than “1”, the user will need to complete the “*Insured/Policyholder tab*” information for each insured after they have fully completed the closed claim data for the first insured/policyholder/entity entered. This is to be used only when the insurer has multiple insureds covered under the same claim number.

### **Multiple Insured’s or entities:**

When 2 or more insured’s or entities are indicated as involved under the claim the next field for “total closed claim/loss expenses” needs to reflect the “**total expenses**” (excluding indemnity) for **all** the insured’s or entities involved under the claim number.

The “Date claim/loss closed” should also be the date when the claim/loss file is finally closed for **all** insured’s or entities being represented under the claim/loss by the insurer.

Note: The individual “claim expenses” (excluding indemnity) and “claim closed” date for each insured or entity represented under the claim file will be captured separately under the “insured/policyholder Information screen.

Enter the name, gender and date of birth of the injured party. If the injured party is under 1 year of age check the “less than 1 year of age at time of injury” box. If 1 year of age or older, the system will calculate the age at the time the injury or loss occurred. Once age is input hit the “tab” key or click on the “name of institution where loss/injury occurred” and the age will “pre-fill”.

Enter the name of the institution where the loss/injury occurred. Then select from the drop down list the “Type of location where loss/injury occurred”, “Act or Omission Type” and the “Act or Omission Description”. Then select from the drop down list the “injury severity rating”, which is based on nationally recognized codes developed by the National Association of Insurance Commissioners (NAIC). After you have input the necessary information, proceed to the “*Insured/Policyholder Tab*”.

## Injured Party Information Screen:

Medical Malpractice

Please make sure all entries are correct before saving.

Court award
**Injured Party Information**
Insured/Policyholder Information
Court Data

Claim/Loss Number:

Date of Injury or Loss:

Date Claim/Loss Reported:

Last Name:  First Name:  Middle Initial:

Male
  Female
 Birthday (mm/dd/yyyy):

Less than 1 year of age at time of injury
 If older than 1 year of age at time of injury, please enter the Injured Party's Age at time of injury:

Name of Institution where loss/injury occurred:

Type of location where loss/injury occurred:

Act or Omission Type:

Act or Omission Description:

Injury severity rating (NAIC):

Injured Party's Attorney Or "None":

Attorney's Law Firm:

Number of Insureds (including entities) involved in this claim:

Total Closed Claim/Loss Expenses:

Date Claim/Loss Closed:

	Last Name	First Name	Date Closed	Prim/Exc	O/C	J/S

## INSURED/POLICYHOLDER INFORMATION

For this screen, enter the insured name. Depending on the number of insureds/entities covered under the claim, the screen will need to be completed to report information for each insured and/or entity. You will be required to enter the *Name*, *address*, *license number* and *specialty* of each insured. For entities, enter the location and policy information.

If you do not have the physician's license number this information can be obtained through the Department of Public Health web site at: [www.dph.state.ct.us/MD\\_Profile/hlthprof.htm](http://www.dph.state.ct.us/MD_Profile/hlthprof.htm). Select "Professional license status", then select Physicians and Surgeons and input the insured's name to locate their license number.

If the exact specialty is not listed, select the specialty that most closely matches.

Next, select whether the insurer for the claim is providing the insured with the *primary* or *excess* coverage. A self-insurer with a self-insured retention limit should indicate "primary" for the layer of the claim that is retained under their self-insured retention limit.

Next, enter the policy number, policyholder name and address, and identify whether the policy is an "*occurrence*" or "*claims-made*" policy.

Next, utilize the drop-down box to denote the per claim and aggregate policy limits or if the amounts are not shown, select "other", then type them in the "pop-up" box which will appear.

Next, enter the insurer's *initial indemnity and expense reserve* for this insured. This should be the amount the insurer determined the reserve should be after its initial analysis of the claim. Enter whole dollar amounts. Do not use the dollar symbol.

The *final indemnity and expense reserve* should be the last reserve amount set for the claim prior to the final claim resolution.

Next, enter the *final indemnity amount paid* on the claim.

Enter the *loss adjustment expenses paid* to defense counsel. Then enter the all other "allocated loss adjustment expenses" ("ALAE") paid. The sum of these two should represent all loss adjustment expenses associated with this claim.

The *date claim file closed* is intended to capture the date the file was closed for this insured.

**Insured/Policyholder Information Screen:**

**Medical Malpractice**

Save Please make sure all entries are correct before saving. View Search entry by Claim/Loss Number

Court award

General Information Injured Party Information **Insured/Policyholder Information** Court Data

Information on Insured/Entity:

Name of Insured: Last:  First:  MI:

Name of Entity (if applicable):

Address of Insured/Entity:

Insured/Entity License Number:

Insured Specialty:

Policy Number:

Policyholder's Name:

Policyholder's Address:

Insured Policy Limits:

Initial Indemnity and Expense Reserve:

Final Indemnity and Expense Reserve:

Final Indemnity Paid:

Loss Adjustment Expenses paid to Defense Counsel:

All Other Allocated Loss Adjustment Expenses Paid:

Date Claim or Loss Closed: 4 /12/2006

Is Insurer/Entity

Primary

Excess

Occurrence (O)

Claims-made (C)

	Last Name	First Name	Date Closed	Prim/Exc	O/C	J/S

After all data is input, proceed to the “*Court/Settlement Tab*”. If multiple Insureds/Entities are involved in the claim, this screen will need to be completed for each additional insured/entity.

## COURT/SETTLEMENT DATA

This screen will need to be completed after the “*Injured party*” and “*the Insured/Policyholder information*” screens have been completed and will pertain to each insured/entity depending on the number of insureds or entities involved in the claim.

Last Name	First Name	Date Closed	Prim/Exc	O/C	J/S

Next, depending upon whether “Lawsuit Filed” is answered *Yes* or *No*, different data fields will be required to be completed and a different screen flow will follow.

Note: If the lawsuit is settled before the docket number is assigned input “None”, otherwise, input the court assigned docket number.

If *No* is selected, then Settlement Code: “1-Settled before trial” will appear by default. Codes 2 and 3 are discussed further below. Enter the Date of Settlement.

Once this screen is completed proceed to the “*Court award*”, “*Jury award*” or “*Settlement award*” screen which will appear depending upon your initial selections.

## SETTLEMENT DATA

### Settlement Award Information

Last Name	First Name	Date Closed	Prim/Exc	O/C	J/S

Enter the “*Number of Other Parties included in Settlement*”. This is for parties that are **not** being reported under **this closed claim** but are included in the settlement.

The “total settlement” should include the total amount being paid by ***all parties covered by the settlement*** not just the individual insurer’s settlement amount for their insured(s)/physician(s).

In the insurer section on line 2, the insurer captures its share of the total settlement amount. This amount should be the insurer’s total amount without any consideration given to reinsurance.

Line 3 is for capturing the insured’s payments due to deductibles or settlements in excess of policy limits not covered by insurance.

On lines 5 and 6, the insurer is required to estimate the amounts allocated to economic and non-economic damages. If this amount is “unknown”, please type in “Unknown”. Otherwise if the amount is known please input the respective dollar amounts for Economic and Non-economic Damages.

Line 7 will be required when Code 3 - *Settlement after Judgment*, is selected on the Court data screen.

## LAWSUIT FILED AND JUDGMENT RENDERED—NO SETTLEMENT

### Court Award Information

If a *Court Trial* is indicated on the “Court Data” screen and a Judgment is rendered, the user will be prompted to complete the appropriate fields and will then need to proceed to the “Court Award” screen.

### Court Award Data:

First, enter the “*Number of Other Defendants Covered by Court’s Award*”. This is for the Healthcare Providers that are **not** being reported under **this closed claim** but are involved in the lawsuit and represented by another insurer.

The next section of this screen pertains to the “*Total Court Award*” information.

- In line 1 “*Total Amount of Initial Award*” this should include ***all defendants in the lawsuit*** not just each individual insurer’s judgment against its insured(s).
- In Line 2, “*Interest Awarded*” this is the amount of interest which has been awarded by the court due to failure to accept an offer of judgment or compromise.
- In Line 4 provide all amounts paid by other insurers, and Line 5 is the amount paid by other defendants (e.g. deductibles or payments which are made in excess of the insured’s policy limits).

The screenshot displays the 'Medical Malpractice' software window. At the top, there are buttons for 'Save', 'View', and a search field labeled 'Search entry by Claim/Loss Number'. Below these are four tabs: 'General Information', 'Injured Party Information', 'Insured/Policyholder Information', and 'Court/Settlement Data'. The 'Court Award' section is active, showing a form with the following fields:

- Number of Other Defendants Covered by Court's Award: [input field]
- Total Court Award
  - 1. Total Amount of Initial Award [input field]
  - 2. Interest Awarded (Due to a failure to accept an offer of judgment or compromise) [input field]
  - 3. Total Award (line 1 plus line 2) [input field]
  - 4. Amount of Line 3 Payable by Other Insurers [input field]
  - 5. Amount of Line 3 Payable by Other Defendants [input field]
- Insurer Information
  - 6. Amount of Total Award (Line 3 above) payable [input field]
  - 7. Amount of Total Award payable by Defendant Insured (due to a deductible or Judgment in excess of policy limits) [input field]
  - 8. Total of Line 6 and Line 7 [input field]
  - 9. Amount of Line 8 allocated to Economic Damages [input field]
  - 10. Amount of Line 8 allocated to Non-economic Damages [input field]

At the bottom of the window, there is a table with columns: Last Name, First Name, Date Closed, Prim/Exc, O/C, and J/S.

The next section of the screen pertains to the “*Insurer Information*”. In this section, the insurer should only input their portion of the total award amount.

## Jury Award Information

If a *Jury Trial* is indicated on the “Court/settlement Data” screen and a Judgment is rendered, the user will need to proceed to the “Jury Award” screen.

Last Name	First Name	Date Closed	Prim/Exc	D/C	J/S

On the “Jury Award” screen the user will first enter the “*Number of Other Defendants Covered by Court’s Award*”. This is for the Healthcare Providers that are **not** being reported under **this closed claim** but are involved in the claim and represented by another insurer.

As with the “*Court Award Information*” screen, the first section of the “*Jury Award Information*” screen needs to be completed based upon the “*Total Award*” information.

The “*Insurer Information*” section should then be completed taking into account only the portion of the award the insurer was responsible for.

Click on “*Save*” when completed and you will be brought back to the insured/policyholder Information screen to input information for a different insured or entity if there was more than one involved in the Closed Claim. If there was only one insured you covered under this Closed Claim, you will be ready to enter the next “new” closed claim record for the quarterly reporting period and will be brought back to the Injured Party Information screen.

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### Yearly Reporting of Closed Claims

Completion of this screen will only be necessary once the insurer has compiled its annual reporting for the previous calendar year reporting cycle. The Yearly report must be submitted no later than March 1<sup>st</sup> each year.



When "Yearly Report" is selected the user will need to select the "Business Type" as was required for the quarterly report. Depending on the selection, the user will be required to fill in information specific to their business.

## Commercial Insurer Data

If you select “*Commercial Insurer*”, Complete the necessary Contact and Company Information fields then click on the “*yearly Information*” tab. You will be required to complete this *yearly information* fields for ***each*** medical malpractice specialty field the insurer writes. Once **all** data has been completed click “save” to save your information.

**Premium And Loss Data - Yearly Information**

Your Business Type

- Commercial Insurer
- Hospital
- Non Hospital Healthcare Provider

Hospital/Non-Hospital

- Are you a Self Insured Trust?
- Are you a Captive?

Save

**General Information** | Yearly Information

Contact Information

Last Name:  First Name:  Middle Initial:

Phone Number:  Ext.:  E-mail Address:

Company Information

NAIC Number:

Name of Insurer:

Yearly Information Screen:

Commercial Insurer  
 Hospital  
 Non Hospital Healthcare Provider

Are you a Self Insured Trust?  
 Are you a Captive?

Save

General Information | Yearly Information

Insurer Premium And Loss Data By Specialty

Year: 2006

Base Premium:

Earned Premium:

Paid Losses (Including ALAE):

Incurred Losses (Include ALAE):

Type of Specialty:

Number of Providers In Specialty:

Add Specialty

Base Prem	Earned Pren	Paid Losses	Incurred Los	Specialty	Number in S
\$1,000,000.	\$1,000,000.	\$1,000,000.	\$1,000,000.	Advanced F	2

Select the “Calendar Year” being reported.

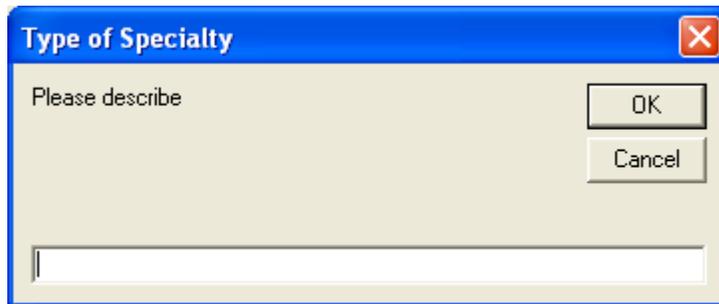
Enter the total “*Base Premium*” for the Specialty Group being reported.

Enter the total “*Earned Premium*” for the Specialty Group being reported.

Enter the total “*Paid Losses (including ALAE)*” for the Specialty Group being reported. These should be the losses and ALAE paid during the calendar year for the Specialty Group.

Enter the total “*Incurred Losses (including ALAE)*” for the Specialty group being reported. These should be the losses and ALAE, excluding Incurred But Not Reported (“IBNR”) reserves, incurred during the calendar year for this Specialty Group.

From the drop down selection choose the “Type of Specialty” that is being reported. If “Other” is selected the following screen will pop-up to type in the “Other Specialty type”.



Next, enter the “Number of Providers In Specialty” that were insured by you during the Calendar Year being reported.

If there are more Specialty Groups to be reported, click on “*Next Specialty*” and follow the instructions above.

After completing all information for insureds (including entities), click on “Save” and you will return to the “*Quarterly Reporting*” screens.

## Hospital/Captive General Information Screen:

If you select “hospital”, you will chose between a captive or self-insured trust. If you select “captive”, you will input the required general information, then proceed to the Yearly Information tab.

**Premium And Loss Data - Yearly Information**

Your Business Type

Commercial Insurer

Hospital

Non Hospital Healthcare Provider

Hospital/Non-Hospital

Are you a Self Insured Trust?

Are you a Captive?

Save

**General Information** | Yearly Information

Contact Information

Last Name:  First Name:  Middle Initial:

Phone Number:  Ext.:  E-mail Address:

Company Information

Captive License #:  Captive Domicile:

Name of Captive:

Name of Hospital:

## Hospital/Captive Yearly information Screen

On the yearly information screen the user will then need to select if the Hospital/Captive underwrites Voluntary Attending Physicians or not. Depending on this selection the user will be prompted to complete the necessary financial information.

