Medical Malpractice Report

Insurers with 5% or more of the Medical Malpractice market share in West Virginia

Provided by the West Virginia Offices of the Insurance Commissioner: November 2013

Introduction

The West Virginia Offices of the Insurance Commissioner has prepared this report on Medical Professional Liability Insurance to fulfill the requirements and intent of West Virginia Regulations §114CSR22, §114CSR23, West Virginia Code §33-20B-6, and §33-20B-7. The information used in the preparation of this report encompasses the experience found in the statutorily required "filed information" of those insurers with a 5% or greater written premium market share, the rate filings of those companies, National Association of Insurance Commissioners (***NAIC***) supplementary information, Insurance Services Office (***ISO***) loss cost filings and other ***ISO*** reports, ***A. M. Best*** reports, data collected in accordance with §33-20B-8, and data from the West Virginia Board of Medicine.

A "*claim for medical malpractice*"[1] means a claim arising out of the rendering of, or the failure to render, medical care services. An "*action of medical malpractice*" is a tort or breach of contract claim for damages due to the death, injury, or monetary loss to any person arising out of any medical, dental, or surgical diagnosis, treatment, or care by any provider of healthcare.

In any action for the recovery of damages based upon medical malpractice, a claimant has the burden of proving the alleged actions of the healthcare provider represented a breach of, or failure to meet, the prevailing standard of care for that type of healthcare provider. The prevailing professional standard of care for a given healthcare provider is the level of care, skill and treatment which, in light of all relevant surrounding circumstances, is recognized as acceptable and appropriate by reasonably prudent similar healthcare providers.

[1] *2003 University of Central Florida Governor's Select Task Force on Healthcare Professional Liability Insurance*

The medical malpractice insurance market has gone through three crisis periods or "hard" markets during the past thirty years. The first medical malpractice crisis occurred in the mid-to–late 1970s. The second medical malpractice crisis occurred in the mid-1980s. The most recent medical malpractice crisis began in early 2001. This hard insurance market was driven by a number of factors[2]:

- Rising loss trends;
- Higher and more volatile jury awards;
- Adverse reserve development on prior accident/report year reserves;
- Reduced carrier capacities;
- Rising cost and availability of reinsurance;
- Varying success of tort reform packages in multiple states (*e.g., constitutionality, ability to pass reforms*); and
- Declining investment returns.

As this report will show, West Virginia's **medical malpractice insurance results have displayed continuous improvement compared to that of the years subsequent to the recent "*hard*" market period.** Rate level changes which have been approved over the last few years, the passage of H.B. 601 and H.B. 2122 creating the policyholder owned ***West Virginia Mutual Insurance Company*** have all contributed to the change in the Medical Malpractice Liability results in West Virginia. In 2012, we had another outstanding year of overall loss experience and continued rate stabilization (*i.e. little to no changes*) from the major admitted writers in West Virginia.

[2] *July/August 2004 Contingencies Magazine (www.contingencies.org), The Medical Malpractice Market: From National Dominance to Regional Focus, Kevin Bingham.*

This year's report covers the following medical malpractice insurance areas:

- **Section I:** An overview of the Industry's *by-line* insurance results in 2012 together with a *comparison* of Industry results and West Virginia results for the Medical Malpractice Insurance line.

- **Section II:** A review of §33-20B-8 closed claim data and the West Virginia Board of Medicine paid claim data covering 1994–2012.

- **Section III:** A *fulfillment of the legislative requirements* examining market positions, rating plans and rules, and a comparison of filed information to rate filings and financial statement information. This section includes a commentary concerning Joint Underwriting Associations pursuant to §33-20B-7. A review of rate filings and investment returns is also provided, as well as a sample comparison of currently approved physician's and surgeon's rates in West Virginia.

- **Section IV:** A review of Medical Liability Fund data, Board of Medicine licensure data, and other claim data gathered from Company financial statements.

- **Section V:** Summary observations

The overall goal of this report is to provide the reader with insight into the current Medical Malpractice Insurance market in the State of West Virginia.

Table of Contents

Introduction **1**

Section I Overview **6**

I. Overview of Countrywide P&C Insurance Industry Results for 2012 7

I-A: Medical Malpractice Insurance Results for the Industry 9

I-B: Medical Malpractice: Industry vs. West Virginia Comparison 11

I-C: Key Drivers of West Virginia Medical Malpractice Insurance Results 20

I-D: Loss and Defense Costs Incurred vs. Premiums Earned 21

I-E: A Cautionary Note 22

Section II A Review of Paid / Closed Claim Data **23**

II: Analysis of Paid Claim Information 24

II-A: How Malpractice Claims are disposed in West Virginia 25

II-B: Historical Judgments 27

II-C: Historical Settlements 30

II-D: Closed Claim (20B-8) Data 33

II-E: Paid Data Collection 43

Section III Review of 5% Market Share Companies **45**

III Review of major West Virginia Medical Malpractice Writers 46

III-A: Enabling Legislation 50

III-B: Discussion of Market Positions 51

III-C: Rating Plans and Rating Rules 55

III-D: Reconciliation of Filed Information to Rate Filing Information 56

III-E: Analysis of Rate Filings 60

III-F: Investment Portfolio 61

III-G: Overall Medical Malpractice Market (*Annual Statement Line of Business 11*) 62

Section IV Other Sources of Data **66**
IV: Other Sources of Data 67
IV-A: Medical Liability Fund Data 67
IV-B: Board of Medicine Data 71

Section V Summary Observations **74**
V: Summary Observations 75

Glossary of Terms **77**

Exhibits **81**

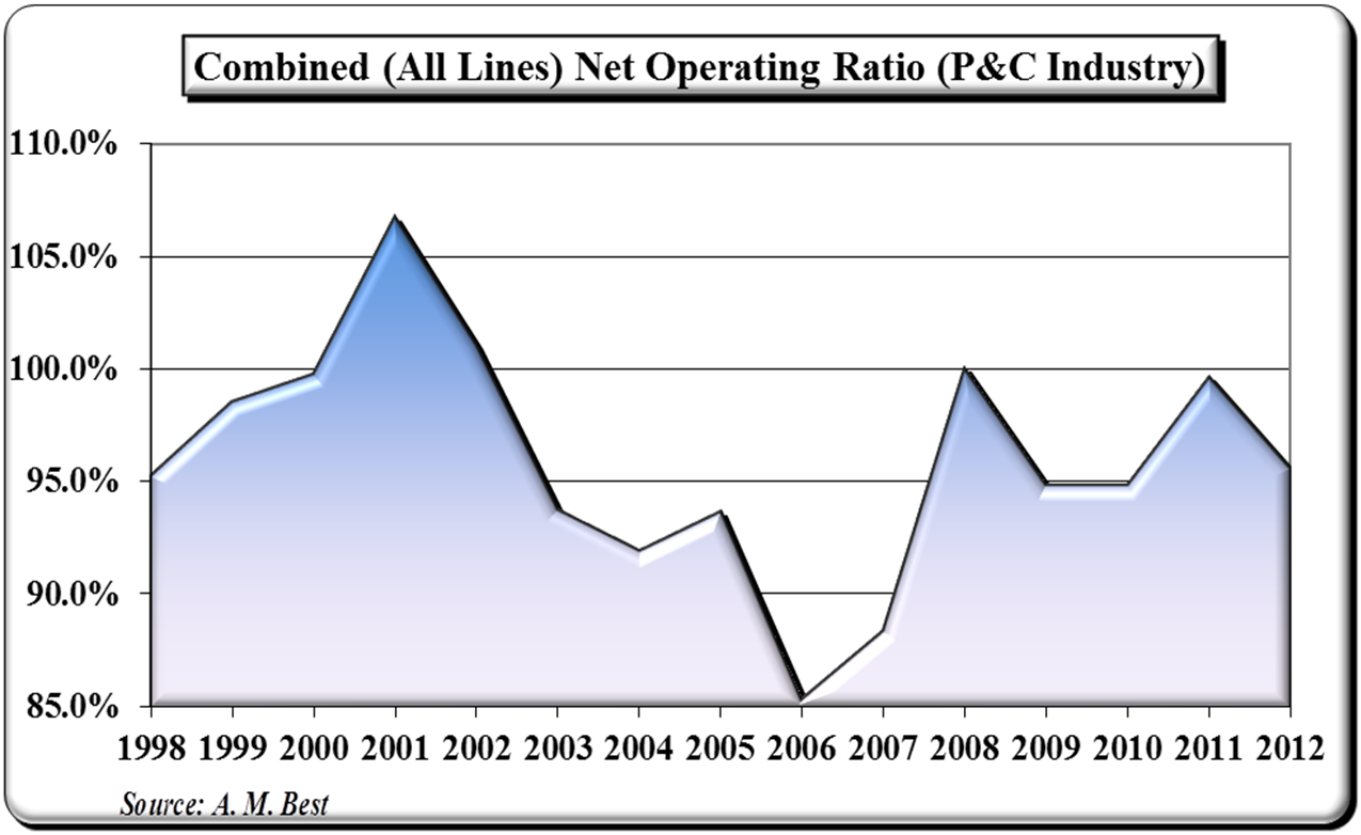
Appendix **99**
2012 Physicians / Hospitals /Other Facilities/ Professionals-Totals 100
2012 to 2000 Paid and Reserved Physicians Claims by Year 107
2012 West Virginia Population by County 130

Section I

Overview

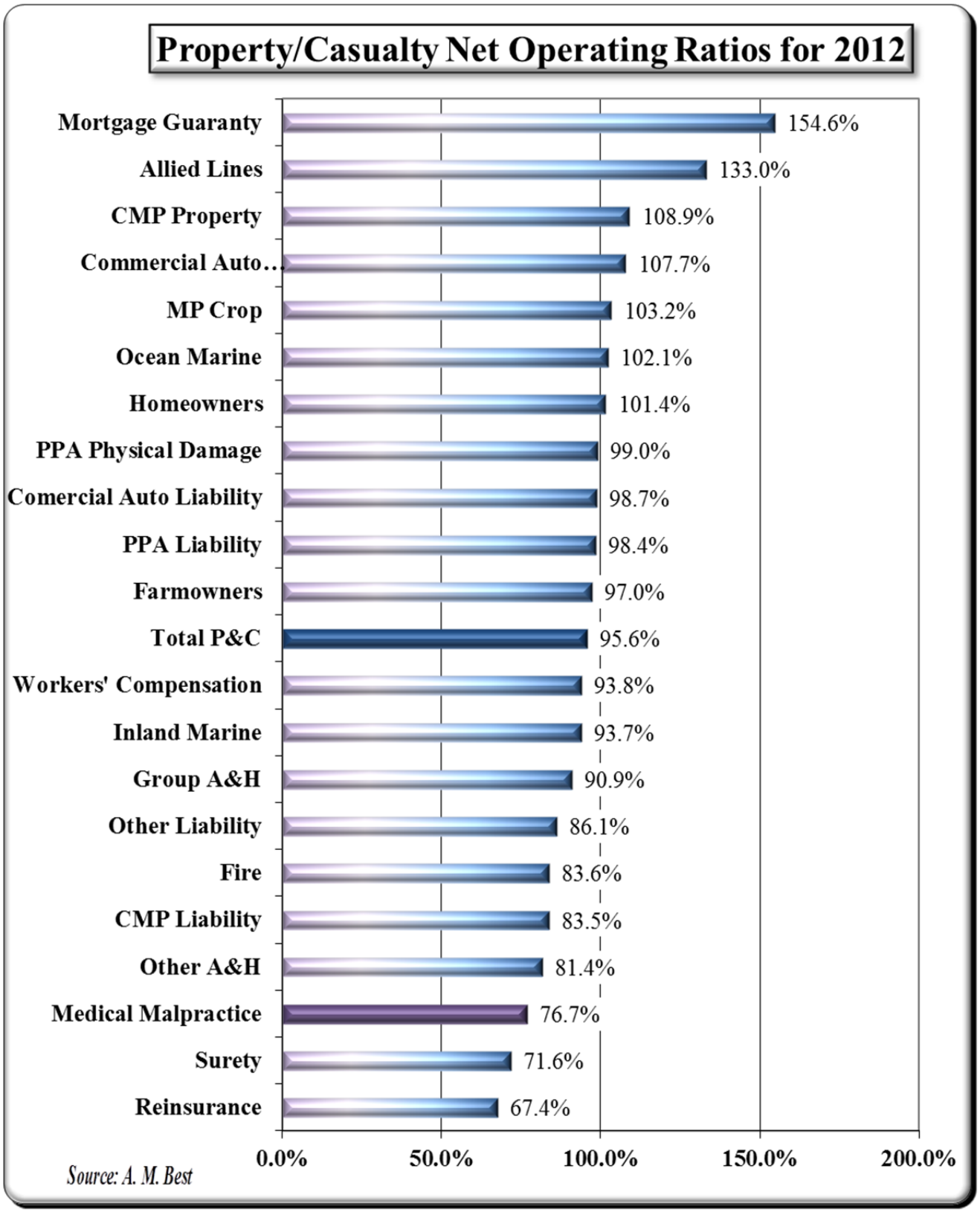
I. Overview of Countrywide P&C Insurance Industry Results for 2012

Experience for the combined all lines property and casualty insurance industry improved during 2012 and returned to profitability. The results continue to be somewhat influenced by the general recession and further remain above the particularly favorable levels which were realized around 2006 and 2007.



The combined all lines property and casualty insurance industry operating ratio for 2012 was 95.6%. This net operating ratio reflects the results after paying/reserving for all claims and claim expenses; paying underwriting expenses and dividends; paying and collecting on reinsurance agreements; and accounting for investment gains/losses.

The 2012 net operating experience of the P& C Industry as compared to some of its key element lines were as follows:



Several points can be noted from the industry results for 2012:

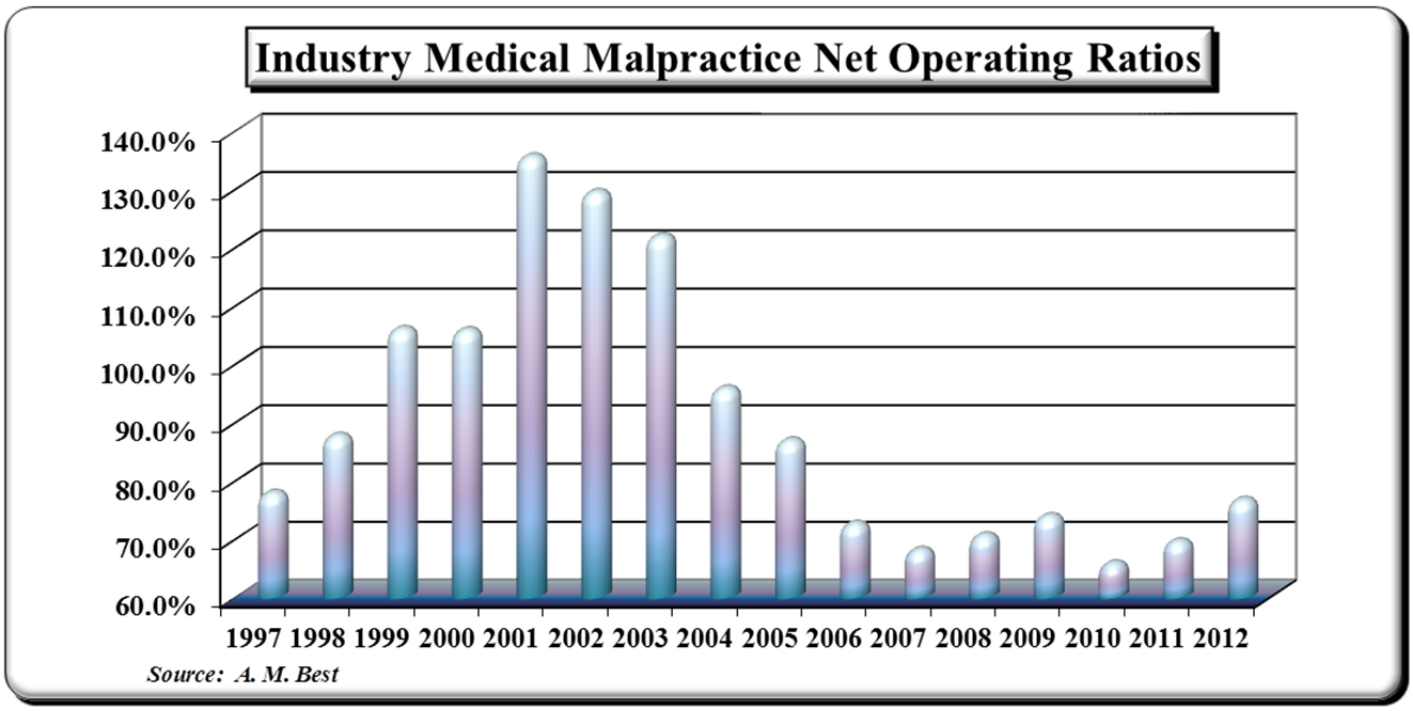
- The highly adverse impact of the national financial crisis upon the Financial and Mortgage Guaranty lines, having begun in 2008, is shown to have continued during this time.

- Reinsurance industry results, which often influence future outcomes for other lines of business, remained rather favorable (*at 67.4%)* as its net operating ratio had been 234.3% in 2005.

- Results for Medical Malpractice remain very encouraging.

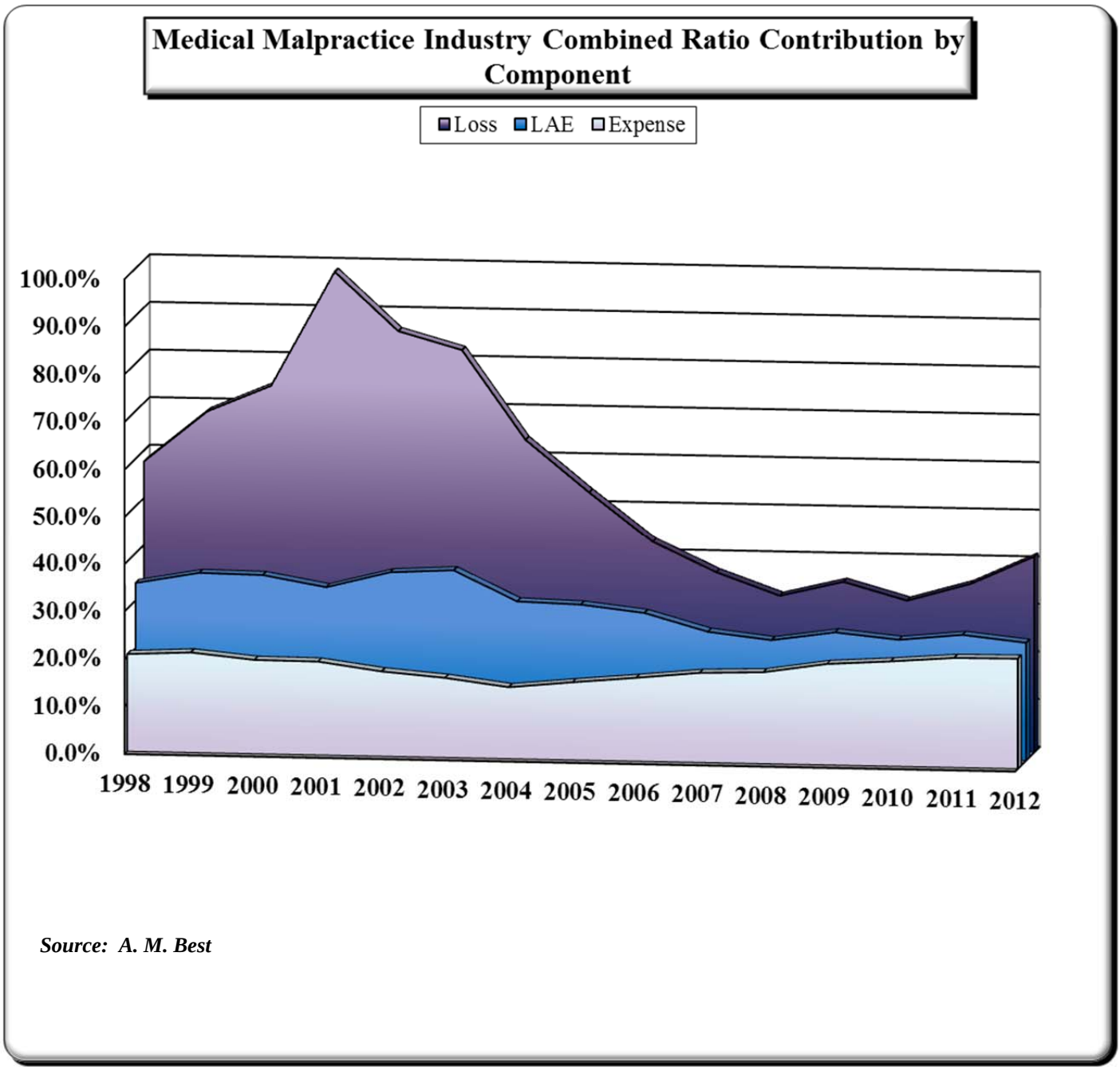
I-A: Medical Malpractice Insurance Results for the Industry

Medical Malpractice, which was the poorest performing line of insurance shortly after the millennium, has continued to show overall improvement since the adverse level which occurred in 2001, and is now performing well below the total combined industry results. The graph below displays industry net operating ratios occurring since 1997:



This chart displays the combined ratio contribution by component excluding investment income:

LAE = Loss Adjustment Expense, also known as Direct Cost Containment Expense (DCCE) which are those expenses such as outside attorney costs and necessary court fees that can be directly tied to a specific claim. Refer to the **Glossary** for more information.



Profitability for medical malpractice writers can be examined in the following table. Profitability can be volatile from year to year, thus *it is important to look at a number of years:*

Profitability - 250 Medical Malpractice Organizations													
	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Net Income ($M)	$523	($263)	($782)	($544)	$77	$652	$1,615	$1,844	$1,272	$1,696	$2,061	$2,065	$1,735
Surplus ($M)	$7,102	$6,678	$5,786	$6,150	$6,638	$7,195	$7,958	$10,790	$10,772	$12,326	$13,376	$14,764	$16,284
Return on Surplus	7.4%	-3.9%	-12.5%	-9.1%	12.0%	9.4%	21.3%	18.4%	11.8%	14.7%	16.0%	14.7%	11.2%

Source: A. M. Best

Over the past thirteen years, the 250 medical malpractice organizations above have amassed a fairly substantial policyholder surplus. Note that whereas earlier reports had indicated an overall loss of net income in hundreds of millions of dollars, the 2012 results demonstrate the just opposite with an 11.2% return. Note also that the diminishing return on surplus beginning after 2006, and exacerbated by the U.S. financial market crisis, has continued to some extent into 2012.

I-B: Medical Malpractice: Industry vs. West Virginia Comparison

The following exhibits provide a comparison of the Medical Malpractice line of business results for the Industry (*Countrywide*) along with results for West Virginia alone over the past fourteen years. In reviewing this exhibit, a few key areas of difference (*apart from the premium totals*) are noted. A general decline in total West Virginia premiums since 2004; greater volatility in direct West Virginia loss ratios and loss adjustment expenses (*due to our relatively small market size*), and a quicker return to overall profitability than that which was experienced on a countrywide basis. Additionally, as these data are on a calendar year basis (*as opposed to accident year, in which premiums and losses are tied to the year that claims were made in—See* ***Glossary***), additions to, or takedowns in, loss reserves from previous years will be carried forward to the calendar year on an accounting basis and can result in incurred loss amounts which may appear inflated or even result in overall negative dollar values for the year. Reductions in prior loss reserves were made in West Virginia in 2008 and again in 2012, resulting in negative loss ratios for our market as a whole during those years.

