



NovaRest
ACTUARIAL CONSULTING

Iowa
Medical Malpractice Annual Report
For Calendar Year 2022

December 2023

To: Iowa Insurance Division

From: NovaRest, Inc.

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Executive Summary

The Iowa Insurance Division requested open and closed claim data for calendar year 2022 from licensed insurance companies pursuant to Iowa Code Section 505.27. Licensed companies who wrote medical malpractice insurance in Iowa during the period from January 1, 2022, through December 31, 2022, were asked to provide specific data for claims closed during that period and separately for those remaining open at the end of the year.

Data was reviewed for consistency within and between companies, and for completeness and reasonableness. The accuracy of the report depends on the accuracy of the data obtained from the companies.

This report provides a snapshot of Iowa's medical malpractice insurance market. Average payments of benefits plus allocated loss adjustment expenses (ALAE) were approximately \$174,339 for closed claims. The average incurred losses and allocated loss adjustment expenses were approximately \$244,866 for all open claims.

Of the provider specialties listed, Orthopedics had the highest number of closed claims reported. Family Practice had the most open claims. Radiology had the highest average benefits and ALAE paid for closed claims and Obstetrics/Gynecology had the highest average incurred losses and ALAE for open claims.

For alleged cause of loss, Failure to Diagnose/Monitor/Treat produced the highest number of closed and open claims. Pregnancy or Birth Related Problems had the highest average benefits and ALAE paid for both closed and open claims.

By severity of claim categories, Temporary – Minor had the highest number for closed claims. Death had the highest number of open claims. Permanent – Significant had the highest average benefits and ALAE paid for closed claims and Permanent – Major claims had the highest average incurred losses and ALAE for open claims. Average paid losses and ALAE by severity category ranged from approximately \$4,000 to \$445,000 for closed claims. Average incurred loss and ALAE by severity category ranged from approximately \$18,000 to \$1,100,000 for open claims.

Minor rounding differences may exist; however, no adjustments were made to the amounts reported.

In 2020, the Iowa Insurance Division (IID) began receiving requests for information about the companies' overall loss ratios. This information is not required to be reported under Iowa Code 505.27, but the IID acknowledges that the information is valuable. Being able to assess companies' claims in relation to the amount of premium collected will provide a better understanding of the adequacy or excessiveness of medical malpractice rates in Iowa. The IID compiled the medical malpractice loss ratio information that was attached as a supplemental report to the Iowa Medical Malpractice Annual Report for calendar year 2021 in response to the requests and to compare Iowa's market to neighboring states. As a result, changes were made to the Iowa code related to medical malpractice limits/noneconomic damage limitation figures.¹ An updated supplemental report with data from 2018-2022 is attached with this report.

¹ <https://iid.iowa.gov/legal-resources/data/noneconomic-damage-limitation-figures>

Introduction

Pursuant to Iowa Code Section 505.27, the Iowa Insurance Division requested insurance companies report medical malpractice claim data for calendar year 2022.

Licensed insurers who wrote medical malpractice insurance in Iowa during 2022 were asked to provide data separately for any claims that closed during the year and for any claims that were open at the end of the year.

Data Request

The Division requested that companies submit data for each *claim* or *lawsuit*.

Claims were defined as formal or written demands for compensation under a medical malpractice insurance policy relating to allegations of liability on the part of one or more providers for any act, error, or omission in the rendering of, or failure to render medical services for medically related injuries.

A *lawsuit* was defined as a complaint filed in any court in Iowa alleging liability on the part of one or more providers for any act, error, or omission in the rendering of, or failure to render medical services for medically related injuries.

Only direct business was to be included in the report. Adjustments for subrogation were to be made. Claims were to be reported separately for each insured associated with a claim; for each injured party associated with an incident; for each claimant that filed a claim for the same injury; and for each policy if filed under more than one policy. Reopened claims were to be reported considering only their final disposition date.

A copy of the data request is included at the end of this report.

Companies

Licensed insurers who wrote medical malpractice insurance in Iowa during 2022 were required to provide data for claims that closed during the year or that were open at the end of the year. All licensed insurers represented 53.5% of the medical malpractice market in Iowa as determined by their percentage of calendar year 2022 direct written premiums. Some companies reported for a group of affiliated companies together; others reported for each company individually. The term “company” is being used to represent either an individual entity or a group of affiliated companies.

Not all the licensed companies had open or closed claims to report. Licensed insurers that reported claims comprise 36.4% of the 2022 medical malpractice premium in Iowa. Company groups that reported claims and include at least one licensed insurer.

Page 7 shows a history of the market shares for company groups that reported claims for the Medical Malpractice Annual Report for Calendar Year 2022. The market shares were determined by dividing the group’s written premium for the year by the total written premium for all companies in that year. Company groups that reported claims comprise 49.5% of the 2022 medical malpractice premium in Iowa. Note that this includes some non-licensed insurers that are part of groups that include both licensed and non-licensed insurers.

The companies that write medical malpractice insurance in Iowa change from year to year. New companies start writing the business, others cease writing the business. Some companies change their names or acquire other companies. The premium volume that a company writes will vary year to year, and for some companies it will vary dramatically.

In reports for 2018 and earlier, a market share table for companies that reported claims was provided, however, because some entities file the report as a group, it was somewhat inconsistent. Therefore, in this report, consistent with the prior year report, we have provided the market share report on a consistent insurance group basis.

**Iowa Insurance Division
Medical Malpractice Closed and Open Claim Report Market Shares of
Company Groups with Reported Claims
Based on 2022 Direct Written Premiums**

Entity Name^{2,3}	NAIC Group Number	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022
Chubb Ltd Grp	626	0.5%	0.8%	0.7%	3.2%	3.7%
Cincinnati Financial Group	244	0.7%	0.7%	0.6%	0.6%	0.6%
CNA Ins Group	218	7.6%	9.6%	9.0%	3.0%	3.1%
Coverys Group	1154	4.3%	4.0%	4.0%	4.7%	5.4%
ISMIE Group	2358	0.7%	1.1%	0.2%	0.1%	0.2%
MMIC Group	4790	35.6%	34.0%	31.6%	30.9%	29.4%
National Group	508	0.9%	0.8%	0.7%	0.8%	0.8%
NCMIC Grp	2638	4.3%	3.9%	3.5%	2.8%	3.0%
ProAssurance Corp Group	2698	7.2%	5.8%	3.4%	3.8%	3.3%
Total Market Share for Groups with Reported Claims for 2022		61.9%	60.6%	53.8%	50.0%	49.5%

² Please note the numbers in this table will not match exactly with prior reports as some groups that reported for 2022 may not have reported in previous years. For example the prior report included Church Mutual Group (NAIC group number 4851) while this report does not include Church Mutual Group, but does include National Group (NAIC group number 508), which was not included in the prior report. Additionally, this table is provided consistent with the methodology used in the prior year report; however, in previous reports the market share was shown as a mixture of company and insurance group because some companies report separately while some groups report for all companies.

³ The company groupings are shown in Appendix A.

Data

All responses received were reviewed for consistency with the data request. Data elements were reviewed for completeness, reasonableness, and consistency with other data elements.

In cases where a company did not use the provided categories to identify claims, if a category could be reasonably assigned, that was done. Otherwise, the claim was listed in the Other/Unknown category. Any categories with less than five claims were combined and reported in total.

On the Benefits and Expenses by Company exhibits, companies with fewer than five claims were reported as a group. Page 26 shows the companies combined for the closed claim exhibits and for the open claim exhibits.

Several large losses were reported, for both open and closed claims. Nineteen closed claims had total loss and allocated loss adjustment expenses of at least \$500,000. Nine closed claims had total loss and allocated loss adjustment expense of at least \$1,000,000, with the largest paid losses and ALAE exceeding \$2 million. Thirty open claims had incurred amounts of \$500,000 or more. Sixteen open claims had incurred loss and loss adjustment expense of at least \$1,000,000, with the five largest claims exceeding \$2,000,000.

Limitations

The accuracy of this report depends on the accuracy of the data provided by the companies. The Division reviewed the data for completeness, reasonableness, consistency with other data elements, and consistency with the data request. No adjustments were made to the data other than the assigning categories to identify claims for which a company did not use the provided categories, but one could be reasonably assigned.

Although attempts were made to gather uniform data from all companies, complete uniformity is not possible. Some companies did not maintain records of all the data as requested. Some used company specific definitions that could not be manipulated to completely match the requested categories. Companies may have interpreted data elements differently from each other. Practices such as the timing for considering an incident an open claim or a closed claim may differ by company.

Medical malpractice insurance is available for individuals and for a variety of institutions, including hospitals, clinics, and nursing homes. Insurance companies often specialize in what medical malpractice insurance they write. Differences in data between specialties or types of policyholders may be a result of or compounded by the companies writing the business.

Other factors internal to a company writing the business that affect the results of the study include, but are not limited to, the type of policies written, the limits of insurance requested by policyholders, the size of deductibles, company underwriting considerations and claim practices. Factors external to a company may also affect the report. These may include, but are not limited to, the regulatory environment, the legal environment, the general economy, and medical inflation. The report makes no adjustments for and does not attempt to analyze changes in economic conditions, exposures, medical practices, legal climate, rate levels, or medical inflation.

The companies writing medical malpractice insurance in Iowa and the premium volume that each company wrote have changed from year to year. This can have a significant effect on any analysis. No adjustments to the data have been made to reflect shifting business.

The report provides a snapshot of Iowa's medical malpractice insurance market. It includes claims from 2022 and earlier which were either closed in 2022 or remained open at the end of the year for those companies that responded to the data request. Since medical malpractice claims can take years to be reported and closed, the claims closed in a year and open at the end of the year do not correspond to premiums for that year.

Large losses are not individually identified in the report. They are included in the totals and averages.

Aggregate Claim Reports by Specialty of Provider

Companies were asked to classify each claim reported by a number of typical provider specialties. All claims in each category were totaled, separately for the open and the closed reports, and averaged by dividing the total dollar amounts by the number of claims. To maintain confidentiality of individual claims, any categories with fewer than five claims were grouped in the Other/Unknown category.

Average payments of benefits plus allocated loss adjustment expenses were approximately \$175,000 for all closed claims. The average incurred losses and allocated loss adjustment expenses were approximately \$245,000 for all open claims. The claims underlying these amounts are not comparable since the open claims represent all those open at the end of calendar year 2022, without regard to when the injury occurred, or the claim was reported. The closed claims include all claims closed in 2022, regardless of the date of injury or the date reported. The mix of claims by type, severity, or size, will not be the same for the open and closed reports.

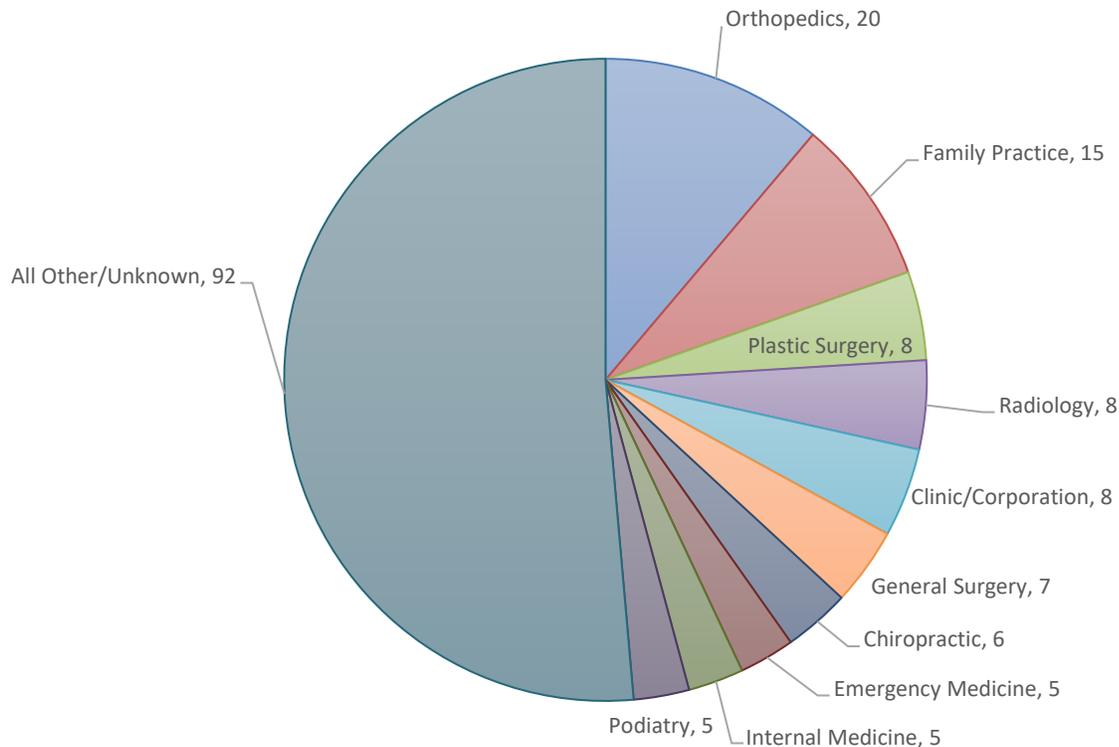
Orthopedics had the highest number of closed claims reported. Family Practice had the highest number of open claims reported. Radiology had the highest average benefits and allocated loss adjustment expenses paid for closed claims. Obstetrics/Gynecology had the highest average incurred losses and allocated loss adjustment expenses for open claims.