Hospital/Captive without Voluntary Attending Physicians screen:

Yearly Information

Do you underwrite Voluntary Attending Physicians through the Captive?

Year: 2006

Hospital's Name:

Hospital Professional Liability Premium: [No General Liability]

Hospital Net Retained Paid Professional Liability Losses:

Hospital Net Retained Incurred Professional Liability Losses:

Voluntary Attending Physicians Professional Liability Premium:

Voluntary Attending Physicians Net Retained Paid Professional Liability Losses: [No GL]

Voluntary Attending Physicians Net Retained Incurred Professional Liability Losses:

Number of Voluntary Attending Physicians Covered:

## Definitions:

### Hospital Professional Liability Premium (No General Liability) –

The premium paid to a captive insurer for that portion of the exposure that is net retained. No general liability (GL) premium should be included.

### Hospital Net Retained Paid Professional Liability Losses –

Those paid claims and associated loss adjustment expenses paid by the captive within the amount of net retained exposure (exclusive of any excess insurance or reinsurance). Exclude GL losses.

Hospital Net Retained Incurred Professional Liability Losses – The total of all paid claims and associated loss adjustment expenses plus all remaining loss and expense claim reserves (excluding IBNR) at year end minus the loss and expense claim reserves from the prior year end. Exclude GL losses.

Click “save” and you can then return to the “Quarterly Reporting” screens to begin input of your closed claim data.

**Hospital/Captive with Voluntary Attending Physicians Yearly Information screen:**

The screenshot shows a software window titled "Premium And Loss Data - Yearly Information". At the top, there are two groups of radio buttons. The first group, "Your Business Type", has options: "Commercial Insurer", "Hospital" (selected), and "Non Hospital Healthcare Provider". The second group, "Hospital/Non-Hospital", has options: "Are you a Self Insured Trust?" and "Are you a Captive?" (selected). A "Save" button is located to the right of these groups. Below is a tabbed interface with "General Information" and "Yearly Information" tabs. The "Yearly Information" tab is active and contains a section titled "Hospital With Voluntary Attending Physicians". Inside this section, there is a question: "Do you underwrite Voluntary Attending Physicians through the Captive?" with "No" and "Yes" (selected) radio buttons. Below this are several input fields: "Year:" (containing "2006"), "Hospital's Name:", "Hospital Professional Liability Premium: [No General Liability]", "Hospital Net Retained Paid Professional Liability Losses:", "Hospital Net Retained Incurred Professional Liability Losses:", "Voluntary Attending Physicians Professional Liability Premium:", "Voluntary Attending Physicians Net Retained Paid Professional Liability Losses: [No GL]", "Voluntary Attending Physicians Net Retained Incurred Professional Liability Losses:", and "Number of Voluntary Attending Physicians Covered:".

If you select “yes” to providing coverage for Voluntary Attending Physicians under the captive, you will need to input the required loss and premium data separately for the hospital exposures and the Voluntary Attending Physicians exposures, including the number of attending physicians covered. The definitions for the required premium and loss fields are as follows:

**Hospital Professional Liability Premium (No General Liability) –**

The premium paid to a captive insurer for that portion of the exposure that is net retained. No general liability (GL) premium should be included.

**Hospital Net Retained Paid Professional Liability Losses –**

Those paid claims and associated loss adjustment expenses paid by the captive within the amount of net retained exposure (exclusive of any excess insurance or reinsurance). Exclude GL losses.

**Hospital Net Retained Incurred Professional Liability Losses –**

The total of all paid claims and associated loss adjustment expenses plus all remaining loss and expense claim reserves (excluding IBNR) at year end minus the loss and expense claim reserves from the prior year end. Exclude GL losses.

Click “save” and you can then return to the “Quarterly Reporting” screens to begin input of your closed claim data.

**Hospital/Self Insured Trust General Information Screen:**

If you select Hospital and “Self-insured Trust”, you will be asked to complete the general information screen, and then proceed to the Yearly Information tab.

Premium And Loss Data - Yearly Information

Your Business Type

Commercial Insurer

Hospital

Non Hospital Healthcare Provider

Hospital/Non-Hospital

Are you a Self Insured Trust?

Are you a Captive?

Save

General Information

Yearly Information

Contact Information

Last Name:  First Name:  Middle Initial:

Phone Number:  Ext.:  E-mail Address:

Company Information

Name of Self-Insured:

## Hospital/Self Insured Trust Yearly Information Screen:

For Self-insured Trusts, we require the name of the trust and for the most recent calendar year, the amount of funding for that year.

Premium And Loss Data - Yearly Information

Your Business Type

Commercial Insurer

Hospital

Non Hospital Healthcare Provider

Hospital/Non-Hospital

Are you a Self Insured Trust?

Are you a Captive?

Save

General Information

Yearly Information

Self Insured Trust

Year: 2006

Name of Self-Insured Trust: \_\_\_\_\_

Provide Most Recent Year Funding: \_\_\_\_\_

Trust Net Retained Professional Liability Losses Paid: \_\_\_\_\_

Trust Net Retained Professional Liability Losses Incurred: \_\_\_\_\_

For Trust the following definitions for losses apply:

**Trust Net Retained Professional Liability Losses Paid** - Those paid claims and associated loss adjustment expenses paid by the trust within the amount of net retained exposure (exclusive of any excess insurance or reinsurance).

**Trust Net Retained Professional Liability Losses Incurred** - The total of all paid claims and associated loss adjustment expenses plus all remaining loss and expense claim reserves (excluding IBNR) at year end minus the loss and expense claim reserves from the prior year end.

**Non Hospital Healthcare Provider General Information Screen:**

If you are a Non Hospital Healthcare Provider, complete the general information depending on whether you are insured through a captive or a self-insured trust and then proceed to the yearly information tab.

**Premium And Loss Data - Yearly Information**

Your Business Type  
 Commercial Insurer  
 Hospital  
 Non Hospital Healthcare Provider

Hospital/Non-Hospital  
 Are you a Self Insured Trust?  
 Are you a Captive?

Save

**General Information** | Yearly Information

Contact Information  
Last Name:  First Name:  Middle Initial:   
Phone Number:  Ext.:  E-mail Address:

Company Information  
Captive License #:  Captive Domicile:   
Name of Captive:   
Name of Healthcare Provider:

Depending on whether you are a Non Hospital HCP captive (with or without voluntary attending physicians) or a Non HCP self-insured trust, refer to the appropriate instructions for “Hospitals” to complete the information for a Non Hospital Healthcare Provider. After entering the necessary data, you can return to the “Quarterly Reporting” screens.

**Non Healthcare Provider/Captive without attending physicians *Yearly Information* screen:**

**Non Healthcare Provider Captive with voluntary attending Physicians *Yearly Information* screen:**

**Non Hospital/Self Insured Trust General Information screen:**

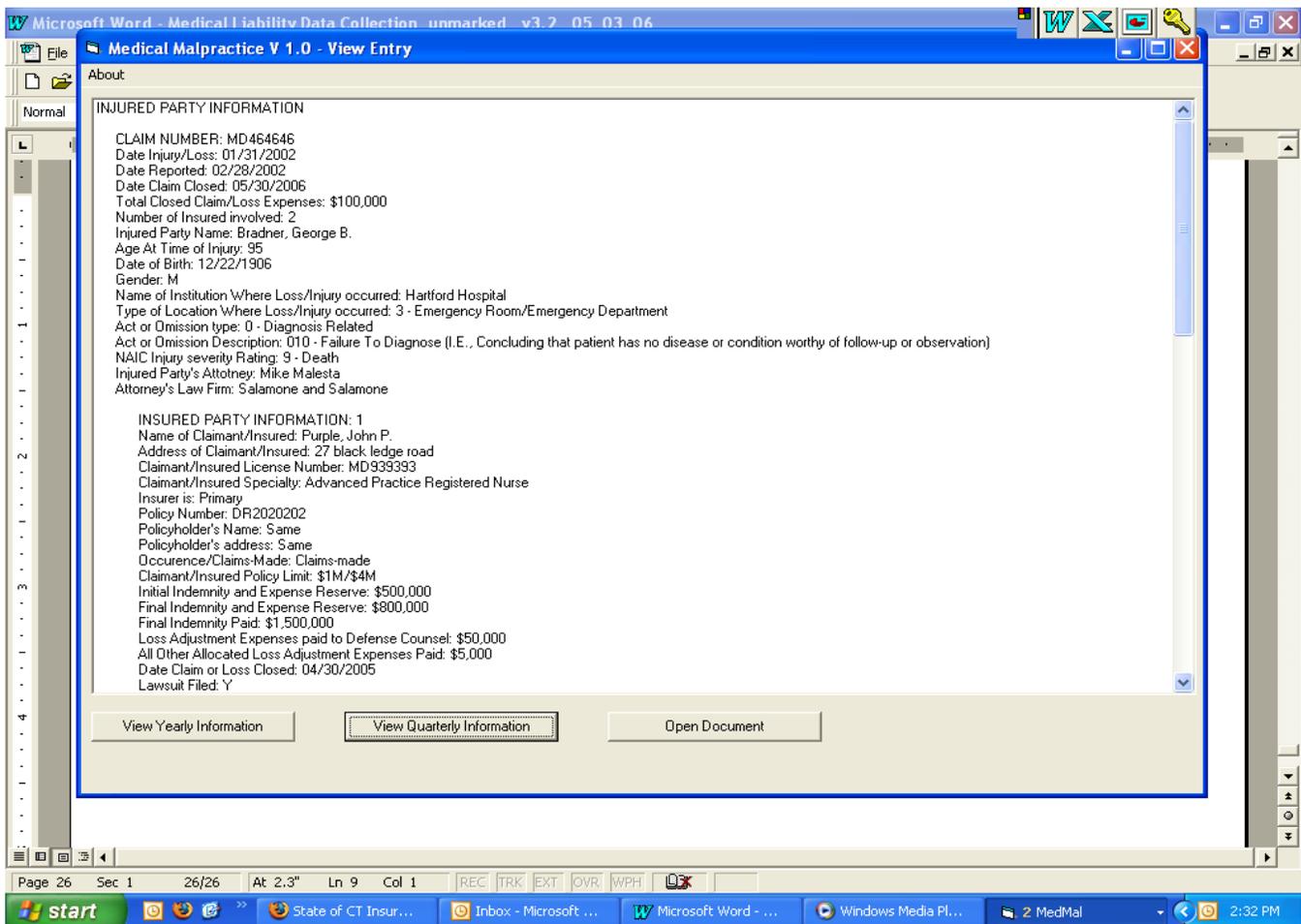
The screenshot shows a software window titled "Premium And Loss Data - Yearly Information". At the top left, there are two sections: "Your Business Type" with radio buttons for "Commercial Insurer", "Hospital", and "Non Hospital Healthcare Provider" (which is selected); and "Hospital/Non-Hospital" with radio buttons for "Are you a Self Insured Trust?" (selected) and "Are you a Captive?". A "Save" button is located at the top right. The main content area is divided into two tabs: "General Information" (active) and "Yearly Information". Under "General Information", there are two sub-sections: "Contact Information" with fields for "Last Name", "First Name", "Middle Initial", "Phone Number", "Ext.", and "E-mail Address"; and "Company Information" with a field for "Name of Self-Insured".

**Non Hospital/Self Insured Trust Yearly Information screen:**

The screenshot shows the same software window, but with the "Yearly Information" tab active. The "Self Insured Trust" section is visible, containing the following fields: "Year" (with "2006" entered), "Name of Self-Insured Trust" (a long text field), "Provide Most Recent Year Funding:" (a text field), "Trust Net Retained Professional Liability Losses Paid:" (a text field), and "Trust Net Retained Professional Liability Losses Incurred:" (a text field). The "Save" button remains at the top right.

## Viewing Report function:

This feature is available for both the *yearly reporting* information, and the *Quarterly reporting* information. In order to use this feature the user must save their data once this is done the user can view the data that has been input. The user can have the data transferred to a word document by simply clicking on the “open document” button.



**Connecticut Medical Malpractice Annual Report – 2008**

**Appendix 3**

**Closed Claim Analysis Reports**

# Connecticut Department of Insurance

## Indemnity Payments

### All Insurers



<i>Year</i>	<i>Total Number of Closed Claims</i>	<i>Number of Claims with Indemnity Payment</i>	<i>Number of Claims without Indemnity Payment</i>	<i>Total Indemnity Payments</i>	<i>Average Indemnity Payments</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2005	206	105	101	\$60,079,766	\$572,188
2006	712	315	397	\$229,547,071	\$728,721
2007	588	264	324	\$168,964,554	\$640,017
<b>Total</b>	<b>1506</b>	<b>684</b>	<b>822</b>	<b>\$458,591,391</b>	<b>\$670,455</b>

*(6)=(5)/(3)*

# Connecticut Department of Insurance

## Indemnity Payments

### Commercial Insurers



<i>Year</i>	<i>Total Number of Closed Claims</i>	<i>Number of Claims with Indemnity Payment</i>	<i>Number of Claims without Indemnity Payment</i>	<i>Total Indemnity Payments</i>	<i>Average Indemnity Payments</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2005	105	48	57	\$37,734,786	\$786,141
2006	368	162	206	\$140,088,394	\$864,743
2007	332	132	200	\$95,993,016	\$727,220
<b>Total</b>	<b>805</b>	<b>342</b>	<b>463</b>	<b>\$273,816,196</b>	<b>\$800,632</b>

$(6)=(5)/(3)$

# Connecticut Department of Insurance

## Indemnity Payments

### Captives and Self Insurers



<i>Year</i>	<i>Total Number of Closed Claims</i>	<i>Number of Claims with Indemnity Payment</i>	<i>Number of Claims without Indemnity Payment</i>	<i>Total Indemnity Payments</i>	<i>Average Indemnity Payments</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2005	101	57	44	\$22,344,980	\$392,017
2006	344	153	191	\$89,458,677	\$584,697
2007	256	132	124	\$72,971,538	\$552,815
<b>Total</b>	<b>701</b>	<b>342</b>	<b>359</b>	<b>\$184,775,195</b>	<b>\$540,278</b>

*(6)=(5)/(3)*

# Connecticut Department of Insurance

## Defense Counsel Payments

### All Insurers



Year	Total Number of Closed Claims	Claims with Payment to Defense Counsel		Claims with Payment to Defense Counsel Only		Claims with Payment to Defense Counsel and Indemnity Payments	
		Number of Claims	Total Payment	Number of Claims	Average Payment	Number of Claims	Average Payment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2005	206	159	\$6,901,567	79	\$28,267	80	\$58,356
2006	712	591	\$26,560,157	323	\$27,741	268	\$65,671
2007	588	482	\$26,837,402	257	\$43,357	225	\$69,754
<b>Total</b>	<b>1506</b>	<b>1232</b>	<b>\$60,299,125</b>	<b>659</b>	<b>\$33,894</b>	<b>573</b>	<b>\$66,253</b>