Industry vs. West Virginia Medical Malpractice Results

(000's)

INDUSTRY (Best's Aggregates & Averages)

Year	Direct Written Premium	Direct Earned Premium	Direct Loss Ratio	Loss Adjustment Expense	Underwriting Expense	Direct Combined Ratio
1999	$6,027,964	$6,013,442	74.60%	32.10%	20.10%	126.80%
2000	$6,376,040	$6,329,556	81.00%	32.10%	19.20%	132.30%
2001	$7,457,325	$6,928,413	99.60%	34.30%	18.50%	152.40%
2002	$9,308,354	$8,796,700	92.10%	31.70%	17.40%	141.20%
2003	$10,755,416	$10,268,287	81.60%	31.00%	15.20%	127.80%
2004	$10,665,495	$10,330,639	64.50%	27.50%	14.20%	106.20%
2005	$10,988,548	$10,795,144	51.10%	27.80%	15.40%	94.30%
2006	$11,875,752	$11,757,946	43.60%	26.70%	15.90%	86.20%
2007	$11,139,816	$11,232,329	40.90%	23.20%	17.40%	81.50%
2008	$10,820,311	$10,997,245	34.10%	23.20%	17.90%	75.20%
2009	$10,357,743	$10,428,668	35.00%	23.40%	19.50%	77.90%
2010	$10,109,096	$10,089,734	31.80%	22.20%	20.00%	74.00%
2011	$10,213,218	$10,243,916	34.50%	23.90%	20.80%	79.20%
2012	$9,523,589	$9,625,941	40.00%	23.80%	20.90%	84.70%
Total	**$135,618,667**	**$133,837,960**	**57.46%**	**27.35%**	**18.03%**	102.84%

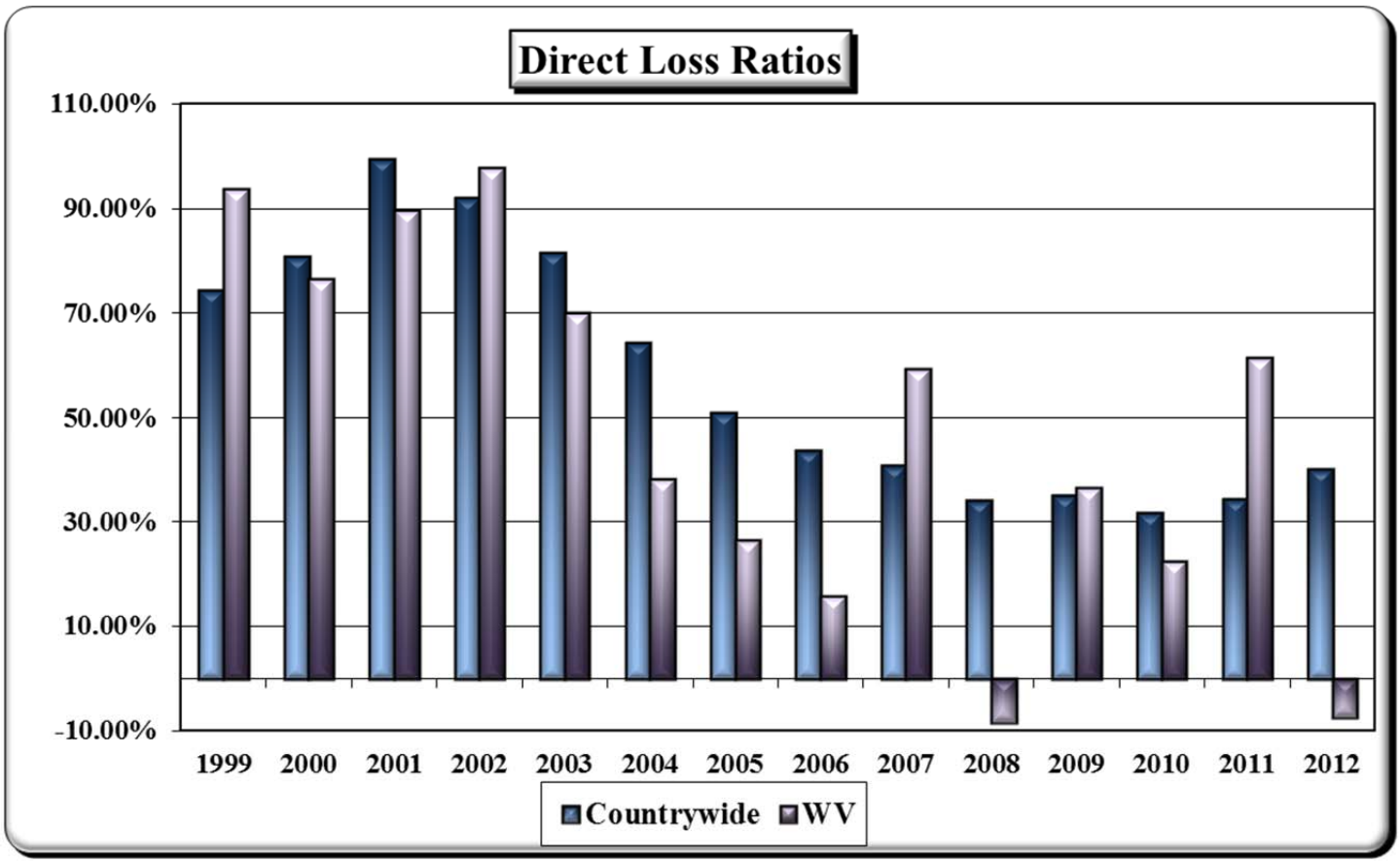
WEST VIRGINIA (NAIC Annual Statement Data)

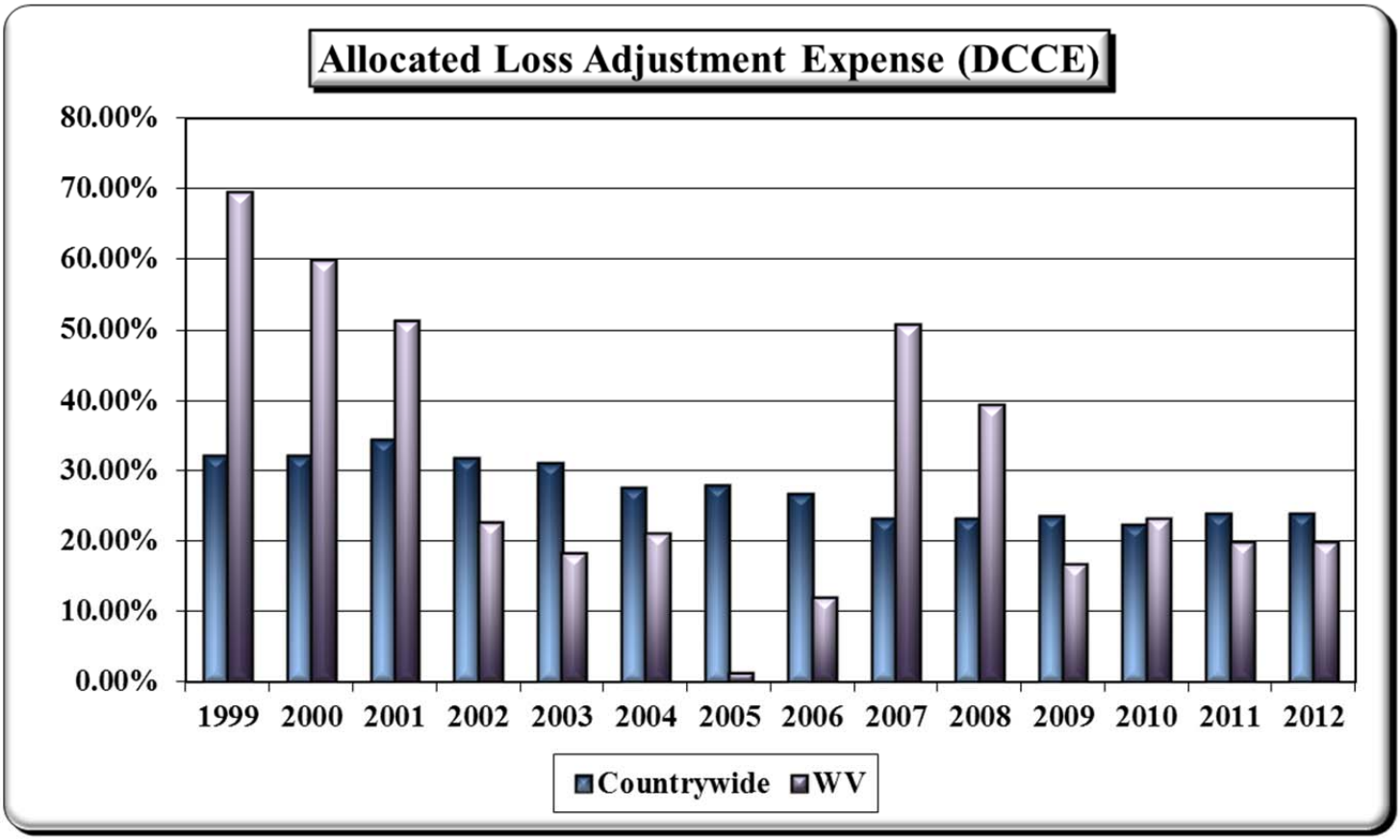
Year	Direct Written Premium	Direct Earned Premium	Direct Loss Ratio	Loss Adjustment Expense	Underwriting Expense	Direct Combined Ratio
1999	$44,387	$42,565	93.82%	69.48%	15.23%	178.53%
2000	$67,635	$57,081	76.51%	59.91%	13.54%	149.96%
2001	$67,248	$67,451	89.68%	51.23%	13.61%	154.51%
2002	$71,909	$86,550	97.76%	22.56%	9.41%	129.73%
2003	$50,312	$52,792	70.17%	18.27%	9.01%	97.44%
2004	$113,237	$94,994	38.23%	20.99%	8.00%	67.22%
2005	$83,680	$79,774	26.59%	1.25%	14.21%	42.05%
2006	$78,739	$77,969	15.72%	11.86%	14.00%	41.58%
2007	$60,323	$60,264	59.39%	50.76%	14.32%	124.47%
2008	$53,272	$54,743	-8.35%	39.42%	11.88%	42.96%
2009	$51,721	$52,199	36.55%	16.67%	11.13%	64.35%
2010	$47,827	$51,315	22.52%	23.14%	11.47%	57.13%
2011	$58,400	$60,694	61.62%	19.72%	10.39%	91.73%
2012	$56,705	$58,256	-7.27%	19.79%	10.68%	23.20%
Total	**$905,395**	**$896,647**	**48.07%**	**30.36%**	**11.92%**	**90.35%**

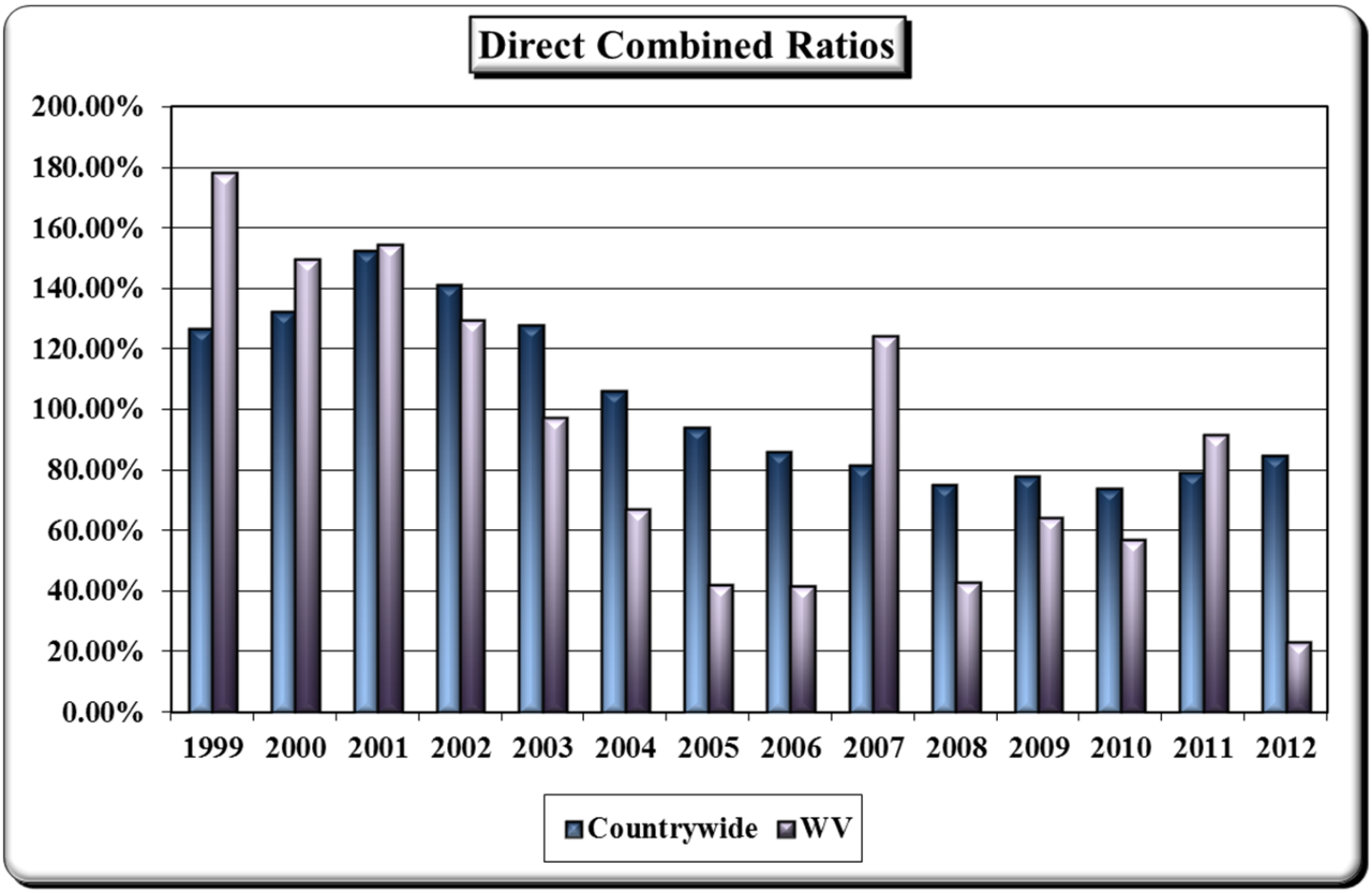
As indicated in earlier reports, note that the 2007 West Virginia results on the preceding page appear to be somewhat of an anomaly, and upon detailed review were shown to be largely driven by the exit of just two companies from our market during that year. Specifically, ***Health Care Indemnity Incorporated*** (*a hospital policy writer, included in the 2006 report with 5.26% market share*) did not renew their hospital policy for 2007 and posted a Direct Defense Cost Containment and Expense incurred figure of $19.3M for the year. Note that this amount *($19.3M*) is 4.7 times larger than their entire earned premium for that same exposure in 2006 *($4.1M*), and that the same heavily influenced the LAE ratio noted above as it was more than half of all incurred LAE (*$30.6M*).

Secondly, ***NCRIC, Inc***. (*the 9th largest admitted writer in West Virginia by market share in 2006, and 4th largest in 2004)* fully exited the West Virginia market during 2007, posting negative earned premium figures for 2007 and a direct incurred DCCE figure *($1.7M*) that were more than 50% of their last positive earned premium *($3.3M*) amounts for 2006. Were it not for the two companies mentioned above leaving our market during 2007, the State-wide results would have been significantly different.

Visually, a comparison of Industry results with West Virginia results for Medical Malpractice utilizing data from the preceding table can be seen in the three graphs which follow:




Allocated Loss Adjustment Expense (DCCE)
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012
Countrywide
WV


Direct Combined Ratios
200.00%
180.00%
160.00%
140.00%
120.00%
100.00%
80.00%
60.00%
40.00%
20.00%
0.00%
1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012
Countrywide
WV

A review of the Direct ***Operating*** Ratio (*which further reflects Dividends Paid and Investment Gain/Loss*) produces the results which follow:

INDUSTRY (Best's Aggregates & Averages)					
Year	**Direct Combined Ratio**	**Dividend**	**Combined Ratio (*after Dividend*)**	**Investment Gain**	**Direct Operating Ratio**
2000	132.30%	3.70%	136.00%	7.40%	128.60%
2001	152.40%	2.70%	155.10%	-3.90%	159.00%
2002	141.20%	1.60%	142.80%	-12.50%	155.30%
2003	127.80%	0.40%	128.20%	-9.10%	137.30%
2004	106.20%	0.50%	106.70%	12.00%	94.70%
2005	94.30%	0.60%	94.90%	9.40%	85.50%
2006	86.20%	0.70%	86.90%	21.30%	65.60%
2007	81.50%	2.20%	83.70%	18.40%	65.30%
2008	75.20%	2.20%	77.40%	11.80%	65.60%
2009	77.90%	2.30%	80.20%	14.70%	65.50%
2010	74.00%	2.90%	76.90%	16.00%	60.90%
2011	79.20%	3.00%	82.20%	14.70%	67.50%
2012	84.70%	3.30%	88.00%	11.20%	76.80%
Total	**100.99%**	**2.01%**	**103.00%**	**8.57%**	**94.43%**

WEST VIRGINIA (NAIC Annual Statement Data)					
Year	**Direct Combined Ratio**	**Dividend**	**Combined Ratio (*after Dividend*)**	**Investment Gain**	**Direct Operating Ratio**
2000	149.96%	0.06%	150.01%	7.40%	142.61%
2001	154.51%	0.05%	154.57%	-3.90%	158.47%
2002	129.73%	0.05%	129.78%	-12.50%	142.28%
2003	97.44%	0.05%	97.49%	-9.10%	106.59%
2004	67.22%	0.02%	67.24%	12.00%	55.24%
2005	42.05%	0.04%	42.08%	9.40%	32.68%
2006	41.58%	0.06%	41.64%	21.30%	20.34%
2007	124.47%	0.11%	124.58%	18.40%	106.18%
2008	42.96%	0.19%	43.15%	11.80%	31.35%
2009	64.35%	0.15%	64.50%	14.70%	49.80%
2010	57.13%	0.24%	57.37%	16.00%	41.37%
2011	91.73%	0.21%	91.94%	14.70%	77.24%
2012	23.20%	0.44%	23.64%	11.20%	12.44%
Total	**83.56%**	**0.13%**	**83.69%**	**8.57%**	**75.12%**

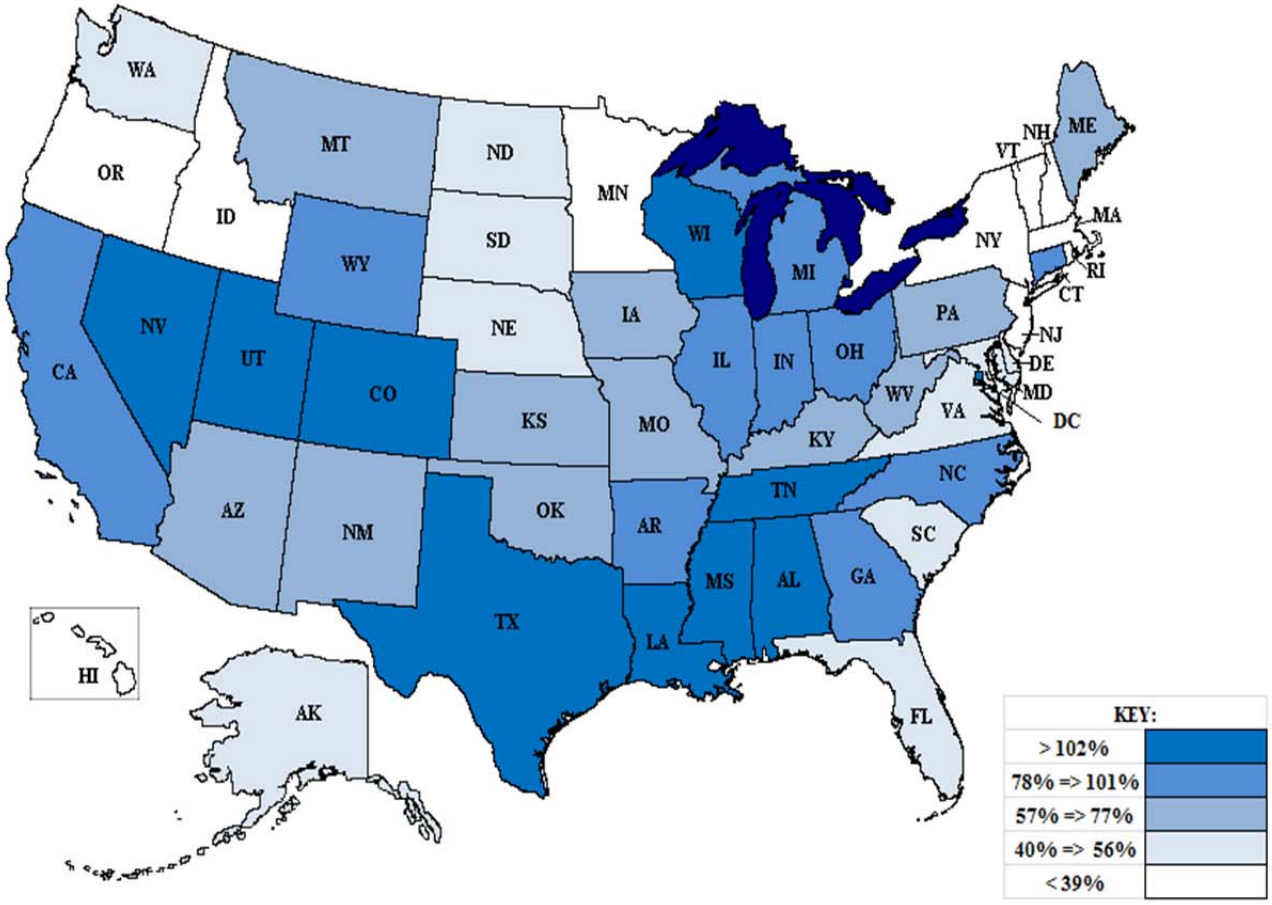
The figures above demonstrate that after accounting for dividends and investment gain, medical malpractice produced an ***operating profit*** in West Virginia from 2004 to 2006 and again in 2008 through 2012, and that it remains profitable, and notably more profitable overall than that of the countrywide average over the period shown above.

Examining the average percent of LAE to loss (DCCE) for the most recent three years (2012 through 2010 utilizing NAIC data) demonstrates that although historically volatile on a year to year basis, the most recent West Virginia results are very close to the countrywide average.

State	3 yr DCCE Inc	3 yrLoss Inc	3 yr DCCE to Loss
MS	$9,704,395.00	$3,152,374.00	307.84%
NV	$54,997,910.00	$17,999,499.00	305.55%
LA	$55,032,097.00	$19,224,582.00	286.26%
DC	$22,329,700.00	$7,980,954.00	279.79%
AL	$64,461,817.00	$38,167,439.00	168.89%
TX	$95,994,280.00	$60,020,530.00	159.94%
TN	$156,133,443.00	$101,057,755.00	154.50%
WI	$18,906,395.00	$15,303,917.00	123.54%
UT	$49,097,018.00	$45,096,030.00	108.87%
CO	$82,990,874.00	$80,941,312.00	102.53%
IN	$64,312,094.00	$63,851,674.00	100.72%
IL	$306,338,709.00	$312,063,240.00	98.17%
AR	$45,996,340.00	$47,395,939.00	97.05%
OH	$90,572,170.00	$93,835,667.00	96.52%
CT	$41,825,384.00	$43,414,388.00	96.34%
MI	$67,689,915.00	$80,239,594.00	84.36%
NC	$88,331,902.00	$107,111,337.00	82.47%
WY	$9,349,422.00	$11,801,855.00	79.22%
GA	$114,108,964.00	$144,093,472.00	79.19%
CA	$467,836,860.00	$595,346,723.00	78.58%
NM	$32,867,775.00	$43,162,704.00	76.15%
KS	$26,825,977.00	$39,609,243.00	67.73%
AZ	$76,810,281.00	$118,026,715.00	65.08%
ME	$22,563,786.00	$35,683,807.00	63.23%
MO	$62,259,693.00	$99,420,430.00	62.62%
KY	$47,784,980.00	$76,672,185.00	62.32%
PA	$210,740,572.00	$354,010,724.00	59.53%
WV	$26,211,258.00	$44,722,445.00	58.61%
IA	$29,536,710.00	$50,880,798.00	58.05%
OK	$64,933,994.00	$113,035,546.00	57.45%
MT	$17,105,562.00	$29,940,943.00	57.13%
AK	$10,744,426.00	$19,206,841.00	55.94%
FL	$248,658,301.00	$449,287,639.00	55.35%
SD	$9,592,306.00	$17,461,728.00	54.93%
WA	$76,429,701.00	$139,145,955.00	54.93%
NE	$14,705,351.00	$28,100,612.00	52.33%
DE	$26,152,228.00	$50,444,341.00	51.84%
VA	$76,495,532.00	$150,878,529.00	50.70%
SC	$29,929,010.00	$62,268,360.00	48.06%
ND	$2,750,593.00	$5,729,411.00	48.01%
MD	$148,539,058.00	$310,133,665.00	47.90%
HI	$7,528,502.00	$19,501,414.00	38.60%
NY	$1,035,254,244.00	$2,690,697,479.00	38.48%
NJ	$221,091,982.00	$577,721,243.00	38.27%
OR	$29,174,378.00	$76,777,927.00	38.00%
VT	$5,729,210.00	$15,887,823.00	36.06%
NH	$11,875,502.00	$36,095,689.00	32.90%
MA	$57,060,966.00	$175,117,903.00	32.58%
ID	$6,597,984.00	$20,677,590.00	31.91%
MN	$29,758,888.00	$114,027,417.00	26.10%
RI	$20,366,423.00	$85,232,609.00	23.90%
CW	**$4,592,084,862.00**	**$7,937,657,996.00**	**57.85%**

Mapped data from the preceding table:

2012 Loss Adjustment Expenses (DCCE) as a Percent of Medical Malpractice Loss Incurred



Source: NAIC I-Site Database

Understand that the Medical Malpractice line of business results above include aggregated experience for various sub-lines of Medical Malpractice insurance. Medical Doctors (MD's), Doctors of Osteopathy (DO's) and Surgeons are all generally written under Physician and Surgeon's programs (P&S). Due to their size and complexity however, Hospitals are generally written under separate stand-alone programs. Often Dentists, Chiropractors, Nurses, etc. have their own specific and individual specialty programs under which those exposures would be written at the exclusion of all other medical professionals.