**Iowa Insurance Division
Closed Claims
Total Benefits and Expenses
Calendar Year 2022 - By Specialty**

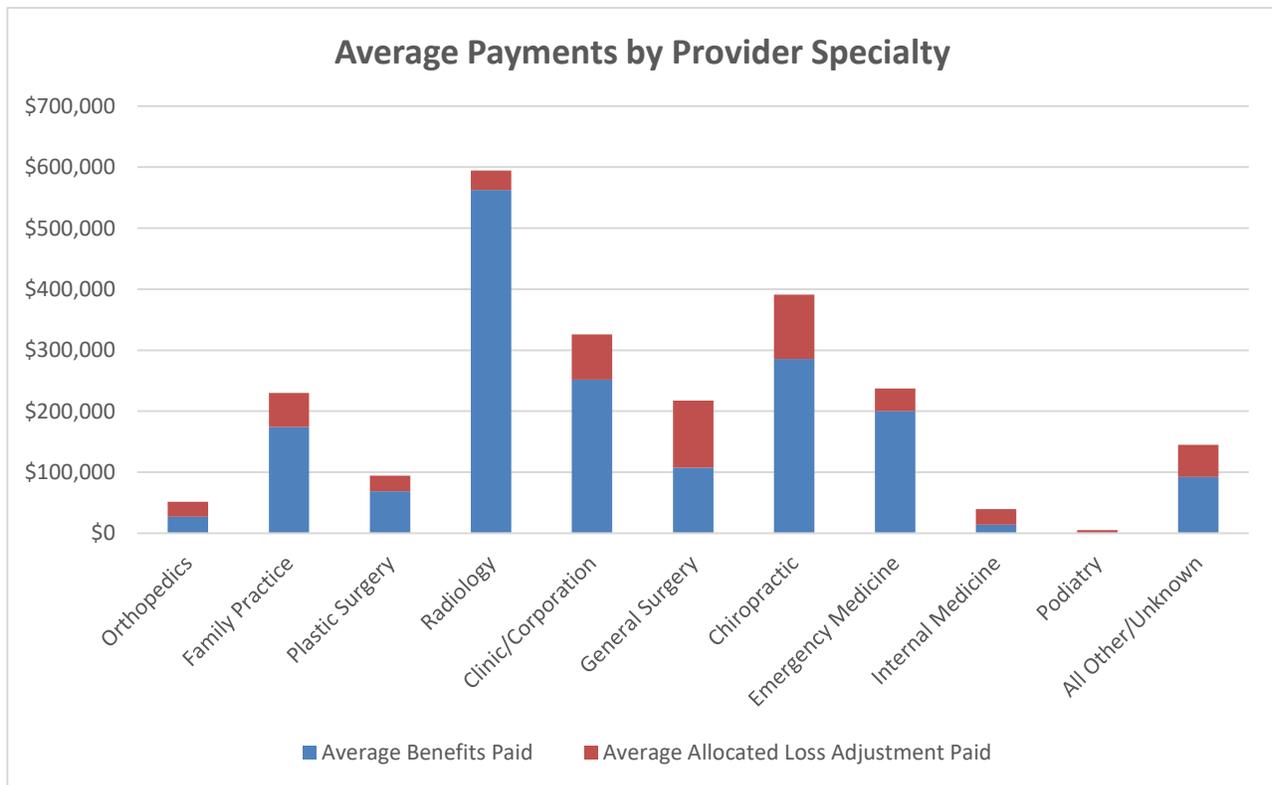
Provider Specialty	Number of Claims	Total Benefits Paid	Total Allocated Loss Adjustment Expenses Paid	Additional Payments After 6 Months from Disposition
Orthopedics	20	\$542,000	\$494,288	\$0
Family Practice	15	\$2,612,500	\$836,968	\$0
Plastic Surgery	8	\$550,000	\$206,735	\$0
Radiology	8	\$4,500,000	\$256,801	\$0
Clinic/Corporation	8	\$2,015,000	\$591,711	\$0
General Surgery	7	\$750,000	\$772,392	\$0
Chiropractic	6	\$1,715,500	\$631,131	\$0
Emergency Medicine	5	\$1,000,000	\$186,549	\$0
Internal Medicine	5	\$70,000	\$128,560	\$0
Podiatry	5	\$0	\$26,186	\$0
All Other/Unknown	92	\$8,477,205	\$4,843,134	\$1,298
Total	179	\$22,232,205	\$8,974,454	\$1,298

Number of Closed Claims by Provider Specialty



**Iowa Insurance Division
Closed Claims
Average Benefits and Expenses
Calendar Year 2022 - By Specialty**

Provider Specialty	Number of Claims	Average Benefits Paid	Average Allocated Loss Adjustment Paid	Average Additional Payments After 6 Months from Disposition
Orthopedics	20	\$27,100	\$24,714	\$0
Family Practice	15	\$174,167	\$55,798	\$0
Plastic Surgery	8	\$68,750	\$25,842	\$0
Radiology	8	\$562,500	\$32,100	\$0
Clinic/Corporation	8	\$251,875	\$73,964	\$0
General Surgery	7	\$107,143	\$110,342	\$0
Chiropractic	6	\$285,917	\$105,189	\$0
Emergency Medicine	5	\$200,000	\$37,310	\$0
Internal Medicine	5	\$14,000	\$25,712	\$0
Podiatry	5	\$0	\$5,237	\$0
All Other/Unknown	92	\$92,144	\$52,643	\$14
Total	179	\$124,202	\$50,137	\$7

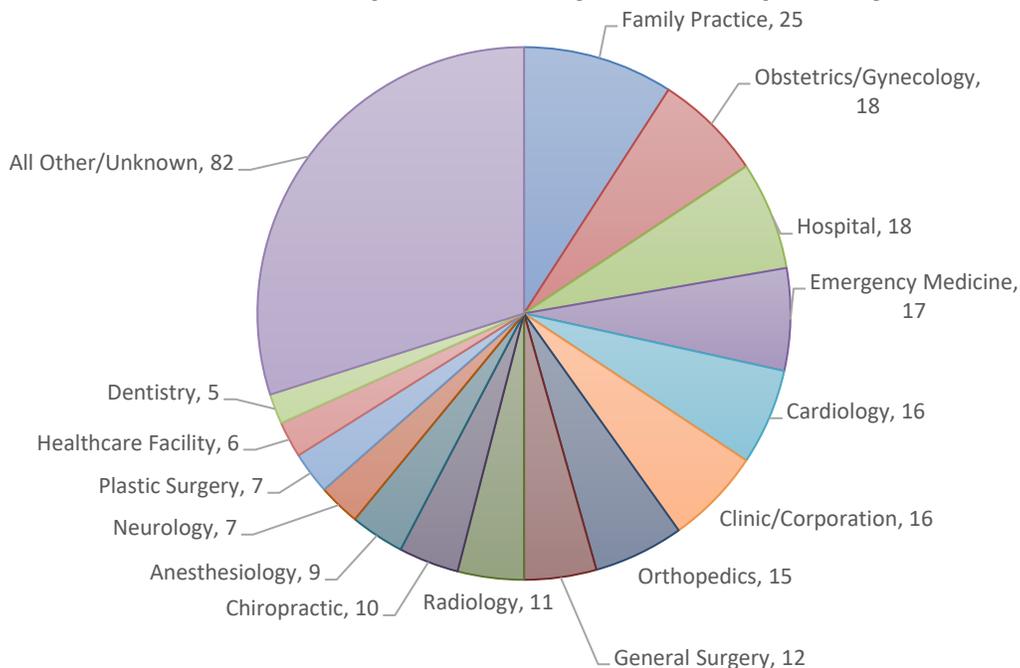




**Iowa Insurance Division
Open Claims
Total Benefits and Expenses
Calendar Year 2022 - By Specialty**

Provider Specialty	Number of Claims	Total Benefits Paid	Total Allocated LAE Paid	Reserve for Incurred and Reported but not Disposed
Family Practice	25	\$0	\$625,201	\$6,565,590
Obstetrics/Gynecology	18	\$1,165,000	\$1,674,654	\$8,402,501
Hospital	18	\$2,000	\$323,203	\$1,715,000
Emergency Medicine	17	\$0	\$412,222	\$958,000
Cardiology	16	\$0	\$703,476	\$1,750,000
Clinic/Corporation	16	\$100,000	\$343,517	\$1,931,001
Orthopedics	15	\$0	\$630,607	\$2,631,250
General Surgery	12	\$762,500	\$497,461	\$2,493,000
Radiology	11	\$0	\$515,540	\$1,455,000
Chiropractic	10	\$0	\$378,576	\$920,000
Anesthesiology	9	\$11,218	\$460,904	\$1,327,225
Neurology	7	\$0	\$327,061	\$1,440,750
Plastic Surgery	7	\$0	\$285,740	\$658,000
Healthcare Facility	6	\$1,000,000	\$99,245	\$50,000
Dentistry	5	\$0	\$111,468	\$2,100,000
All Other/Unknown	82	\$24,000	\$3,983,972	\$18,258,352
Total	274	\$3,064,718	\$11,372,846	\$52,655,669