(3)=(5)+(7)

# Connecticut Department of Insurance

## Defense Counsel Payments

### Commercial Insurers



Year (1)	Total Number of Closed Claims (2)	Claims with Payment to Defense Counsel		Claims with Payment to Defense Counsel Only		Claims with Payment to Defense Counsel and Indemnity Payments	
		Number of Claims (3)	Total Payment (4)	Number of Claims (5)	Average Payment (6)	Number of Claims (7)	Average Payment (8)
2005	105	89	\$3,819,601	46	\$26,765	43	\$60,195
2006	368	305	\$17,034,604	159	\$39,671	146	\$73,472
2007	332	281	\$17,255,191	159	\$45,538	122	\$82,088
<b>Total</b>	<b>805</b>	<b>675</b>	<b>\$38,109,396</b>	<b>364</b>	<b>\$40,603</b>	<b>311</b>	<b>\$75,016</b>

(3)=(5)+(7)

# Connecticut Department of Insurance

## Defense Counsel Payments

### Captives and Self Insurers



Year (1)	Total Number of Closed Claims (2)	Claims with Payment to Defense Counsel		Claims with Payment to Defense Counsel Only		Claims with Payment to Defense Counsel and Indemnity Payments	
		Number of Claims (3)	Total Payment (4)	Number of Claims (5)	Average Payment (6)	Number of Claims (7)	Average Payment (8)
2005	101	70	\$3,081,966	33	\$30,361	37	\$56,218
2006	344	286	\$9,525,553	164	\$16,175	122	\$56,335
2007	256	201	\$9,582,211	98	\$39,818	103	\$55,146
<b>Total</b>	<b>701</b>	<b>557</b>	<b>\$22,189,729</b>	<b>295</b>	<b>\$25,616</b>	<b>262</b>	<b>\$55,851</b>

(3)=(5)+(7)

Thursday, March 27, 2008

Report 2 - Part 3

**Connecticut Department of Insurance**  
**Allocated Loss Adjustment Expenses (ALAE) as**  
**a Percent of Indemnity Payments**  
**All Insurers**



<i>Year</i>	<i>Total Number of Closed Claims</i>	<i>Total Number of Closed Claims with ALAE</i>	<i>Total Indemnity Payments</i>	<i>Total Payment to Defense Counsel</i>	<i>Total Payment to Other ALAE</i>	<i>Total ALAE Payments as a Percent of Total Indemnity</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>
2005	206	166	\$60,079,766	\$6,901,567	\$1,475,183	13.9%
2006	712	617	\$229,547,071	\$26,560,157	\$5,323,075	13.9%
2007	588	506	\$168,964,554	\$26,837,402	\$5,267,918	19.0%
<b>Total</b>	<b>1506</b>	<b>1289</b>	<b>\$458,591,391</b>	<b>\$60,299,125</b>	<b>\$12,066,176</b>	<b>15.8%</b>

*(7)=(5)+(6)/(4)*

**Connecticut Department of Insurance**  
**Allocated Loss Adjustment Expenses (ALAE) as a**  
**Percent of Indemnity Payments**  
**Commercial Insurers**



<i>Year</i>	<i>Total Number of Closed Claims</i>	<i>Number of Closed Claims with ALAE</i>	<i>Total Indemnity Payments</i>	<i>Total Payment to Defense Counsel</i>	<i>Total Payment to other ALAE</i>	<i>Total ALAE Payments as a Percent of Total Indemnity</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>
2005	105	90	\$37,734,786	\$3,819,601	\$1,130,143	13.1%
2006	368	324	\$140,088,394	\$17,034,604	\$4,642,750	15.5%
2007	332	296	\$95,993,016	\$17,255,191	\$4,346,510	22.5%
<b>Total</b>	<b>805</b>	<b>710</b>	<b>\$273,816,196</b>	<b>\$38,109,396</b>	<b>\$10,119,403</b>	<b>17.6%</b>

*(7)=(5)+(6)/(4)*

**Connecticut Department of Insurance**  
**Allocated Loss Adjustment Expenses (ALAE) as a**  
**Percent of Indemnity Payments**  
**Captives and Self Insurers**



<i>Year</i>	<i>Total Number of Closed Claims</i>	<i>Number of Closed Claims with ALAE</i>	<i>Total Indemnity Payments</i>	<i>Total Payment to Defense Counsel</i>	<i>Total Payment to other ALAE</i>	<i>Total ALAE Payments as a Percent of Total Indemnity</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>
2005	101	76	\$22,344,980	\$3,081,966	\$345,040	15.3%
2006	344	293	\$89,458,677	\$9,525,553	\$680,325	11.4%
2007	256	210	\$72,971,538	\$9,582,211	\$921,408	14.4%
<b>Total</b>	<b>701</b>	<b>579</b>	<b>\$184,775,195</b>	<b>\$22,189,729</b>	<b>\$1,946,773</b>	<b>13.1%</b>

*(7)=(5)+(6)/(4)*

# Connecticut Department of Insurance

## Indemnity Payments for Claims

### All Insurers

2005 - 2007 Aggregate



<i>Indemnity Payment</i> (1)	<i>Number of Claims with Indemnity Payments</i> (2)	<i>Percent of Claims with Indemnity Payments</i> (3)	<i>Total Indemnity Payments</i> (4)	<i>Average Indemnity of Paid Claims</i> (5)	<i>Percent of Total Indemnity Payments</i> (6)
\$1 - \$99,999	281	41.1%	\$10,922,842	\$38,871	2.4%
\$100,000 - \$199,999	70	10.2%	\$10,704,918	\$152,927	2.3%
\$200,000 - \$299,999	45	6.6%	\$11,463,291	\$254,740	2.5%
\$300,000 - \$399,999	46	6.7%	\$16,310,001	\$354,565	3.6%
\$400,000 - \$499,999	36	5.3%	\$16,780,917	\$466,137	3.7%
\$500,000 - \$599,999	13	1.9%	\$7,160,000	\$550,769	1.6%
\$600,000 - \$699,999	17	2.5%	\$11,059,923	\$650,584	2.4%
\$700,000 - \$799,999	31	4.5%	\$23,600,718	\$761,313	5.1%
\$800,000 - \$899,999	19	2.8%	\$16,197,500	\$852,500	3.5%
\$900,000 - \$999,999	26	3.8%	\$25,599,184	\$984,584	5.6%
\$1,000,000 and Over	100	14.6%	\$308,792,097	\$3,087,921	67.3%
<b>Total</b>	<b>684</b>	<b>100.0%</b>	<b>\$458,591,391</b>	<b>\$670,455</b>	<b>100.0%</b>

(3)=(2) for each range/(2) total

(5)=(4)/(2)

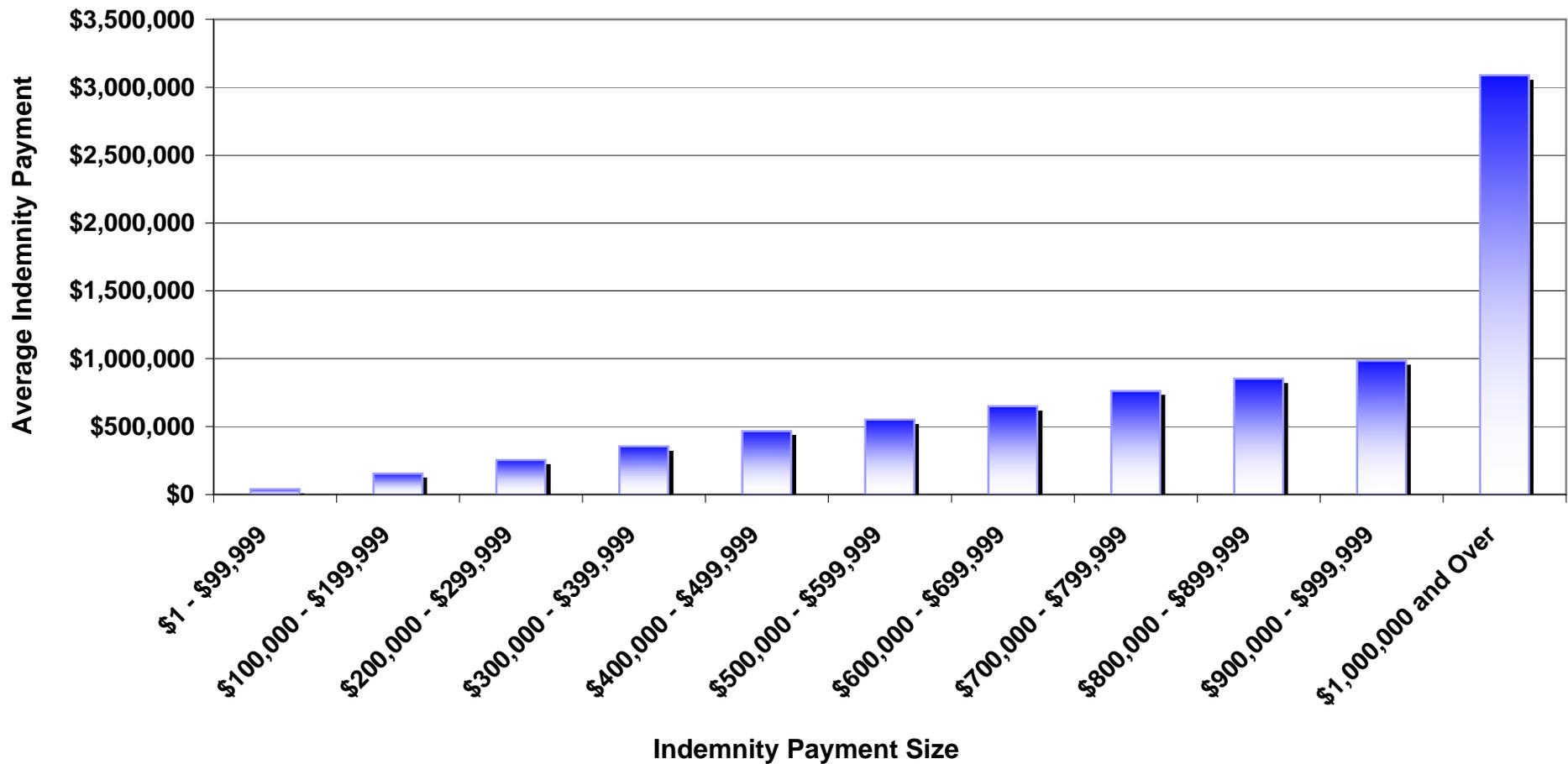
(6)=(4) for each range/(4) total

Thursday, March 27, 2008

Report 4

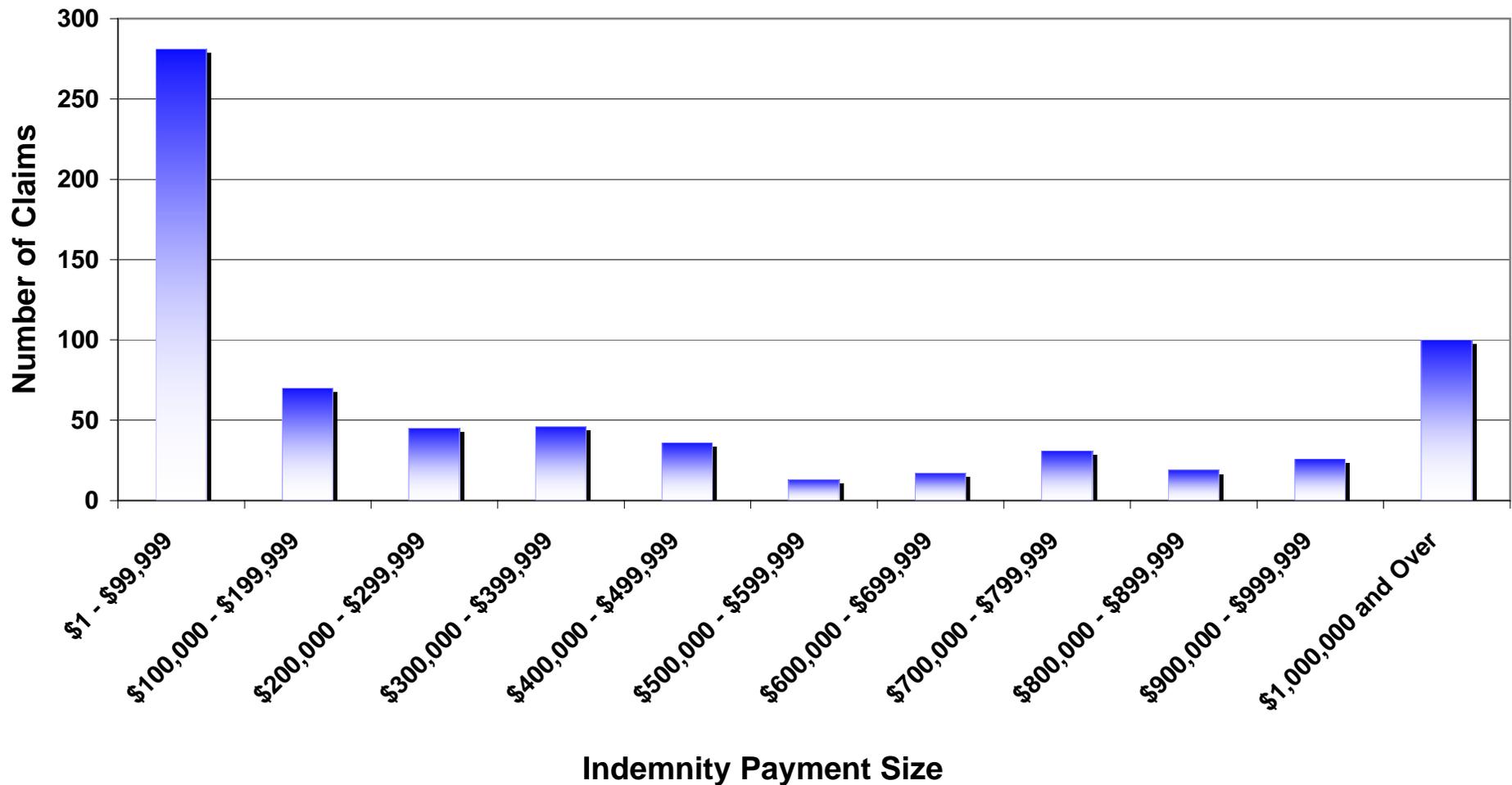


## Average Indemnity Payment by Indemnity Payment Size 2005 - 2007 Aggregate





## Number of Claims by Indemnity Payment Size 2005 - 2007 Aggregate



# Connecticut Department of Insurance

## Defense Counsel Payments by Indemnity Payment

### All Insurers



2005 - 2007 Aggregate

<i>Indemnity Payment</i>	<i>Total Number of Closed Claims</i>	<i>Number of Claims with Payments to Defense Counsel</i>	<i>Total Payment to Defense Counsel</i>	<i>Average Payment to Defense Counsel</i>	<i>Percent of Total Payments to Defense Counsel</i>
(1)	(2)	(3)	(4)	(5)	(6)
\$0	822	659	\$22,336,120	\$33,894	37.0%
\$1 - \$99,999	281	193	\$6,743,888	\$34,942	11.2%
\$100,000 - \$199,999	70	65	\$3,933,583	\$60,517	6.5%
\$200,000 - \$299,999	45	41	\$1,947,583	\$47,502	3.2%
\$300,000 - \$399,999	46	42	\$2,271,136	\$54,075	3.8%
\$400,000 - \$499,999	36	34	\$1,750,498	\$51,485	2.9%
\$500,000 - \$599,999	13	13	\$894,359	\$68,797	1.5%
\$600,000 - \$699,999	17	16	\$1,517,702	\$94,856	2.5%
\$700,000 - \$799,999	31	30	\$2,442,749	\$81,425	4.1%
\$800,000 - \$899,999	19	19	\$1,361,203	\$71,642	2.3%
\$900,000 - \$999,999	26	26	\$2,094,155	\$80,544	3.5%
\$1,000,000 and Over	100	94	\$13,006,147	\$138,363	21.6%
<b>Total</b>	<b>1506</b>	<b>1232</b>	<b>\$60,299,125</b>	<b>\$48,944</b>	<b>100.0%</b>