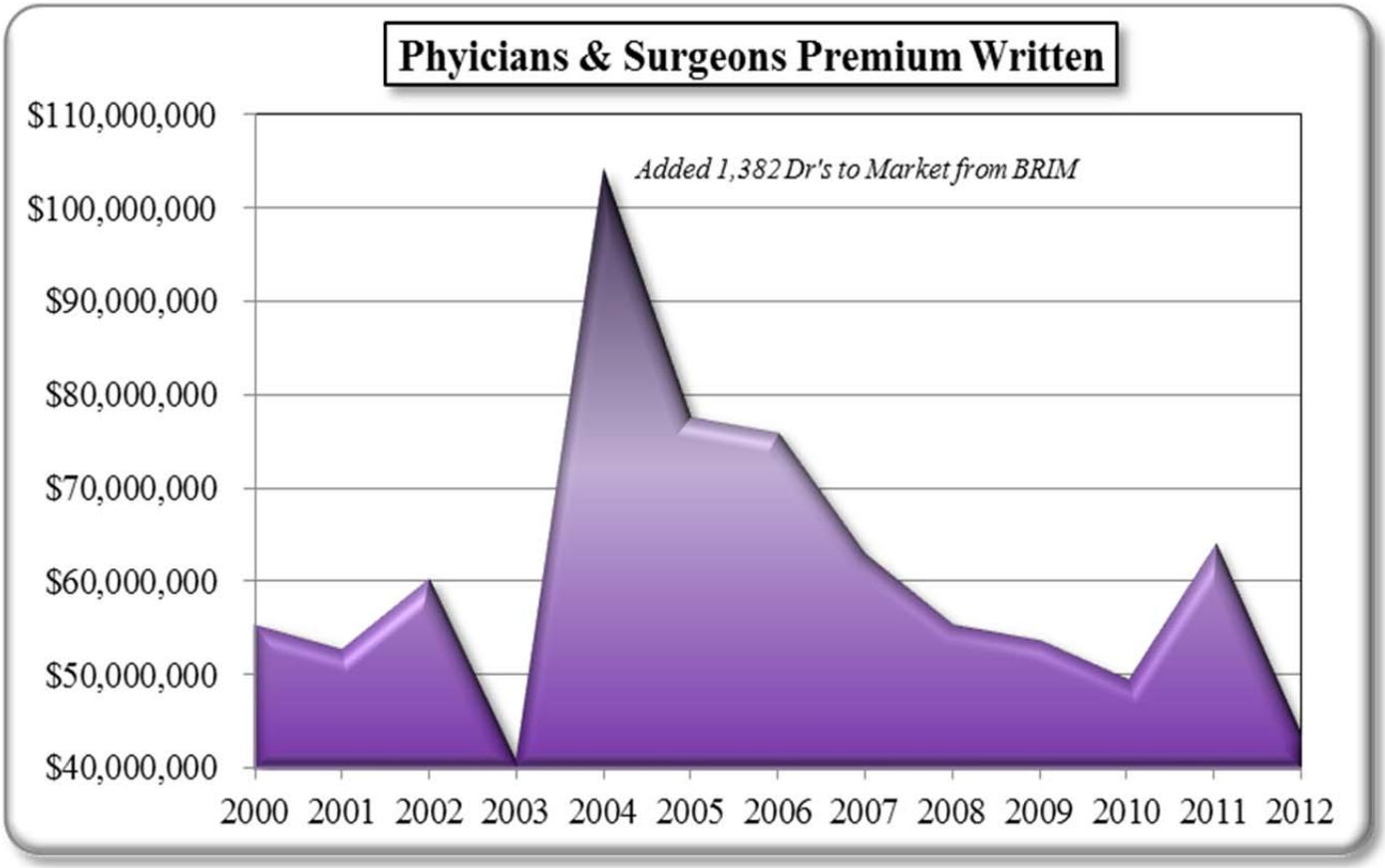
Considering only the P&S sub-line in West Virginia, the following experience is found:

P&S Only	$ Written	$ Earned	Loss Inc	L/R	# Co's
2000	$55,569,269	$39,659,556	$40,262,191	101.52%	38
2001	$53,014,374	$50,317,000	$45,506,525	90.44%	42
2002	$60,438,081	$71,526,084	$57,643,116	80.59%	38
2003	$41,135,392	$43,155,673	$30,340,154	70.30%	43
2004	$104,451,130	$86,255,894	$32,844,069	38.08%	47
2005	$77,791,000	$73,441,787	$15,307,600	20.84%	49
2006	$76,117,773	$74,452,685	($2,605,885)	-3.50%	53
2007	$63,070,586	$63,426,938	$18,800,876	29.64%	50
2008	$55,572,225	$56,622,546	$15,230,057	26.90%	50
2009	$53,932,735	$54,778,791	$20,234,613	36.94%	57
2010	$49,672,860	$53,656,100	$17,373,435	32.38%	53
2011	$64,270,333	$67,428,066	$24,647,166	36.55%	53
2012	$43,657,853	$44,800,396	$423,763	0.95%	52

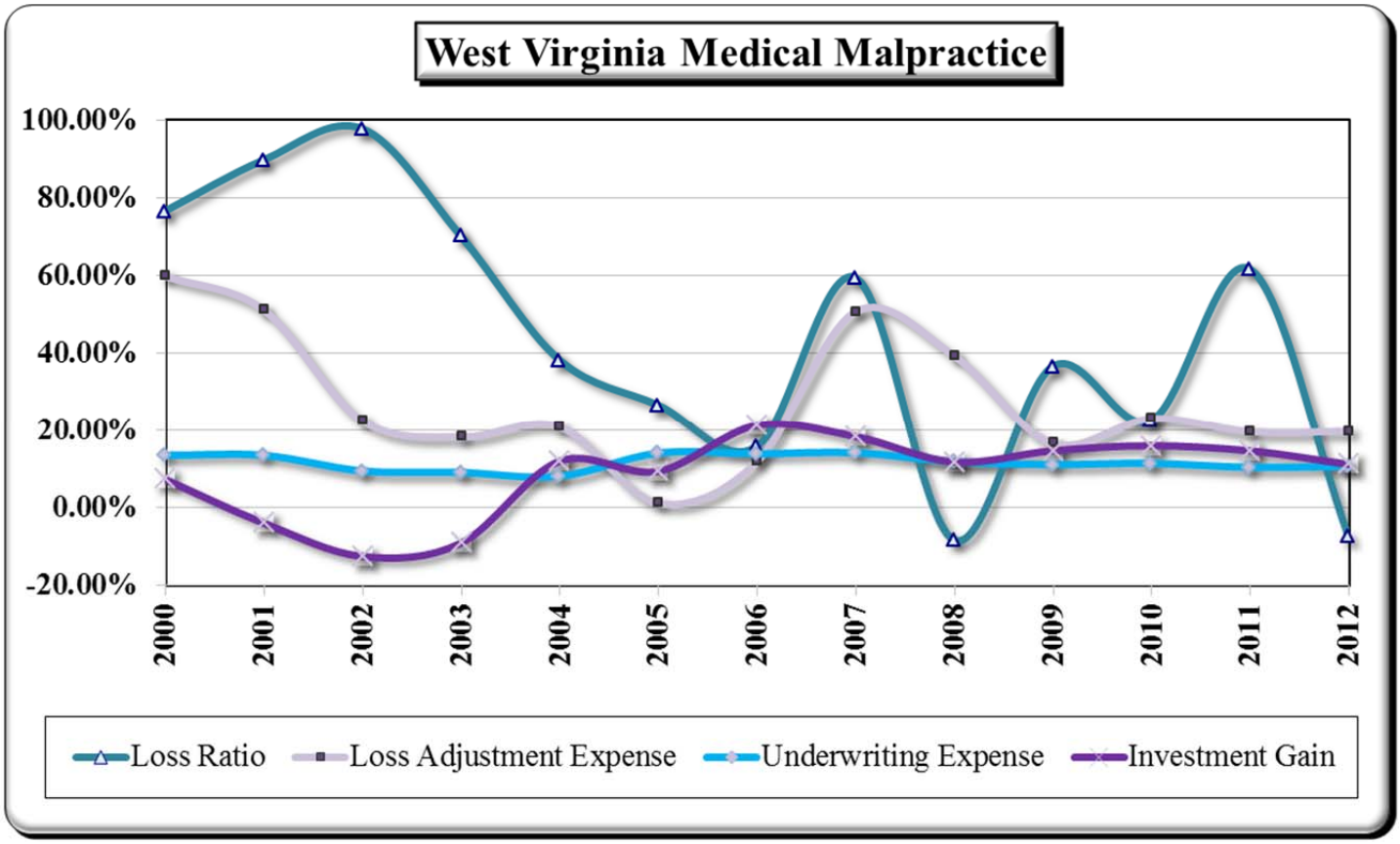
Looking at Written Premium, you will note a decline from 2000 to 2003, and then a substantial increase in premiums occurring for 2004. As noted earlier, the Medical Malpractice crisis occurred in West Virginia around 2001. At that time, physicians were having a difficult time obtaining insurance in the voluntary marketplace due to the hardening of the market, so they began obtaining coverage through the ***Board of Risk and Insurance Management*** (**BRIM**) a state entity that was already writing coverage for teaching hospitals and their staff. Since **BRIM** is not an insurer, their premiums are not reported here and accordingly as those physicians proceeded to obtain coverage under the **BRIM** program (*see also section **III-B** for **WVMIC** as well as the **Glossary***) the reported premium above dwindled. When legislation passed in 2004 creating the ***West Virginia Mutual Insurance Company*** **(WVMIC)** however, those physicians (*1,382 of them*) re-entered the admitted market and the written premiums for that year increased commensurately.

P&S written premiums in West Virginia have declined substantially since 2004, with 2011 being a sole exception. During 2011 ***Everest Indemnity Insurance Company*** (*a non-admitted insurer*) posted written premiums of $17,279,983 in the P&S sub-line, while netting the same amount out by posting written premiums of -$14,165,279 under the Hospital sub-line and -$3,114,704 in the Other Healthcare Facilities sub-line. With 2011 being an exception, ***Everest*** has only shown written premium in West Virginia under the Other Healthcare Professionals sub-line twice (2011 and 2012), but no other Medical Malpractice written premiums here going back as far as 2007. Eliminating that P&S premium from ***Everest*** in 2011, the total P&S written premium would have posted as $46.9M for the year which is in line with the general decline in P&S written premiums in West Virginia occurring since 2004.

Graphical representation of the written premium data for the Physicians and Surgeon's market:



I-C: Key Drivers of West Virginia Medical Malpractice Insurance Results



Negative Factors

- Widely volatile Loss Ratio
- Volatile Loss Adjustment Expenses

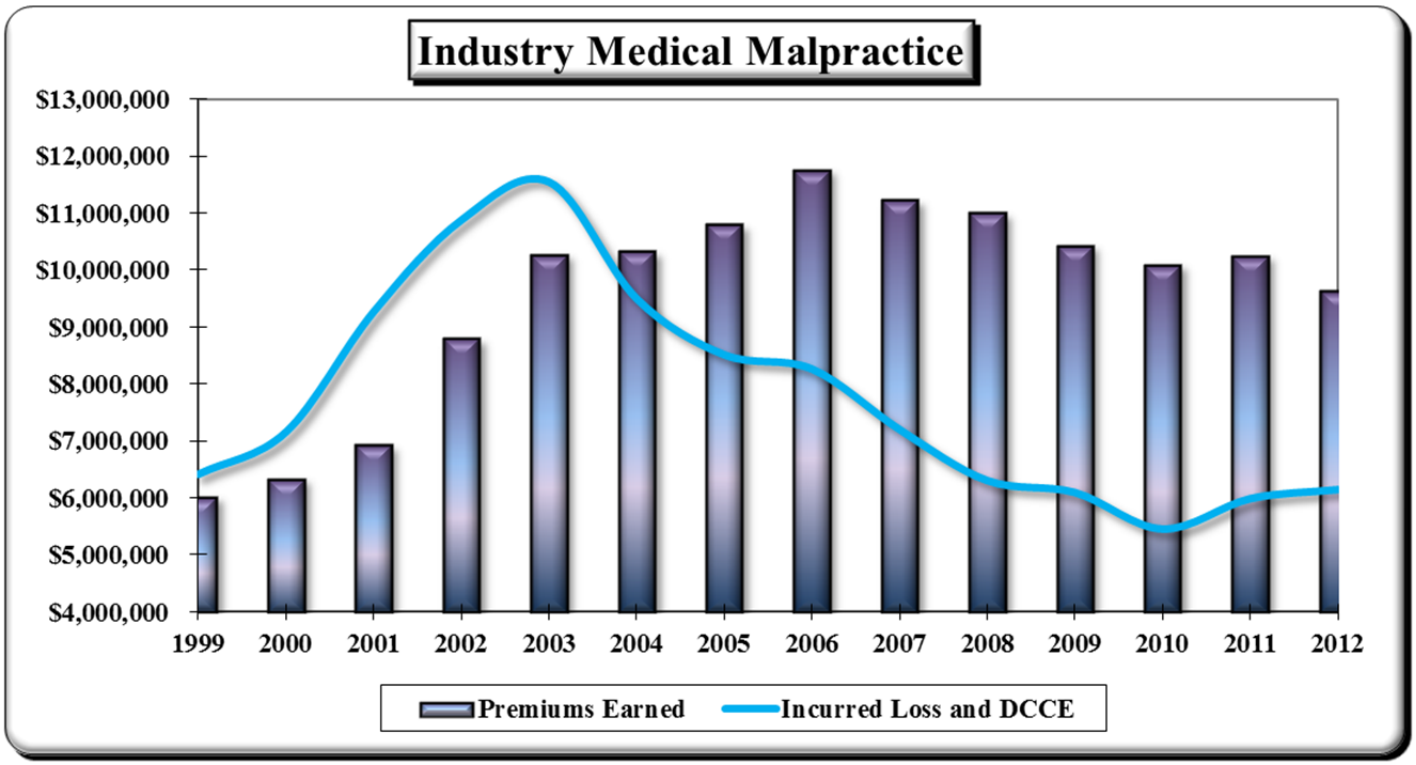
Positive Factors

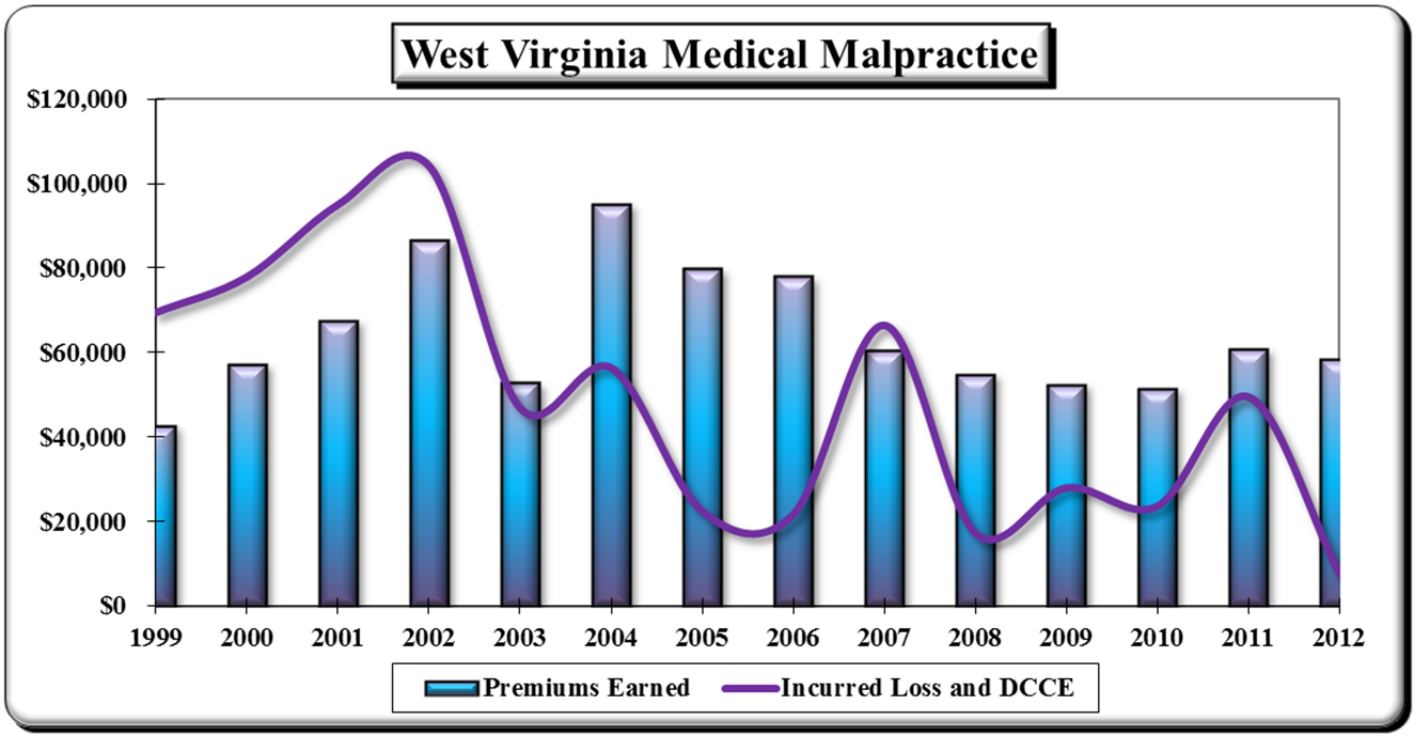
- General overall decline in Loss Ratio since 2002
- Relatively stable Underwriting Expense
- Favorable and fairly stable Investment income (*offset*)

Overall, the ***graph above visually demonstrates a marked and continued improvement over the experience of earlier years for the West Virginia Medical Malpractice market.***

I-D: Loss and Defense Costs Incurred vs. Premiums Earned

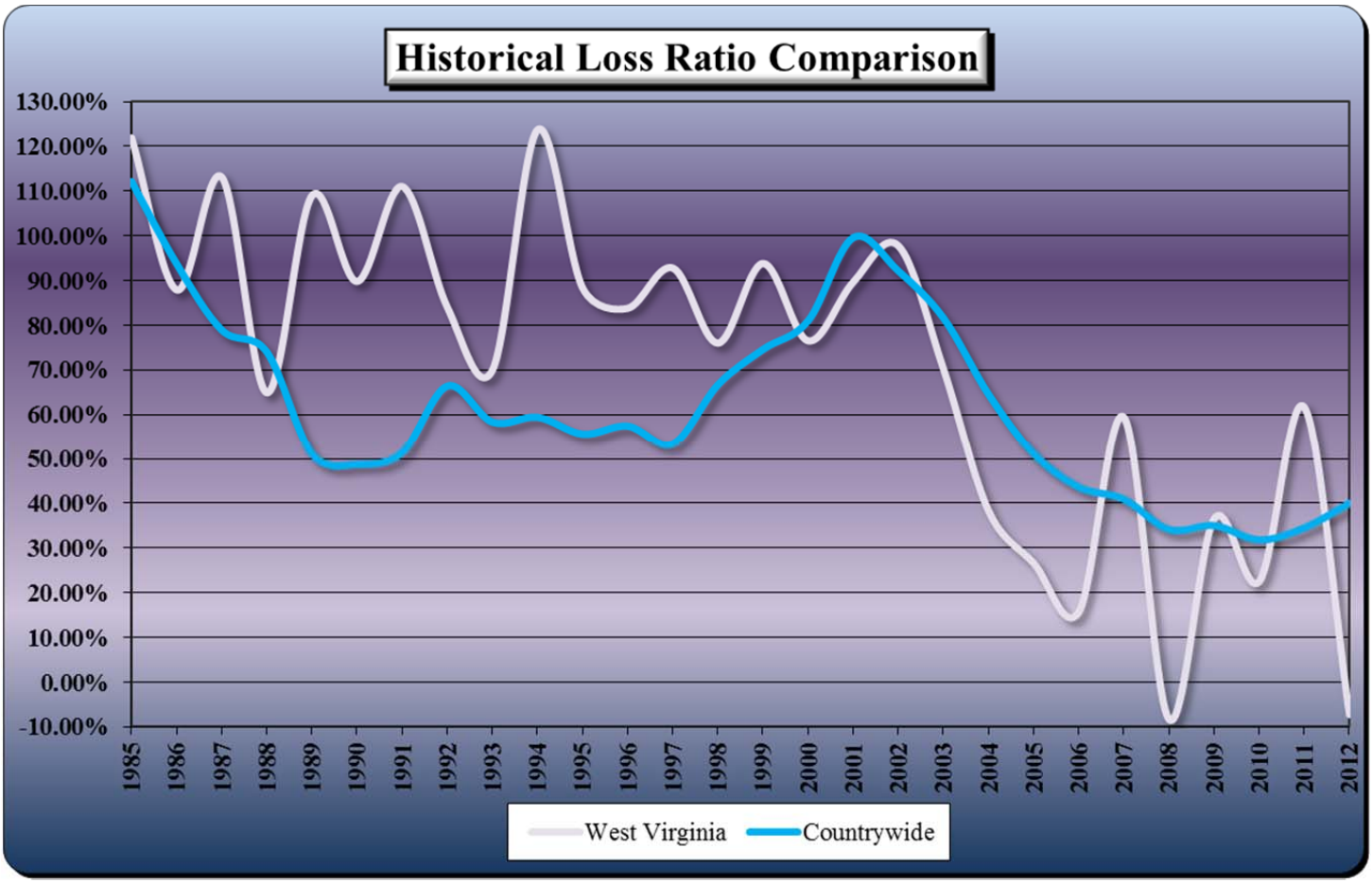
The charts below compare losses and defense costs for the Industry (*countrywide basis*) against the comparable figures for West Virginia alone. They clearly show that results for loss and defense cost in West Virginia had far exceeded premiums until the turnaround reported for 2003, and afterward have remained generally favorable overall, yet volatile. *Note that each graph is on a per thousand basis.*





I-E: A Cautionary Note

Recent loss ratio experience in West Virginia for Medical Malpractice clearly remains as an improvement over that experienced as recently as 2002. However, as the graph below (*comparing West Virginia Loss Ratios with those countrywide*) suggests, West Virginia Medical Malpractice loss ratios have not been stable historically. This is likely the result of the limited volume of business written in our State, and the potential for significant variance will likely increase if overall premium volumes continue their decline. Accordingly, ***rate changes*** *(or stabilization provided by a lack thereof)* ***will likely play an increasingly crucial role for future results***.



Section II

A Review of Paid / Closed Claim Data

II: Analysis of Paid Claim Information

*Cautionary note: The Board of Medicine information is **not insurance data**; rather it is information provided to the **West Virginia Board of Medicine** about Medical Malpractice claims after their disposition, and as such, it has not been audited for accuracy. "**Disposition**" in this case means claims which have been dismissed, settled, or adjudicated. These data represent indemnity payments only, thus, loss adjustment expense amounts are necessarily excluded. While not strictly matching insurance data, this information is useful in attempting to identifying trends. It should also be noted that the data does not include hospitals or doctors working within corporate structures. Even with nineteen years of data, the number of claims and loss dollars are still small enough to limit the credibility of the information. Additionally note that this information does include **BRIM** claim payments.*

*The Closed Claim data discussed in **Section II-D** should not be considered as final experience data for any given year. §33-20B-8 only requires the reporting of data for claims which are considered to be closed by the insurer. Open claims are therefore necessarily entirely excluded from this dataset, and likewise it is possible that claims which have been administratively closed due to inactivity or apparent abandonment on behalf of the claimant may reopen at a later date and undergo additional development.*

***Advisory**: The sections below which review both Judgments and Settlements with payment where the data is noted to have been capped at $1,000,000 differs from that included in reports prior to 2007 due to the application of the $1,000,000 cap. Specifically, the 2004 report only considered Judgments and Settlements under $1,000,000 (excluding all those above that amount), the 2005-2006 reports continued to provide the data in this manner, but noted it as having been capped at $1,000,000 (i.e. all individual payment amounts greater than $1M only count only as $1M each) as a smoothing procedure. However, only the 2007 and later reports, including this report, actually apply the noted capping methodologies in order to limit large swings in the data from year to year, yet also fully consider indemnity amounts over $1,000,000 (counted as capped at $1M) in order to attempt to identify any notable trend in payments. This creates some disparity between the figures provided within this report and that of earlier reports.*

II-A: How Malpractice Claims are disposed in West Virginia

The exhibit below displays paid claim count information for 1993 – 2012.

West Virginia Board of Medicine									
Claim Count Review									
Year	Number of **Dismissals**	% of Total	**Judgments** Non Zero	Total	% of Total	**Settlements** Non Zero	Total	% of Total	**All Total**
1993	79	28%	8	18	6%	186	187	66%	**284**
1994	74	23%	10	36	11%	203	208	65%	**318**
1995	103	31%	14	38	11%	187	190	57%	**331**
1996	81	27%	5	20	7%	191	194	66%	**295**
1997	114	27%	9	28	7%	286	286	67%	**428**
1998	53	22%	9	27	11%	153	156	66%	**236**
1999	99	30%	15	28	8%	203	206	62%	**333**
2000	104	30%	7	37	11%	199	203	59%	**344**
2001	112	30%	9	37	10%	225	226	60%	**375**
2002	122	39%	7	25	8%	164	165	53%	**312**
2003	108	42%	4	23	9%	125	127	49%	**258**
2004	87	39%	6	24	11%	113	113	50%	**224**
2005	77	44%	5	15	9%	81	82	47%	**174**
2006	72	35%	3	12	6%	120	120	59%	**204**
2007	40	24%	1	15	9%	104	109	66%	**164**
2008	73	37%	8	14	7%	105	108	55%	**195**
2009	71	41%	5	14	8%	86	89	51%	**174**
2010	23	12%	1	7	4%	158	158	84%	**188**
2011	21	11%	3	8	4%	162	162	85%	**191**
2012	0	0%	2	7	8%	86	86	92%	**93**
Total	**1,513**	**30%**	**131**	**433**	**8%**	**3,137**	**3,175**	**62%**	**5,121**

- West Virginia now averages 265 malpractice claims per year (*down from 269 in 2010, and from highs of 327 in 2001 and 331 in 1997*). Over the past twenty years, **30% of malpractice claims have been dismissed** (*same as 2011*). In 2001, H.B. 601 was passed. One of its key elements was §55-7B-6, requiring that a "*certificate of merit*" be obtained prior to the filing of a medical professional liability action against a health care provider. Specifically, "*[the] certificate of merit shall be executed under oath by a health care provider qualified as an expert under the West Virginia rules of evidence and shall state with particularity: (1) the expert's familiarity with the applicable standard of care in issue; (2) the expert's qualifications; (3) the expert's opinion as to how the breach of the applicable standard of care resulted in injury or death*". (Emphasis Added) We believe that this ***screening process explains in part the increase in the percentage of dismissals seen beginning in 2002***.

