

Definitions and Terms:

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.

Yearly Reporting Financial Terms & Definitions:

Commercial Insurer

Paid Losses (including ALAE): This should be the losses and ALAE paid during the calendar year for the Specialty Group.

Incurred Losses (including ALAE): This should be the losses and ALAE, excluding Incurred But Not Reported (“IBNR”) reserves, incurred during the calendar year for this Specialty Group.

Hospital/Captive:

Hospital/Captive without Voluntary Attending Physicians

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.

Hospital/Captive with Voluntary Attending Physicians

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.

Hospital/Self Insured Trust

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.