Number of Open Claims by Provider Specialty

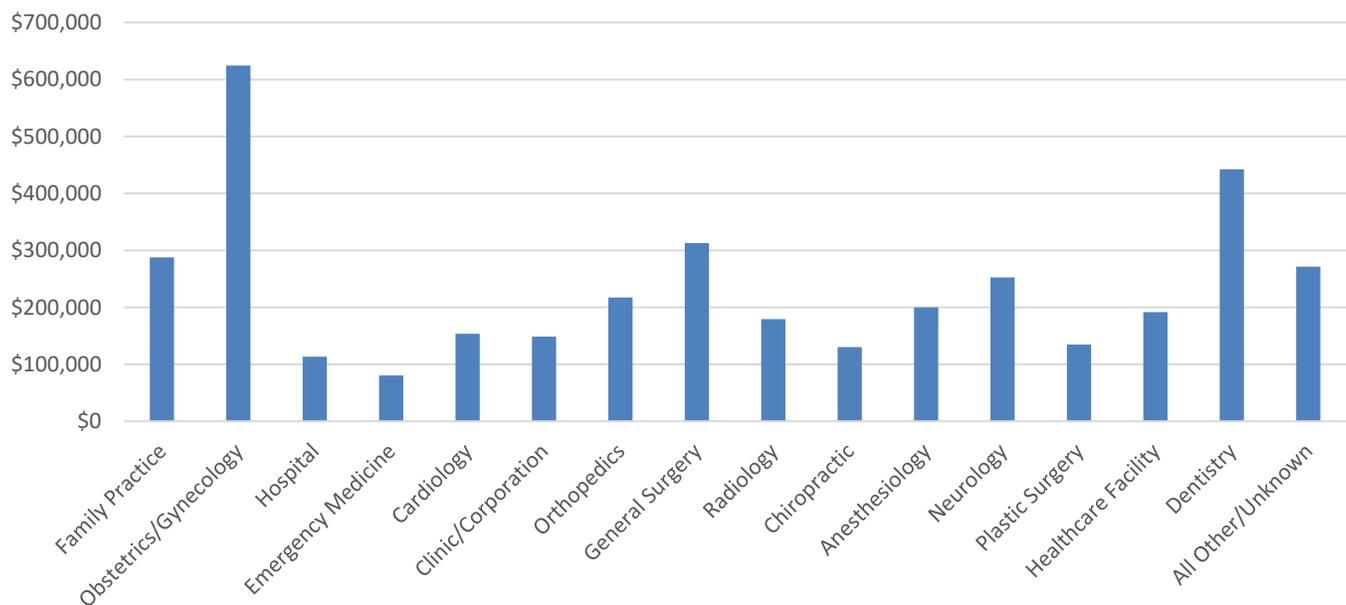




**Iowa Insurance Division
Open Claims
Average Benefits and Expenses
Calendar Year 2022 - By Specialty**

Provider Specialty	Number of Claims	Average Total Benefits Paid	Average Total Allocated LAE Paid	Average Reserve for Incurred and Reported but not Disposed
Family Practice	25	\$0	\$25,008	\$262,624
Obstetrics/Gynecology	18	\$64,722	\$93,036	\$466,806
Hospital	18	\$111	\$17,956	\$95,278
Emergency Medicine	17	\$0	\$24,248	\$56,353
Cardiology	16	\$0	\$43,967	\$109,375
Clinic/Corporation	16	\$6,250	\$21,470	\$120,688
Orthopedics	15	\$0	\$42,040	\$175,417
General Surgery	12	\$63,542	\$41,455	\$207,750
Radiology	11	\$0	\$46,867	\$132,273
Chiropractic	10	\$0	\$37,858	\$92,000
Anesthesiology	9	\$1,246	\$51,212	\$147,469
Neurology	7	\$0	\$46,723	\$205,821
Plastic Surgery	7	\$0	\$40,820	\$94,000
Healthcare Facility	6	\$166,667	\$16,541	\$8,333
Dentistry	5	\$0	\$22,294	\$420,000
All Other/Unknown	82	\$293	\$48,585	\$222,663
Total	274	\$11,185	\$41,507	\$192,174

Average Incurred Losses ALAE by Provider Specialty





Aggregate Claim Reports by Nature of Claim

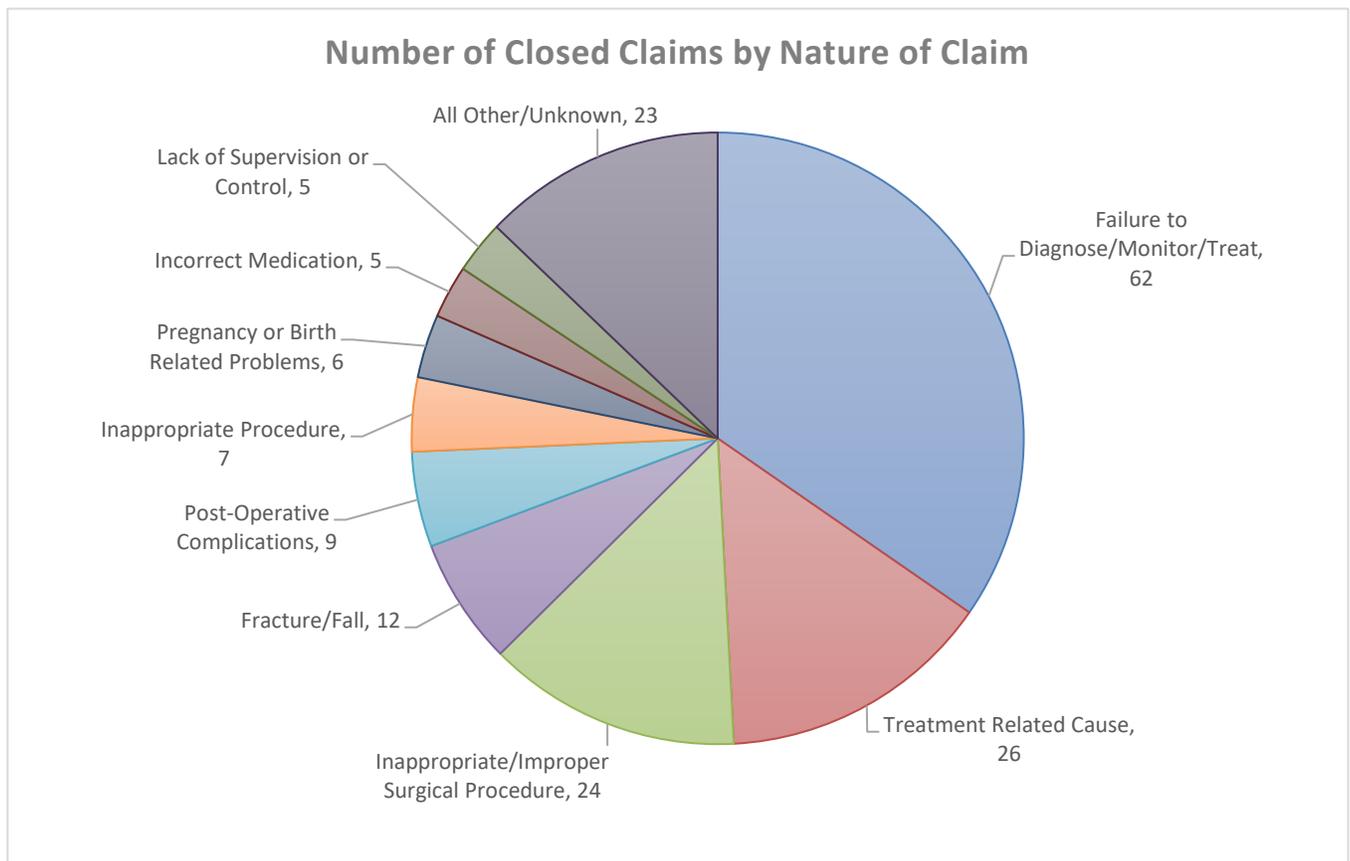
Companies were asked to classify each claim reported by a number of alleged cause of loss descriptions. Most companies used the provided descriptions to categorize the claims. For those claims that were not assigned to one of the listed cause of loss descriptions, one was assigned if it reasonably fit the description provided by the company. Otherwise, the claim was listed in the Other/Unknown category.

All claims in each category were totaled, separately for the open and the closed reports, and averaged by dividing the total dollar amounts by the number of claims. To maintain confidentiality of individual claims, any categories with fewer than five claims were grouped in the Other/Unknown category.

Failure to Diagnose, Monitor, and/or Treat had the highest number of closed and open claims reported. Pregnancy or Birth Related Problems had the highest average benefits and allocated loss adjustment expenses paid for closed and open claims.

**Iowa Insurance Division
Closed Claims
Total Benefits and Expenses
Calendar Year 2022 - By Nature of Claim**

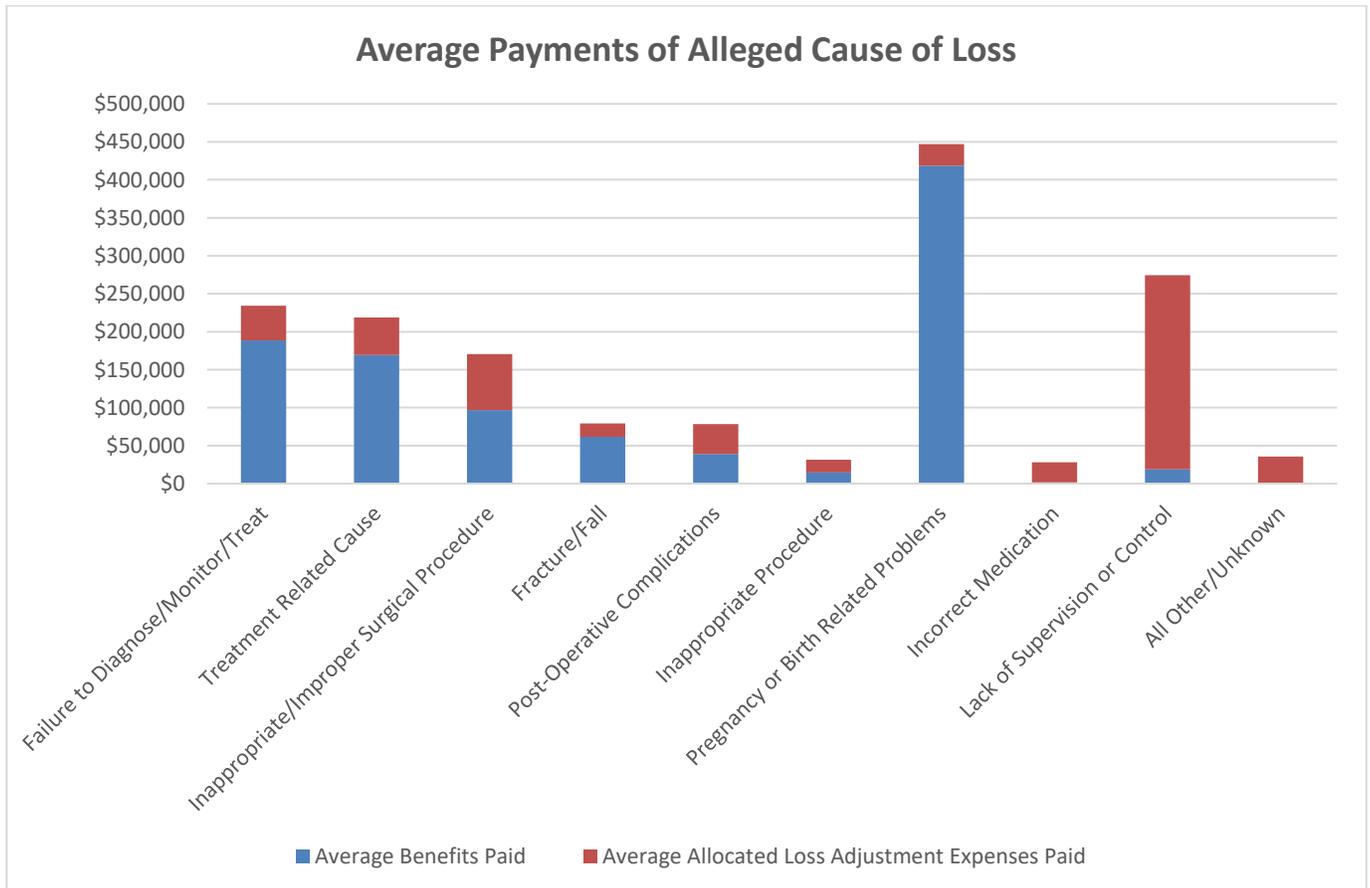
Alleged Cause of Loss	Number of Claims	Total Benefits Paid	Total Allocated Loss Adjustment Expenses Paid	Additional Payments After 6 Months from Disposition
Failure to Diagnose/Monitor/Treat	62	\$11,690,000	\$2,837,018	\$1,298
Treatment Related Cause	26	\$4,406,880	\$1,276,725	\$0
Inappropriate/Improper Surgical Procedure	24	\$2,325,000	\$1,770,970	\$0
Fracture/Fall	12	\$739,285	\$213,413	\$0
Post-Operative Complications	9	\$350,000	\$355,863	\$0
Inappropriate Procedure	7	\$101,975	\$119,028	\$0
Pregnancy or Birth Related Problems	6	\$2,511,167	\$171,041	\$0
Incorrect Medication	5	\$8,178	\$132,709	\$0
Lack of Supervision or Control	5	\$95,000	\$1,277,575	\$0
All Other/Unknown	23	\$4,720	\$820,111	\$0
Total	179	\$22,232,205	\$8,974,454	\$1,298