(5)=(4)/(3)

(6)=(4) for each range/(4) total

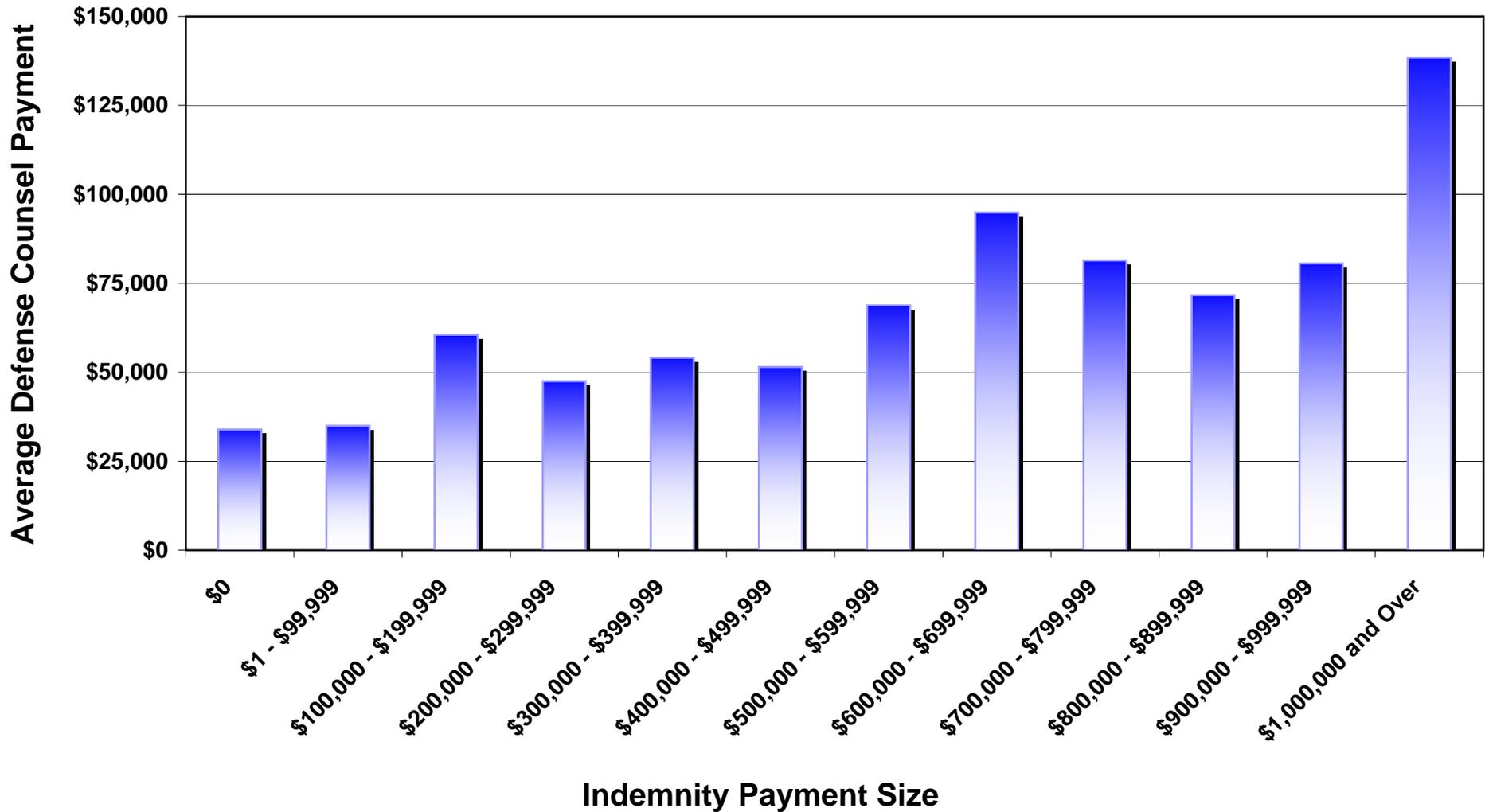
Thursday, March 27, 2008

Report 5

# Connecticut Department of Insurance



## Average Payment to Defense Counsel by Indemnity Payment Size 2005 - 2007 Aggregate



# Connecticut Department of Insurance

## Length of Claims from Report Date to Closure Date

### Claims

#### All Insurers



2005 - 2007 Aggregate

<i>Report to Closure Date</i>	<i>Total Number of Closed Claims</i>	<i>Percent of Total Closed Claims</i>	<i>Number of Claims with Indemnity Payments</i>	<i>Percent of Claims with Indemnity Payments</i>	<i>Number of Claims with Defense Counsel Payments</i>	<i>Percent of Claims with Defense Counsel Payments</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>
0 - 6 Months	126	8.4%	37	5.4%	44	3.6%
6 - 12 Months	114	7.6%	33	4.8%	54	4.4%
12 - 18 Months	127	8.4%	41	6.0%	89	7.2%
18 - 24 Months	152	10.1%	38	5.6%	124	10.1%
24 - 36 Months	324	21.5%	158	23.1%	292	23.7%
36 - 60 Months	421	28.0%	243	35.5%	397	32.2%
60 - 90 Months	190	12.6%	114	16.7%	181	14.7%
90 - 120 Months	41	2.7%	18	2.6%	40	3.2%
120 Months and Over	11	0.7%	2	0.3%	11	0.9%
<b>Total</b>	<b>1506</b>	<b>100.0%</b>	<b>684</b>	<b>100.0%</b>	<b>1232</b>	<b>100.0%</b>
<b>Average Length of Claims</b>	<b>3.09 YEARS</b>		<b>3.35 YEARS</b>		<b>3.51 YEARS</b>	

(3)=(2) for each range/(2) total

(5)=(4) for each range/(4) total

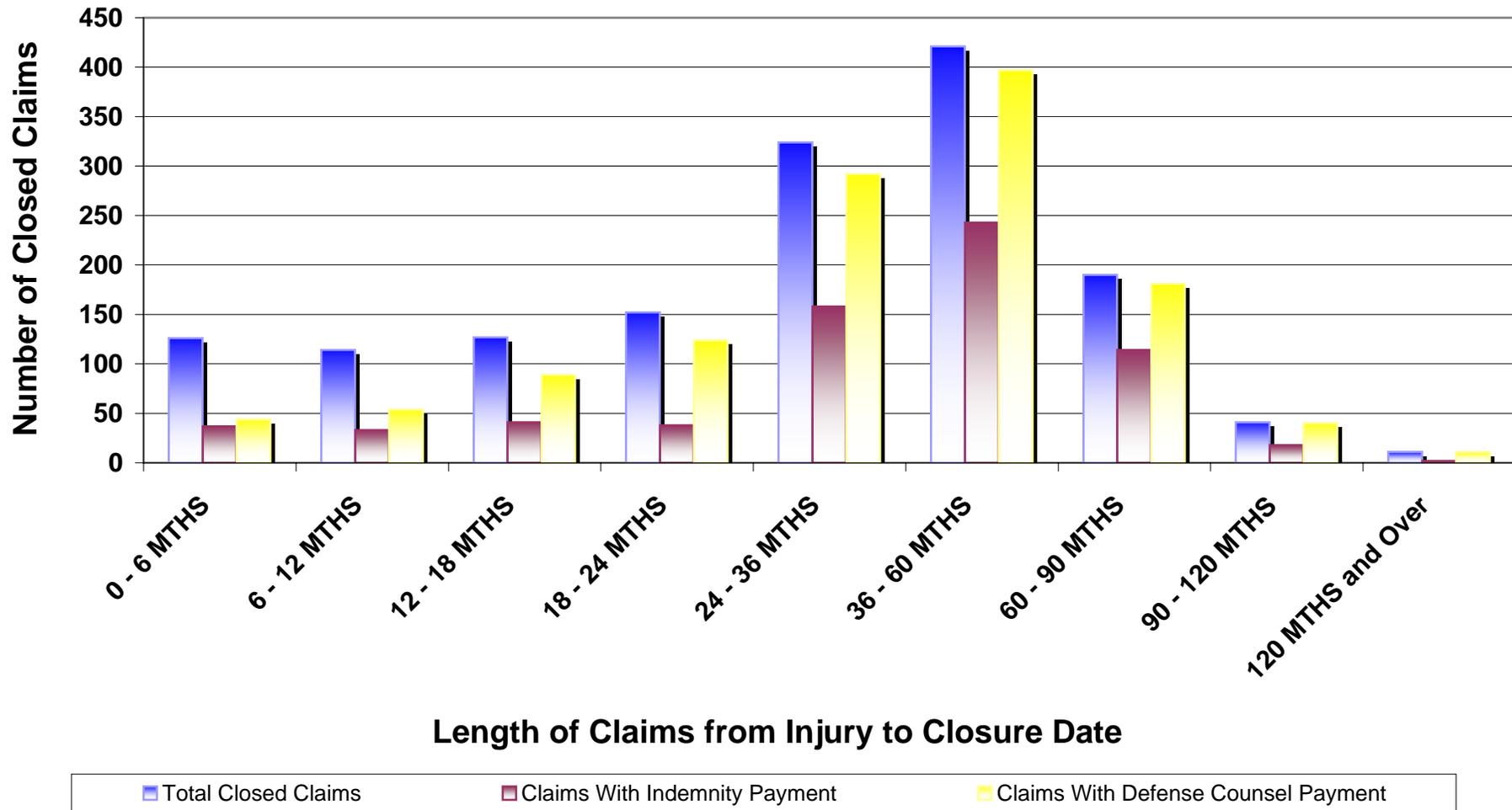
(7)=(6) for each range/(6) total

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Report 6 - Part 1



## Length of Claims From Injury to Closure Date 2005 - 2007 Aggregate



**Connecticut Department of Insurance**  
**Length of Claims from Report Date to Closure Date**  
**Indemnity Payments**  
**All Insurers**



2005 - 2007 Aggregate

<i>Report Date to Closure Date</i>	<i>Total Number of Closed Claims</i>	<i>Number of Claims with Indemnity Payments</i>	<i>Paid Ratio</i>	<i>Total Indemnity Payments</i>	<i>Percent of Total Indemnity Payments</i>	<i>Average Indemnity of Paid Claims</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>
0 - 6 Months	126	37	29.4%	\$1,347,885	0.3%	\$36,429
6 - 12 Months	114	33	28.9%	\$7,394,016	1.6%	\$224,061
12 - 18 Months	127	41	32.3%	\$12,716,839	2.8%	\$310,167
18 - 24 Months	152	38	25.0%	\$11,750,668	2.6%	\$309,228
24 - 36 Months	324	158	48.8%	\$125,477,239	27.4%	\$794,160
36 - 60 Months	421	243	57.7%	\$139,358,319	30.4%	\$573,491
60 - 90 Months	190	114	60.0%	\$137,503,125	30.0%	\$1,206,168
90 - 120 Months	41	18	43.9%	\$20,193,300	4.4%	\$1,121,850
120 Months and Over	11	2	18.2%	\$2,850,000	0.6%	\$1,425,000
<b>Total</b>	<b>1506</b>	<b>684</b>	<b>45.4%</b>	<b>\$458,591,391</b>	<b>100.0%</b>	<b>\$670,455</b>

(4)=(3)/(2)