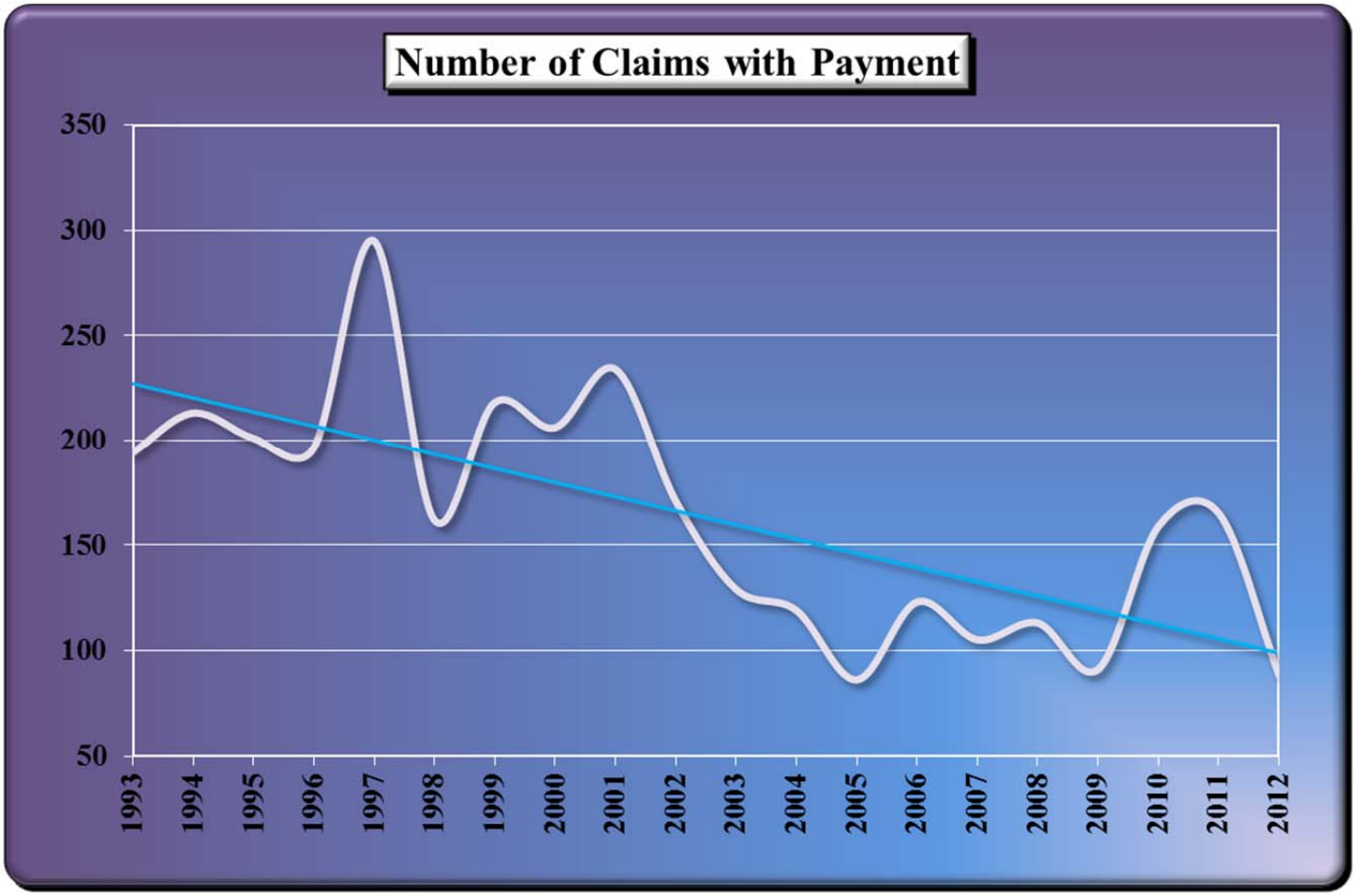
- Also of important note, as of 2011 the West Virginia Board of Medicine indicates that ***the reporting of dismissals*** *(blue highlight above)* ***is no longer required***. Thus we can no longer analyze that portion of their data in this report for the future, although we do have other sources.

- In general, **the number of claims filed has dropped significantly since the passage of the 2001 legislation**. Specifically, the 2012 claim count was only 25% of the 2001 total.

- On average, only about 8% of malpractice claims go to court. Of the claims that do go to court, roughly 77% receive a judgment of $0. In other words, only about 23% of the claims that are adjudicated actually receive a judgment with any payment.

- On average, **62% of malpractice claims are settled** without court involvement.

- Graphically, note the downward linear trend (*light blue line*) in the number of paid claims since 1997:



This is consistent with previous reports which have noted a general decline in Medical Malpractice claims countrywide. Keep in mind however that medical malpractice is generally written on a claims-made basis. Therefore, it is quite possible that claims could arise in the future which relate to incidents that occurred in the past (*i.e. a claim could be made in 2014 due to an incident which occurred in 2009, etc.*).

II-B: Historical Judgments

Capping large awards at $1,000,000 (*as a smoothing procedure*) leads to the following:

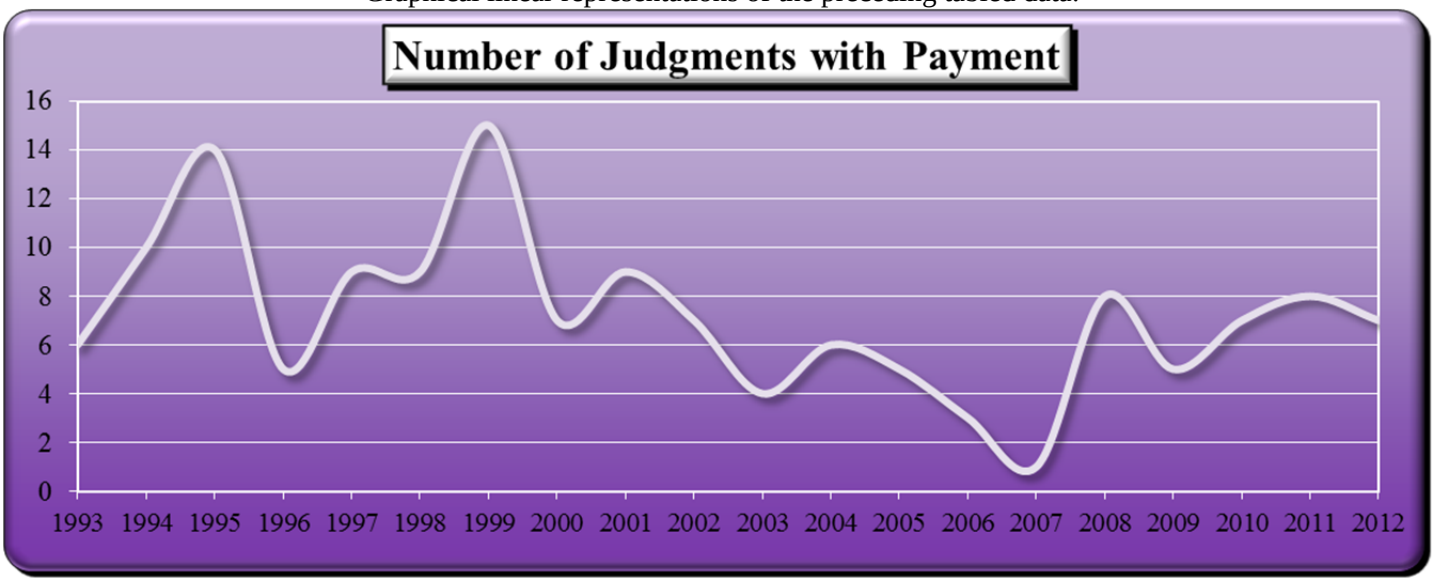
West Virginia Board of Medicine			
Judgments with payments capped at $1,000,000			
Year	**#**	**Amount**	**Average**
1993	6	$785,547	$130,925
1994	10	$3,946,419	$394,642
1995	14	$4,055,745	$289,696
1996	5	$2,585,837	$517,167
1997	9	$3,951,907	$439,101
1998	9	$5,409,154	$601,017
1999	15	$6,566,669	$437,778
2000	7	$4,767,554	$681,079
2001	9	$3,179,290	$353,254
2002	7	$2,855,223	$407,889
2003	4	$1,355,000	$338,750
2004	6	$3,456,244	$576,041
2005	5	$3,524,909	$704,982
2006	3	$1,830,989	$610,330
2007	1	$1,000,000	$1,000,000
2008	8	$4,325,596	$540,700
2009	5	$1,475,000	$295,000
2010	7	$250,000	$35,714
2011	8	$390,879	$48,860
2012	7	$237,539	$33,934
20 Years	**145**	**$55,949,501**	**$385,858.63**

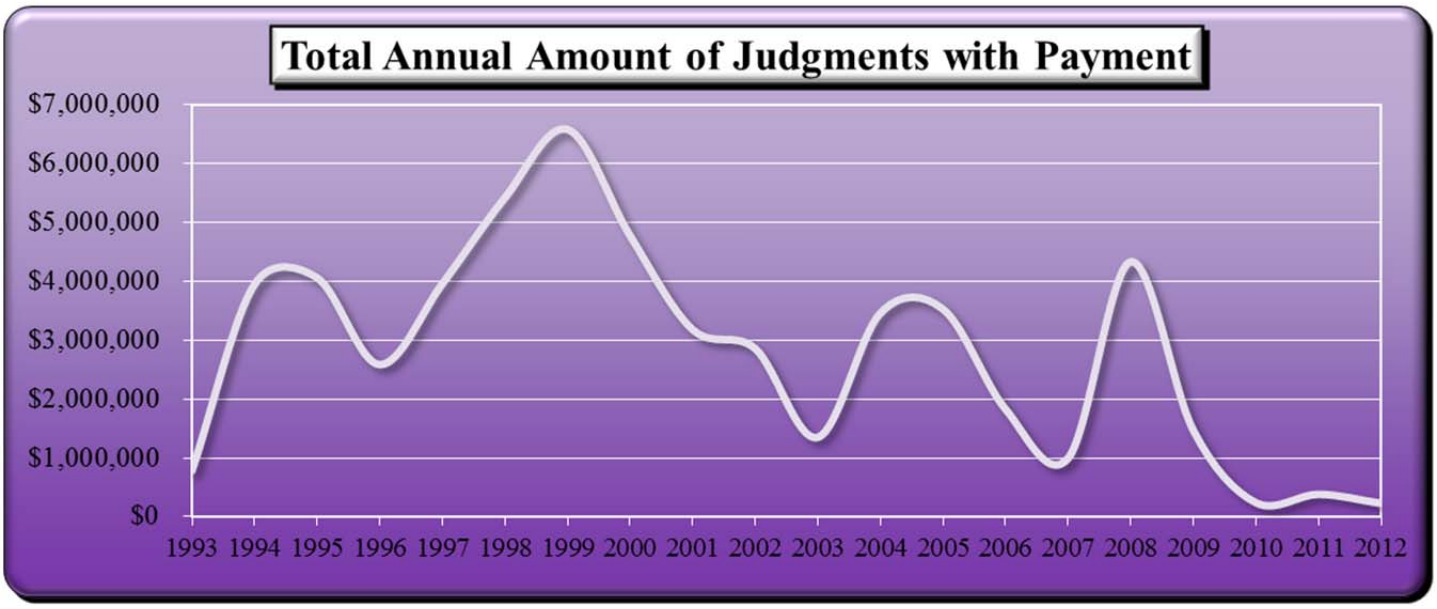
- This table shows that even after limiting large awards to reduce volatility, there is ***no clear pattern*** of either an increasing number of judgments or a consistent increase in total paid judgments. Rather, the ***small number of judgments restricts credible inferences.***

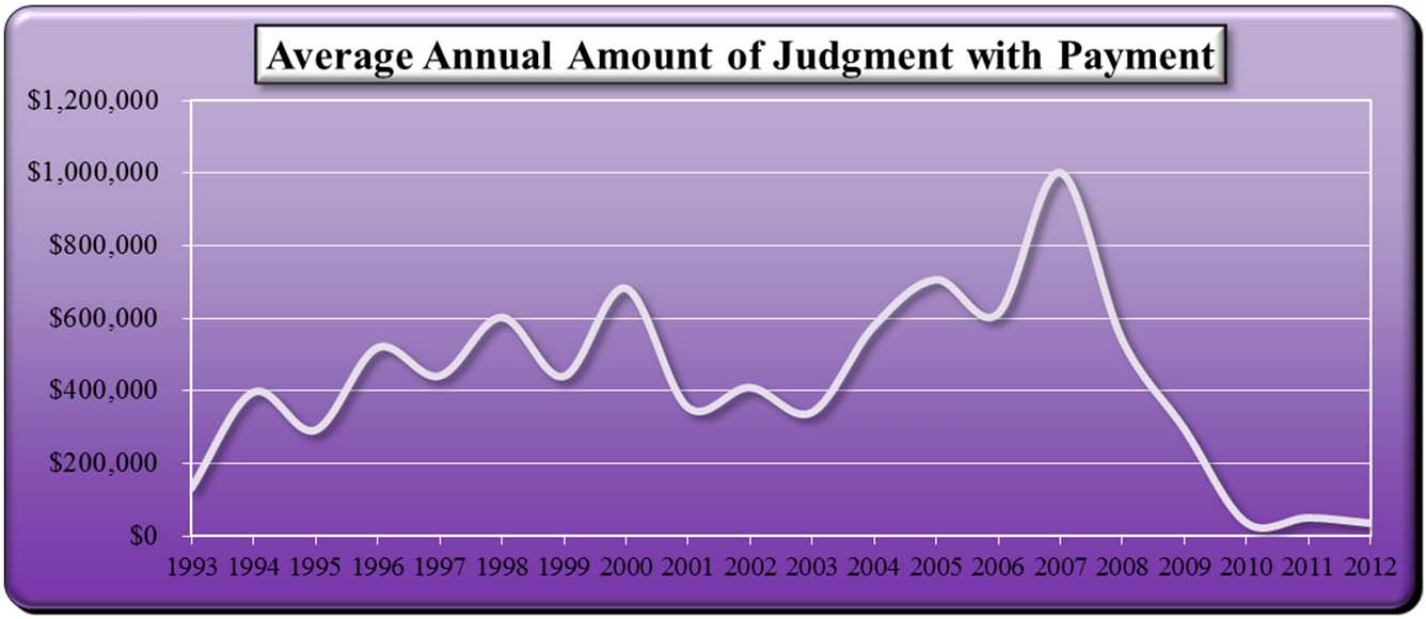
- A general historical decline in the number of judgments with payment over the period reviewed above can be observed.

- A general historical increase in the average annual amount of judgments with payment until 2007 can also be observed.

Graphical linear representations of the preceding tabled data:







- It should be noted that the number of judgments in each year is very small and that actual paid amounts can vary significantly from year to year. For example, the Average Annual Amount of Judgments with payment graphic above appears to indicate a significant increase in this average for 2007. Yet, note in the tabled data that the number of non-zero judgments for 2007 was only 1.

The next exhibit displays Paid Judgments by size of payment.

West Virginia Board of Medicine

Size of Paid Judgments

	1994		1995		1996		1997		1998	
Interval	#	$	#	$	#	$	#	$	#	$
Loss=$0	26	$0	24	$0	15	$0	19	$0	18	$0
$0<loss<=$100K	0	$0	7	$301,907	1	$18,000	0	$0	2	$132,514
$100K<loss<=$250K	2	$320,000	2	$355,200	1	$130,337	5	$914,921	2	$336,640
$250K<loss<=$500K	5	$1,731,819	2	$647,127	1	$437,500	0	$0	0	$0
$500K<loss<=$1M	3	$1,894,600	1	$751,511	1	$1,000,000	3	$2,036,986	2	$1,940,000
$1M<loss	0	$0	2	$3,966,624	1	$1,500,000	1	$3,684,822	3	$4,270,552
Total Judgments	36	$3,946,419	38	$6,022,369	20	$3,085,837	28	$6,636,729	27	$6,679,706
Total Non-Zero*	10	$3,946,419	14	$4,055,745	5	$2,585,837	9	$3,951,907	9	$5,409,154

	1999		2000		2001		2002		2003	
Interval	#	$	#	$	#	$	#	$	#	$
Loss=$0	13	$0	30	$0	28	$0	18	$0	19	$0
$0<loss<=$100K	6	$197,576	0	$0	3	$210,000	3	$175,073	0	$0
$100K<loss<=$250K	2	$371,829	0	$0	3	$440,557	0	$0	1	$160,000
$250K<loss<=$500K	0	$0	3	$1,157,054	0	$0	2	$680,150	3	$1,195,000
$500K<loss<=$1M	4	$2,997,264	2	$1,610,500	1	$528,733	1	$1,000,000	0	$0
$1M<loss	3	$3,527,451	2	$2,381,508	2	$3,612,000	1	$6,238,000	0	$0
Total Judgments	28	$7,094,120	37	$5,149,062	37	$4,791,290	25	$8,093,223	23	$1,355,000
Total Non-Zero*	15	$6,566,669	7	$4,767,554	9	$3,179,290	7	$2,855,223	4	$1,355,000

	2004		2005		2006		2007		2008	
Interval	#	$	#	$	#	$	#	$	#	$
Loss=$0	18	$0	10	$0	9	$0	14	$0	6	$0
$0<loss<=$100K	1	$75,000	0	$0	0	$0	0	$0	1	$75,000
$100K<loss<=$250K	0	$0	1	$250,000	1	$227,449	0	$0	2	$450,000
$250K<loss<=$500K	2	$811,994	1	$274,909	0	$0	0	$0	2	$800,596
$500K<loss<=$1M	3	$2,569,250	0	$0	1	$603,540	0	$0	0	$0
$1M<loss	0	$0	3	$8,321,888	1	$1,014,165	1	$1,705,936	3	$8,350,000
Total Judgments	24	$3,456,244	15	$8,846,797	12	$1,845,154	15	$1,705,936	14	$9,675,596
Total Non-Zero*	6	$3,456,244	5	$3,524,909	3	$1,830,989	1	$1,000,000	8	$4,325,596

	2009		2010		2011		2012	
Interval	#	$	#	$	#	$	#	$
Loss=$0	9	$0	6	$0	5	$0	5	$0
$0<loss<=$100K	0	$0	0	$0	2	$115,879	1	$68,725
$100K<loss<=$250K	3	$575,000	1	$250,000	0	$0	1	$168,814
$250K<loss<=$500K	1	$300,000	0	$0	1	$275,000	0	$0
$500K<loss<=$1M	1	$600,000	0	$0	0	$0	0	$0
$1M<loss	0	$0	0	$0	0	$0	0	$0
Total Judgments	14	$1,475,000	7	$250,000	8	$390,879	7	$237,539
Total Non-Zero*	5	$1,475,000	1	$250,000	3	$390,879	2	$237,539

**The second Total excludes claims which resulted in no indemnity payment and caps individual claims greater than $1M at a $1M value.*

- Over the last 19 years, there have been a total of 23 judgments in excess of $1,000,000; or an average of 1.21 per year.

II-C: Historical Settlements

In a manner similar to judgments, we now look at settlements.

West Virginia Board of Medicine

Size of Paid Settlements

	1994		1995		1996		1997		1998	
Interval	#	$	#	$	#	$	#	$	#	$
Loss=$0	5	$0	3	$0	3	$0	3	$0	3	$0
$0<loss<=$50K	78	$1,704,102	79	$1,811,405	75	$1,718,264	177	$1,756,801	67	$1,152,744
$50K<loss<=$100K	40	$3,199,200	23	$1,892,250	33	$2,642,584	24	$2,040,933	19	$1,612,092
$100K<loss<=$250K	38	$6,665,678	44	$8,410,952	37	$6,786,025	33	$5,987,500	28	$4,700,000
$250K<loss<=$500K	32	$11,980,951	26	$10,015,000	33	$11,947,319	39	$14,664,111	21	$7,188,000
$500K<loss<=$1M	15	$11,694,010	15	$11,940,000	13	$8,560,000	13	$9,425,000	18	$13,660,000
$1M<loss	5	$9,175,000	3	$7,650,000	3	$4,159,000	3	$6,550,000	3	$5,468,431
Total Settlements	213	$44,418,941	193	$41,719,607	197	$35,813,192	292	$40,424,345	159	$33,781,267
Total Non-Zero*	208	$40,243,941	190	$37,069,607	194	$34,654,192	289	$36,874,345	156	$31,312,836

	1999		2000		2001		2002		2003	
Interval	#	$	#	$	#	$	#	$	#	$
Loss=$0	3	$0	4	$0	1	$0	1	$0	2	$0
$0<loss<=$50K	87	$1,488,737	65	$1,633,255	84	$1,806,781	57	$1,229,665	26	$625,434
$50K<loss<=$100K	28	$2,278,500	36	$2,892,600	37	$2,934,401	15	$1,214,000	15	$1,252,000
$100K<loss<=$250K	34	$5,936,000	45	$8,124,710	48	$8,350,814	49	$8,500,031	35	$6,725,418
$250K<loss<=$500K	42	$13,884,542	34	$12,753,796	29	$10,671,417	26	$10,065,000	29	$11,363,125
$500K<loss<=$1M	12	$9,615,000	19	$16,152,535	27	$21,817,833	18	$13,255,516	16	$13,878,750
$1M<loss	3	$10,995,605	4	$5,675,000	1	$1,250,000	0	$0	6	$14,438,368
Total Settlements	209	$44,198,384	207	$47,231,896	227	$46,831,246	166	$34,264,212	129	$48,283,095
Total Non-Zero*	206	$36,202,779	203	$47,231,896	226	$46,581,246	165	$34,264,212	127	$39,844,727

	2004		2005		2006		2007		2008	
Interval	#	$	#	$	#	$	#	$	#	$
Loss=$0	0	$0	1	$0	0	$0	5	$0	3	$0
$0<loss<=$50K	40	$861,532	29	$803,164	47	$1,352,631	27	$605,014	36	$982,998
$50K<loss<=$100K	16	$1,362,500	8	$660,000	19	$1,452,250	11	$705,800	16	$1,261,000
$100K<loss<=$250K	21	$4,016,403	19	$3,198,750	26	$4,812,500	29	$4,486,666	27	$4,543,528
$250K<loss<=$500K	24	$9,529,000	16	$5,752,500	18	$6,393,000	17	$6,062,500	13	$5,127,500
$500K<loss<=$1M	5	$3,550,000	8	$5,731,250	7	$5,400,000	13	$9,288,182	12	$9,900,000
$1M<loss	7	$11,500,000	2	$3,250,000	3	$6,350,000	7	$8,896,822	1	$1,900,000
Total Settlements	113	$30,819,435	83	$19,395,664	120	$25,760,381	109	$30,044,984	108	$23,715,026
Total Non-Zero*	113	$26,319,435	82	$18,145,664	120	$22,410,381	104	$28,148,162	105	$22,815,026

	2009		2010		2011		2012	
Interval	#	$	#	$	#	$	#	$
Loss=$0	3	$0	0	$0	0	$0	0	$0
$0<loss<=$50K	23	$697,523	93	$1,052,198	53	$755,525	16	$313,035
$50K<loss<=$100K	18	$1,397,458	16	$1,261,125	51	$4,148,838	9	$571,000
$100K<loss<=$250K	23	$4,327,625	24	$4,393,999	24	$3,505,165	28	$3,860,000
$250K<loss<=$500K	16	$5,999,490	14	$4,911,250	14	$4,775,000	19	$5,992,500
$500K<loss<=$1M	6	$4,900,000	9	$6,875,000	13	$8,432,236	9	$6,620,000
$1M<loss	0	$0	2	$2,750,000	7	$7,900,000	5	$9,300,000
Total Settlements	89	$17,322,096	158	$21,243,572	162	$29,516,764	86	$26,656,535
Total Non-Zero*	86	$17,322,096	158	$20,493,572	162	$28,616,764	86	$22,356,535

**The second Total excludes claims which resulted in no indemnity payment and caps individual claims greater than $1M at a $1M value.*

- Settlements comprise the most common resolution for claim payments. Over the last 19 years, 65 settlements have exceeded $1,000,000, or about 3.42 per year on average.

- For this entire period, the average settlement over $1M is $1,803,203. The average for 2006 and all prior years was slightly more than $2,000,000.