**Iowa Insurance Division
Closed Claims
Average Benefits and Expenses
Calendar Year 2022 - By Nature of Claim**

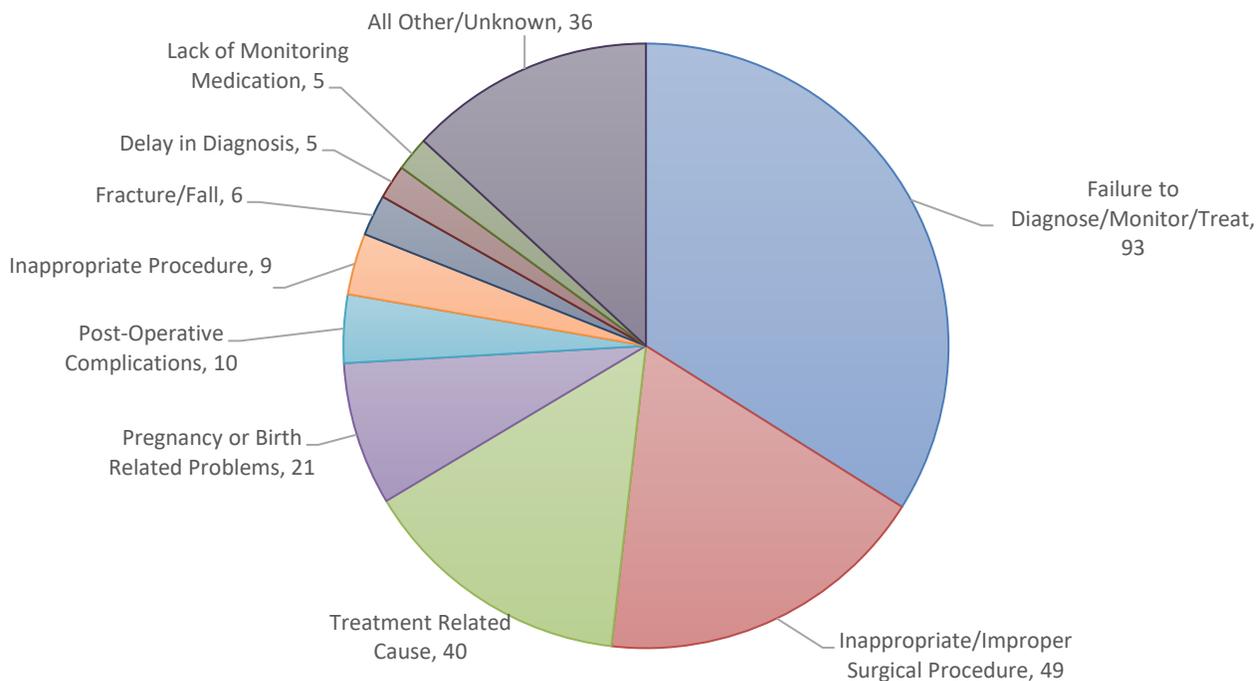
Alleged Cause of Loss	Number of Claims	Average Benefits Paid	Average Allocated Loss Adjustment Expenses Paid	Average Additional Payments After 6 Months from Disposition
Failure to Diagnose/Monitor/Treat	62	\$188,548	\$45,758	\$21
Treatment Related Cause	26	\$169,495	\$49,105	\$0
Inappropriate/Improper Surgical Procedure	24	\$96,875	\$73,790	\$0
Fracture/Fall	12	\$61,607	\$17,784	\$0
Post-Operative Complications	9	\$38,889	\$39,540	\$0
Inappropriate Procedure	7	\$14,568	\$17,004	\$0
Pregnancy or Birth Related Problems	6	\$418,528	\$28,507	\$0
Incorrect Medication	5	\$1,636	\$26,542	\$0
Lack of Supervision or Control	5	\$19,000	\$255,515	\$0
All Other/Unknown	23	\$205	\$35,657	\$0
Total	179	\$124,202	\$50,137	\$7



**Iowa Insurance Division
Open Claims
Total Benefits and Expenses
Calendar Year 2022 - By Nature of Claim**

Alleged Cause of Loss	Number of Claims	Total Benefits Paid	Total Allocated LAE Paid	Reserve for Incurred and Reported but not Disposed
Failure to Diagnose/Monitor/Treat	93	\$1,897,718	\$2,538,175	\$6,786,352
Inappropriate/Improper Surgical Procedure	49	\$0	\$2,714,824	\$14,884,886
Treatment Related Cause	40	\$0	\$922,151	\$3,200,000
Pregnancy or Birth Related Problems	21	\$0	\$2,191,387	\$15,741,581
Post-Operative Complications	10	\$0	\$430,113	\$2,090,010
Inappropriate Procedure	9	\$0	\$136,505	\$1,027,500
Fracture/Fall	6	\$0	\$934,609	\$2,447,450
Delay in Diagnosis	5	\$0	\$125,177	\$1,995,000
Lack of Monitoring Medication	5	\$0	\$51,213	\$445,005
All Other/Unknown	36	\$1,167,000	\$1,328,692	\$4,037,885
Total	274	\$3,064,718	\$11,372,846	\$52,655,669

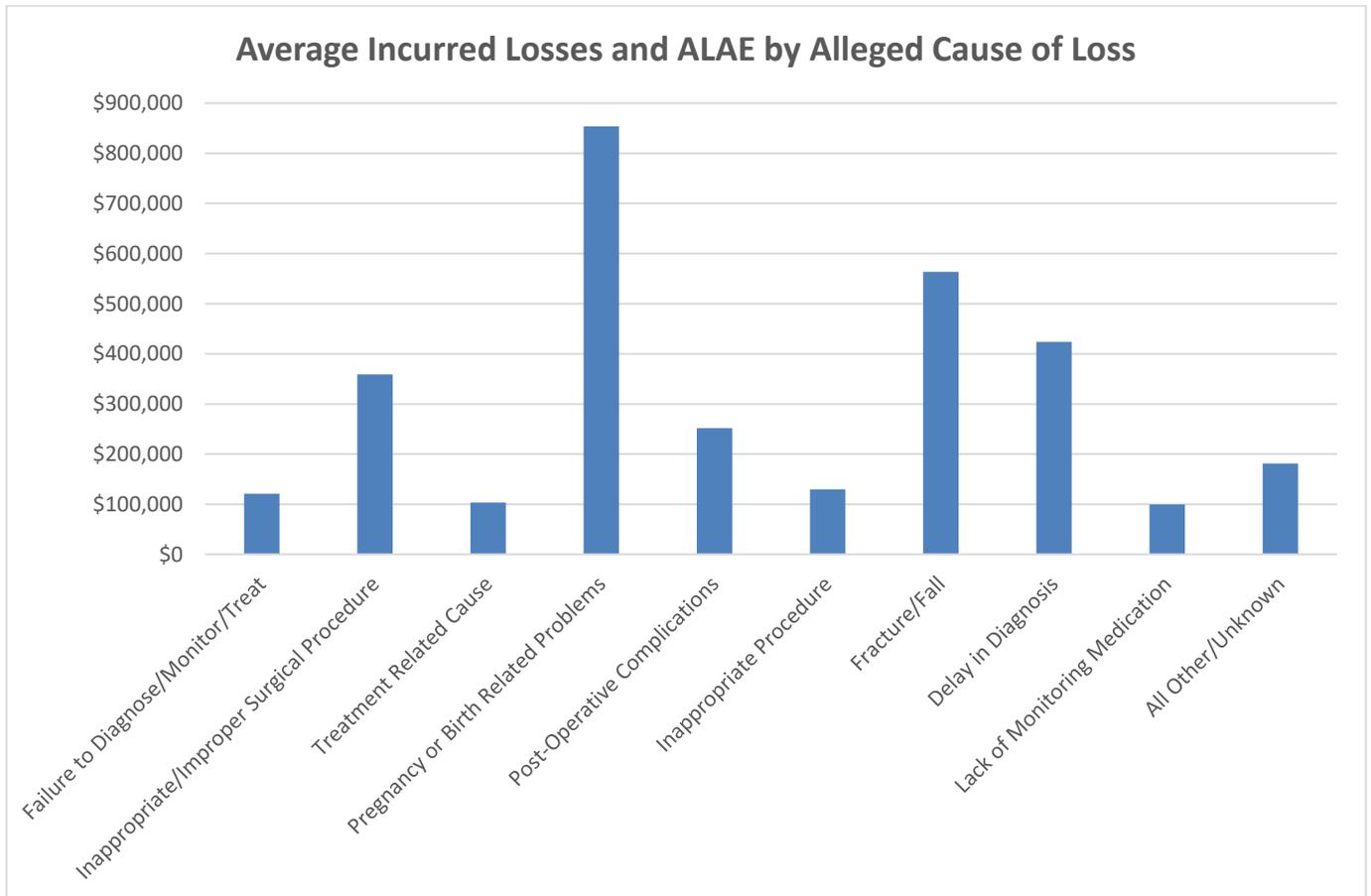
Number of Open Claims by Nature of Claim





**Iowa Insurance Division
Open Claims
Average Benefits and Expenses
Calendar Year 2022 - By Nature of Claim**

Alleged Cause of Loss	Number of Claims	Average Benefits Paid	Average Allocated LAE Paid	Average Reserve for Incurred and Reported but not Disposed
Failure to Diagnose/Monitor/Treat	93	\$20,406	\$27,292	\$72,972
Inappropriate/Improper Surgical Procedure	49	\$0	\$55,405	\$303,773
Treatment Related Cause	40	\$0	\$23,054	\$80,000
Pregnancy or Birth Related Problems	21	\$0	\$104,352	\$749,599
Post-Operative Complications	10	\$0	\$43,011	\$209,001
Inappropriate Procedure	9	\$0	\$15,167	\$114,167
Fracture/Fall	6	\$0	\$155,768	\$407,908
Delay in Diagnosis	5	\$0	\$25,035	\$399,000
Lack of Monitoring Medication	5	\$0	\$10,243	\$89,001
All Other/Unknown	36	\$32,417	\$36,908	\$112,163
Total	274	\$11,185	\$41,507	\$192,174



Aggregate Claim Reports by Substance of Claim

Companies were asked to classify each claim by the following severity of injury types.

- Emotional Only (e.g. fright, no physical damage)
- Temporary - Insignificant (e.g. lacerations, contusions, minor scars, rash; no delay)
- Temporary - Minor (e.g. infections, fracture, fall in hospital; recovery delayed)
- Temporary - Major (e.g. surgical material left, drug side effect, brain damage; recovery delayed)
- Permanent - Minor (e.g. loss of fingers, loss or damage to organs; includes non-disabling injuries)
- Permanent - Significant (e.g. deafness, loss of limb, loss of eye, loss of one kidney or lung)
- Permanent - Major (e.g. paraplegia, blindness, loss of two limbs, brain damage)
- Grave (e.g. quadriplegia, severe brain damage, lifelong care or fatal prognosis)
- Death