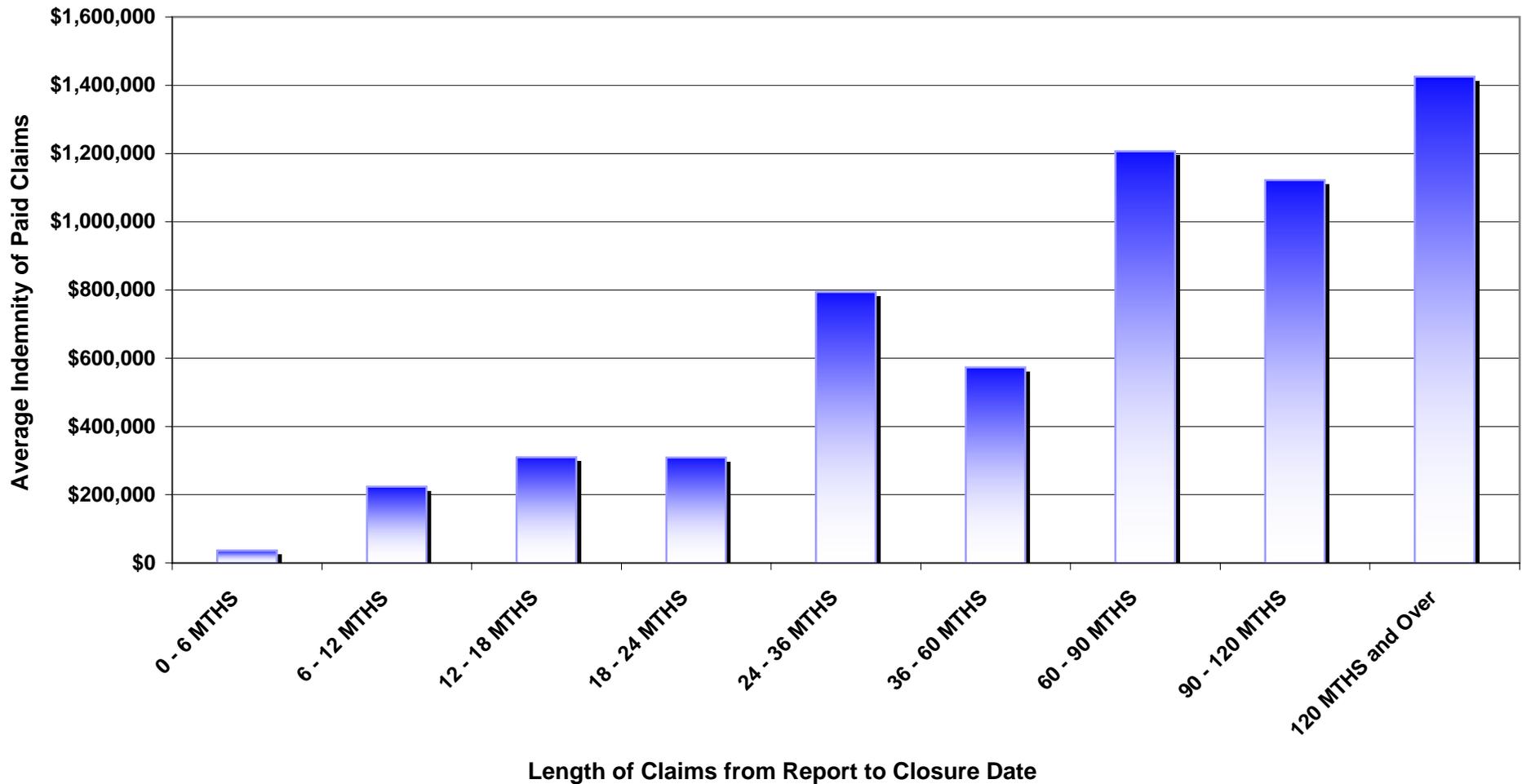
(6)=(5) for each range/(5) total

(7)=(5)/(3)

# Connecticut Department of Insurance



**Length of Claims From Report to Closure Date  
Average Indemnity of Paid Claims  
2005 - 2007 Aggregate**



**Connecticut Department of Insurance**  
**Length of Claims from Report Date to Closure Date**  
**Defense Counsel Payments**  
**All Insurers**



2005 - 2007 Aggregate

<i>Report Date to Closure Date</i>	<i>Total Number of Closed Claims</i>	<i>Number of Claims with Defense Counsel Payments</i>	<i>Paid Ratio</i>	<i>Total Defense Counsel Payments</i>	<i>Percent of Total Defense Counsel Payments</i>	<i>Average Defense Counsel Payments</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>
0 - 6 Months	126	44	34.9%	\$162,134	0.3%	\$3,685
6 - 12 Months	114	54	47.4%	\$247,562	0.4%	\$4,584
12 - 18 Months	127	89	70.1%	\$917,859	1.5%	\$10,313
18 - 24 Months	152	124	81.6%	\$1,717,157	2.8%	\$13,848
24 - 36 Months	324	292	90.1%	\$11,586,622	19.2%	\$39,680
36 - 60 Months	421	397	94.3%	\$23,329,456	38.7%	\$58,764
60 - 90 Months	190	181	95.3%	\$16,417,379	27.2%	\$90,704
90 - 120 Months	41	40	97.6%	\$4,749,584	7.9%	\$118,740
120 Months and Over	11	11	100.0%	\$1,171,371	1.9%	\$106,488
<b>Total</b>	<b>1506</b>	<b>1232</b>	<b>81.8%</b>	<b>\$60,299,125</b>	<b>100.0%</b>	<b>\$48,944</b>

(4)=(3)/(2)

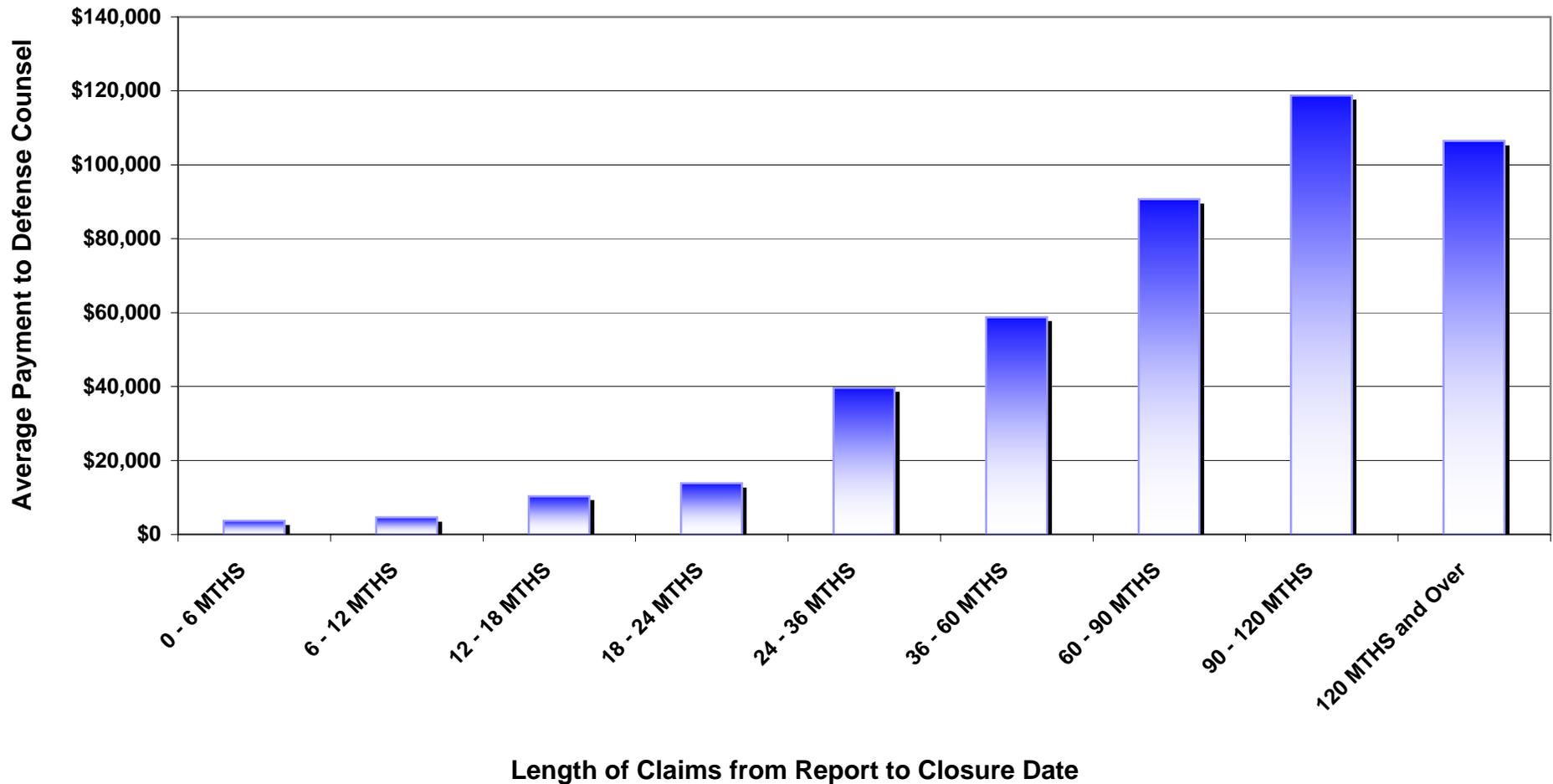
(6)=(5) for each range/(5) total

(7)=(5)/(3)

# Connecticut Department of Insurance



## Length of Claims From Report to Closure Date Average Payment to Defense Counsel 2005 - 2007 Aggregate



**Connecticut Department of Insurance**  
**Length of Claims from Injury Date to Report Date**  
**Claims**  
**All Insurers**



2005 - 2007 Aggregate

<i>Injury Date to Report Date</i>	<i>Total Number of Closed Claims</i>	<i>Percent of Total Closed Claims</i>	<i>Number of Claims with Indemnity Payments</i>	<i>Percent of Claims with Indemnity Payments</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
0 - 6 Months	516	34.3%	251	36.7%
6 - 12 Months	168	11.2%	82	12.0%
12 - 18 Months	144	9.6%	76	11.1%
18 - 24 Months	248	16.5%	107	15.6%
24 - 36 Months	323	21.4%	131	19.2%
36 - 60 Months	71	4.7%	26	3.8%
60 - 90 Months	23	1.5%	7	1.0%
90 - 120 Months	7	0.5%	2	0.3%
120 Months and Over	6	0.4%	2	0.3%
<b>Total</b>	<b>1506</b>	<b>100.0%</b>	<b>684</b>	<b>100.0%</b>
<b>Average Length of Claims</b>	<b>1.47 YEARS</b>		<b>1.32 YEARS</b>	

*(3)=(2) for each range/(2) total*

*(5)=(4) for each range/(4) total*

Thursday, March 27, 2008

Report 6 - Part 4

**Connecticut Department of Insurance**  
**Length of Claims from Injury Date to Closure Date**  
**Claims**  
**All Insurers**



2005 - 2007 Aggregate

<i>Injury Date to Closure Date</i>	<i>Total Number of Closed Claims</i>	<i>Percent of Total Closed Claims</i>	<i>Number of Claims with Indemnity Payments</i>	<i>Percent of Claims with Indemnity Payments</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
0 - 6 Months	23	1.5%	10	1.5%
6 - 12 Months	55	3.7%	25	3.7%
12 - 18 Months	66	4.4%	15	2.2%
18 - 24 Months	94	6.2%	31	4.5%
24 - 36 Months	230	15.3%	81	11.8%
36 - 60 Months	466	30.9%	233	34.1%
60 - 90 Months	421	28.0%	215	31.4%
90 - 120 Months	116	7.7%	63	9.2%
120 Months and Over	35	2.3%	11	1.6%
<b>Total</b>	<b>1506</b>	<b>100.0%</b>	<b>684</b>	<b>100.0%</b>
<b>Average Length of Claims</b>	<b>4.58 YEARS</b>		<b>4.69 YEARS</b>	

*(3)=(2) for each range/(2) total*

*(5)=(4) for each range/(4) total*

# Connecticut Department of Insurance

## Indemnity Payments by Severity of Injury

### All Insurers



2005 - 2007 Aggregate

<i>Severity of Injury</i>	<i>Number of Claims with Indemnity Payments</i>	<i>Percent of Claims with Indemnity Payments</i>	<i>Total Indemnity Payments</i>	<i>Average Indemnity of Paid Claims</i>	<i>Percent of Total Indemnity Payments</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
Emotional Only	24	3.5%	\$6,468,036	\$269,502	1.4%
Insignificant Temporary	52	7.6%	\$1,060,803	\$20,400	0.2%
Minor Temporary	106	15.5%	\$9,266,990	\$87,424	2.0%
Major Temporary	76	11.1%	\$43,963,337	\$578,465	9.6%
Minor Permanent	85	12.4%	\$17,286,995	\$203,376	3.8%
Significant Permanent	85	12.4%	\$52,065,811	\$612,539	11.4%
Major Permanent	47	6.9%	\$113,629,201	\$2,417,643	24.8%
Grave Permanent	30	4.4%	\$69,407,882	\$2,313,596	15.1%
Death	179	26.2%	\$145,442,336	\$812,527	31.7%
<b>Total</b>	<b>684</b>	<b>100.0%</b>	<b>\$458,591,391</b>	<b>\$670,455</b>	<b>100.0%</b>

*(3)=(2) for each category/(2) total*

*(5)=(4)/(2)*

*(6)=(4) for each category/(4) total*

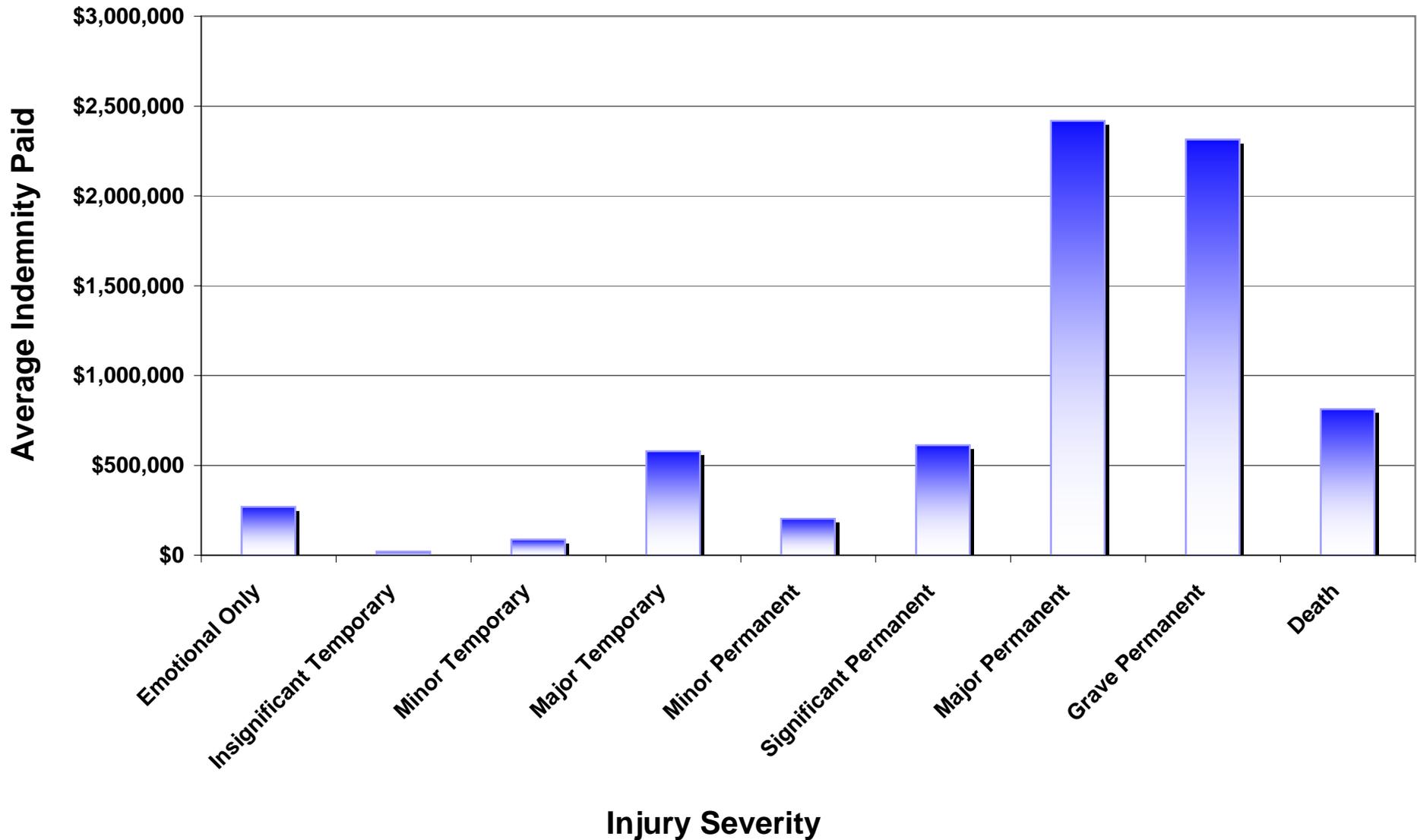
Thursday, March 27, 2008

Report 7 - Part 1

# Connecticut Department of Insurance



## Average Indemnity Paid by Severity of Injury 2005 - 2007 Aggregate



**Connecticut Department of Insurance**  
**Defense Counsel Payments by Severity of Injury**  
**Claims with Indemnity Payments**  
**All Insurers**