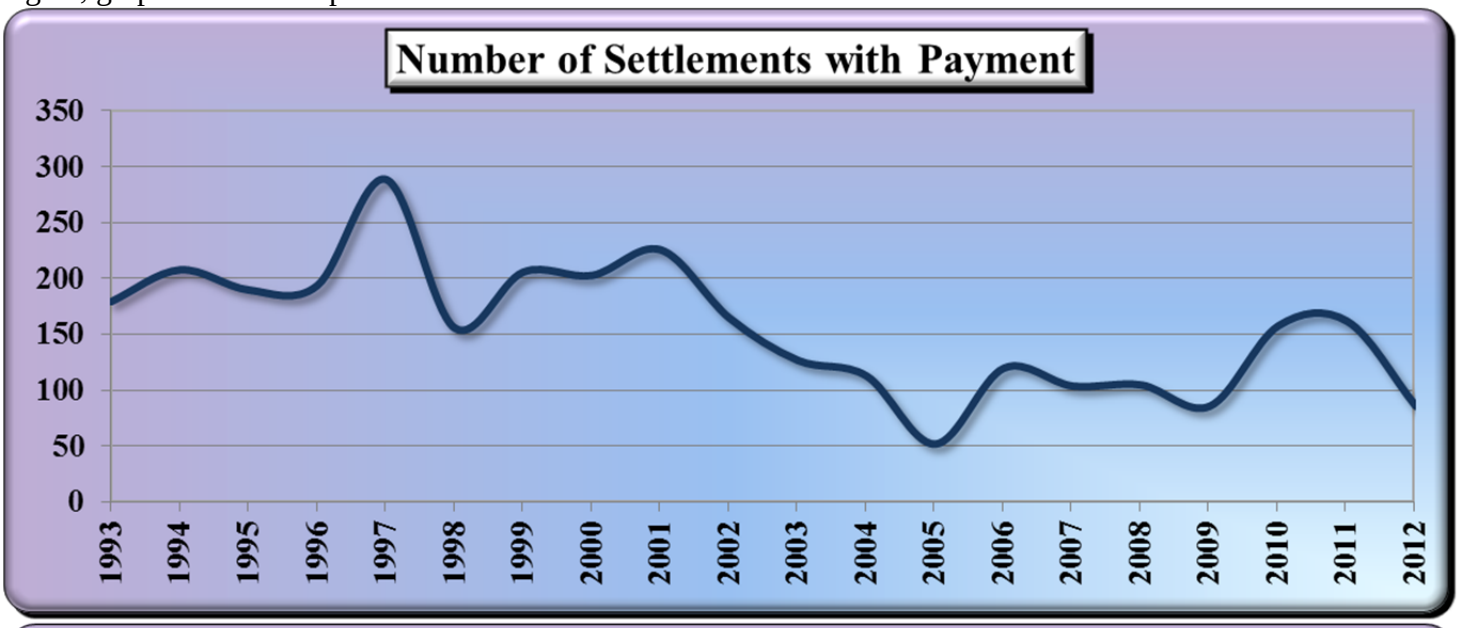
As was done for judgments, we will cap claims at $1,000,000 and look for trends:

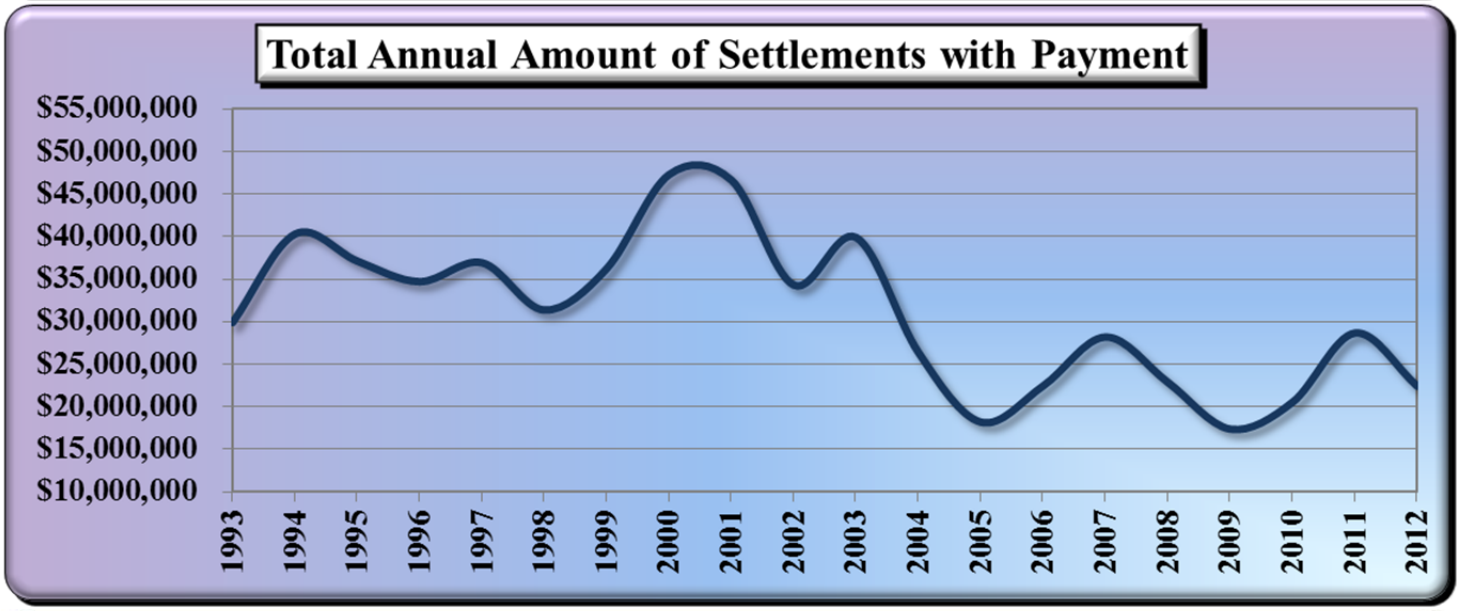
West Virginia Board of Medicine			
Settlements with payment capped at $1,000,000			
Year	**#**	**Amount**	**Average**
1993	180	$29,789,721	$165,498
1994	208	$40,243,941	$198,246
1995	190	$37,069,607	$198,233
1996	194	$34,654,192	$181,436
1997	289	$36,874,345	$128,931
1998	156	$31,312,836	$204,659
1999	206	$36,202,779	$178,339
2000	203	$47,231,896	$237,346
2001	226	$46,581,246	$207,028
2002	165	$34,264,212	$208,928
2003	127	$39,844,727	$318,758
2004	113	$26,319,435	$232,915
2005	52	$18,145,664	$224,021
2006	120	$22,410,381	$186,753
2007	104	$28,148,162	$284,325
2008	105	$22,815,026	$217,286
2009	86	$17,322,096	$201,420
2010	158	$20,493,572	$129,706
2011	162	$28,616,764	$176,647
2012	86	$22,356,535	$259,960
20 Years	**3,130**	**$620,697,137**	**$198,306**

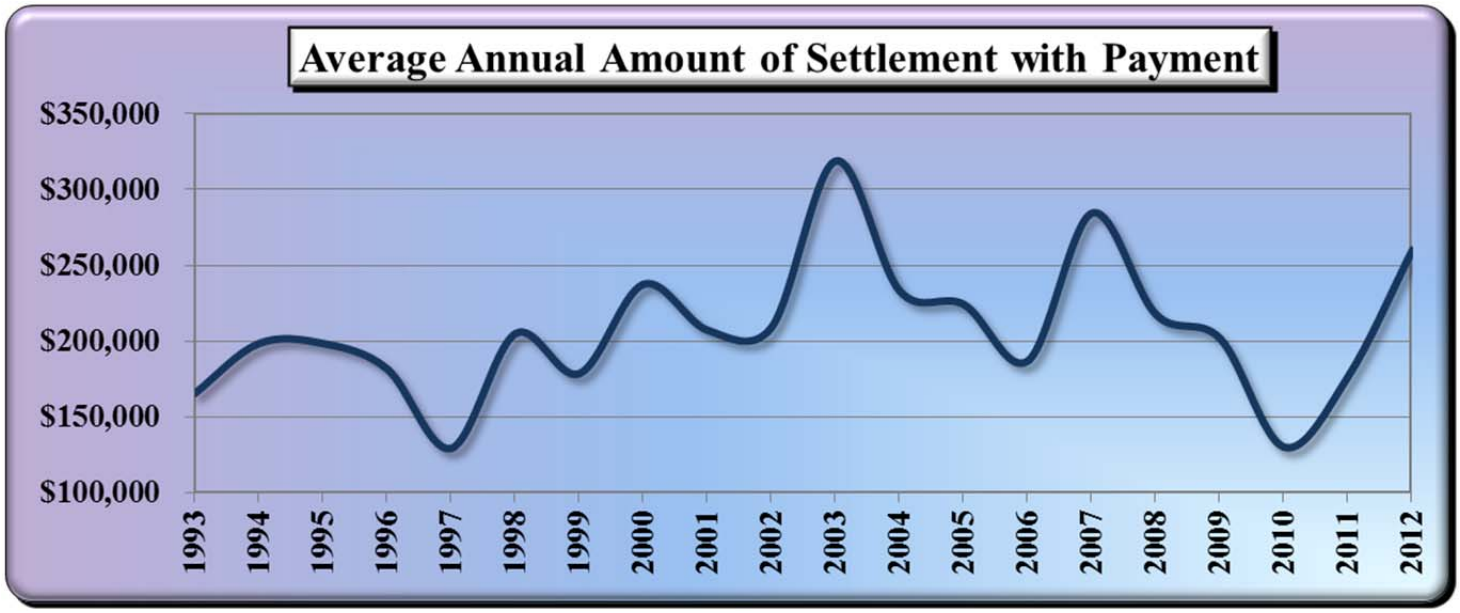
- From the above data, which limits claims to $1,000,000, a general escalation in the average settlement paid is observed until 2003, followed by a general decline and slight rebound for 2012. In the years 1993-2002 combined the average paid settlement was $185,535. For 2003-2012 combined, the average paid settlement was $223,179.

- As with judgments, the small number of settlements restricts the credibility of the data. The actual number of settlements occurring since 2001 indicates a general decline in the frequency of paid settlements.

Again, graphical linear representations of the Settlement data:







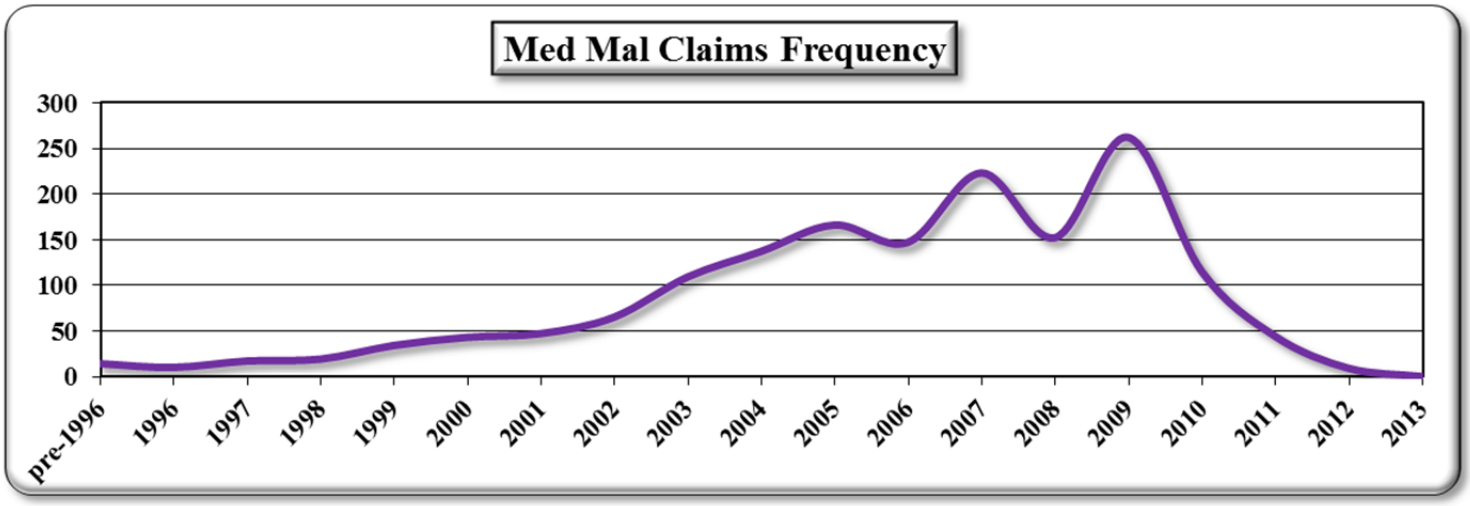
II-D: Closed Claim (20B-8) Data

In accordance with §33-20B-8, enhanced closed/paid medical malpractice information has been collected from insurers. This information includes the physician's primary specialty, the 'cause of loss', amount paid on defense costs for each filed claim and the split of the indemnity payment between economic and non-economic damages. In review of this data, and examining only physician and surgeon claims, the following general financial overview can be found on an accident year basis.

D.O.I.	Claims	Indemnity Pd	Economic Damages Pd	Non-Economic Damages Pd	Punitive Damages Pd	Non-LAE Total	Non-LAE Avg
pre-1996	15	$960,000.00	$236,600.00	$278,500.00	$0.00	$1,475,100.00	$98,340.00
1996	11	$1,830,821.92	$47,000.00	$678,000.00	$0.00	$2,555,821.92	$232,347.45
1997	18	$1,043,000.00	$50,000.00	$418,000.00	$126,423.00	$1,637,423.00	$90,967.94
1998	20	$796,784.76	$0.00	$47,500.00	$0.00	$844,284.76	$42,214.24
1999	35	$4,787,629.81	$224,677.00	$317,823.00	$0.00	$5,330,129.81	$152,289.42
2000	44	$6,447,317.92	$1,062,241.00	$1,670,161.00	$0.00	$9,179,719.92	$208,630.00
2001	48	$6,234,500.00	$11,438,093.23	$3,711,906.77	$0.00	$21,384,500.00	$445,510.42
2002	66	$11,394,870.41	$3,146,034.76	$522,461.59	$0.00	$15,063,366.76	$228,232.83
2003	110	$17,760,915.56	$10,861,065.93	$4,905,202.96	$0.00	$33,527,184.45	$304,792.59
2004	138	$11,449,646.66	$7,800,208.20	$3,531,007.15	$42,179.99	$22,823,042.00	$165,384.36
2005	167	$9,672,181.06	$5,463,832.40	$5,700,348.67	$139,500.00	$20,975,862.13	$125,603.96
2006	148	$13,419,033.57	$6,492,228.26	$5,832,259.85	$0.00	$25,743,521.68	$173,942.71
2007	224	$18,382,145.13	$7,556,531.23	$6,751,295.72	$203,076.81	$32,893,048.89	$146,843.97
2008	153	$10,891,180.96	$5,869,000.78	$4,687,830.21	$132,904.23	$21,580,916.18	$141,051.74
2009	263	$13,938,099.15	$7,523,365.45	$6,635,176.28	$19,977.87	$28,116,618.75	$106,907.30
2010	116	$8,454,743.25	$4,669,792.57	$3,764,950.67	$10,577.00	$16,900,063.49	$145,690.20
2011	45	$2,340,935.36	$859,285.75	$1,106,649.61	$0.00	$4,306,870.72	$95,708.24
2012	10	$1,336,252.90	$825,004.90	$511,248.00	$0.00	$2,672,505.80	$267,250.58
2013	1	$500.00	$0.00	$500.00	$0.00	$1,000.00	$1,000.00

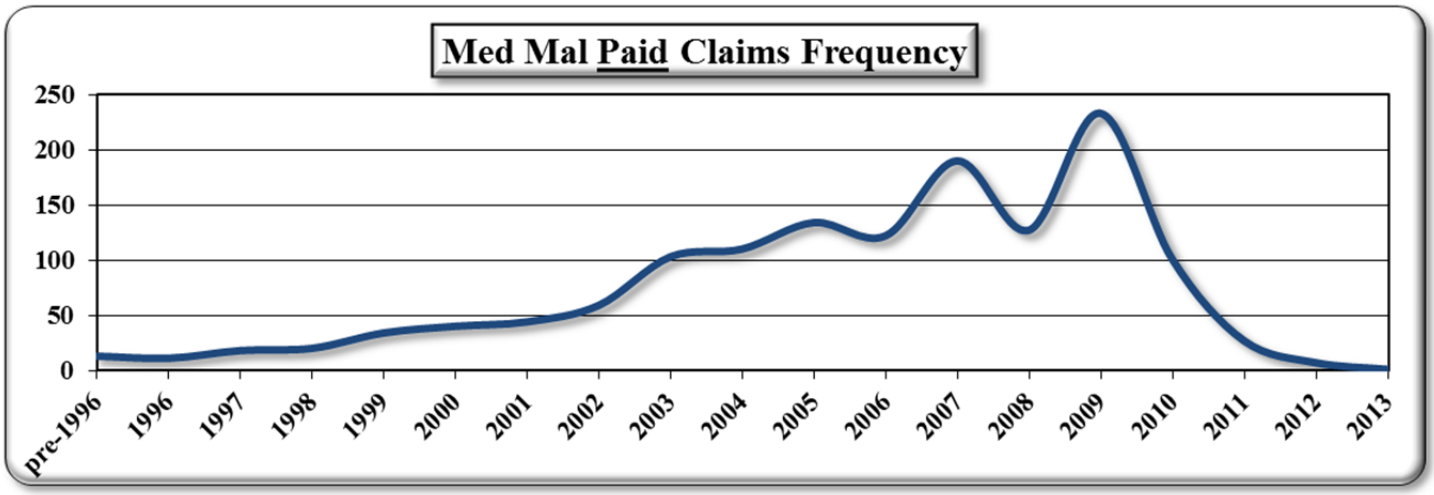
D.O.I.	Non-LAE $0 Pd	Non-LAE Non $0 Avg	LAE Pd	Total Payments	Total Avg	$0 Paids	Non $0 Pd Avg
pre-1996	9	$245,850.00	$995,053.42	$2,470,153.42	$411,692.24	2	$190,011.80
1996	6	$511,164.38	$825,789.12	$3,381,611.04	$676,322.21	0	$307,419.19
1997	9	$181,935.89	$1,561,352.21	$3,198,775.21	$355,419.47	0	$177,709.73
1998	8	$70,357.06	$2,472,388.40	$3,316,673.16	$276,389.43	0	$165,833.66
1999	15	$266,506.49	$4,767,962.09	$10,098,091.90	$504,904.60	1	$297,002.70
2000	20	$382,488.33	$3,198,674.60	$12,378,394.52	$515,766.44	4	$309,459.86
2001	28	$1,069,225.00	$4,134,221.90	$25,518,721.90	$1,275,936.10	4	$579,970.95
2002	35	$485,915.06	$4,543,119.25	$19,606,486.01	$632,467.29	7	$332,313.32
2003	45	$515,802.84	$7,730,244.18	$41,257,428.63	$634,729.67	7	$400,557.56
2004	83	$414,964.40	$7,128,941.96	$29,951,983.96	$544,581.53	28	$272,290.76
2005	96	$295,434.68	$6,108,577.95	$27,084,440.08	$381,470.99	33	$202,122.69
2006	87	$422,024.95	$5,728,360.16	$31,471,881.84	$515,932.49	26	$257,966.24
2007	116	$304,565.27	$7,937,680.05	$40,830,728.94	$378,062.31	34	$214,898.57
2008	94	$365,778.24	$4,742,009.92	$26,322,926.10	$446,151.29	26	$207,267.13
2009	88	$160,666.39	$3,955,439.57	$32,072,058.32	$183,268.90	30	$137,648.32
2010	58	$291,380.41	$1,790,576.56	$18,690,640.05	$322,252.41	15	$185,055.84
2011	30	$287,124.71	$276,896.39	$4,583,767.11	$305,584.47	18	$169,769.15
2012	6	$668,126.45	$125,006.37	$2,797,512.17	$699,378.04	3	$399,644.60
2013	0	$1,000.00	$0.00	$1,000.00	$1,000.00	0	$1,000.00

Accordingly, from this dataset the accident year claim incidence is as follows:

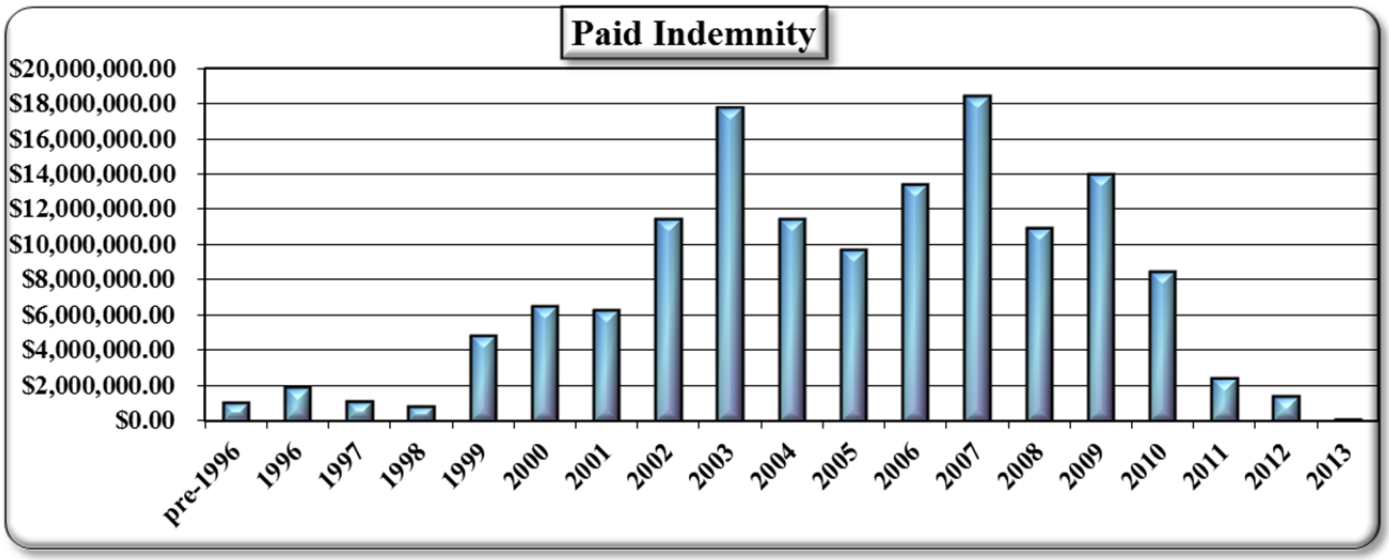


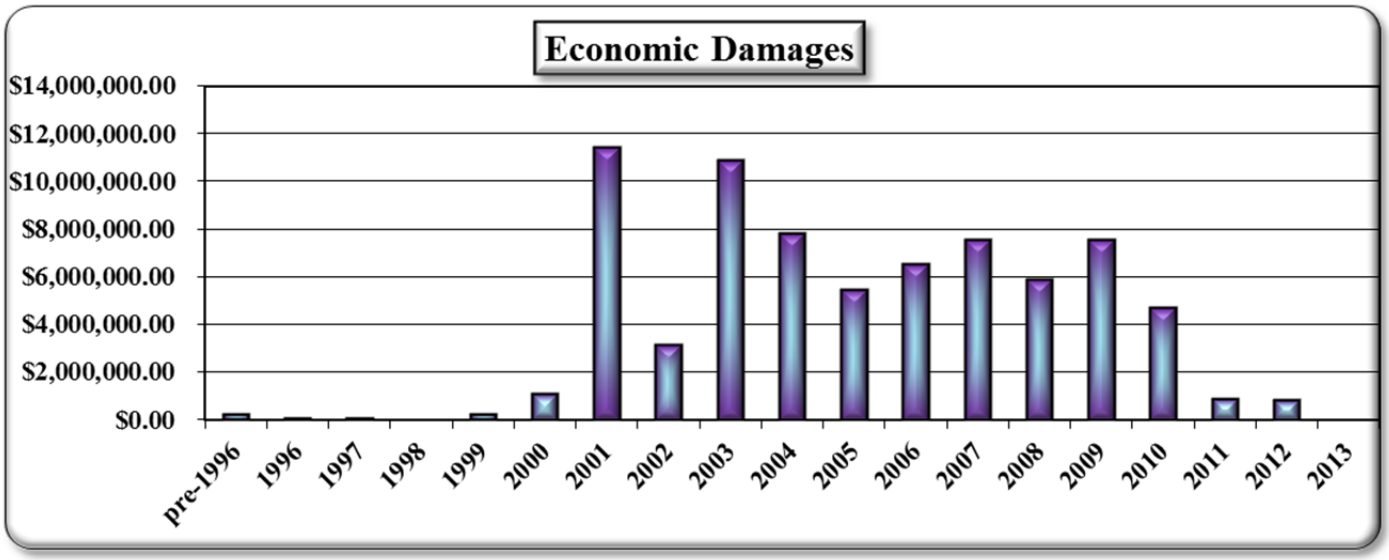
Note from the table and the preceding paragraph, that this incidence frequency does not exclude zero paid claims and again is comprised of closed claims only.

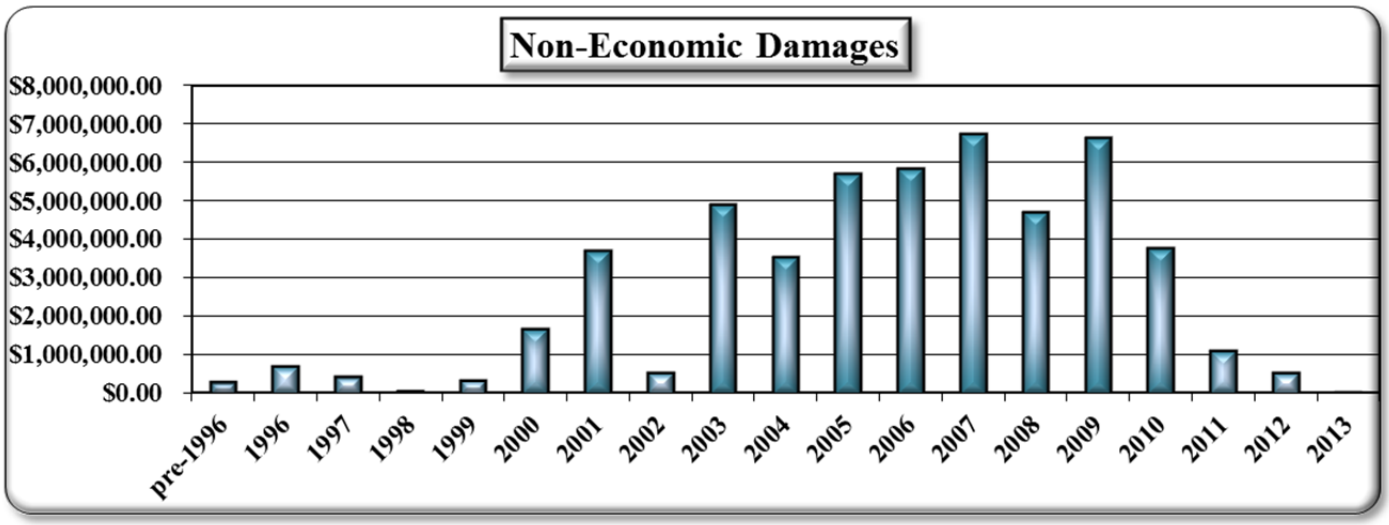
Removing the zero paid claims results in the following substantially similar distribution (*excepting the scale*):

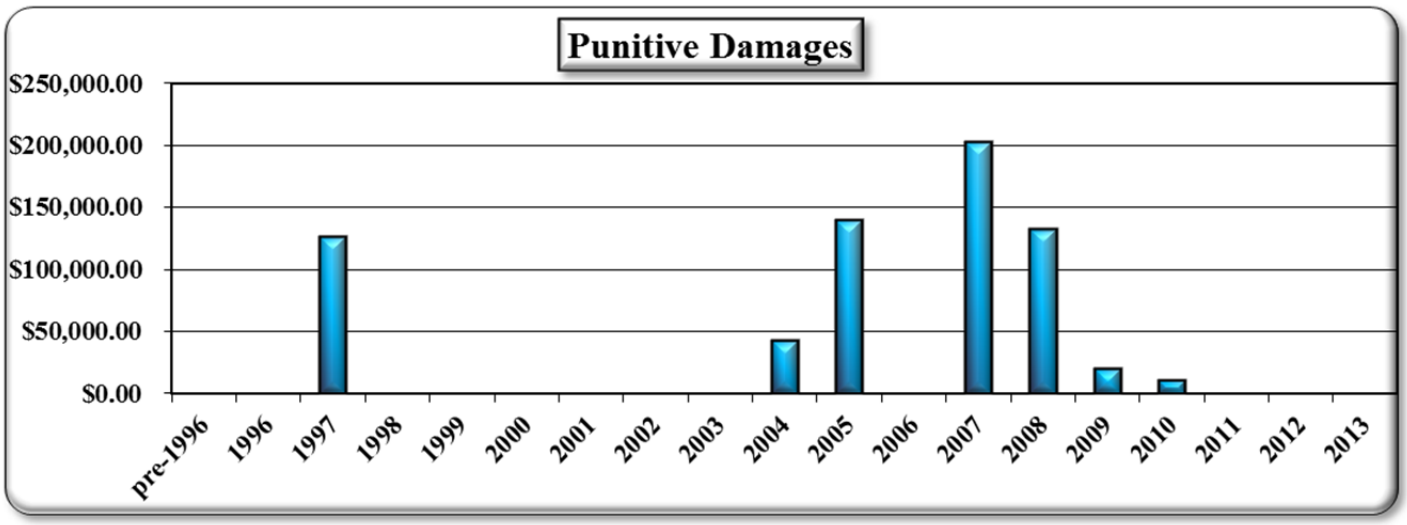


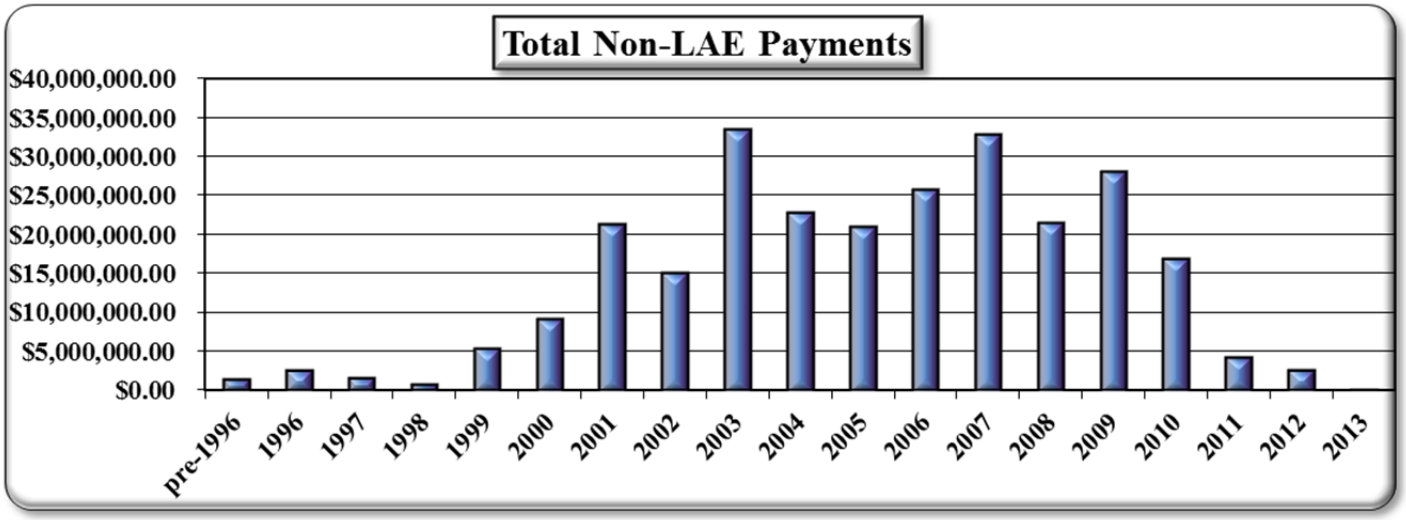
Utilizing the data from the table on the previous page, we can now review the breakdown of payments between indemnity, economic damages, non-economic damages, punitive damages, and loss adjustment expenses over time, again on an accident year basis.