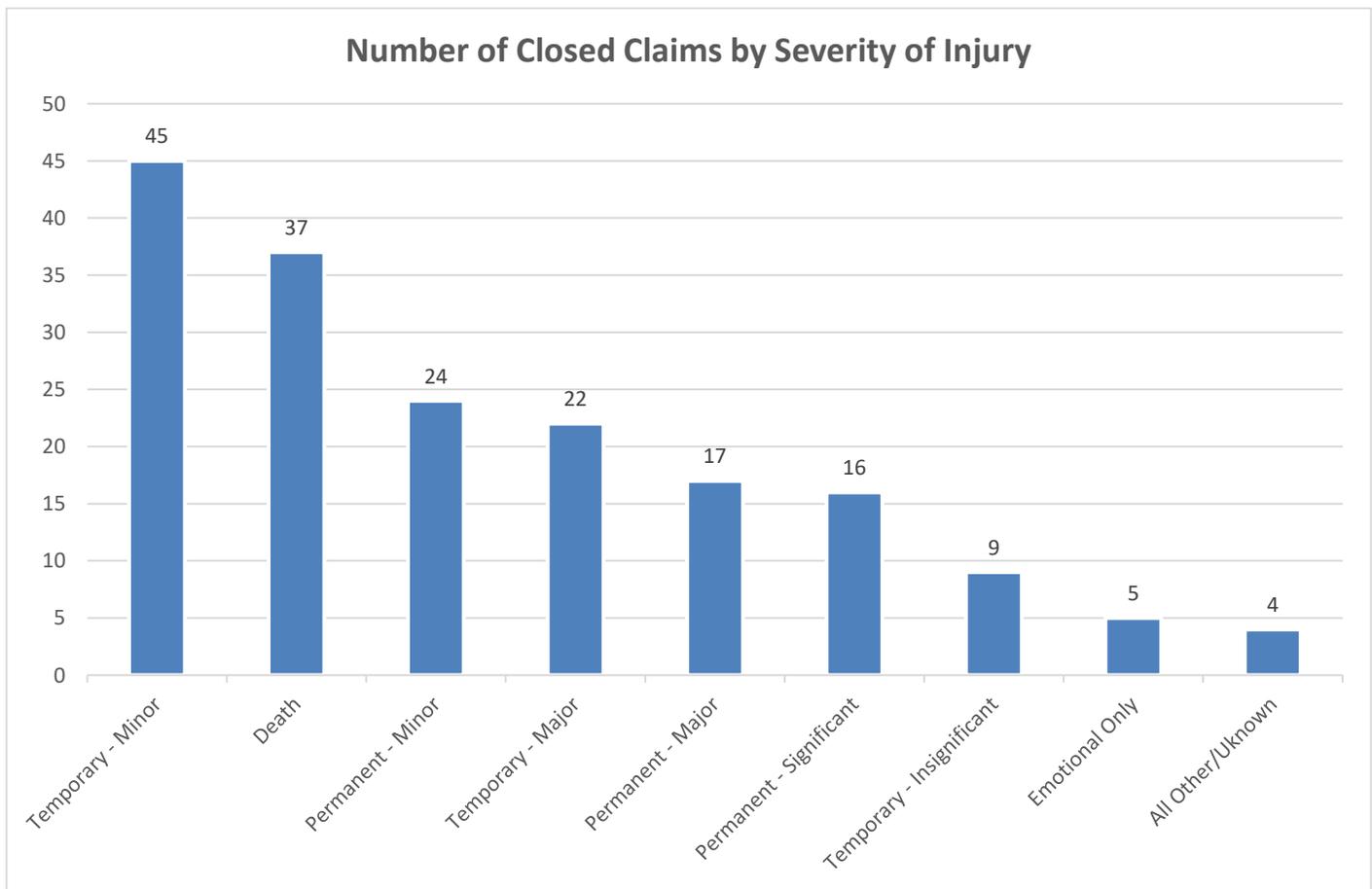
Temporary – Minor had the highest number of closed claims reported. Death had the highest number of open claims reported. Permanent – Significant had the highest average benefits and allocated loss adjustment expenses paid for closed claims and Permanent – Major had the highest average incurred losses and allocated loss adjustment expenses for open claims.

Average paid losses and expenses by category ranged from approximately \$7,000 to \$445,000 for closed claims. Average incurred amounts including reserves for allocated loss adjustment expenses ranged from approximately \$18,000 to \$1,100,000 for open claims.



**Iowa Insurance Division
Closed Claims
Total Benefits and Expenses
Calendar Year 2022 - By Severity of Claim**

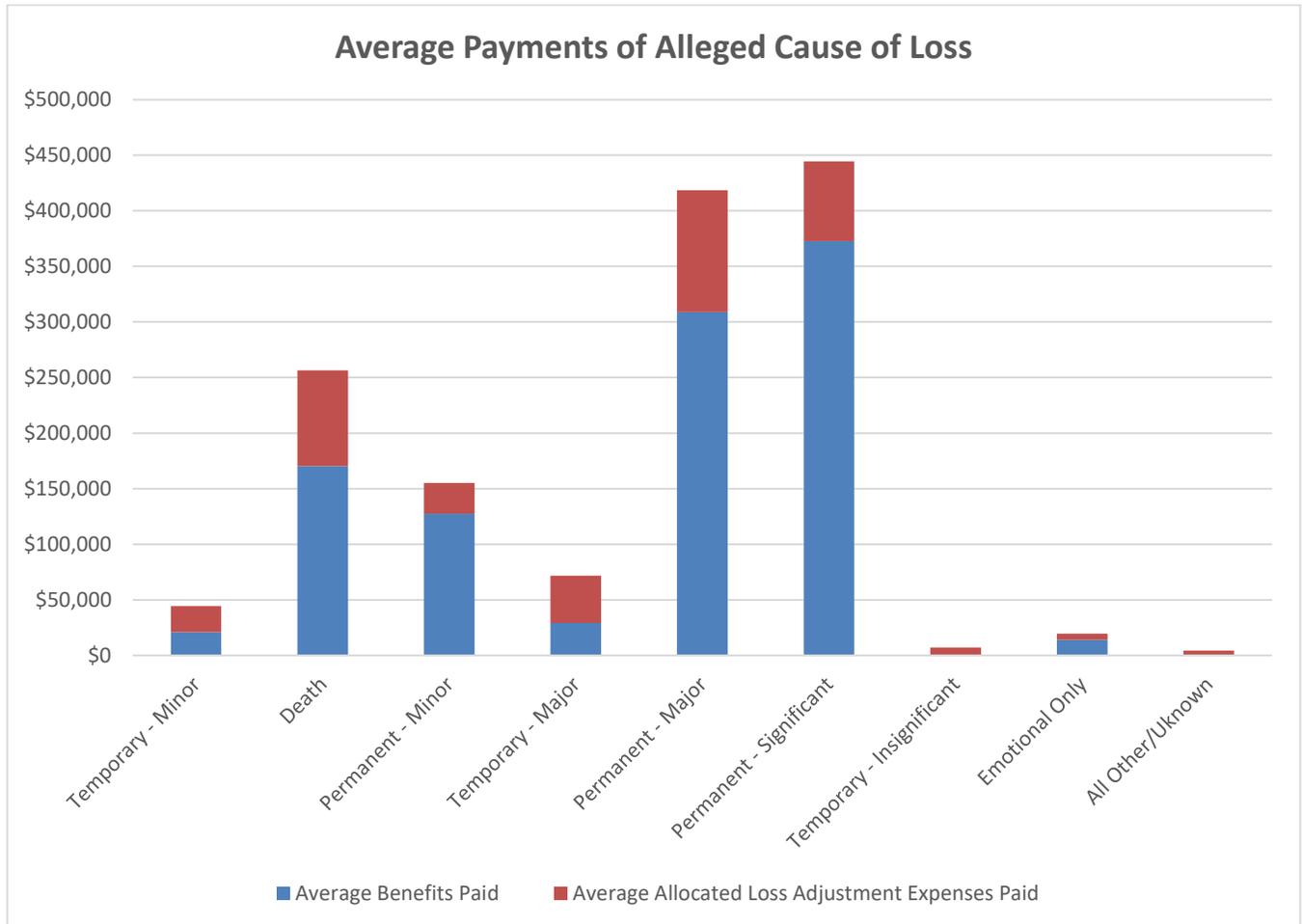
Severity of Injury	Number of Claims	Total Benefits Paid	Total Allocated Loss Adjustment Expenses Paid	Additional Payments After 6 Months from Disposition
Temporary - Minor	45	\$942,980	\$1,059,633	\$0
Death	37	\$6,301,167	\$3,192,252	\$1,298
Permanent - Minor	24	\$3,060,000	\$666,060	\$0
Temporary - Major	22	\$641,178	\$935,436	\$0
Permanent - Major	17	\$5,250,000	\$1,864,678	\$0
Permanent - Significant	16	\$5,962,500	\$1,151,114	\$0
Temporary - Insignificant	9	\$4,380	\$59,672	\$0
Emotional Only	5	\$70,000	\$28,158	\$0
All Other/Uknown	4	\$0	\$17,452	\$0
Total	179	\$22,232,205	\$8,974,454	\$1,298





**Iowa Insurance Division
Closed Claims
Average Benefits and Expenses
Calendar Year 2022- By Severity of Claim**

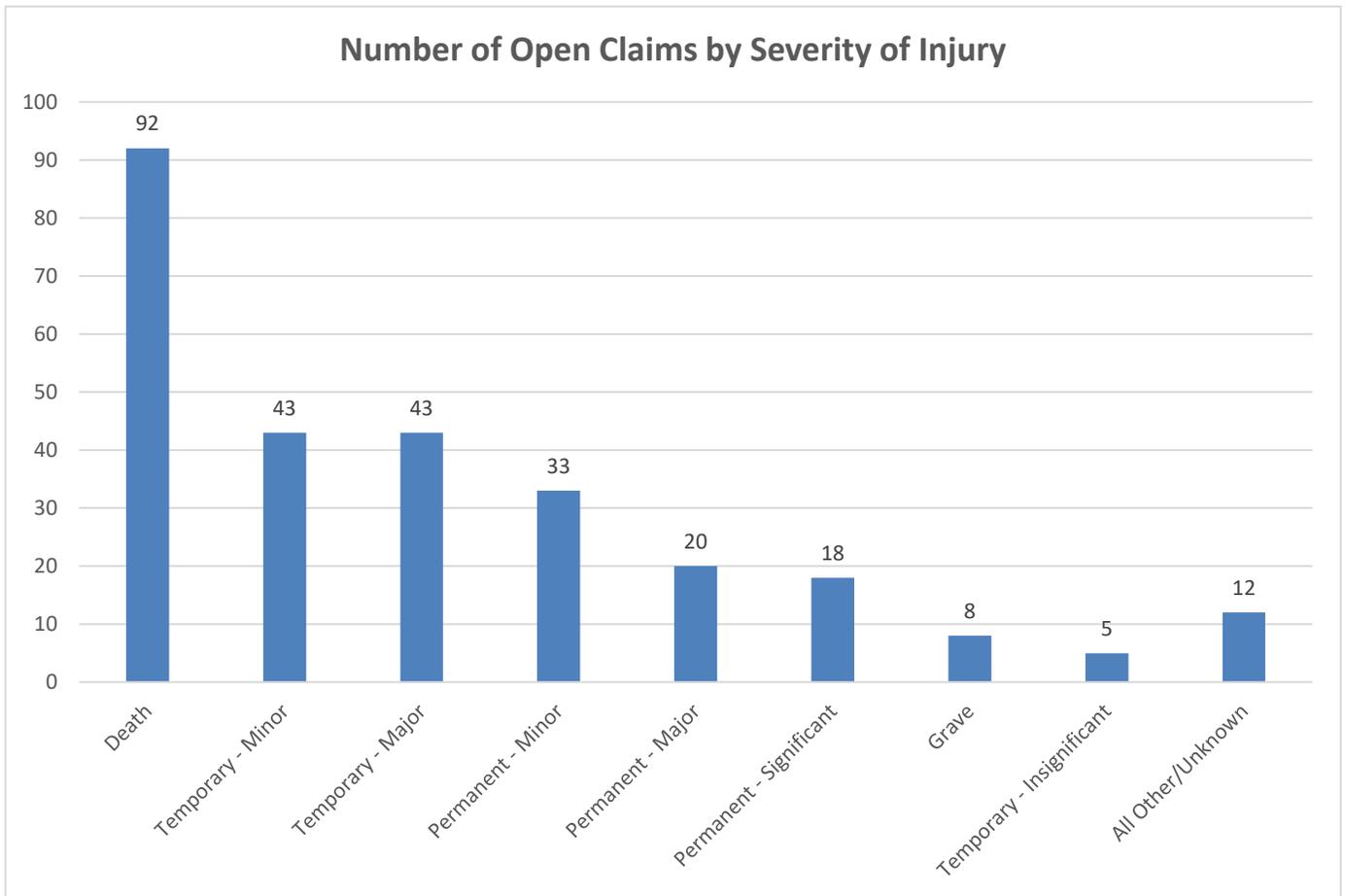
Severity of Injury	Number of Claims	Average Benefits Paid	Average Allocated Loss Adjustment Expenses Paid	Average Additional Payments After 6 Months from Disposition
Temporary - Minor	45	\$20,955	\$23,547	\$0
Death	37	\$170,302	\$86,277	\$35
Permanent - Minor	24	\$127,500	\$27,753	\$0
Temporary - Major	22	\$29,144	\$42,520	\$0
Permanent - Major	17	\$308,824	\$109,687	\$0
Permanent - Significant	16	\$372,656	\$71,945	\$0
Temporary - Insignificant	9	\$487	\$6,630	\$0
Emotional Only	5	\$14,000	\$5,632	\$0
All Other/Uknown	4	\$0	\$4,363	\$0
Total	179	\$124,202	\$50,137	\$7