2005 - 2007 Aggregate

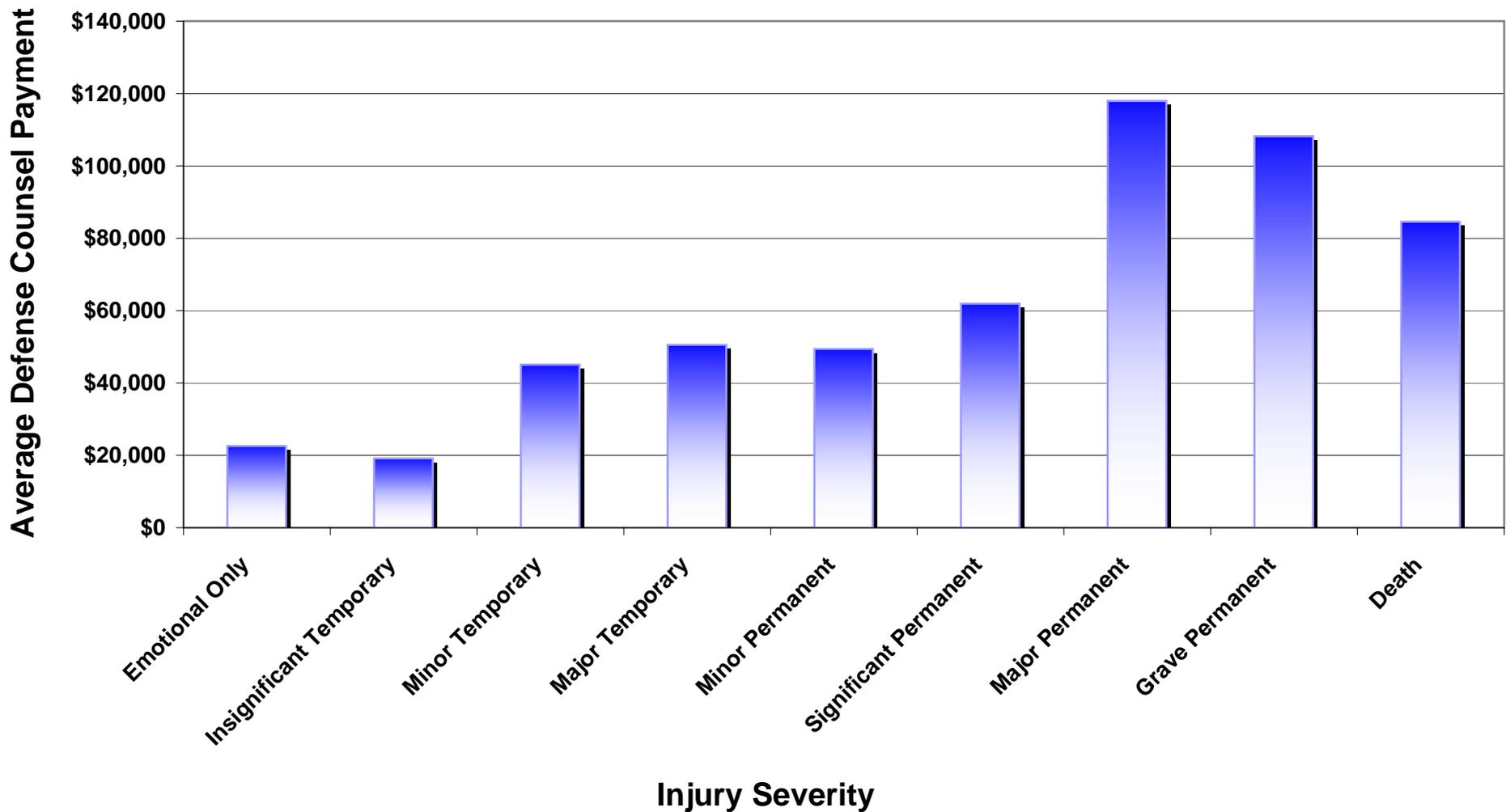
<i>Severity of Injury</i>	<i>Number of Claims with Indemnity Payments</i>	<i>Number of Claims with Indemnity and Defense Counsel Payments</i>	<i>Total Payment to Defense Counsel for Claims in (3)</i>	<i>Average Payment to Defense Counsel for Claims in (3)</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
Emotional Only	24	17	\$382,989	\$22,529
Insignificant Temporary	52	34	\$651,741	\$19,169
Minor Temporary	106	74	\$3,333,761	\$45,051
Major Temporary	76	55	\$2,778,548	\$50,519
Minor Permanent	85	77	\$3,801,737	\$49,373
Significant Permanent	85	80	\$4,955,424	\$61,943
Major Permanent	47	44	\$5,189,768	\$117,949
Grave Permanent	30	27	\$2,920,074	\$108,151
Death	179	165	\$13,948,963	\$84,539
<b>Total</b>	<b>684</b>	<b>573</b>	<b>\$37,963,005</b>	<b>\$66,253</b>

(5)=(4)/(3)

# Connecticut Department of Insurance



## Average Payment to Defense Counsel by Severity of Injury Claims with Indemnity Payment 2005 - 2007 Aggregate



**Connecticut Department of Insurance**  
**Defense Counsel Payments by Severity of Injury**  
**Claims without Indemnity Payments**  
**All Insurers**



**2005 - 2007 Aggregate**

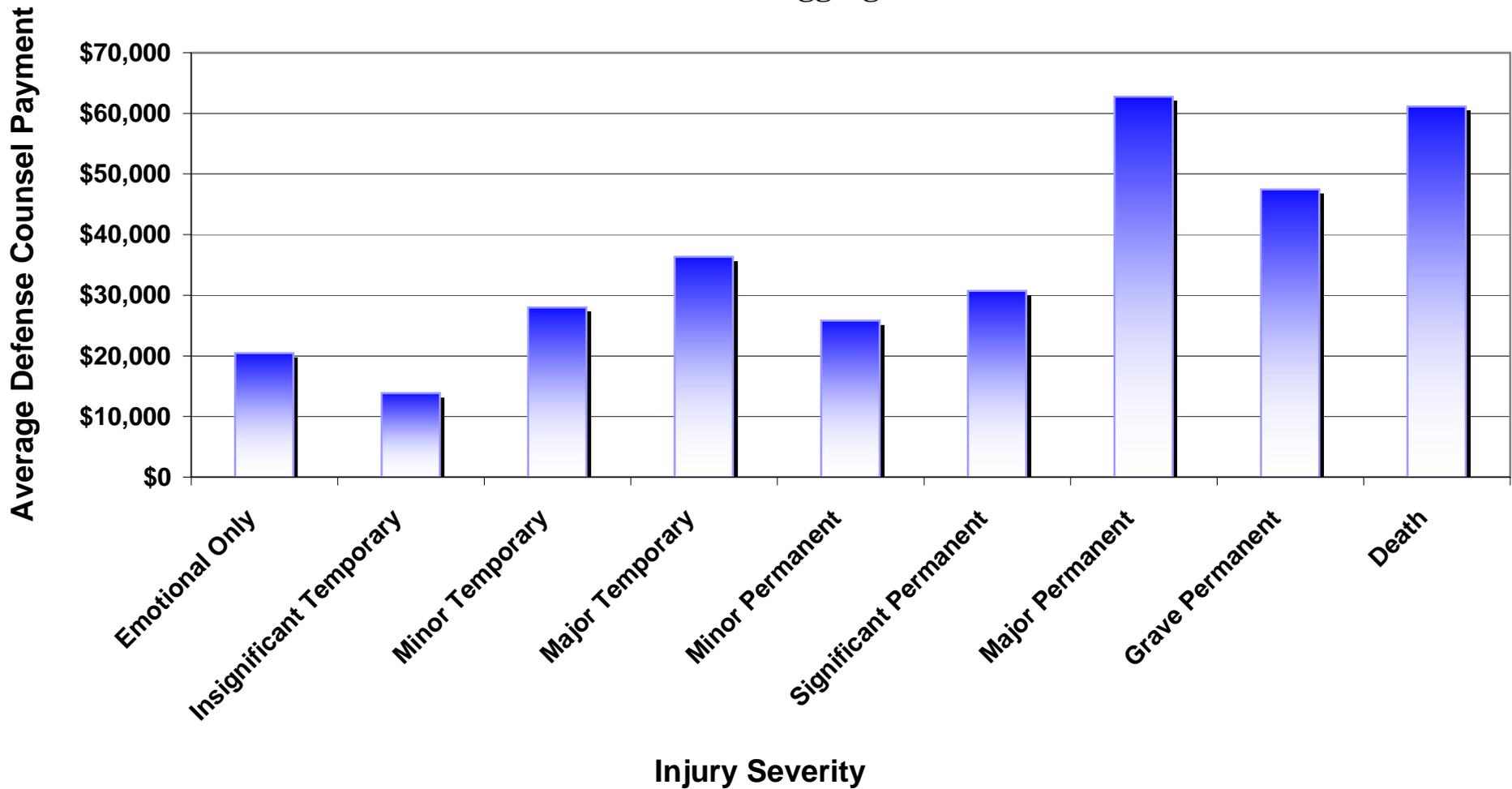
<i>Severity of Injury</i> <i>(1)</i>	<i>Number of Claims without Indemnity Payments</i> <i>(2)</i>	<i>Number of Claims with Payment to Defense Counsel only</i> <i>(3)</i>	<i>Total Payment to Defense Counsel for Claims in (3)</i> <i>(4)</i>	<i>Average Payment to Defense Counsel for Claims in (3)</i> <i>(5)</i>
Emotional Only	97	74	\$1,512,534	\$20,440
Insignificant Temporary	104	77	\$1,065,344	\$13,836
Minor Temporary	183	119	\$3,332,873	\$28,007
Major Temporary	74	59	\$2,145,199	\$36,359
Minor Permanent	86	74	\$1,909,763	\$25,808
Significant Permanent	107	103	\$3,164,934	\$30,728
Major Permanent	28	27	\$1,694,308	\$62,752
Grave Permanent	15	14	\$664,232	\$47,445
Death	128	112	\$6,846,934	\$61,133
<b>Total</b>	<b>822</b>	<b>659</b>	<b>\$22,336,121</b>	<b>\$33,894</b>

(5)=(4)/(3)

# Connecticut Department of Insurance



**Average Payment to Defense Counsel by Severity of Injury  
Claims Without Indemnity Payment  
2005 - 2007 Aggregate**



# Connecticut Department of Insurance

## Indemnity Payments by Type of Medical Provider Specialty

### All Insurers



2005 - 2007 Aggregate

<i>Medical Provider Specialty</i>	<i>Number of Claims with Indemnity Payments</i>	<i>Total Indemnity Payments</i>	<i>Average Indemnity of Paid Claims</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
Anesthesiologist	9	\$15,200,000	\$1,688,889
Assisted Living Facilities	1	\$10,000	\$10,000
Clinical Psychologists	2	\$404,166	\$202,083
Dentist/Dental Hygienist	36	\$2,676,314	\$74,342
Emergency Services	7	\$6,549,500	\$935,643
Freestanding Surgical Center/rehab Hospital	3	\$380,000	\$126,667
Gynecology/OB-GYN	52	\$55,424,290	\$1,065,852
Hospital - Children's	8	\$10,492,500	\$1,311,563
Hospital - General	341	\$247,760,895	\$726,572
Hospital - Others	7	\$1,536,000	\$219,429
Medical Group	1	\$425,000	\$425,000
APRN//RN	5	\$2,530,000	\$506,000
Occupational Medicine/Physical Therapists	2	\$270,000	\$135,000
Other Corporate Group Practice	7	\$12,191,666	\$1,741,667
Physician - Family/Pediatric/General Practice	22	\$15,063,750	\$684,716
Physicians - Others	121	\$53,220,542	\$439,839
Surgery	57	\$34,444,768	\$604,294
Others	1	\$4,000	\$4,000
<b>Total</b>	<b>682</b>	<b>\$458,583,391</b>	<b>\$672,410</b>

(4)=(3)/(2)

# Connecticut Department of Insurance

## Indemnity Payments by Type of Medical Provider Specialty

### Commercial Insurers



2005 - 2007 Aggregate for Claim Data

<i>Medical Provider Specialty</i>	<i>Base Premium 2007</i>	<i>Number of Medical Provider in 2007</i>	<i>Number of Claims with Indemnity Payments</i>	<i>Total Indemnity Payments</i>	<i>Average Indemnity of Paid Claims</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
Anesthesiologist	\$3,999,429	21	8	\$14,775,000	\$1,846,875
Assisted Living Facilities	\$2,182,362	53	1	\$10,000	\$10,000
Clinical Psychologists	\$449,903	36	2	\$404,166	\$202,083
Dentist/Dental Hygienist	\$5,410,605	2041	36	\$2,676,314	\$74,342
Emergency Services	\$757,185	55	5	\$3,299,500	\$659,900
Freestanding Surgical Center/rehab Hospital	\$456,082	31	2	\$260,000	\$130,000
Gynecology/OB-GYN	\$8,010,948	102	47	\$54,832,291	\$1,166,644
Hospital - Children's	\$79,559	1	5	\$8,352,500	\$1,670,500
Hospital - General	\$9,395,973	22	40	\$75,087,236	\$1,877,181
Hospital - Others	\$10,039	9	5	\$1,518,000	\$303,600
APRN//RN	\$1,068,009	2311	5	\$2,530,000	\$506,000
Occupational Medicine/Physical Therapists	\$188,544	389	2	\$270,000	\$135,000
Other Corporate Group Practice	\$106,731	312	5	\$10,791,666	\$2,158,333
Physician - Family/Pediatric/General Practice	\$11,312,901	897	21	\$14,638,750	\$697,083
Physicians - Others	\$40,644,938	3436	108	\$51,893,517	\$480,496
Surgery	\$10,407,658	247	49	\$32,473,256	\$662,720
Others	\$3,697	2	1	\$4,000	\$4,000
<b>Total</b>	<b>\$94,484,563</b>	<b>9,965</b>	<b>342</b>	<b>\$273,816,196</b>	<b>\$800,632</b>