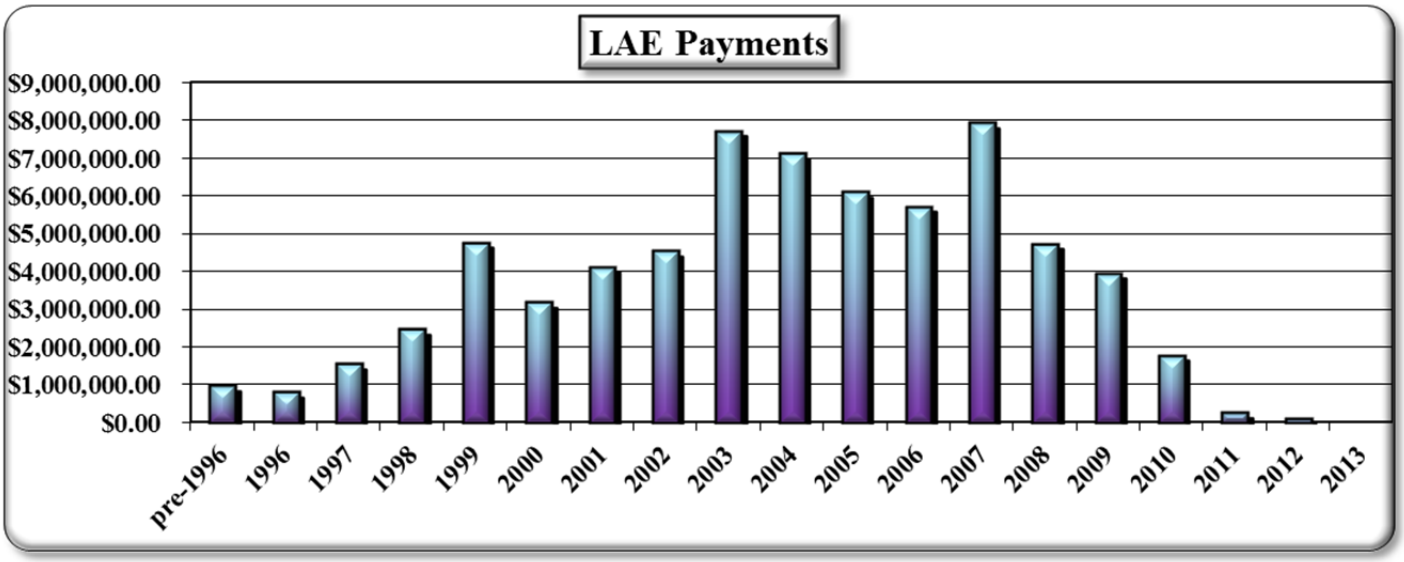

Paid Indemnity
$20,000,000.00
$18,000,000.00
$16,000,000.00
$14,000,000.00
$12,000,000.00
$10,000,000.00
$8,000,000.00
$6,000,000.00
$4,000,000.00
$2,000,000.00
$0.00
pre-1996
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013

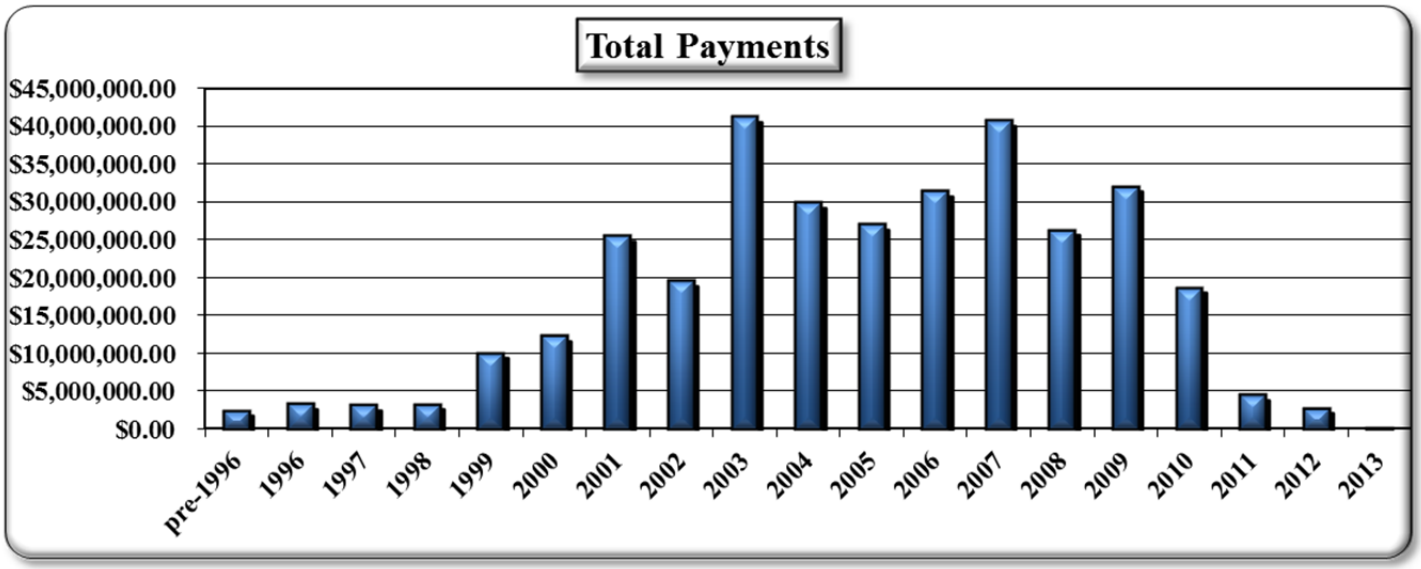

Economic Damages
$14,000,000.00
$12,000,000.00
$10,000,000.00
$8,000,000.00
$6,000,000.00
$4,000,000.00
$2,000,000.00
$0.00
pre-1996
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013


Non-Economic Damages
$8,000,000.00
$7,000,000.00
$6,000,000.00
$5,000,000.00
$4,000,000.00
$3,000,000.00
$2,000,000.00
$1,000,000.00
$0.00
pre-1996
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013

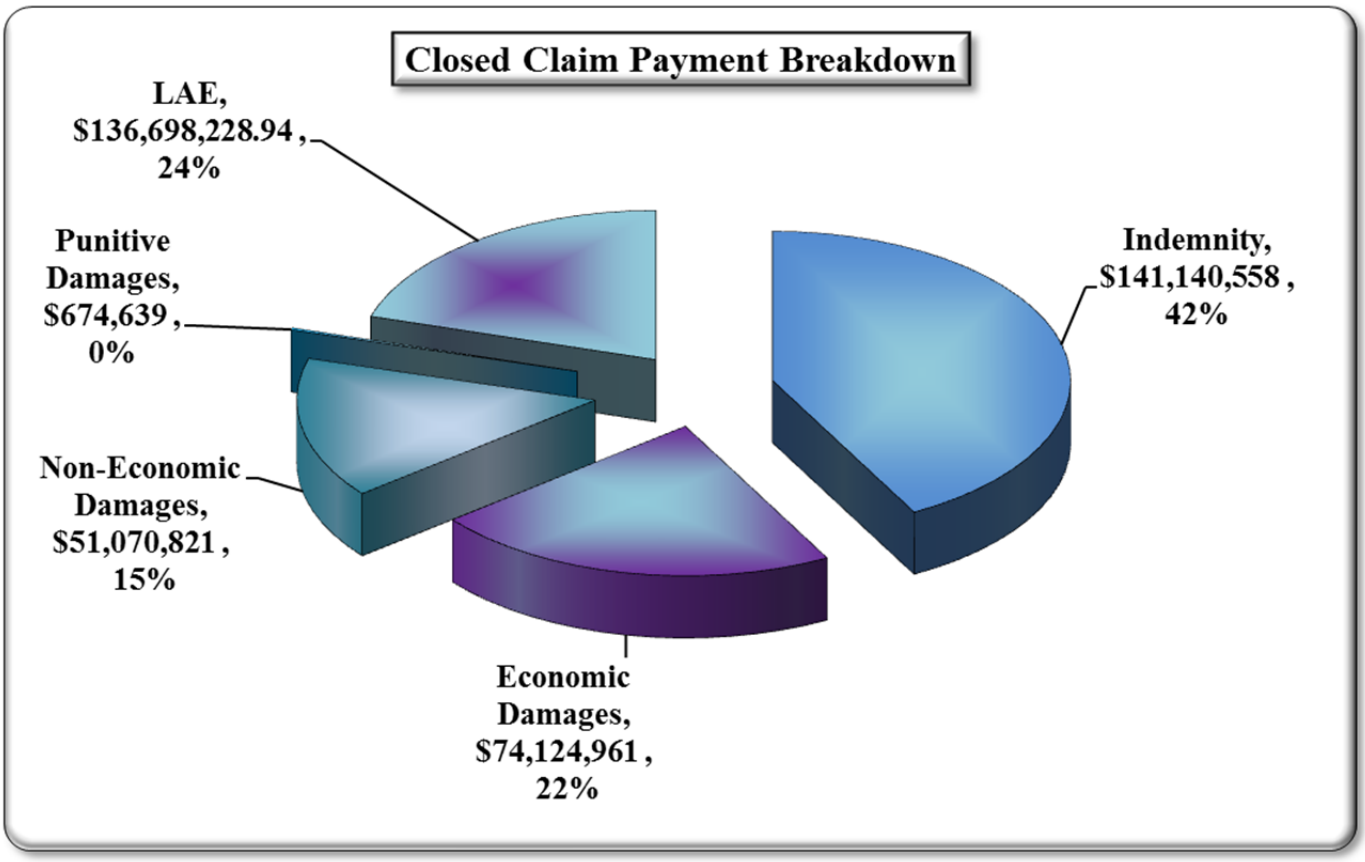

Punitive Damages
$250,000.00
$200,000.00
$150,000.00
$100,000.00
$50,000.00
$0.00
pre-1996
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013


Total Non-LAE Payments
$40,000,000.00
$35,000,000.00
$30,000,000.00
$25,000,000.00
$20,000,000.00
$15,000,000.00
$10,000,000.00
$5,000,000.00
$0.00
pre-1996
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013


LAE Payments
$9,000,000.00
$8,000,000.00
$7,000,000.00
$6,000,000.00
$5,000,000.00
$4,000,000.00
$3,000,000.00
$2,000,000.00
$1,000,000.00
$0.00
pre-1996
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013

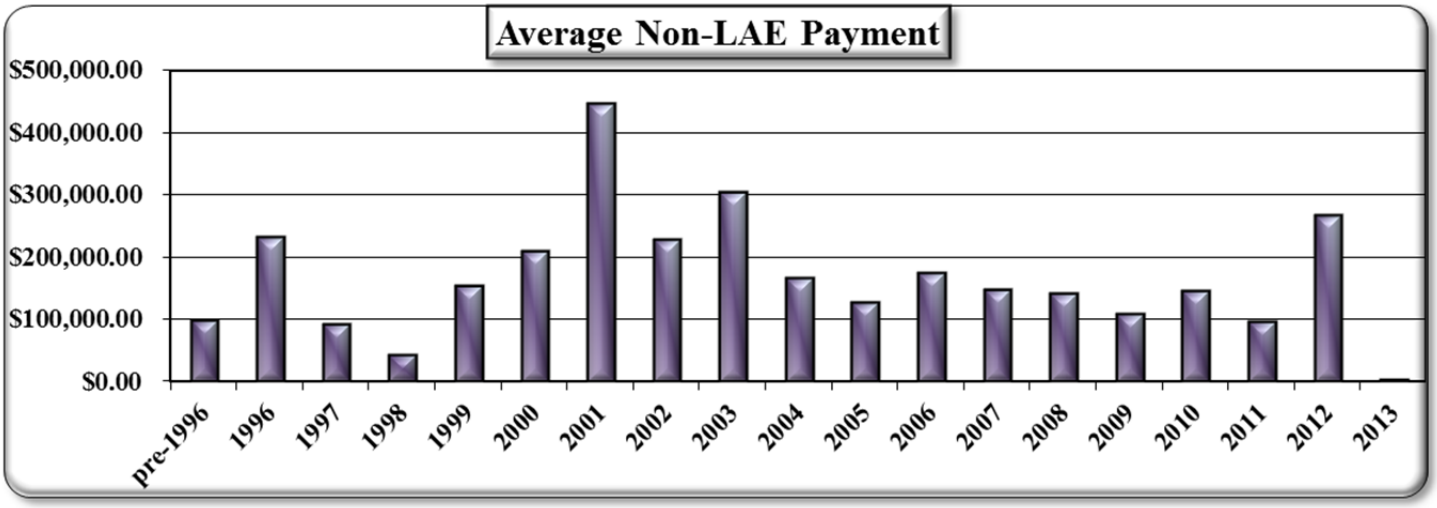


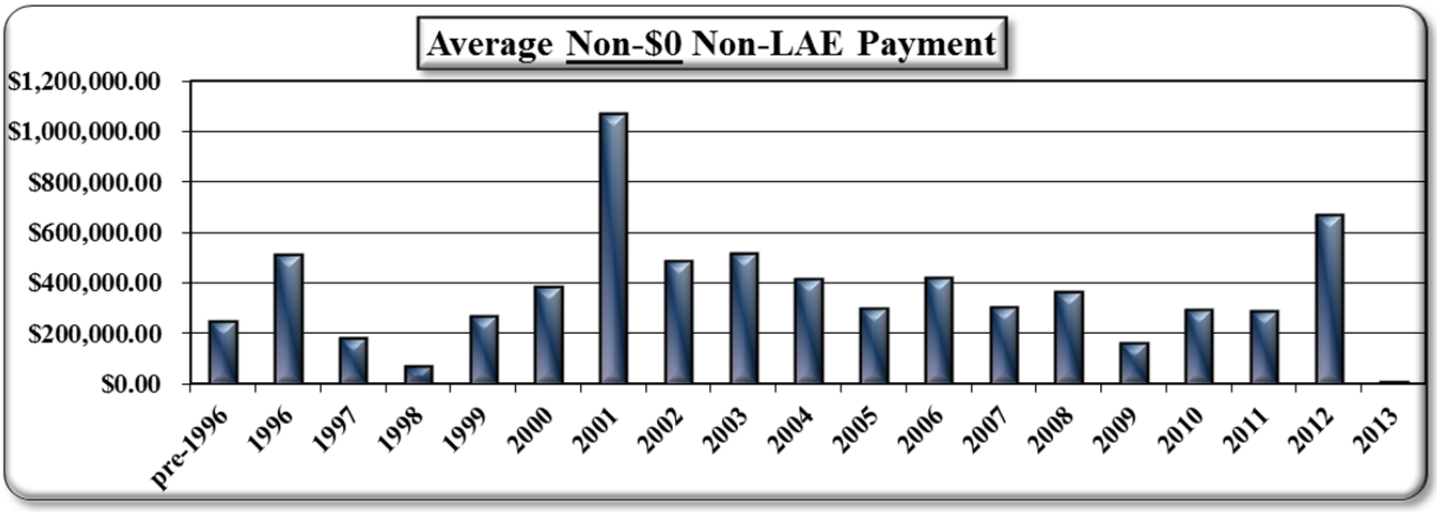
Then from the entire dataset, you can determine how each of the damage types and loss adjustment expenses are related.

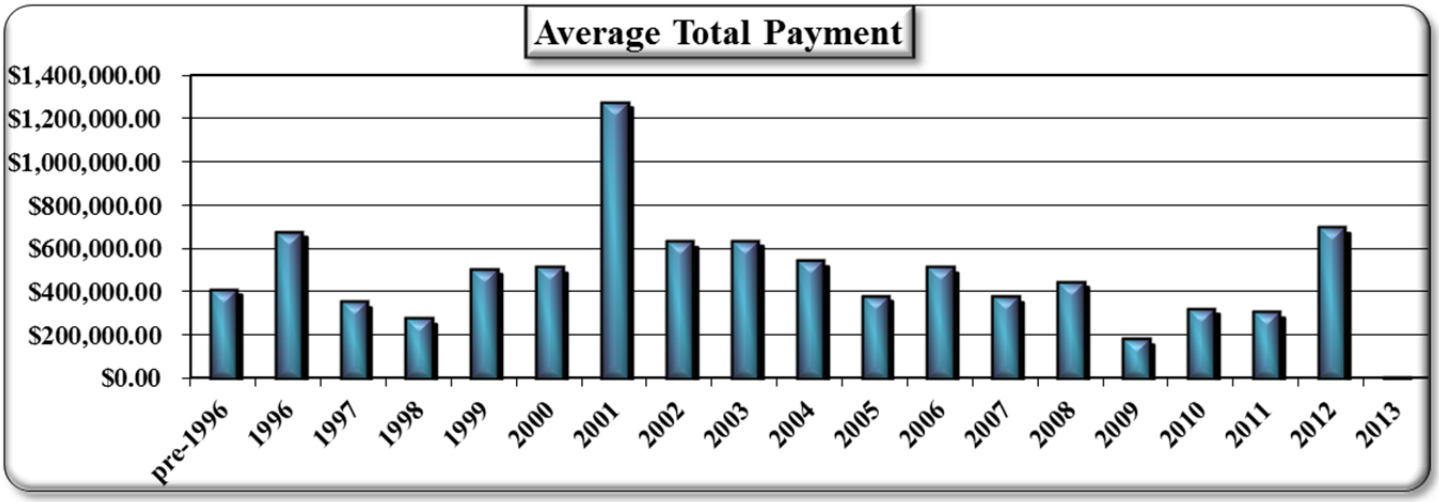


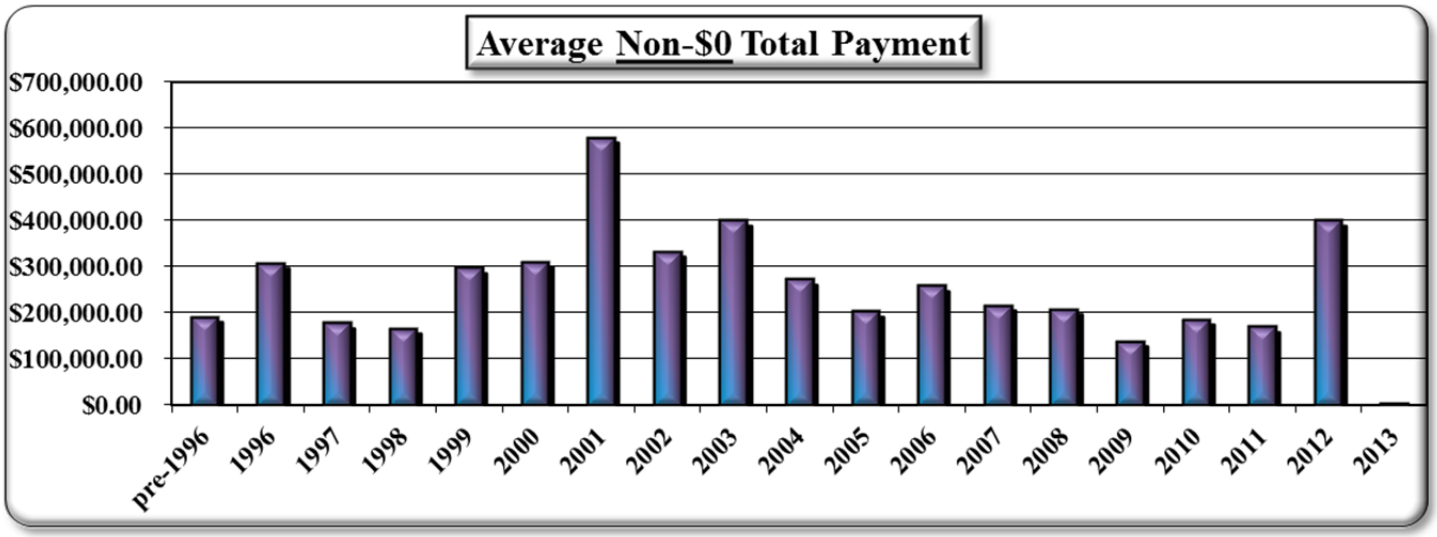
As you may determine, actual punitive damages are shown to constitute a very small portion of total damages, but non-economic damages are shown to be fairly substantial.

Now we will look at the averages.









The pre-1996-2004 average non-zero non-LAE payment is about $414K, and the 2005-2013 average non-zero non-LAE payment is about $311K. Similarly, the pre-1996-2004 average non-zero total payment was about $303K and the 2005-2013 average non-zero total payment was about $197K. Being that these data are on an accident year basis, and that medical malpractice is a long tail line of insurance, it may be likely that the experience of later years will be subject to further adverse development. However, both of these measures indicate a general improvement in the line over time in West Virginia.

Similar to the Board of Medicine (BOM) data, we can also consider claim outcomes for those claims under which an outcome was listed (*i.e. Calendar Year basis*).

Closed yr	Judgment	Settlement	Dismissal
2000	1	0	0
2001	0	1	1
2002	0	4	0
2003	2	1	3
2004	1	4	2
2005	1	4	2
2006	7	50	44
2007	11	83	43
2008	10	100	64
2009	7	70	61
2010	9	140	37
2011	6	148	48
2012	4	91	40
2013*	5	50	37
	64	**746**	**382**

**Through September*

Again we find that most claims are settled (*48% vs. BOM 62% since 1993*), dismissals constitute 25% (*vs. BOM 30% since 1993*) and that very few claims receive a judgment 4% (*vs. BOM 8% since 1993*.) These findings appear to be fairly consistent.

We may also consider costs based upon the outcome type. Specifically:

All	Total Non LAE Pd	LAE PAID	Count	Avg Non LAE	Avg LAE
Judgments	$14,119,005.36	$10,888,679.71	64	$220,609.46	$170,135.62
Settlements	$143,319,106.47	$38,088,549.89	746	$192,116.76	$51,057.04
Dismissals	$382,644.17	$14,485,311.90	382	$1,001.69	$37,919.66

All	$0 Non-LAE	$0 LAE	Avg Non $0 Non LAE	Avg Non $0 LAE	Total Non $0 Avg Expenditure
Judgments	2	2	$227,725.89	$175,623.87	$403,349.76
Settlements	3	133	$192,892.47	$62,134.67	$255,027.14
Dismissals	59	63	$1,184.66	$45,408.50	$46,593.16

Not surprisingly, judgments are most expensive in terms of payouts, followed by settlements and dismissals.

Being that the specialty class code of the physician or surgeon was also included in the claims database, we can again test the rating assumption that physician rates should be lower than surgeon rates solely due to risk. (*This particular test was introduced for the first time in the 2010 report*). As per the demonstrated differences in rates from rating examples of **Exhibit VII**, we can segregate physician class claims from surgeon class claims to in order to provide a general litmus test as to whether or not, on average, physicians represent a lesser exposure than do surgeons.