**Iowa Insurance Division
Open Claims
Total Benefits and Expenses
Calendar Year 2022 - By Severity of Claim**

Severity of Injury	Number of Claims	Total Benefits Paid	Total Allocated Loss Adjustment Expenses Paid	Reserve for Incurred and Reported but not Disposed
Death	92	\$1,126,000	\$3,551,066	\$14,396,230
Temporary - Minor	43	\$165,000	\$801,459	\$2,233,769
Temporary - Major	43	\$773,718	\$1,519,233	\$3,766,735
Permanent - Minor	33	\$1,000,000	\$1,269,831	\$8,782,002
Permanent - Major	20	\$0	\$2,595,172	\$19,011,575
Permanent - Significant	18	\$0	\$943,784	\$2,690,850
Grave	8	\$0	\$565,757	\$1,472,002
Temporary - Insignificant	5	\$0	\$49,846	\$157,500
All Other/Unknown	12	\$0	\$76,697	\$145,006
Total	274	\$3,064,718	\$11,372,846	\$52,655,669

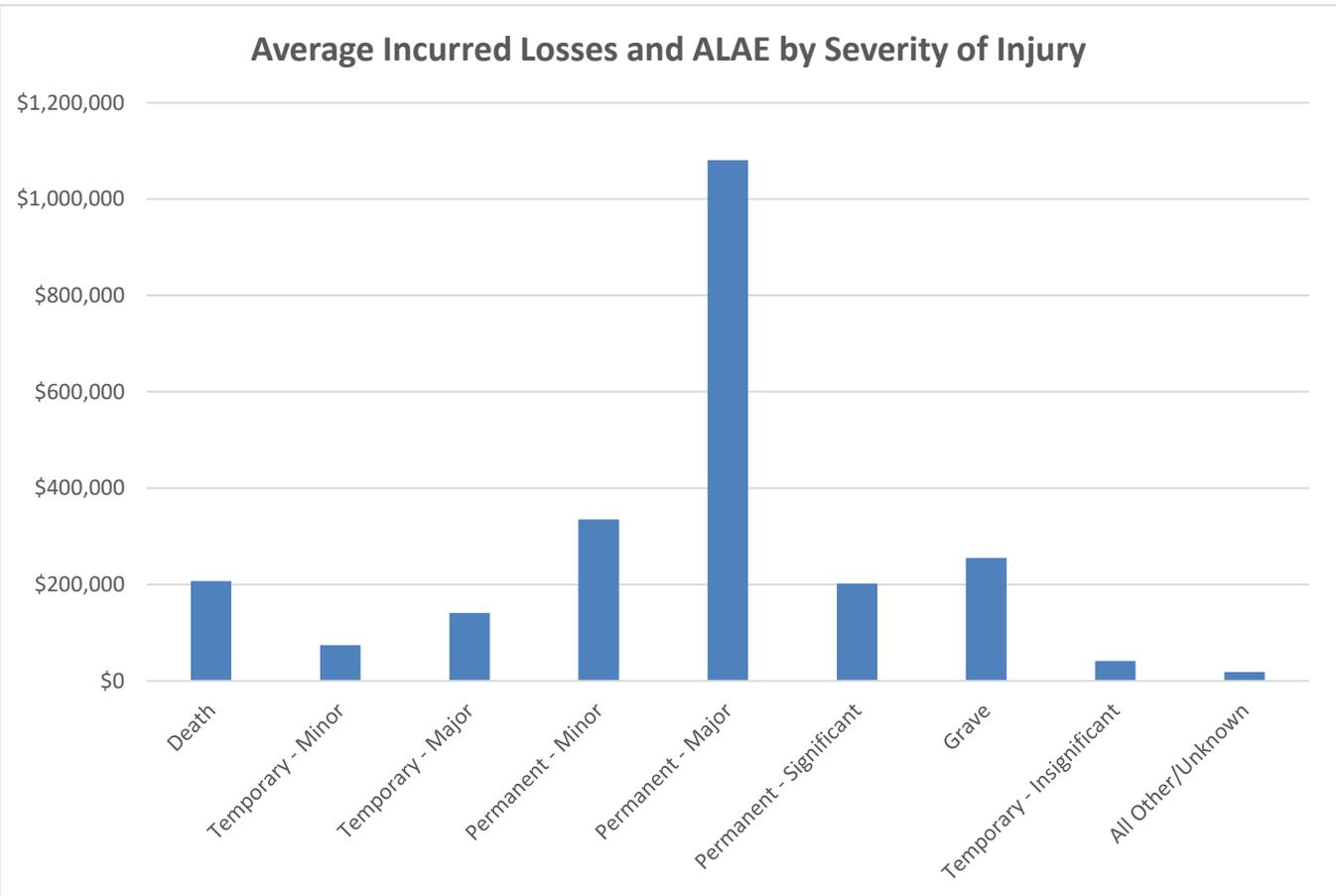




**Iowa Insurance Division
Open Claims
Average Benefits and Expenses
Calendar Year 2022 - By Severity of Claim**

Severity of Injury	Number of Claims	Average Total Benefits Paid	Average Total Allocated Loss Adjustment Expenses Paid	Average Reserve for Incurred and Reported but not Disposed
Death	92	\$12,239	\$38,599	\$156,481
Temporary - Minor	43	\$3,837	\$18,639	\$51,948
Temporary - Major	43	\$17,993	\$35,331	\$87,598
Permanent - Minor	33	\$30,303	\$38,480	\$266,121
Permanent - Major	20	\$0	\$129,759	\$950,579
Permanent - Significant	18	\$0	\$52,432	\$149,492
Grave	8	\$0	\$70,720	\$184,000
Temporary - Insignificant	5	\$0	\$9,969	\$31,500
All Other/Unknown	12	\$0	\$6,391	\$12,084
Total	274	\$11,185	\$41,507	\$192,174

Average Incurred Losses and ALAE by Severity of Injury





Reports by Company

The following summaries provide data by company for closed and open claims.

As described earlier in the report, a category was assigned in cases where a company did not use the categories provided in the data call to identify claims, but a category could be reasonably assigned. Otherwise, the claim was listed in the Other/Unknown category. Any categories with less than five claims were combined and reported in total for the company.

Companies with fewer than five claims in total were reported as a group. Below are the grouped companies for the closed claim exhibits and for the open claim exhibits.

Companies Grouped for Closed Claim Report

CNA Insurance Company
Constellation
Fortress Insurance Company
ISMIE Mutual Insurance Company
NORCAL Insurance Company
Preferred Professional Insurance Company
ProAssurance Insurance Company of America (PICA)
The Cincinnati Insurance Company

Companies Grouped for Open Claim Report

Bridgeway Insurance Co.
CNA Insurance Company
ISMIE Mutual Insurance Company
NORCAL Insurance Company



**Iowa Insurance Division
Benefits and Expenses by Company
Closed Claims by Specialty
Calendar Year 2022**

Company	Provider Specialty	Number of Claims	Total Benefits Paid	Total Allocated LAE + Attorney + All Other ALAE Paid	Additional Payments After 6 Months from Disposition
MMIC Insurance, Inc.					
	Family Practice	8	\$2,000,000	\$1,297,776	\$0
	General Surgery	5	\$0	\$1,182,226	\$0
	Orthopedics	9	\$75,000	\$623,310	\$0
	All Other/Unknown	84	\$5,730,605	\$9,484,342	\$0
NCMIC Insurance Company & PSIC Insurance Company					
	Chiropractic	6	\$1,715,500	\$1,262,262	\$0
	All Other/Unknown	5	\$1,000,000	\$898,025	\$0
ProSelect Insurance Company					
	All Other/Unknown	11	\$340,000	\$458,662	\$0
The MedPro Group					
	Orthopedics	10	\$217,000	\$155,128	\$0
	Radiology	5	\$4,000,000	\$92,178	\$0
	All Other/Unknown	21	\$4,595,000	\$709,698	\$0
Grouped Companies					
	All Other/Unknown	15	\$2,559,100	\$841,505	\$1,298



**Iowa Insurance Division
Benefits and Expenses by Company
Open Claims by Specialty
Calendar Year 2022**

Company	Provider Specialty	Number of Claims	Total Benefits Paid	Total Allocated Loss Adjustment Expenses Paid	Reserve for Incurred and Reported but not Disposed
Chubb (Legacy ACE)					
	All Other/Unknown	6	\$0	\$4,943	\$95,000
Coverys Specialty Insurance Company					
	Family Practice	5	\$0	\$13,913	\$21,000
	All Other/Unknown	8	\$0	\$95,934	\$1,130,000
MMIC Insurance, Inc.					
	Anesthesiology	7	\$0	\$449,685	\$1,327,225
	Emergency Medicine	5	\$0	\$107,227	\$160,000
	Family Practice	12	\$0	\$524,170	\$6,139,590
	General Surgery	9	\$0	\$380,336	\$2,433,000
	Neurology	7	\$0	\$327,061	\$1,440,750
	Obstetrics/Gynecology	15	\$165,000	\$1,444,225	\$8,392,500
	Orthopedics	12	\$0	\$543,834	\$2,281,250
	Plastic Surgery	7	\$0	\$285,740	\$658,000
	All Other/Unknown	75	\$0	\$4,184,961	\$18,308,350
NCMIC Insurance Company & PSIC Insurance Company					
	Chiropractic	7	\$0	\$346,924	\$815,000
	All Other/Unknown	9	\$0	\$299,926	\$1,025,000
Preferred Professional Insurance Company					
	All Other/Unknown	8	\$0	\$210,737	\$950,004
ProSelect Insurance Company					
	Hospital	5	\$0	\$197,449	\$705,000
	All Other/Unknown	11	\$0	\$255,488	\$2,353,999
The Cincinnati Insurance Company					
	All Other/Unknown	5	\$0	\$88,390	\$2,100,000
The MedPro Group					
	Cardiology	14	\$0	\$580,552	\$0
	Emergency Medicine	6	\$0	\$242,468	\$0
	Hospital	11	\$2,000	\$69,043	\$0
	All Other/Unknown	17	\$1,873,718	\$479,506	\$0
Grouped Companies					
	All Other/Unknown	13	\$1,024,000	\$240,334	\$2,320,001



**Iowa Insurance Division
Benefits and Expenses by Company
Closed Claims by Nature of Claim
Calendar Year 2022**

Company	Cause of Loss	Number of Claims	Total Benefits Paid	Total Allocated LAE + Attorney + All Other ALAE Paid	Additional Payments After 6 Months from Disposition
MMIC Insurance, Inc.					
	Failure to Diagnose/Monitor/Treat	23	\$2,100,000	\$2,963,473	\$0
	Incorrect Medication	5	\$8,178	\$265,417	\$0
	Inappropriate/Improper Surgical Proc.	22	\$2,325,000	\$3,502,727	\$0
	Post-Operative Complications	9	\$350,000	\$711,727	\$0
	Treatment Related Cause	5	\$0	\$523,460	\$0
	Pregnancy or Birth Related Problems	6	\$2,511,167	\$342,083	\$0
	Fracture/Fall	10	\$314,285	\$398,520	\$0
	Inappropriate Procedure	6	\$101,975	\$115,304	\$0
	All Other/Unknown	20	\$95,000	\$3,764,942	\$0
NCMIC Insurance Company & PSIC Insurance Company					
	Treatment Related Cause	8	\$2,715,500	\$1,679,829	\$0
	All Other/Unknown	3	\$0	\$480,459	\$0
ProSelect Insurance Company					
	Failure to Diagnose/Monitor/Treat	7	\$295,000	\$402,095	\$0
	All Other/Unknown	4	\$45,000	\$56,567	\$0
The MedPro Group					
	Failure to Diagnose/Monitor/Treat	25	\$7,170,000	\$759,049	\$0
	Treatment Related Cause	10	\$1,642,000	\$169,664	\$0
	All Other/Unknown	1	\$0	\$28,292	\$0
Grouped Companies					
	Failure to Diagnose/Monitor/Treat	7	\$2,125,000	\$775,859	\$1,298
	All Other/Unknown	8	\$434,100	\$65,647	\$0