(6)=(5)/(4)

**Connecticut Department of Insurance**  
**Indemnity Payments by Type of Medical Provider Specialty**  
**Captives and Self-Insurers**

2005 - 2007 Aggregate



<i>Medical Provider Specialty</i>	<i>Number of Claims with Indemnity Payments</i>	<i>Total Indemnity Payments</i>	<i>Average Indemnity of Paid Claims</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
Anesthesiologist	1	\$425,000	\$425,000
Emergency Services	2	\$3,250,000	\$1,625,000
Freestanding Surgical Center/rehab Hospital	1	\$120,000	\$120,000
Gynecology/OB-GYN	5	\$591,999	\$118,400
Hospital - Children's	3	\$2,140,000	\$713,333
Hospital - General	301	\$172,673,659	\$573,667
Hospital - Others	2	\$18,000	\$9,000
Medical Group	1	\$425,000	\$425,000
Other Corporate Group Practice	2	\$1,400,000	\$700,000
Physician - Family/Pediatric/General Practice	1	\$425,000	\$425,000
Physicians - Others	13	\$1,327,025	\$102,079
Surgery	8	\$1,971,512	\$246,439
<b>Total</b>	<b>340</b>	<b>\$184,767,195</b>	<b>\$543,433</b>

(4)=(3)/(2)

# Connecticut Department of Insurance

## Disposition of Claims

### All Insurers 2005 - 2007 Aggregate



Disposition (1)	Claim Reports		Average Months		Average Severity of Injury Rating (6)	Average paid	
	Number (2)	Percent (3)	Incident to Report (4)	Incident to Disposition (5)		Indemnity (7)	ALAE (8)
<b>In Favor of Plaintiff</b>							
Claims Settled Before Litigation	99	14.5%	7	23	4	\$102,753	\$3,763
Claims Settled Before Trial	538	78.7%	16	62	6	\$677,547	\$68,750
Claims Settled During Trial	22	3.2%	27	78	6	\$2,281,523	\$186,267
Claims Settled After Trial	8	1.2%	16	71	5	\$1,438,662	\$121,171
<b>Total Settled</b>	<b>667</b>	<b>97.5%</b>	<b>15</b>	<b>57</b>	<b>6</b>	<b>\$654,266</b>	<b>\$63,609</b>
Judgment for Plaintiff	16	2.3%	17	70	6	\$1,212,229	\$166,783
Judgment for Plaintiff On Appeal	1	0.1%	1	148	6	\$2,800,000	\$454,434
<b>Total Court Dispositions</b>	<b>17</b>	<b>2.5%</b>	<b>16</b>	<b>75</b>	<b>6</b>	<b>\$1,305,628</b>	<b>\$183,704</b>
<b>Total</b>	<b>684</b>	<b>100.0%</b>	<b>15</b>	<b>58</b>	<b>6</b>	<b>\$670,455</b>	<b>\$66,594</b>
<b>In Favor of Defendant</b>							
Claims Closed Before Litigation	274	33.3%	9	27	4		\$4,790
Claims Closed Before Trial	458	55.7%	25	64	5		\$36,678
Claims Closed During Trial	5	0.6%	24	73	4		\$44,311
Claims Closed After Trial	1	0.1%	23	34	8		\$6,130
<b>Total Settled</b>	<b>738</b>	<b>89.8%</b>	<b>19</b>	<b>50</b>	<b>5</b>		<b>\$24,849</b>
Judgment for Defendant	71	8.6%	20	66	6		\$91,689
Judgment for Defendant On Appeal	13	1.6%	23	106	6		\$151,289
<b>Total Court Dispositions</b>	<b>84</b>	<b>10.2%</b>	<b>20</b>	<b>72</b>	<b>6</b>		<b>\$100,912</b>
<b>Total</b>	<b>822</b>	<b>100.0%</b>	<b>19</b>	<b>53</b>	<b>5</b>		<b>\$32,622</b>

(3)=(2) for each category/(2) total

(6) - average severity ratings range from 1 to 9, with 9 the most serious

# Connecticut Department of Insurance

## Reserves

### All Insurers (Excluding MCIC Vermont, Inc. RRG)



<i>Year</i>	<i>Total Number of Closed Claims</i>	<i>Initial Indemnity and Expense Reserves</i>	<i>Average Initial Indemnity and Expense Reserves</i>	<i>Final Indemnity and Expense Reserves</i>	<i>Average Final Indemnity and Expense Reserves</i>	<i>Final Indemnity and Expense Payments</i>	<i>Average Final Indemnity and Expense Payments</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>	<i>(8)</i>
2005	173	\$16,235,337	\$93,846	\$55,412,646	\$320,304	\$57,921,925	\$334,809
2006	628	\$55,817,155	\$88,881	\$231,383,576	\$368,445	\$225,057,081	\$358,371
2007	511	\$51,527,026	\$100,836	\$199,582,535	\$390,572	\$172,018,177	\$336,630
<b>Total</b>	<b>1312</b>	<b>\$123,579,518</b>	<b>\$94,192</b>	<b>\$486,378,757</b>	<b>\$370,716</b>	<b>\$454,997,183</b>	<b>\$346,797</b>

(4)=(3)/(2)

(6)=(5)/(2)

(8)=(7)/(2)

# Connecticut Department of Insurance

## Reserves

### Commercial Insurers



<i>Year</i>	<i>Total Number of Closed Claims</i>	<i>Initial Indemnity and Expense Reserves</i>	<i>Average Initial Indemnity and Expense Reserves</i>	<i>Final Indemnity and Expense Reserves</i>	<i>Average Final Indemnity and Expense Reserves</i>	<i>Final Indemnity and Expense Payments</i>	<i>Average Final Indemnity and Expense Payments</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>	<i>(8)</i>
2005	105	\$13,491,095	\$128,487	\$45,466,241	\$433,012	\$42,684,530	\$406,519
2006	368	\$32,375,244	\$87,976	\$170,289,160	\$462,742	\$161,765,748	\$439,581
2007	332	\$37,964,062	\$114,350	\$135,200,476	\$407,230	\$117,594,717	\$354,201
<b>Total</b>	<b>805</b>	<b>\$83,830,401</b>	<b>\$104,137</b>	<b>\$350,955,877</b>	<b>\$435,970</b>	<b>\$322,044,995</b>	<b>\$400,056</b>

*(4)=(3)/(2)*

*(6)=(5)/(2)*

*(8)=(7)/(2)*

# Connecticut Department of Insurance

## Reserves

### Captives and Self-Insurers (Excluding MCIC Vermont, Inc. RRG)



<i>Year</i>	<i>Total Number of Closed Claims</i>	<i>Initial Indemnity and Expense Reserves</i>	<i>Average Initial Indemnity and Expense Reserves</i>	<i>Final Indemnity and Expense Reserves</i>	<i>Average Final Indemnity and Expense Reserves</i>	<i>Final Indemnity and Expense Payments</i>	<i>Average Final Indemnity and Expense Payments</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>	<i>(8)</i>
2005	68	\$2,744,242	\$40,357	\$9,946,405	\$146,271	\$15,237,395	\$224,079
2006	260	\$23,441,911	\$90,161	\$61,094,416	\$234,979	\$63,291,333	\$243,428
2007	179	\$13,562,964	\$75,771	\$64,382,059	\$359,676	\$54,423,460	\$304,042
<b>Total</b>	<b>507</b>	<b>\$39,749,117</b>	<b>\$78,401</b>	<b>\$135,422,880</b>	<b>\$267,106</b>	<b>\$132,952,188</b>	<b>\$262,233</b>

(4)=(3)/(2)

(6)=(5)/(2)

(8)=(7)/(2)

# **Connecticut Department of Insurance**

## **Yearly Information Report**

### **All Insurers**

**2005 - 2007 Aggregate**



<i>Year</i>	<i>Number of Closed Claims</i> (1)	<i>Total Indemnity Payments</i> (2)	<i>Economic Damages</i> (3)	<i>Non-Economic Damages</i> (4)
2005	32	\$5,341,400	\$743,570	\$4,597,830
2006	163	\$117,268,293	\$32,575,535	\$84,692,758
2007	118	\$87,781,364	\$36,801,975	\$50,979,389
<b>Total</b>	<b>313</b>	<b>\$210,391,057</b>	<b>\$70,121,080</b>	<b>\$140,269,977</b>

*(1) Includes only those claims for which the insurer provided a split of Economic vs. Non-Economic Damages*

**Connecticut Department of Insurance**  
**Yearly Information Report**  
**Commercial Insurers**  
**2005 - 2007 Aggregate**



<i>Year</i>	<i>Number of Closed Claims</i> (1)	<i>Total Indemnity Payments</i> (2)	<i>Economic Damages</i> (3)	<i>Non-Economic Damages</i> (4)
2005	19	\$4,341,000	\$738,570	\$3,602,430
2006	108	\$94,225,660	\$28,156,882	\$66,068,778
2007	84	\$67,298,850	\$25,411,741	\$41,887,109
<b>Total</b>	<b>211</b>	<b>\$165,865,510</b>	<b>\$54,307,193</b>	<b>\$111,558,317</b>

*(1) Includes only those claims for which the insurer provided a split of Economic vs. Non-Economic Damages*

**Connecticut Department of Insurance**  
**Yearly Information Report**  
**Captives and Self-Insurers**  
**2005 - 2007 Aggregate**



<i>Year</i>	<i>Number of Closed Claims</i> (1)	<i>Total Indemnity Payments</i> (2)	<i>Economic Damages</i> (3)	<i>Non-Economic Damages</i> (4)
2005	13	\$1,000,400	\$5,000	\$995,400
2006	55	\$23,042,633	\$4,418,653	\$18,623,980
2007	34	\$20,482,514	\$11,390,234	\$9,092,280
<b>Total</b>	<b>102</b>	<b>\$44,525,547</b>	<b>\$15,813,887</b>	<b>\$28,711,660</b>

*(1) Includes only those claims for which the insurer provided a split of Economic vs. Non-Economic Damages*

**Connecticut Medical Malpractice Annual Report – 2008**

**Appendix 4**

**Calendar Year Premium and Losses  
For 2005, 2006 and 2007**

# Connecticut Department of Insurance

## Yearly Information Report

### All Insurers



<i>Type</i> <i>(1)</i>	<i>Earned Premium</i> <i>(2)</i>	<i>Paid Losses</i> <i>(3)</i>	<i>Incurred Losses</i> <i>(4)</i>
<b><u>2005</u></b>			
Commercial Insurers	\$173,848,054	\$130,546,853	\$125,230,867
Captives	\$129,099,046	\$59,717,205	\$80,647,253
Self Insurers	\$28,247,020	\$22,140,731	\$30,131,098
<b>Totals</b>	<b>\$331,194,120</b>	<b>\$212,404,789</b>	<b>\$236,009,218</b>
<b><u>2006</u></b>			
Commercial Insurers	\$168,694,762	\$134,152,740	\$117,357,537
Captives	\$126,155,055	\$68,839,038	\$109,882,392
Self Insurers	\$26,811,080	\$25,618,694	\$19,192,267
<b>Totals</b>	<b>\$321,660,897</b>	<b>\$228,610,472</b>	<b>\$246,432,196</b>
<b><u>2007</u></b>			
Commercial Insurers	\$148,312,080	\$123,188,803	\$150,329,334
Captives	\$131,640,867	\$81,433,554	\$140,808,222
Self Insurers	\$33,796,526	\$30,424,981	\$34,299,362
<b>Totals</b>	<b>\$313,749,473</b>	<b>\$235,047,338</b>	<b>\$325,436,918</b>

(3) and (4) include all ALAE

(4) does not include Incurred but not Reported (IBNR) reserves

**Connecticut Medical Malpractice Annual Report – 2008**

**Appendix 5**

**Insurance Industry Financial Data**

**Medical Malpractice**  
**Data from NAIC I-SITE P&C Summary by Line of Business**  
**Total Connecticut Medical Malpractice Market**  
**(Including Excess and Surplus Lines Companies and Risk Retention Groups)**

<b>Year</b>	<b>Premium Written</b>	<b>Direct Losses Paid</b>	<b>Premium Earned</b>	<b>Direct Losses Incurred</b>	<b>Defense &amp; Cost Containment Expenses Incurred</b>	<b>Dividends</b>	<b>Commission and Brokerage Expense</b>	<b>Taxes and Fees</b>
2001	\$129,792,918	\$138,799,513	\$120,543,321	\$185,544,402	\$16,775,442	\$4,261,106	\$8,119,990	\$2,958,373
2002	\$158,923,275	\$132,707,944	\$173,876,942	\$209,323,420	\$42,218,183	\$2,216,693	\$9,906,005	\$4,097,027
2003	\$225,338,363	\$146,144,629	\$211,487,853	\$147,817,730	\$32,149,585	\$118,651	\$12,065,957	\$4,211,801
2004	\$225,677,066	\$121,984,350	\$221,117,278	\$125,938,599	\$32,199,115	\$90,253	\$12,206,430	\$5,634,756
2005	\$246,228,681	\$159,021,753	\$229,590,170	\$184,177,257	\$45,409,315	\$113,153	\$13,173,602	\$5,341,091
2006	\$222,510,593	\$158,896,289	\$224,464,853	\$150,796,675	\$36,634,700	\$125,823	\$12,424,585	\$5,211,385
2007	\$214,716,085	\$132,509,436	\$217,533,314	\$205,503,250	\$31,810,332	\$162,344	\$12,176,027	\$4,856,024

**Profitability - Total Connecticut Medical Malpractice Market**  
**(Including Excess and Surplus Lines Companies)**

<b>Year</b>	<b>Data from the Connecticut State Page of the Financial Annual Statement</b>			<b>Figures reported in the NAIC Profitability Reports*</b>	
	<b>Loss Ratio</b>	<b>Defense and Adjustment Costs</b>	<b>Other Underwriting Expenses</b>	<b>Underwriting Profit</b>	<b>Profit on Insurance Transactions</b>
2001	153.9%	13.9%	12.7%	-99.0%	-36.2%
2002	120.4%	24.3%	9.3%	-69.6%	-29.8%
2003	69.9%	15.2%	7.8%	-4.4%	13.4%
2004	57.0%	14.6%	8.1%	10.0%	22.2%
2005	80.2%	19.8%	8.1%	-21.6%	1.8%
2006	67.2%	16.3%	7.9%	-6.1%	13.6%
2007	94.5%	14.6%	7.9%	N/A	N/A