Accordingly for physician classes and similar:

Claims	Class Code	Physician Class Description	Total Claim Payments	Zero Pds
1	80254	Allergy-Immunology	$0.00	1
20	80255	Cardiovascular Dis/No Surg	$917,491.69	4
3	80256	Dermatology-No Surgery	$105,500.08	0
8	80238	Endocrinology-No Surgery	$1,675,550.63	0
10	80241	Gastroenterology/No Surgery	$600,779.22	0
2	80420	General Practicioners-No Surgery	$0.00	2
1	84420	General Practicioners-No Surgery (D.O.)	$1,503.64	0
14	80231	General Preventative Medicine	$2,890,611.84	1
1	80278	Hematology-Minor Surgery	$409,199.80	0
5	80245	Hematology-No Surgery	$688,247.47	1
7	80246	Infectious Diseases-No Surgery	$166,082.00	2
136	80257	Internal Medicine/No Surgery	$13,790,711.39	37
1	80259	Neoplastic Diseases-No Surgery	$0.00	1
8	80260	Nephrology	$1,252,676.84	3
4	80262	Nuclear Medicine	$533,289.47	0
2	80233	Occupational Medicine	$65,936.52	0
2	80114	Opthamology/Major Surgery	$109,449.01	0
5	80289	Opthamology-Minor Surgery	$276,922.00	2
1	80290	Otology-Minor Surgery	$131,410.00	1
1	80264	Otology-No Surgery	$0.00	1
51	80265	Otorhinolaryngology/No Surgery	$7,418,235.99	4
8	80266	Pathology	$1,570,566.03	1
32	80267	Pediatrics-No Surgery	$7,205,830.97	6
1	80234	Pharmacology - Clinical	$10,371.00	0
7	80235	Physical Medicine & Rehabilitation	$1,189,003.59	3
113	80268	Physician (NOC)-No Surgery	$10,117,122.90	7
9	80116	Physicians or Surgeons Assistants	$368,792.78	3
2	80938	Physiotherapists	$76,251.23	0
15	80249	Psychiatry	$2,888,544.18	4
5	80236	Public Health	$165,608.00	2
17	80269	Pulmonary Diseases-No Surgery	$2,891,719.66	4
89	80253	Radiology-Diagnostic-No Surgery	$6,604,765.85	7
4	80252	Rheumatology-No Surgery	$494,762.22	1
1	80322	Teaching Physicians-Minor Surgery	$12,500.00	0
3	80321	Teaching Physicians-No Surgery	$271,915.00	0
589			**64,901,351.00**	

Claims per class code	**16.83**
Average cost per claim	**$110,189.05**
Average amount paid per claim (non-$0)	**$132,181.98**

Secondly, for surgeon classes and surgery operations:

Claims	Class Code	Surgeon Class Description	Total Claim Payments	Zero Pds
6	80166	Abdominal Surgery	$1,894,103.37	0
36	80151	Anesthesiology	$7,830,934.41	4
2	80101	Broncho-Esophagology	$612,395.00	1
17	80141	Cardiac Surgery	$4,220,362.93	3
26	80281	Cardiovascular Disease-Minor Surgery	$6,746,475.20	4
10	80150	Cardiovascular Surgery	$1,741,683.51	2
9	80115	Colon & Rectal Surgery	$1,191,128.14	2
9	80282	Dermatology-Minor Surgery	$761,760.65	0
8	80157	Emergency Med/Incl Surgery	$513,735.51	1
64	80102	Emergency Medicine-No Surgery	$7,960,473.18	15
1	84102	Emergency Medicine-No Surgery (D.O.)	$111,106.00	0
21	80274	Gastroenterology/Minor Surgery	$1,614,917.47	6
8	80104	Gastroenterology-Major Surgery	$1,605,616.08	0
22	80117	General Practice-Major Surgery	$4,800,453.37	2
63	80421	General Practicioners/Minor Surg	$8,236,936.58	12
134	80143	General Surgery	$21,677,695.10	14
4	80276	Geriatrics-Minor Surgery	$237,908.93	0
18	80167	Gynecology/Major Surgery	$3,924,828.20	2
12	80277	Gynecology/Minor Surgery	$5,030,004.58	0
17	80284	Internal Medicine/Minor Surgery	$4,037,348.30	2
2	80108	Nephrology/Major Surgery	$129,329.52	0
1	80287	Nephrology-Minor Surgery	$0.00	1
42	80152	Neurology/incl Child-Major Surgery	$7,353,177.78	5
134	80153	OBGYN-Major Surgery	$33,306,657.17	10
5	80168	Obstetrics-Major Surgery	$1,515,315.47	0
98	80154	Orthopedic Surgery/Incl Spine	$16,310,425.70	13
8	80291	Otorhinolaryngology/Minor Surgery	$533,788.31	1
1	80155	Otorhinolaryngology-Incl Plastic Surgery	$252,878.00	0
10	80159	Otorhinolaryngology-Major Surgery	$3,160,550.91	0
7	80293	Pediatrics-Minor Surgery	$1,460,944.37	1
102	80294	Physician (NOC)-Minor Surgery	$3,104,075.47	15
1	80443	Physician/No Major Surgery/Incl Colon	$0.00	1
34	80156	Plastic Surgery	$1,661,143.62	11
35	80280	Radiology-Diagnostic-Minor Surgery	$4,521,216.26	4
3	80324	Teaching Physicians-Major Surgery	$394,613.96	0
8	80144	Thoracic Surgery	$634,173.78	2
6	80171	Traumatic Surgery	$1,696,508.00	0
46	80145	Urological -Surgery	$7,860,890.91	2
13	80146	Vascular Surgery	$1,506,399.03	5
1,043			**170,151,954.77**	

Claims per class code	**26.74**
Average cost per claim	**$163,137.06**
Average amount paid per claim (non-$0)	**$188,638.53**

It is shown that the rating differences between physician class exposures and surgeon class exposures are meritorious.

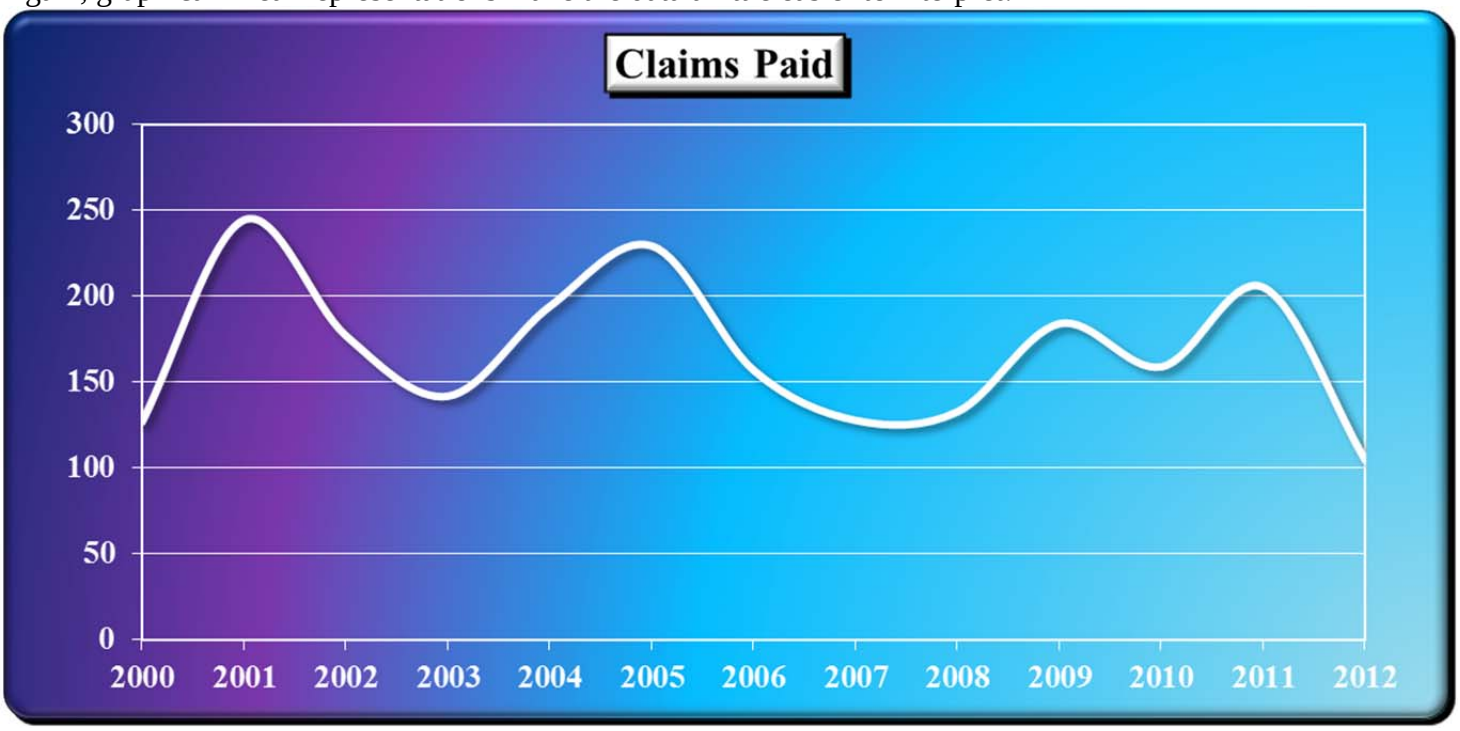
II-E: Paid Data Collection

As a further source of information, examining financial statement information provided by insurance companies provides some insight as to the total number of active paid and reserved claims by year. However, these counts do not tie the claims which are either paid or reserved in the reporting year to the year in which the claim initially occurred. For example, a claim payment by an insurer during 2006 may have been for a claim that was filed during 2006 or it may have just as easily been for a claim that was filed in any year prior to 2006.

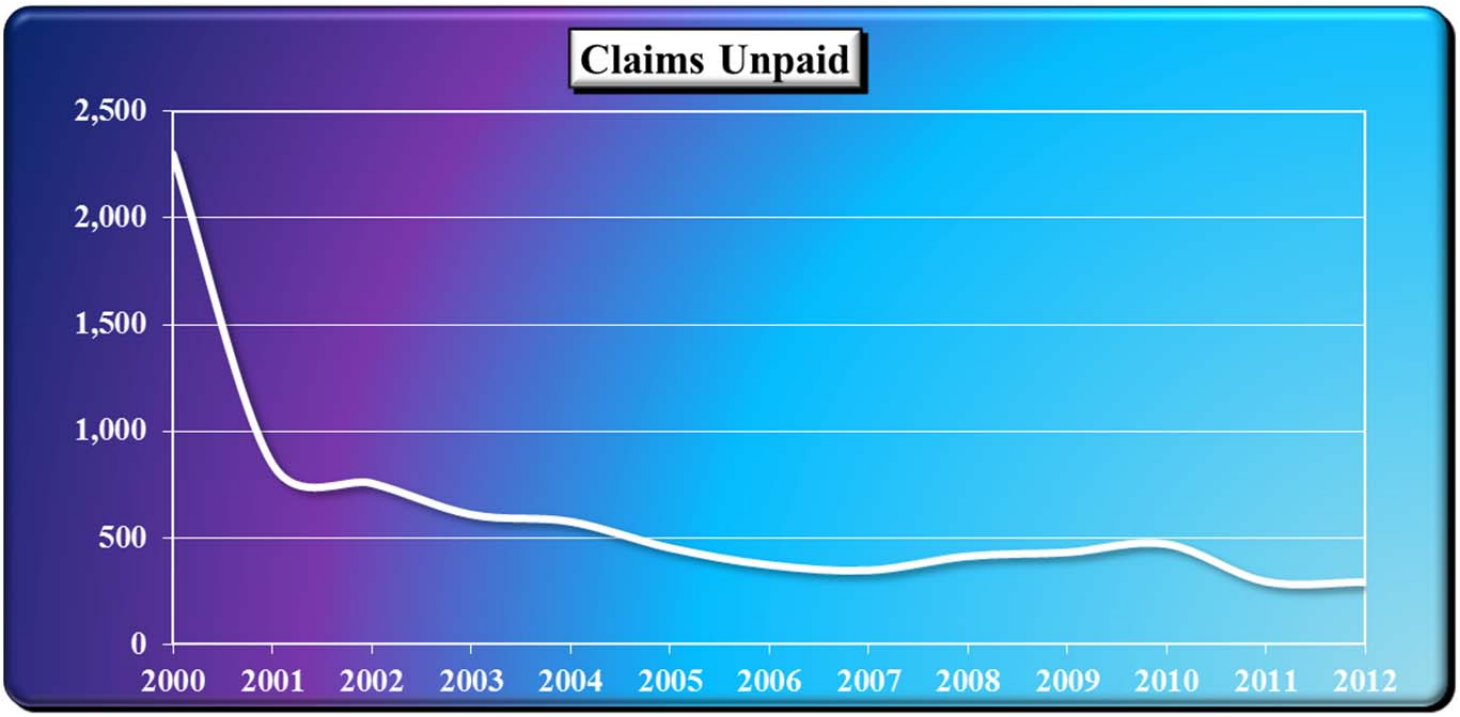
In looking at the paid and open claim information provided by insurers since 2000 who write Malpractice insurance in West Virginia for Physicians and Surgeons, the following aggregated data is found.

	# of Paid Claims	# of Unpaid Claims	Total Claims
2000	127	2,297	2,424
2001	244	848	1,092
2002	177	758	935
2003	142	611	753
2004	194	578	772
2005	229	455	684
2006	157	375	532
2007	128	350	478
2008	133	416	549
2009	184	434	618
2010	159	473	632
2011	205	297	502
2012	105	295	400

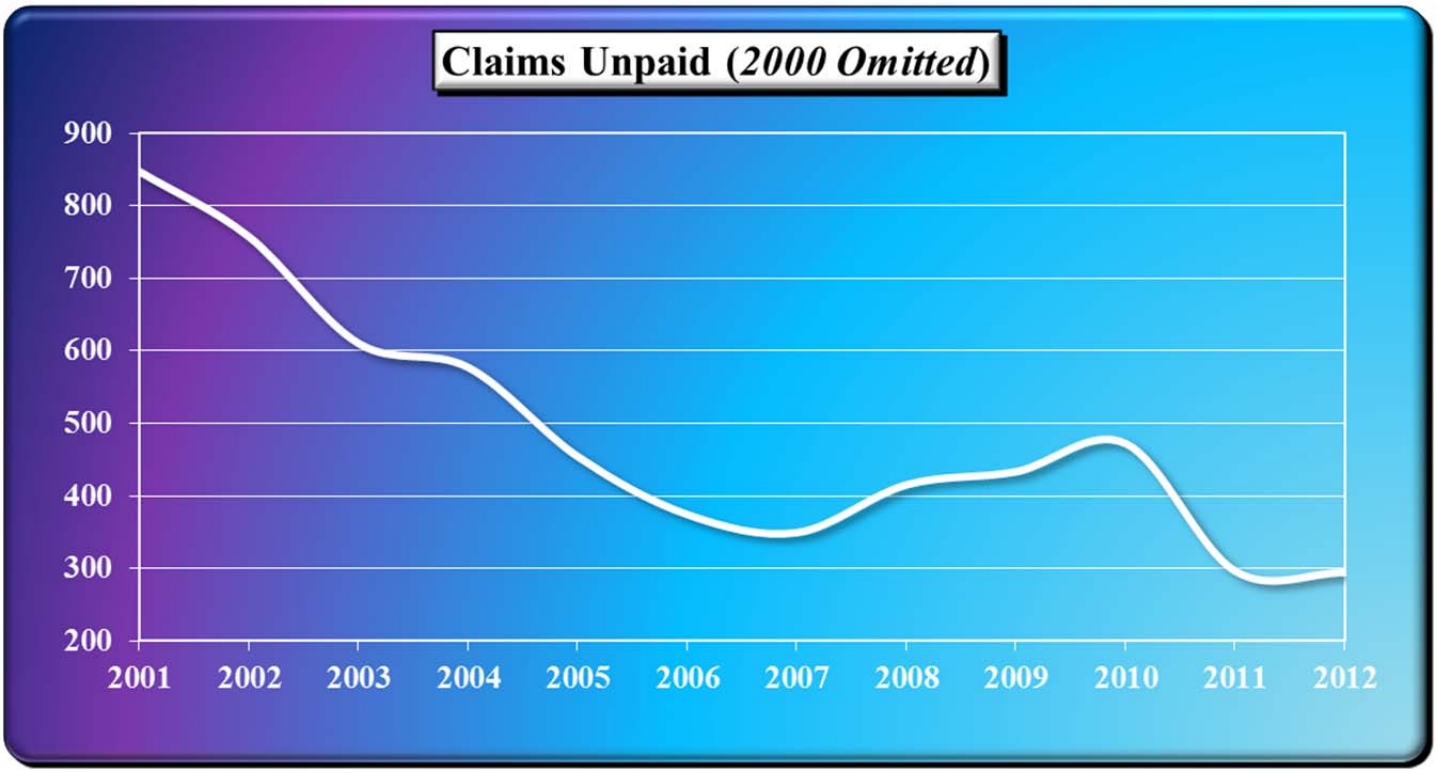
Again, graphical linear representations make the data a little easier to interpret:



The claims paid data shows little in the way of any historical pattern.



Looking at only the reserved (*unpaid*) claims by year since 2000 does reveal a general decline with the year 2000 appearing to be somewhat of an anomaly. Eliminating that outlier and rescaling demonstrates a continued favorable trend in the number of open claims by year for the Physicians and Surgeons line in West Virginia.

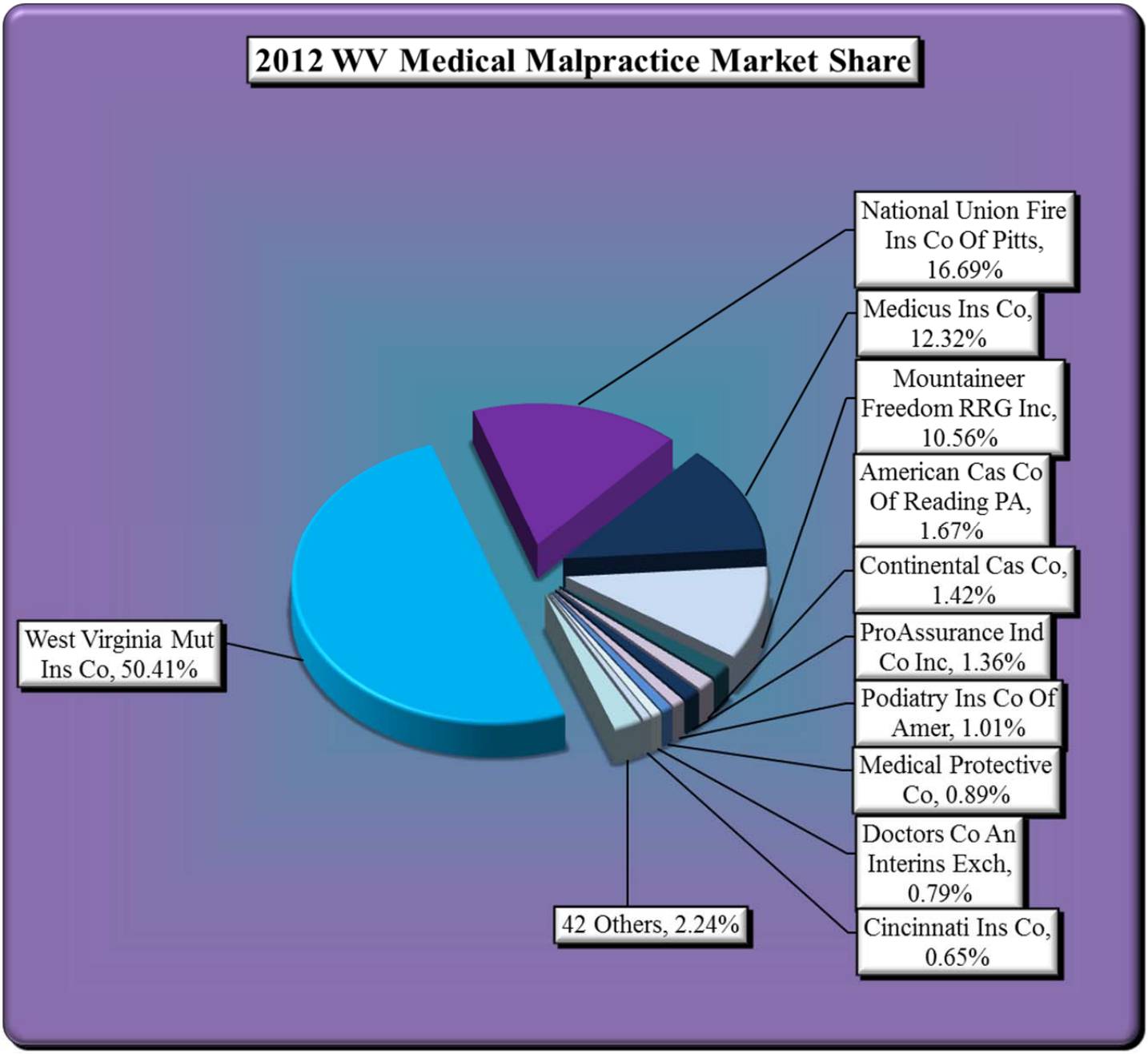


Section III

Review of 5% Market Share Companies

III Review of major West Virginia Medical Malpractice Writers

This section of the report reviews the medical malpractice rates and rules of those insurers with 5% or greater market share. Based on admitted Company written premiums for 2012, the West Virginia medical malpractice market currently looks like this:



In the table below, 4 insurers are shown to have met the statutory 5% reporting requirement threshold for 2012; ***West Virginia Mutual, National Union Fire Insurance Company of Pittsburgh, Medicus Insurance Company ,*** and ***Mountaineer Freedom, RRG, Inc.*** For several preceding years there were just 2 companies meeting this threshold. Note that as discussed in **Section I**, reductions to the loss reserves from the experience of prior years' will carry forward on a calendar year basis, and can result in aggregate negative dollar values for Direct Losses Incurred and therefore negative loss ratios as well.

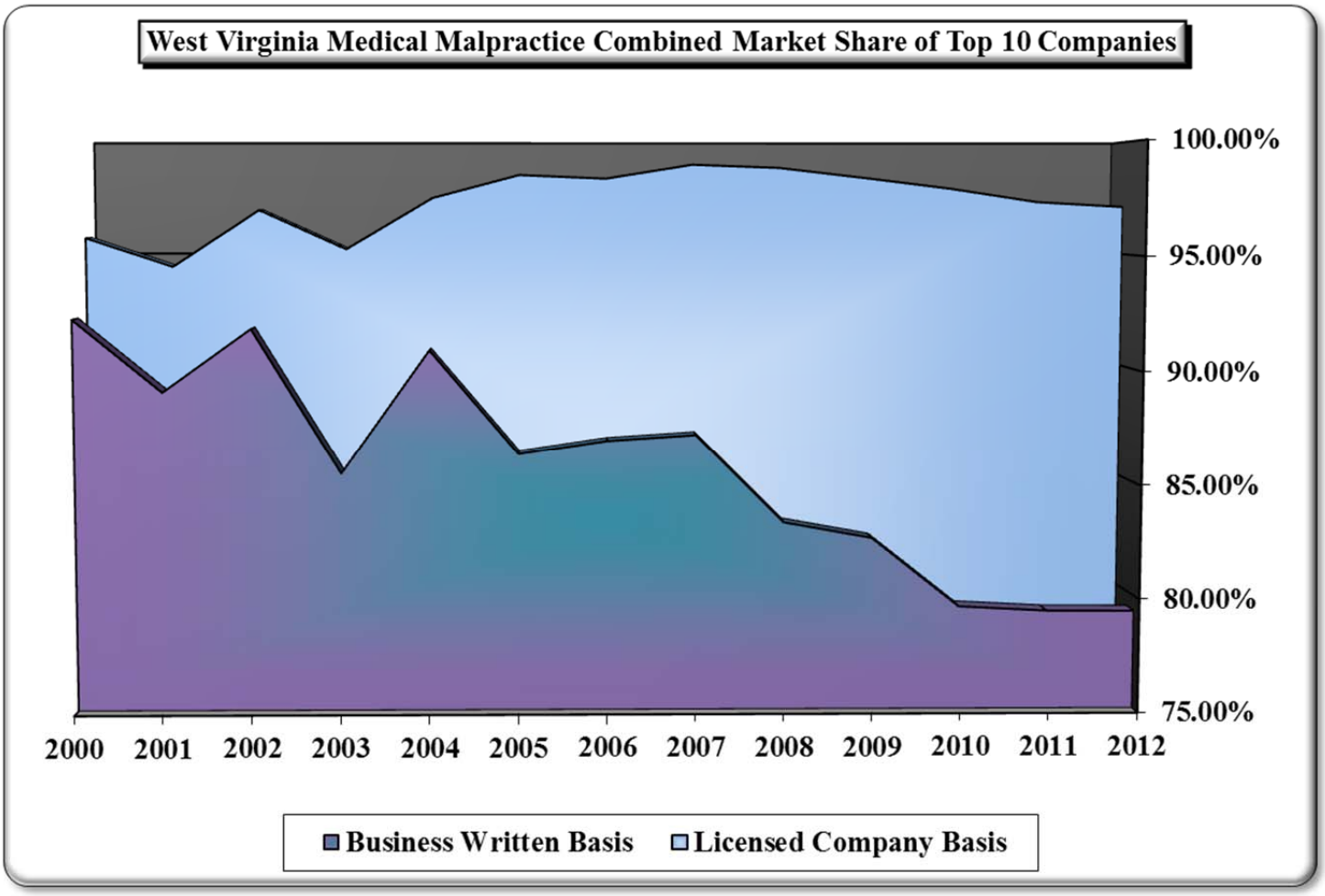
Total Medical Malpractice	**2012 West Virginia Licensed Companies**				
(NAIC Database) **Company**	**Direct Premiums Written**	**Market Share**	**Direct Premiums Earned**	**Direct Loss Incurred**	**Pure Direct Loss Ratio***
West Virginia Mut Ins Co	28,587,149	50.41%	30,373,162	419,019	1.38%
National Union Fire Ins Co Of Pitts	9,464,920	16.69%	9,460,388	-6,200,752	-65.54%
Medicus Ins Co	6,983,646	12.32%	6,492,705	109,891	1.69%
Mountaineer Freedom RRG Inc	5,988,817	10.56%	5,988,817	2,170,340	36.24%
American Cas Co Of Reading PA	945,866	1.67%	951,732	310,162	32.59%
Continental Cas Co	804,404	1.42%	807,747	37,192	4.60%
ProAssurance Ind Co Inc	769,745	1.36%	959,125	-212,459	-22.15%
Podiatry Ins Co Of Amer	570,685	1.01%	564,252	191,344	33.91%
Medical Protective Co	503,048	0.89%	516,058	228,000	44.18%
Doctors Co An Interins Exch	449,868	0.79%	585,963	-248,029	-42.33%
Cincinnati Ins Co	369,215	0.65%	367,743	678,075	184.39%
Other (42) Companies	*1,268,078*	*2.24%*	*1,188,692*	*-1,715,237*	*-144.30%*
Total	**$56,705,441**	**100.00%**	**$58,256,384**	**($4,232,454)**	**-7.27%**

However, by looking at the entire market, which <u>includes</u> the Excess & Surplus writers *(i.e. non-admitted insurers including Risk Retention Groups [RRG's])*, the following information is found:

Total Medical Malpractice	**2012 West Virginia Business Written**				
(NAIC Database) **Company**	**Direct Premiums Written**	**Market Share**	**Direct Premiums Earned**	**Direct Loss Incurred**	**Pure Direct Loss Ratio***
West Virginia Mut Ins Co	28,587,149	35.27%	30,373,162	419,019	1.38%
National Union Fire Ins Co Of Pitts	9,464,920	11.68%	9,460,388	-6,200,752	-65.54%
Medicus Ins Co	6,983,646	8.62%	6,492,705	109,891	1.69%
Mountaineer Freedom RRG Inc	5,988,817	7.39%	5,988,817	2,170,340	36.24%
Community Hospital RRG	5,622,590	6.94%	5,622,590	3,988,150	70.93%
Darwin Select Ins Co	1,829,385	2.26%	1,723,538	6,742,324	391.19%
Nautilus Ins Co	1,727,171	2.13%	1,745,365	-230,519	-13.21%
Homeland Ins Co of NY	1,449,898	1.79%	588,833	178,047	30.24%
Health Care Industry Liab Recip Ins	1,403,683	1.73%	1,192,398	752,346	63.10%
Liberty Surplus Ins Corp	1,244,853	1.54%	1,134,431	607,987	53.59%
American Cas Co Of Reading PA	945,866	1.17%	951,732	310,162	32.59%
Ophthalmic Mut Ins Co RRG	849,233	1.05%	848,609	27,727	3.27%
Other (100) Companies	14,946,445	18.44%	15,288,198	-1,216,942	-7.96%
Totals	**$81,043,656**	**100.00%**	**$81,410,766**	**$7,657,780**	**9.41%**

**Direct Loss Ratio does not include LAE or other expenses*

As you can see, the Excess & Surplus lines writers (*italicized above*) have a significant amount of penetration into our Malpractice market. However, considering historical premium volumes it can be found that this penetration has actually declined over recent years:



On a business written basis (*which again includes E&S Companies and RRG's*), the 13-year average market share for the top 10 writers (*by premium volume*) captures about 86% of the entire market. Taking this same metric for only the most recent three years captures just 79.4% of the entire market.