**Iowa Insurance Division
Benefits and Expenses by Company
Open Claims by Nature of Claim
Calendar Year 2022**

Company	Alleged Cause of Loss	Number of Claims	Total Benefits Paid	Total Allocated Loss Adjustment Expenses Paid	Reserve for Incurred and Reported but not Disposed
Chubb (Legacy ACE)					
	All Other/Unknown	6	\$0	\$4,943	\$95,000
Coverys Specialty Insurance Company					
	Failure to Diagnose/Monitor/Treat	7	\$0	\$13,982	\$35,000
	All Other/Unknown	6	\$0	\$95,866	\$1,116,000
MMIC Insurance, Inc.					
	Failure to Diagnose/Monitor/Treat	33	\$0	\$911,333	\$3,652,350
	Inappropriate/Improper Surgical Proc.	40	\$0	\$2,534,497	\$11,784,885
	Post-Operative Complications	9	\$0	\$317,512	\$1,340,010
	Pregnancy or Birth Related Problems	21	\$0	\$2,191,387	\$15,741,581
	Inappropriate Procedure	8	\$0	\$112,738	\$977,500
	All Other/Unknown	38	\$165,000	\$2,179,771	\$7,644,339
NCMIC Insurance Company & PSIC Insurance Company					
	Failure to Diagnose/Monitor/Treat	6	\$0	\$146,441	\$525,000
	Treatment Related Cause	9	\$0	\$476,643	\$1,265,000
	All Other/Unknown	1	\$0	\$23,766	\$50,000
Preferred Professional Insurance Company					
	All Other/Unknown	8	\$0	\$210,737	\$950,004
ProSelect Insurance Company					
	Treatment Related Cause	5	\$0	\$189,124	\$1,249,999
	All Other/Unknown	11	\$0	\$263,814	\$1,809,000
The Cincinnati Insurance Company					
	All Other/Unknown	5	\$0	\$88,390	\$2,100,000
The MedPro Group					
	Failure to Diagnose/Monitor/Treat	32	\$1,873,718	\$1,208,369	\$0
	Treatment Related Cause	14	\$0	\$109,746	\$0
	All Other/Unknown	2	\$2,000	\$53,455	\$0
Grouped Companies					
	Failure to Diagnose/Monitor/Treat	7	\$24,000	\$64,154	\$70,000
	All Other/Unknown	6	\$1,000,000	\$176,180	\$2,250,001



**Iowa Insurance Division
Benefits and Expenses by Company
Closed Claims by Substance of Claim
Calendar Year 2022**

Company	Severity	Number of Claims	Total Benefits Paid	Total Allocated LAE + Attorney + All Other ALAE Paid	Additional Payments After 6 Months from Disposition
MMIC Insurance, Inc.					
	Temporary - Minor	33	\$461,260	\$1,932,807	\$0
	Temporary - Major	14	\$388,178	\$1,303,095	\$0
	Permanent - Minor	11	\$0	\$373,095	\$0
	Permanent - Major	16	\$5,250,000	\$3,729,355	\$0
	Death	23	\$1,106,167	\$4,533,421	\$0
	All Other/Unknown	9	\$600,000	\$715,880	\$0
NCMIC Insurance Company & PSIC Insurance Company					
	Permanent - Significant	5	\$1,362,500	\$1,422,130	\$0
	All Other/Unknown	6	\$1,353,000	\$738,158	\$0
ProSelect Insurance Company					
	All Other/Unknown	11	\$340,000	\$458,662	\$0
The MedPro Group					
	Temporary - Insignificant	5	\$0	\$42,051	\$0
	Temporary - Minor	7	\$7,000	\$84,192	\$0
	Permanent - Minor	6	\$1,810,000	\$218,036	\$0
	Permanent - Significant	6	\$4,000,000	\$102,022	\$0
	Death	8	\$2,795,000	\$378,906	\$0
	All Other/Unknown	4	\$200,000	\$131,797	\$0
Grouped Companies					
	All Other/Unknown	15	\$2,559,100	\$841,505	\$1,298



**Iowa Insurance Division
Benefits and Expenses by Company
Open Claims by Substance of Claim
Calendar Year 2022**

Company	Severity	Number of Claims	Total Benefits Paid	Total Allocated Loss Adjustment Expenses Paid	Reserve for Incurred and Reported but not Disposed
Chubb (Legacy ACE)					
	All Other/Unknown	6	\$0	\$4,943	\$95,000
Coverys Specialty Insurance Company					
	Temporary - Minor	8	\$0	\$16,114	\$40,000
	All Other/Unknown	5	\$0	\$93,733	\$1,111,000
MMIC Insurance, Inc.					
	Temporary - Minor	27	\$165,000	\$723,863	\$1,968,770
	Temporary - Major	25	\$0	\$1,025,377	\$2,646,735
	Permanent - Minor	18	\$0	\$694,927	\$5,233,000
	Permanent - Significant	7	\$0	\$464,104	\$1,940,850
	Permanent - Major	19	\$0	\$2,560,484	\$18,511,576
	Death	41	\$0	\$2,292,087	\$9,810,229
	All Other/Unknown	12	\$0	\$486,398	\$1,029,505
NCMIC Insurance Company & PSIC Insurance Company					
	Temporary - Major	5	\$0	\$152,552	\$400,000
	Permanent - Significant	5	\$0	\$249,216	\$750,000
	All Other/Unknown	6	\$0	\$245,083	\$690,000
Preferred Professional Insurance Company					
	All Other/Unknown	8	\$0	\$210,737	\$950,004
ProSelect Insurance Company					
	Temporary - Major	5	\$0	\$146,474	\$710,000
	All Other/Unknown	11	\$0	\$306,463	\$2,348,999
The Cincinnati Insurance Company					
	All Other/Unknown	5	\$0	\$88,390	\$2,100,000
The MedPro Group					
	Temporary - Major	7	\$773,718	\$194,830	\$0
	Permanent - Significant	6	\$0	\$230,465	\$0
	Death	28	\$102,000	\$707,281	\$0
	All Other/Unknown	7	\$1,000,000	\$238,993	\$0
Grouped Companies					
	Death	9	\$1,024,000	\$232,945	\$2,300,000
	All Other/Unknown	4	\$0	\$7,389	\$20,001



Appendix A: Grouped Companies

NAIC Group Number 218: CNA Ins Group

Western Surety Co.	Transportation Insurance Co.	Continental Insurance Co.
Universal Surety of America	Valley Forge Insurance Co.	Inverin Insurance Co.
American Cas Co. of Reading PA	Surety Bonding Co. of America	Continental Ins Co. of NJ
Continental Casualty Co.	21st Century Advantage Ins Co.	
Natl Fire Ins Co. of Hartford	Columbia Casualty Co.	

NAIC Group Number 244: Cincinnati Financial Group

Cincinnati Insurance Co.	Cincinnati Indemnity Co.	Cincinnati Life Insurance Co.
Cincinnati Spclty Underwriters	Cincinnati Casualty Co.	

NAIC Group Number 626: Chubb Ltd Grp

Westchester Fire Ins Co. (PA)	ACE P&C Insurance Co.	Executive Risk Indemnity Inc.
Chubb National Insurance Co.	ACE Fire Underwriters Ins Co	Atlantic Employers Ins Co.
Westchester Surplus Lines Ins	Century Indemnity Co.	Chubb Custom Insurance Co.
Chubb Indemnity Insurance Co.	ACE American Insurance Co.	Chubb Insurance Co. of NJ
Penn Millers Insurance Co.	Insurance Co. of North America	Agri General Insurance Co.
Bankers Standard Insurance Co.	Pacific Employers Insurance Co	Indem Ins Co. of N Amer (PA)
Federal Insurance Co.	ACE Ins Co. of the Midwest	Executive Risk Spclty Ins Co.
Great Northern Insurance Co.	Chubb Lloyds Ins Co. of Texas	ACE Life Insurance Co.
Pacific Indemnity Co.	Illinois Union Insurance Co.	Combined Insurance Co. of Am
Vigilant Insurance Co.	Chubb Insurance Co. of PR	Combined Life Ins Co. of NY

NAIC Group Number 1154: Coverys Group

Medical Prof Mutual Ins Co.	Coverys RRG Inc.	Preferred Professional Ins Co.
ProSelect Insurance Co.	Coverys Specialty Insurance Co	

NAIC Group Number 2358: ISMIE Group

ISMIE Indemnity Co.	ISMIE RRG Inc.	ISMIE Mutual Insurance Co.
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NAIC Group Number 2638: NCMIC Grp

Professional Solutions Ins Co.	NCMIC Risk Retention Group Inc	NCMIC Insurance Co.
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NAIC Group Number 2698: ProAssurance Corp Group

Eastern Alliance Insurance Co.	ProAssurance Ins Co. of Am	ProAssurance Indemnity Co.
Allied Eastern Indemnity Co.	ProAssurance Amer Mutl A RRG	NORCAL Specialty Insurance Co.
FD Insurance Co.	ProAssurance Spclty Ins Co.	ProAssurance Casualty Co.
Medicus Insurance Co.	Medmarc Casualty Insurance Co.	Pfd Physicians Med RRG a Mutl
Eastern Advantage Assurance Co	NORCAL Insurance Co.	



NovaRest
ACTUARIAL CONSULTING

NAIC Group Number 4790: MMIC Group

Arkansas Mutual Insurance Co. MMIC Insurance Inc.
MMIC RRG Inc. UMIA Insurance Inc.

NAIC Group Number 508: National Group

Fortress Insurance Co. OMS National Insurance Co. RRG



Appendix B:
Annual Report Instructions



KIM REYNOLDS
GOVERNOR

DOUG OMMEN
COMMISSIONER OF INSURANCE

ADAM GREGG
LT. GOVERNOR

DATE: April 5, 2023
FROM: Iowa Insurance Division
TO: All Admitted Insurance Companies Writing Medical Malpractice Insurance
In Iowa

ANNUAL REPORT

LINE(S) OF BUSINESS: Medical Professional Liability Insurance per **Line #11** of the Annual Statement.

REPORTING COMPANIES: All companies licensed by the Iowa Insurance Division to write the line(s) of business noted above, with direct written premiums on or after January 1, 2022 through December 31, 2022.

DATA REQUESTED: Regarding **closed claims** and **open claims**.

DUE DATE: **June 1, 2023**

IID CONTACT PERSON: Travis Grassel (travis.grassel@iid.iowa.gov)

GENERAL INSTRUCTIONS

The following pages provide detailed directions for completing the report. The report must be submitted in the format provided. Record layout and formatting instructions will be found on subsequent pages. The report should consist of two EXCEL spreadsheets, one for closed claims and one for open claims, and the contact information sheet. The report should be submitted via e-mail to Travis Grassel at medmal@iid.iowa.gov by June 1, 2023.