*National Association of Insurance Commissioners, Report on Profitability by Line by State, annual volumes from 2001 to 2006*

**Medical Malpractice**  
**Data from NAIC I-SITE P&C Summary by Line of Business**  
**Licensed Companies in Connecticut Medical Malpractice Market**

<b>Year</b>	<b>Premium Written</b>	<b>Direct Losses Paid</b>	<b>Premium Earned</b>	<b>Direct Losses Incurred</b>	<b>Defense &amp; Cost Containment Expenses Incurred</b>	<b>Dividends</b>	<b>Commission and Brokerage Expense</b>	<b>Taxes and Fees</b>
2001	\$102,203,863	\$116,705,913	\$96,074,631	\$167,127,968	\$14,133,321	\$4,189,153	\$7,496,316	\$2,055,478
2002	\$100,606,998	\$114,478,127	\$124,680,010	\$170,591,337	\$36,621,231	\$2,154,157	\$8,084,634	\$2,693,448
2003	\$145,811,076	\$124,412,206	\$133,801,254	\$89,447,672	\$25,358,115	\$89,815	\$9,662,682	\$2,019,794
2004	\$142,253,757	\$95,141,353	\$137,856,539	\$62,876,139	\$24,593,405	\$90,253	\$9,295,362	\$3,316,909
2005	\$155,003,949	\$124,234,485	\$139,755,089	\$136,528,617	\$29,998,072	\$91,114	\$9,517,858	\$3,045,353
2006	\$141,517,805	\$110,579,655	\$138,556,070	\$82,579,837	\$22,485,021	\$116,678	\$9,026,596	\$2,988,358
2007	\$136,304,980	\$102,340,760	\$138,626,587	\$77,001,029	\$18,711,509	\$121,094	\$8,783,019	\$2,638,930

<b>% of Earned Premium</b>				
<b>Year</b>	<b>Direct Losses Paid</b>	<b>Direct Losses Incurred</b>	<b>Defense &amp; Cost Containment Expenses Incurred</b>	<b>Other Underwriting Expenses</b>
2001	114.19%	163.52%	14.71%	14.30%
2002	113.79%	169.56%	29.37%	10.37%
2003	85.32%	61.34%	18.95%	8.80%
2004	66.88%	44.20%	17.84%	9.21%
2005	80.15%	88.08%	21.46%	9.05%
2006	78.14%	58.35%	16.23%	8.76%
2007	75.08%	56.49%	13.50%	8.33%

**Medical Malpractice**  
**Data from NAIC I-SITE Line Report of State Page Exhibit**  
**Excess/Surplus Lines in Connecticut Medical Malpractice Market**

<b>Year</b>	<b>Premium Written</b>	<b>Losses Paid</b>	<b>Premium Earned</b>	<b>Losses Incurred</b>	<b>Defense &amp; Cost Containment Expenses Incurred</b>	<b>Dividends</b>	<b>Commission and Brokerage Expense</b>	<b>Taxes and Fees</b>
2001	\$4,724,927	\$1,531,715	\$2,563,077	\$2,685,845	\$629,592	\$0	\$418,853	-\$3,588
2002	\$24,756,805	\$758,377	\$14,734,326	\$5,944,449	\$361,480	\$0	\$1,608,965	\$13,103
2003	\$26,472,803	\$3,156,176	\$25,296,200	\$18,012,614	\$321,855	\$0	\$2,213,466	\$60,419
2004	\$30,958,196	\$685,253	\$31,062,193	\$20,583,862	\$496,643	\$0	\$2,655,036	\$192,741
2005	\$31,552,309	\$6,935,097	\$30,192,820	\$7,133,211	\$1,076,737	\$0	\$2,923,656	\$21,744
2006	\$25,909,996	\$10,136,295	\$30,880,271	\$9,802,776	\$1,011,542	\$0	\$2,774,046	\$31,738
2007	\$24,669,595	\$10,520,658	\$25,024,091	\$33,995,155	\$1,056,897	\$0	\$3,050,999	\$25,740

<b>% of Earned Premium</b>				
<b>Year</b>	<b>Direct Losses Paid</b>	<b>Direct Losses Incurred</b>	<b>Defense &amp; Cost Containment Expenses Incurred</b>	<b>Other Underwriting Expenses</b>
2001	32.42%	56.84%	24.56%	16.20%
2002	3.06%	24.01%	2.45%	11.01%
2003	11.92%	68.04%	1.27%	8.99%
2004	2.21%	66.49%	1.60%	9.17%
2005	21.98%	22.61%	3.57%	9.76%
2006	39.12%	37.83%	3.28%	9.09%
2007	42.65%	137.80%	4.22%	12.30%

**Medical Malpractice**  
**Data from NAIC I-SITE P&C Summary by Line of Business**  
**Risk Retention Groups in Connecticut Medical Malpractice Market**

<b>Year</b>	<b>Premium Written</b>	<b>Direct Losses Paid</b>	<b>Premium Earned</b>	<b>Direct Losses Incurred</b>	<b>Defense &amp; Cost Containment Expenses Incurred</b>	<b>Dividends</b>	<b>Commission and Brokerage Expense</b>	<b>Taxes and Fees</b>
2001	\$22,054,908	\$20,490,885	\$21,018,780	\$18,117,976	\$2,796,751	\$4,262	\$178,167	\$895,916
2002	\$32,709,583	\$17,253,190	\$32,482,502	\$31,441,935	\$4,672,888	\$1,956	\$180,778	\$1,353,652
2003	\$52,099,965	\$16,796,247	\$51,589,852	\$40,776,538	\$4,003,049	\$0	\$192,793	\$2,109,115
2004	\$52,465,113	\$26,157,744	\$52,196,636	\$42,503,573	\$4,969,287	\$0	\$256,032	\$2,125,106
2005	\$58,474,126	\$27,827,171	\$58,658,635	\$40,879,290	\$12,905,635	\$22,039	\$433,616	\$2,273,994
2006	\$53,925,316	\$38,178,304	\$53,823,549	\$58,301,534	\$11,932,387	\$9,145	\$439,875	\$2,144,990
2007	\$52,888,440	\$19,583,863	\$52,897,231	\$93,982,654	\$6,314,655	\$41,250	\$210,929	\$2,157,003

<b>% of Earned Premium</b>				
<b>Year</b>	<b>Direct Losses Paid</b>	<b>Direct Losses Incurred</b>	<b>Defense &amp; Cost Containment Expenses Incurred</b>	<b>Other Underwriting Expenses</b>
2001	92.91%	82.15%	13.31%	5.13%
2002	52.75%	96.12%	14.39%	4.73%
2003	32.24%	78.27%	7.76%	4.46%
2004	49.86%	81.01%	9.52%	4.56%
2005	47.59%	69.91%	22.00%	4.65%
2006	70.80%	108.12%	22.17%	4.82%
2007	37.03%	177.70%	11.94%	4.55%

### Top 15 in 2007 Direct Premiums Written

Company Name	Direct Premiums Written	Direct Premiums Earned	Dividends Paid	Direct Unearned Premium Reserves	Direct Losses Paid	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense & Cost Containment Expense Paid	Direct Defense & Cost Containment Expense Incurred	Direct Defense & Cost Containment Expense Unpaid	Commission and Brokerage Expense	Taxes and Fees
Proselect In. Co	56,071,875	57,811,181	0	27,841,118	19,821,326	18,020,216	118,721,888	6,804,101	11,485,844	41,901,716	4,931,359	1,283,433
Connecticut Medical Ins Co	48,108,078	48,418,223	0	40,111,995	28,896,321	36,724,689	231,499,094	7,517,549	2,029,681	24,996,321	538,318	970,217
MCIC VT Inc RRG	47,968,290	47,968,290	0	0	19,363,775	92,709,396	214,398,095	5,353,021	4,138,196	13,903,521	46,264	1,966,723
Continental Cas Co	15,054,762	15,159,816	0	1,331,653	17,418,609	10,562,347	36,508,185	1,911,572	3,276,117	6,206,203	320,043	74,804
Lexington Ins Co	8,482,194	9,703,171	0	3,781,577	6,600,683	10,188,756	21,158,166	577,652	1,158,582	2,441,513	621,249	3,862
Darwin Select Ins Co	3,596,090	2,989,101	0	1,115,837	0	1,168,052	2,083,197	9,956	610,980	1,072,462	788,485	0
American Cas Co Of Reading PA	3,023,031	2,924,836	0	1,266,097	245,000	-559,807	1,808,153	122,590	569,241	1,227,969	1,187,145	-32,968
York Ins Co of ME	2,874,343	2,561,989	0	2,169,913	430,000	-410,642	4,272,827	0	13,285	74,787	421,240	0
Arch Specialty Ins Co	2,691,786	2,805,148	0	523,009	39,000	914,649	9,487,302	67,561	-726,697	2,063,425	187,877	25
National Union Fire Ins Co Of Pitts	1,986,741	2,113,628	0	1,014,556	35,550	364,198	4,410,630	169,456	402,612	722,994	357,709	60,882
Evanston Ins Co	1,815,592	1,600,314	0	-257,267	164,725	710,998	2,769,655	7,499	-452,744	378,442	470,374	1,164
Fortress Ins Co	1,646,152	1,566,288	0	949,742	23,500	277,827	1,095,812	165,800	707,356	1,880,620	190,006	29,342
Oms Natl Ins Co Rrg	1,610,525	1,649,109	0	990,224	5,500	250,611	1,588,044	74,863	465,064	2,902,445	92,819	64,421
Steadfast Ins Co	1,410,990	851,371	0	619,229	0	-1,011,623	2,093,381	154,156	-77,314	211,131	160,842	0
Medical Protective Co	1,370,230	1,191,355	0	474,554	2,302,000	8,159,000	16,428,000	1,754,872	-9,189	2,075,682	107,046	-2,964

Top 15 Total            197,710,679 = 92.1% of total 2007 Direct Premiums Written of \$214,716,085

### 2007 Top 15 for 2006 Direct Premiums Written

Company Name	Direct Premiums Written	Direct Premiums Earned	Dividends Paid	Direct Unearned Premium Reserves	Direct Losses Paid	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense & Cost Containment Expense Paid	Direct Defense & Cost Containment Expense Incurred	Direct Defense & Cost Containment Expense Unpaid	Commission and Brokerage Expense	Taxes and Fees
Proselect In. Co	60,653,022	58,095,090	0	28,230,423	15,899,523	41,464,323	120,523,000	5,730,279	8,846,458	37,219,974	5,332,330	1,386,547
Connecticut Medical Ins Co	48,418,234	48,093,299	0	40,324,873	33,377,546	16,940,643	224,523,726	7,330,551	3,802,256	30,370,072	389,803	819,103
MCIC VT Inc RRG	46,709,529	46,709,529	0	0	37,695,804	55,691,905	141,052,473	5,014,996	9,886,939	15,118,346	43,417	1,912,775
Continental Cas Co	14,249,133	14,116,541	0	1,436,707	4,191,038	-9,862,420	43,364,447	1,975,602	284,508	4,841,657	323,840	318,829
Lexington Ins Co	10,142,464	11,937,962	0	5,002,554	341,443	3,172,129	17,570,092	566,933	1,029,394	1,860,583	669,189	20,125
Darwin Select Ins Co	2,642,052	2,133,204	0	508,848	0	915,145	915,145	0	471,438	471,438	478,133	279
American Cas Co Of Reading PA	2,769,195	2,677,462	0	1,167,902	340,000	96,543	2,612,960	273,599	339,475	781,318	1,085,529	5,492
York Ins Co of ME	3,120,118	3,188,086	0	1,857,558	254	1,581,694	5,113,469	0	29,435	61,502	331,240	0
Arch Specialty Ins Co	2,873,764	6,059,008	0	636,371	-10,000	155,466	8,611,653	98,652	1,359,283	2,857,683	195,982	0
National Union Fire Ins Co Of Pitts	2,420,726	2,440,823	0	1,141,444	7,088,327	7,829,764	4,081,982	336,076	558,670	489,838	437,033	73,396
Evanston Ins Co	1,842,791	1,945,324	0	-472,545	45,375	-341,921	2,223,383	0	-292,037	838,685	435,071	1,049
Fortress Ins Co	1,561,848	1,482,021	0	869,879	786,250	1,205,714	734,323	243,080	379,416	1,339,063	169,460	26,627
Oms Natl Ins Co Rrg	1,648,172	1,602,405	0	1,028,807	117,500	392,864	1,351,751	166,393	474,883	2,512,245	106,247	65,927
Steadfast Ins Co	69,090	2,214	0	59,610	1,231	-436,333	3,105,004	81,319	10,082	442,601	11,900	0
Medical Protective Co	1,280,075	1,246,833	0	295,679	4,919,166	1,948,166	10,571,000	1,341,354	220,134	3,839,743	106,365	45,964

Top 15 Total      200,400,213 = 90.0% of total 2006 Direct Premiums Written of \$222,510,595

## Connecticut Medical Malpractice Annual Report – 2008

### Investment Income – 15 Leading Writers

<u>COMPANY NAME</u>	<u>2007</u>	<u>2006</u>
Proselect Ins Co	\$1,245,933	\$1,173,676
MCIC VT Inc RRG	\$1,964,870	\$3,092,196
Fortress Ins Co	\$1,575,868	\$1,090,892
Medical Protective Co	\$57,846,309	\$56,384,615
Connecticut Medical Ins Co	\$17,833,141	\$17,395,374
Lexington Ins Co	\$551,563,680	\$435,188,080
National Union Fire Ins Co Of Pitts	\$1,141,444,038	\$797,887,595
American Cas Co Of Reading PA	\$3,044,168	\$2,682,274
Continental Cas Co	\$1,382,461,949	\$1,525,641,797
Arch Specialty Ins Co	\$12,162,297	\$15,482,987
Darwin Select Ins Co	\$1,323,221	\$950,450
Steadfast Ins Co	\$56,811,002	\$16,621,514
York Ins Co of ME	\$1,835,877	\$1,205,802
Evanston Ins Co	\$87,033,738	\$94,553,126
Oms Natl Ins Co Rrg	\$7,947,517	\$6,173,253

Source: National Association of Insurance Commissioners Database

Note: Investment earnings are from the company's Annual Financial Statements, page 4, Line 11 and are for all lines of business written by the company in all states