MEDICAL PROFESSIONAL LIABILITY (MEDICAL MALPRACTICE) INSURANCE CLOSED AND OPEN CLAIM REPORT REPORT INSTRUCTIONS/SPECIFICATIONS

1. Please provide data for all medical professional liability, medical malpractice, insurance claims, and lawsuits closed or disposed of on or after January 1, 2022 through December 31, 2022. Also, please provide data for all medical professional liability, medical malpractice, insurance claims, and lawsuits open as of December 31, 2022.
 2. A claim for the purpose of this report is a formal or written demand for compensation under a medical professional liability, medical malpractice, insurance policy relating to allegations of liability on the part of one or more providers for any act, error, or omission in the rendering of, or failure to render medical services for medically related injuries.
 3. A lawsuit for the purpose of this report is a complaint filed in any court in this state alleging liability on the part of one or more providers for any act, error, or omission in the rendering of, or failure to render medical services for medically related injuries.
 4. If more than one insured is associated with an incident, report separately for each insured.
 5. If more than one injured party is associated with an incident, report separately for each injured party.
 6. If a claimant filed claims for the same injury under more than one policy, report separately for each policy.
 7. Include only direct business.
 8. If a claim has been reopened, but had not yet closed as of December 31, 2022, report this only within the open claims report.
 9. If a claim was reopened and then closed within the period from January 1, 2022 through December 31, 2022, only include in the closed claims report.
 10. Submit information for each closed claim, whether closed with or without payment.
 11. Submit information for each open claim, whether a reserve amount has been established or not.
-

MEDICAL PROFESSIONAL LIABILITY (MEDICAL MALPRACTICE) INSURANCE CLOSED AND OPEN CLAIM REPORT ELECTRONIC REPORTING INSTRUCTIONS

1. Please provide data in an EXCEL spreadsheet in accordance with the attached open and closed record layouts.
2. Please provide a separate spreadsheet for the closed claims report and a separate spreadsheet for the open claims report.
3. Companies within a group may report as a group rather than submitting separate reports for each company.
4. Each claim should be reported on one row within the appropriate spreadsheet, either the open claims spreadsheet or the closed claims spreadsheet.
5. Provide a separate document with the additional codes to explain the specified column when the date provided includes more codes than the closed and open layouts.
6. Data must be entered in the spreadsheets according to the definitions and report layout provided. To be accepted, data must be entered in date format as MM/DD/YYYY for dates; numeric format for dollar amounts, numbers, and any designated codes; and alpha-numeric format for other entries. For any columns where "Other" is chosen, enter in alpha-numeric format. Do not use formulas in the cells.
7. Please submit your completed Microsoft Excel spreadsheets and a copy of the Contact Information sheet via e-mail to Travis Grassel at medmal@iid.iowa.gov. The Excel spreadsheets may be zipped using the WinZip program if the file is too large for e-mail.
8. The report is due June 1, 2023.
9. If you have any questions, please feel free to e-mail or call Travis Grassel at travis.grassel@iid.iowa.gov, (515) 654-6570.

DEFINITIONS

Admitted Insurance Company – An insurer who has been licensed by the insurance division within the state of Iowa to write specific lines of business.

Allocated Loss Adjustment Expenses – Expenses attributable to a particular claim (direct defense and cost containment expenses).

Calendar Year – January 1 through December 31.

Claim – A formal or written demand for compensation under a medical professional liability insurance policy relating to allegations of liability on the part of one or more providers for any act, error, or omission in the rendering of, or failure to render medical services for medically related injuries.

Closed Claim – A claim for which no further action is expected; final payment if any has been made. Report all claims closed within the reporting period regardless the date they were reported to the company.

Deductible – An amount of money set within a policy that must be paid by an insured before the insurer is liable for any payments.

Direct Business – Policies written by an insurer without consideration of reinsurance.

Loss Reserve – The liability established to pay for a claim.

Paid Losses (Indemnity Payment) – Losses, but not expenses, paid to a claimant to close a claim.

Lawsuit – A complaint filed in any court in Iowa alleging liability on the part of one or more providers for any act, error, or omission in the rendering of, or failure to render medical services for medically related injuries.

Limit of Insurance – The maximum amount an insurer will pay as set forth in a contract of insurance.

Open Claim – A claim for which further action is expected; the final payment has not been completed. Report all claims opened at the end of the calendar year regardless of the date they were filed.

Reinsurance – Insurance coverage for the risks covered by other insurance companies.

Reopened Claim – A claim that had been closed, but for some reason, needs further action or payment.

Reserves – The liability set up to pay for a claim when the claim is ultimately closed. Reserves may be established for potential loss payments and allocated loss adjustment expenses separately or combined.

Reserves for Payment of Claims Incurred and Reported but not Disposed – The liability set up to pay for a claim when the claim is ultimately closed. Report reserves on all open claims during the calendar year that continue to be open at year-end.

Self-Insurance – A program in which an individual or entity assumes all or a portion of the risk for its medical professional liability (medical malpractice) claims.

Subrogation – Reimbursement by a party responsible for a payment to another party that had paid the amount.

ALLEGED INJURY

Please classify each claim by the following severity of injury types.

- Emotional Only (e.g. fright, no physical damage)
- Temporary – Insignificant (e.g. lacerations, contusions, minor scars, rash; no delay)
- Temporary – Minor (e.g. infections, fracture, fall in hospital; recovery delayed)
- Temporary – Major (e.g. surgical material left, drug side effect, brain damage; recovery delayed)
- Permanent – Minor (e.g. loss of fingers, loss or damage to organs; includes non-disabling injuries)
- Permanent – Significant (e.g. deafness, loss of limb, loss of eye, loss of one kidney or lung)
- Permanent – Major (e.g. paraplegia, blindness, loss of two limbs, brain damage)
- Grave (e.g. quadriplegia, severe brain damage, lifelong care or fatal prognosis)
- Death
- Other/Unknown (e.g. injury was not a part of the list above, data was not captured or maintained)

**MEDICAL PROFESSIONAL LIABILITY
(MEDICAL MALPRACTICE) INSURANCE
CLOSED AND OPEN CLAIM REPORT
CONTACT INFORMATION**

Please complete the following and submit with your spreadsheets.

Contact Person: _____

Title: _____

E-mail: _____

Telephone Number: _____

Company: _____

Address: _____

City, State, ZIP: _____

I have provided all relevant and accurate closed and open claim data for the medical professional liability, medical malpractice, line of business for this data call. To the best of my knowledge, the information provided for this company is true and accurate as of December 31, 2022.

Person Responsible for Data Call: _____

Title: _____

Date: _____

We thank you for your prompt attention to this matter!

The Iowa Insurance Division

Appendix C:

**Iowa Medical Malpractice Supplemental Multistate
Regional Experience
2018 – 2022**

Iowa Department of Insurance & Financial Services
Iowa Insurance Division
Medical Malpractice
Multistate Regional Experience Analysis

Direct Internal Expense Ratio: (Direct ULAE Incurred + Direct General Expenses)/Direct Premium Earned + Direct Other Acquisition/Direct Premium Written

Direct Acquisition Expense Ratio: (Direct Commissions & Brokerage + Direct Taxes, Licenses, and Fees)/(Direct Premiums Written)

Direct Loss & ALAE Ratio: (Direct Losses Incurred + Direct DCC Incurred)/Direct Premiums Earned

Direct Combined Ratio: Direct Loss & ALAE Ratio + Direct Internal Expense Ratio + Direct Acquisition Expense Ratio

DCC: Defense Cost & Containment

LAE: Loss Adjustment Expenses are all costs incurred by a company during the claim settlement process. Claim adjusters' fees, claim department overhead, and legal defense costs are examples of LAE.

ALAE: Allocated Loss Adjustment Expense are those costs that can easily be related to individual claims. Legal fees to defend against a specific claim or costs incurred by a claim adjuster assigned to one claim are ALAE.

ULAE: Unallocated Loss Adjustment Expense are those costs that are more difficult to assign to particular claims, such as claim department salaries.

Defense & Cost Containment: Include costs incurred in defending claims, including expert witness fees and other legal fees.

Adjusting & Other (A&O) Expenses: A&O includes all other expenses.

Note of explanation: In 1998, the insurance industry introduced new LAE definitions in an attempt to improve financial reporting consistency between companies in the US. Instead of categorizing loss adjustment expenses by allocated or unallocated for financial reporting purposes, costs are now split into defense cost and containment (DCC) and adjusting and other (A&O) expenses. Prior to the switch, companies with in-house attorneys sometimes coded legal expenses as ULAE, while companies using outside legal counsel coded these expenses as ALAE. This historic difference made comparing operations metrics across companies difficult. The new standardization of the definitions makes these comparisons more meaningful.

General Expense: General expenses include the remaining expenses associated with insurance operations and any other miscellaneous costs, excluding investment income expenses. Examples include overhead associated with the insurer's home office (e.g. building maintenance) and salaries of certain employees (e.g. actuaries).

Other Acquisition: Other acquisition costs are expenses that are paid to acquire business other than commissions and brokerage expenses. Costs associated with media advertisements, mailings to prospective insureds, and salaries of sales employees who do not work on a commission basis are included in this category.

Commission & Brokerage: Commission and brokerage are amounts paid to agents or brokers as compensation for generating business. Typically, these amounts are paid as a percentage of premiums written. Commission rates may vary between new and renewal business. In addition, contingent commissions vary the commission based on the quality (e.g. loss ratio) or amount of business written (e.g. predetermined volume goals).

Taxes, Licenses, and Fees: Taxes, licenses, and fees include all taxes and miscellaneous fees due from the insurer excluding federal income taxes. Premium taxes and licensing fees are examples that would be included here.

Iowa Department of Insurance & Financial Services

Iowa Insurance Division

Medical Malpractice

Multistate Regional Experience Analysis

2018-2022

	<u>Grand Total</u>	<u>Iowa</u>	<u>Illinois</u>	<u>Kansas</u>	<u>Minnesota</u>	<u>Missouri</u>	<u>Nebraska</u>	<u>South Dakota</u>	<u>Wisconsin</u>
5-Year Average Direct Loss & ALAE Ratio	74.8%	106.5%	80.8%	80.6%	68.2%	80.7%	87.9%	80.5%	50.2%
5-Year Average Direct Internal Expense Ratio	18.2%	19.0%	17.8%	19.1%	17.8%	18.3%	18.3%	19.0%	17.8%
5-Year Average Direct Acquisition Expense Ratio	10.8%	10.6%	12.4%	12.1%	12.4%	10.3%	12.8%	14.0%	9.5%
5-Year Average Combined Ratio	103.8%	136.1%	111.0%	111.8%	98.4%	109.2%	119.0%	113.5%	77.6%
Direct Loss & ALAE Ratios									
2018	67.8%	132.0%	84.5%	82.9%	84.3%	70.4%	88.0%	22.1%	27.7%
2019	79.9%	122.1%	94.1%	67.7%	85.8%	98.5%	108.4%	90.6%	76.2%
2020	78.8%	107.7%	88.4%	118.8%	63.3%	81.9%	96.9%	120.2%	62.5%
2021	74.2%	70.9%	74.7%	83.1%	41.8%	70.3%	80.3%	81.9%	16.3%
2022	73.1%	99.9%	62.2%	50.6%	65.6%	82.2%	65.9%	87.8%	68.5%
Direct Internal Expense Ratios									
2018	19.2%	19.4%	18.6%	19.9%	18.3%	18.8%	19.2%	19.9%	18.3%
2019	18.9%	20.2%	18.5%	20.4%	19.1%	19.7%	19.0%	20.9%	18.7%
2020	18.4%	18.9%	18.0%	19.3%	17.9%	18.3%	18.7%	19.4%	18.1%
2021	17.4%	18.6%	17.4%	18.1%	17.0%	17.3%	17.4%	17.6%	17.1%
2022	17.2%	17.9%	16.7%	17.7%	16.9%	17.2%	17.3%	17.0%	17.1%
Direct Acquisition Expense Ratios									
2018	10.6%	10.4%	12.5%	11.1%	12.5%	10.6%	17.8%	13.5%	9.4%
2019	10.7%	10.3%	12.6%	12.8%	11.6%	10.0%	11.0%	15.8%	9.4%
2020	10.7%	10.3%	12.0%	12.0%	12.6%	10.4%	11.4%	13.0%	9.4%
2021	11.0%	10.4%	12.7%	12.5%	12.8%	10.6%	11.0%	13.7%	9.8%
2022	10.9%	11.6%	12.3%	12.2%	12.7%	9.9%	12.8%	13.9%	9.7%
Combined Ratios									
2018	97.7%	161.8%	115.6%	113.9%	115.1%	99.8%	125.0%	55.5%	55.3%
2019	109.6%	152.6%	125.2%	100.9%	116.5%	128.3%	138.4%	127.3%	104.4%
2020	107.9%	136.8%	118.3%	150.1%	93.7%	110.6%	126.9%	152.6%	89.9%
2021	102.6%	99.8%	104.7%	113.7%	71.6%	98.2%	108.6%	113.2%	43.1%
2022	101.2%	129.4%	91.2%	80.5%	95.2%	109.4%	96.0%	118.7%	95.3%

Average Direct Loss & ALAE Ratio, Average Direct Internal Expense Ratio and Average Direct Acquisition Expense Ratio (2018-2022)