On the next page is a breakdown, by sub-line, for some of the key Malpractice writers in West Virginia including those writing on an Excess and Surplus basis:

Company	Subline	2012 Written Premium
West Virginia Mut Ins Co	*Physicians & Surgeons*	$28,587,149.00
	Hospitals	$0.00
	Other	$0.00
	Total	**$28,587,149**
National Union Fire Ins Co Of Pitts	*Physicians & Surgeons*	$531,959.00
	Hospitals	$0.00
	Other	*$8,932,961.00*
	Total	**$9,464,920**
Medicus Ins Co	*Physicians & Surgeons*	$6,983,646.00
	Hospitals	$0.00
	Other	$0.00
	Total	**$6,983,646**
Mountaineer Freedom RRG Inc	*Physicians & Surgeons*	$0.00
	Hospitals	$5,988,817.00
	Other	$0.00
	Total	**$5,988,817**
Community Hospital RRG	*Physicians & Surgeons*	$0.00
	Hospitals	$5,622,590.00
	Other	$0.00
	Total	**$5,622,590**
Darwin Select Ins Co	*Physicians & Surgeons*	$202,580.00
	Hospitals	$1,361,406.00
	Other	$265,399.00
	Total	**$1,829,385**
Nautilus Ins Co	*Physicians & Surgeons*	$0.00
	Hospitals	$1,668,104.00
	Other	$59,067.00
	Total	**$1,727,171**
Homeland Ins Co of NY	*Physicians & Surgeons*	$312,500.00
	Hospitals	$804,750.00
	Other	$332,648.00
	Total	**$1,449,898**
Health Care Industry Liab Recip Ins	*Physicians & Surgeons*	$0.00
	Hospitals	$0.00
	Other	$1,403,683.00
	Total	**$1,403,683**
Liberty Surplus Ins Corp	*Physicians & Surgeons*	$0.00
	Hospitals	$0.00
	Other	$1,244,853.00
	Total	**$1,244,853**

III-A: Enabling Legislation

The reporting of experience for insurance carriers with 5% or more of the West Virginia Medical Malpractice direct written premium is *required* by:

West Virginia Regulation §114CSR22
West Virginia Regulation §114CSR23
West Virginia Code §33-20B-6

The regulations and referenced statutes set forth the form in which certain information needs to be reported to the Commissioner. This section of the report is provided to assist the Commissioner in fulfilling obligations under the above regulations and code section and enhance our knowledgebase.

Pursuant to West Virginia Regulation §114CSR23-6, the Commissioner is required to "*...evaluate the information reported pursuant to Section 5 of the rule in order to determine whether the filing insurers have fairly and accurately determined the loss experience and loss expense data in the filing*."

Per West Virginia Code §33-20B-6(a), the Commissioner is required to "*...review annually the rules, rates and rating plans filed and in effect for each insurer providing five percent or more of the malpractice insurance coverage in this state in the proceeding calendar year to determine whether such filings continue to meet the requirements of this article and whether such filings are unfair or inappropriate given the loss experience in this state in the preceding year*."

In 1986, the legislature passed §33-20B-7 which required a study of the feasibility and desirability of creating a joint underwriting association or alternative pooling agreement to facilitate the issuance and underwriting of malpractice policies in West Virginia. As nothing in Chapter 33 (*Insurance*) of the Code of West Virginia would expressly prohibit the forming of any such JUA, it can only be assumed that desirability for the same has historically been absent and remains so to this day as no JUA has ever been formed in West Virginia for the purposes of issuing or underwriting policies of medical malpractice insurance.

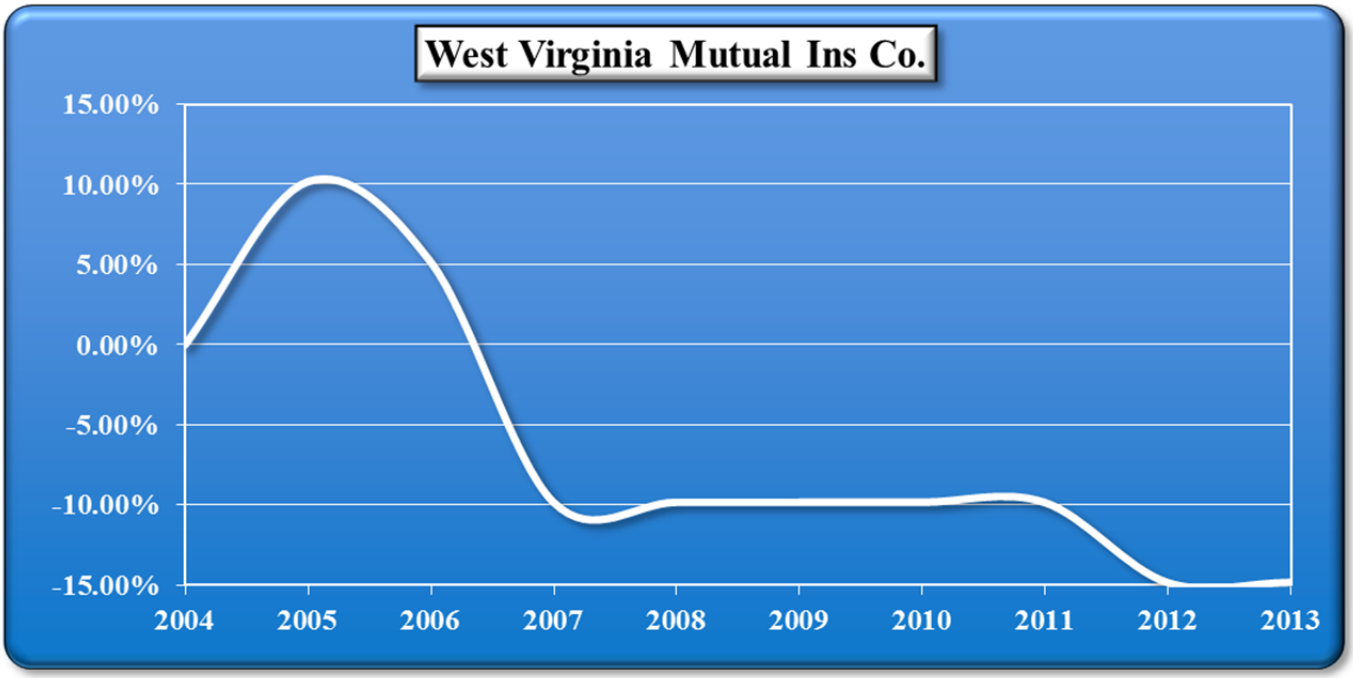
III-B: Discussion of Market Positions

West Virginia Mutual Insurance Company (WVMIC)

Since its inception in July 1, 2004, ***WVMIC*** has dominated the Physicians & Surgeons market in West Virginia. During the height of the most recent Medical Malpractice "hard market" in West Virginia, a very large number of West Virginia Physicians and Surgeons that were unable to procure coverage via the **admitted market** were ultimately insured by the State of West Virginia itself utilizing our Board of Risk and Insurance Management (***BRIM***—*generally the insurer of State owned property and liability exposures*).

As a long term solution to the availability of coverage for Physicians and Surgeons in West Virginia, §33-20F established ***WVMIC*** and all policies previously insured in the ***BRIM II*** program novated to the new Company upon inception. ***WVMIC*** has since added new business and has worked with the Offices of the West Virginia Insurance Commissioner to accommodate difficult situations while maintaining underwriting standards. The rate history of ***WVMIC*** since inception follows:

2012 Market Share	Company	Effective date	%Requested	% Granted	WV #:
50.41%	***West Virginia Mutual Ins Co***	1/1/2014	0%	0%	100023353
	**fka W.V. Physicians Mutual Ins. Co.*	1/1/2013	0%	0%	100016727
		1/1/2012	-5%	-5%	100011255
		1/1/2011	0%	0%	100006008
		1/1/2010	0%	0%	90918009
		1/1/2009	0%	0%	80903007
		3/1/2008	-0.01%	-0.01%	80129001
		1/1/2008	0%	0%	70918006
		1/1/2007	-15.00%	-15.00%	60915016
		1/1/2006	-5.00%	-5.00%	50826007
		1/1/2005	10.20%	10.20%	41006013
		7/1/2004	initial filing	initial filing	40331017



The company's results continue to be favorable and subsequent changes made to their rating plan establish their current rates below those that were utilized upon inception, as per the graph above. ***WVMIC*** writes only Physicians and Surgeons coverage and historically had only written within West Virginia. However, having fully repaid their original surplus note *($26.1M start-up loan*) back to the State of West Virginia before the end of 2008, they have begun to explore opportunities for expansion into neighboring states. Notably, their medical malpractice market share (*on an admitted basis*) has declined from an all-time high of 83.69% as of 2008, down to 50.41% as of 2012.

National Union Fire Insurance Company of Pittsburgh, PA

Domiciled in Pennsylvania, ***National Union Fire*** is a licensed and admitted insurer in West Virginia, and is a ***Chartis*** (***AIG***) subsidiary. They are a writer of both personal and commercial insurance, and have a well-established nurse's malpractice program in the state. During 2012, they wrote $9,464,920 in malpractice premiums in West Virginia, with the majority of that premium *($8,932,961*) listed as premium for "*Other (Medical) Facilities*". During 2010 however, they only issued $557,061 in malpractice premiums in West Virginia, and had posted similar amounts in most prior years.

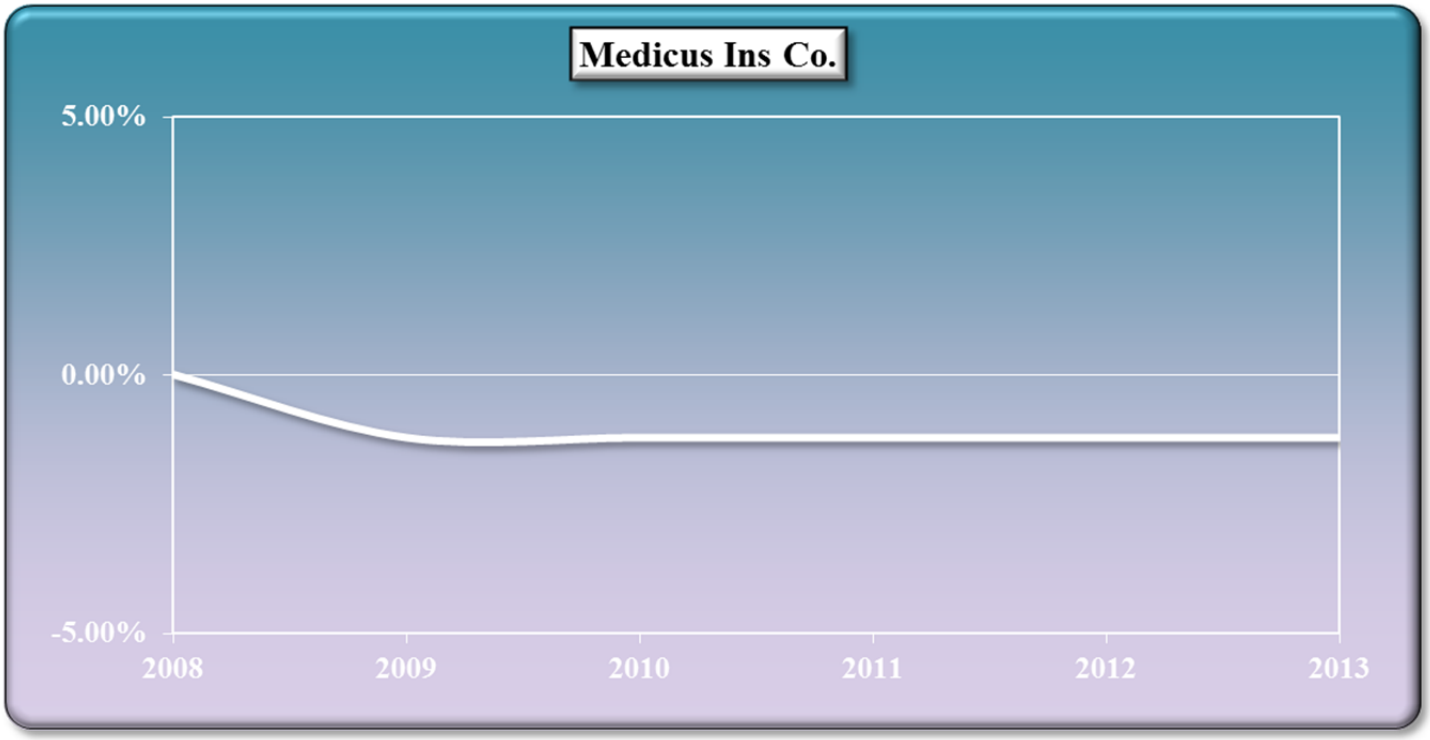
2012 Market Share	Company	Effective date	%Requested	% Granted	WV #:
16.69%	***National Union Fire Ins Co Of Pitts***	8/8/2012	0%	0%	100016228
	Healthcare Providers Program	6/30/2011	0%	0%	100010031
		7/1/2010	0%	0%	100004040
		7/20/2009	0%	0%	90629002
		7/1/2008	0%	0%	80702020
		7/24/2007	0%	0%	70626026

Medicus Insurance Company

Domiciled in Texas and initially incorporated in 2006, ***Medicus*** provides medical malpractice insurance to physicians, surgeons and related medical service providers. They received their initial Certificate of Authority to write casualty insurance in West Virginia in December 2007 and had gained approval of their first Physicians and Surgeons rate, rule and form filing by March 2008. They are currently licensed, admitted, and writing in 26 states including West Virginia, and have recently received their Certificate of Authority to begin writing in 11 other states as well. Notably, they became 2nd in overall admitted West Virginia market share by the end of 2009 with 9.17% of the market, and held 12.32% of the market as of 2012.

The rate history of ***Medicus*** follows, and likewise includes a graph of their current rates relative to inception:

2012 Market Share	Company	Effective date	%Requested	% Granted	WV #:
12.32%	***Medicus Insurance Company***	1/1/2014	0%	0%	100021635
		10/10/2012	0%	0%	100015802
		10/27/2011	0%	0%	100010073
		9/24/2010	0%	0%	100004152
		10/1/2009	-1.20%	-1.20%	90630015
		3/20/2008	initial filing	initial filing	80212014



Mountaineer Freedom RRG, Inc.

Mountaineer Freedom is a West Virginia domiciled risk retention group which was newly incorporated during 2006. This RRG was formed in order to provide professional and general liability coverage to Wheeling Hospital and its affiliated staff (*which had previously been self-insured*.) As ***Mountaineer Freedom*** is a risk retention group, they do not have to file rates and consequently no rate history is available for review.

2012 Market Share	Company	Effective date	%Requested	% Granted	WV #:
10.56%	***Mountaineer Freedom RRG Inc***	n/a	n/a	n/a	n/a
	**RRG's not required to file*	n/a	n/a	n/a	n/a

Community Hospital RRG

Community Hospital RRG, also known as ***CHART***, is a Vermont domiciled insurer newly formed in 2002. As a reciprocal risk retention group, it is owned by its member insurers and this includes 8 West Virginia hospitals. ***CHART*** also operates in Pennsylvania and New York. As a surplus lines insurer ***CHART*** did not provide 5% market share information and no rate history information is available for this company.

III-C: Rating Plans and Rating Rules

Physicians and Surgeons Programs

Coverage is provided by each of the insurers on a claims-made (*or less frequently, occurrence*) basis. The coverage provided by all plans is relatively standard. Differences may occur in:

- Number of classes
- Assignment of specialties to class
- Definition of specialties
- Class relativities
- Maturity and tail factors
- Discounts offered

None of these differences produce an unfair advantage or inappropriate rating plan. Physicians and Surgeons rating plans are consistent with other industry plans and are reasonable.

Hospital Programs

Each insurer provides coverage on a claims-made (*or less frequently, occurrence*) basis. Variations in the rating plans may occur in the:

- Exposure base
- Experience rating plan
- Schedule rating plan
- Surcharge programs
- Deductible credits
- Increased limits factors

Flexibility in pricing through the use of guide (a) rating (*aka 'refer to company'*) allows underwriters the ability to customize the price and coverage to the risk. Such a feature is common when rating large, unique risks such as hospitals.

III-D: Reconciliation of Filed Information to Rate Filing Information

As required by West Virginia Code §33-20B-3.

1. **<u>Reconcile the most recent filed information to the experience reported in the rate filings</u>.**
   Exhibit I-Sheet 1a through 1c provides the premium and loss for each carrier.
   (*Exhibits begin on page 81*.)

   - ✓ ***WVMIC*** figures (*Sheets 1a through 1c*) are noted to have undergone further development as the experience of the legacy program which they had inherited (***BRIM II***) becomes better known. This development appears to have been rather favorable to ***WVMIC*** and generally does not provide concerns.

   - ✓ ***National Union Fire*** figures (*Sheets 1a through 1c*) demonstrate a great deal of year to year loss volatility. Excepting that the Healthcare Provider's program booked large loss figures in 2007, and that the premium for that year is shown to be commensurate under **Exhibit I—Sheet 1c**, this does not appear to be of great concern.

   - ✓ ***Medicus*** figures (*Sheets 1a through 1c*) the data are still rather immature and due to the long tail nature of this line of business are anticipated to undergo further development. However due to the small volume of business written by ***Medicus*** at this time these figures are shown to demonstrate a great deal of year to year volatility.

   - ✓ ***Mountaineer Freedom*** (*Sheets 1a through 1c*) data does not provide any concerns.

2. **<u>Reconcile the experience in the filed information to the most recent experience reported in the company's financial statements.</u>**

   - ✓ **Exhibit VI** provides the comparison of Annual Statement information with the filed 5% Report information for all companies. The results are demonstrated to wholly reconcile for all companies participating in the report.

3. **<u>Compare the assumptions underlying the filed information to the most recent rate filing assumptions or other information.</u>**

Exhibits II-V provide the key assumptions underlying the most recent rate filings to the filed 5% Report information, prior rate filings and abstracts, Annual Statement data, and other source documents.

✓ **<u>Exhibit II</u>** <u>compares budgeted expenses.</u>

- A substantial increase in total underwriting expense (*from 24.68% to 48.1%*) is observed for ***WVMIC*** since inception in 2004, and due to the nature of the fixed expense loading procedure the filed information and the most recent rate filing do not match precisely.

National Union Fire has a similar expense provision to ***WVMIC*** in total; however theirs is mostly driven by a large commission load which appears to be fully reasonable being that it is a Healthcare Providers product (*not a Physicians and Surgeons program*) and therefore the subject premiums are much smaller.

- ***Medicus*** likewise adopted a fixed expense loading procedure similar to ***WVMIC*** in its most recent rate filing. However their new flattened expense load did not appear to offset any portion of their prior variable expense provision. This is an item of concern and needs to be addressed.

Mountaineer Freedom's reported expense provisions do not provide any concerns.

To comprehend the reasonability of the Expense Provisions being employed, we can look at the most recently available data (*2012*) from **A.M. Best's Aggregates and Averages**. These data demonstrate averaged expenses from all writers of the Medical Malpractice line of business in the country. For this example, I will use the 2012 ***A.M. Best*** figures <u>except for</u> Taxes, Licenses & Fees (*which vary by state, and are statutorily set at 4.55% in West Virginia*), and any loading for Profit and Contingencies (*which isn't reported anywhere and therefore does not have an average amount, but would come out as underwriting profit/loss, so I will need to judgmentally set a reasonable average provision here for the example*). For the four writers who participated in this report, multiplying the 2012 Net Investment gains reported by each company by their respective 2012 Earned Premiums, summing those figures and dividing that result into the sum of earned premiums, finds a total of +16.88%. This would be equivalent to loading a profit and contingencies factor of -16.88% into the rates to reach <u>a net change of $0</u>. Being that many unforeseen contingencies can affect this line of business, I will therefore judgmentally select a load of 0% here (*meaning that any contingencies could be paid out of profit or investment income and therefore no additional positive loading factor is needed*).

Reasonable average expense provisions for writing Medical Malpractice insurance in West Virginia then, might look something like this:

Variable Expenses	***A.M. Best Avg's & Agg***
Commissions	6.40%
Gen & Other Acq	14.50%
Taxes & Fees	4.55%
Other	3.60%
Profit & Contingencies	0.00%
Total Var Exp	**29.05%**

In fact this average provision is similar to that employed by ***WVMIC*** in their Physicians and Surgeons program from their inception in 2004 up until 2007, as well as that utilized by ***Medicus*** from their initial filing, until 2012.

For comparison, if we weight each of the expense provisions being employed by the four writers participating in this report by their 2012 Written Premiums, we achieve the following average provision in use in West Virginia:

Variable Expenses	***4 Company Wtd Average Expenses***
Commissions	9.70%
Gen & Other Acq	20.97%
Taxes & Fees	4.74%
Other	2.62%
Profit & Contingencies	2.90%
Total Var Exp	**40.93%**

Therefore it is demonstrated that the current expense provisions in use in Medical Malpractice insurance in West Virginia, particularly so in the Physicians and Surgeons programs are higher than countrywide averages.

- ✓ **Exhibit III** compares investment income provisions.
- ***WVMIC's*** investment income has become rather substantial as their surplus has grown.

The investment income provisions of the three other companies included in the report demonstrate no areas of concern.

- ✓ **Exhibit IV** compares pure premium trend assumptions.
  The pure premium trend assumptions of each of the companies included in the report demonstrate no areas of concern.

- ✓ **Exhibit V** compares incurred loss development factors.
  Although it is on a somewhat later basis (*18 months to ultimate*), the incurred loss development factors utilized by ***WVMIC*** appear to be somewhat low. Apart from this slight anomaly, the factors employed by the other companies included in this report provide no concerns.

4. Is the filed information filled out correctly and accurately?

- ✓ It is clear that each company has attempted to provide accurate information in response to the 5% Report data call.

5. Does the filed information support our conclusion on the rates as of 12/31/04?

- ✓ **Exhibit VII** provides rate comparisons for a number of specialties utilizing the filed rates of several companies writing physicians and surgeon's coverage in West Virginia as well as those filed by a rating organization. Note that in review of the by-company rate histories as provided in Section III-B above, that by premium volume **rates have generally remained stable in West Virginia after having declined during the most recent prior years.**

III-E: Analysis of Rate Filings

West Virginia Mutual Insurance Company

The company most recently filed for and received approval of a 0.0% change to their base rates to become effective on January 1, 2014. They likewise filed for and received approval of a 0.0% change to their base rates effective as of January 1, 2013. An overall decrease of 5% was filed for and approved effective as of January 1, 2012. Other "no change" (0%) filings were approved for January 1, 2011, 2010, 2009, & 2008. In January of 2007, the company filed for and received approval of an overall rate level decrease of 15%; this followed a similar overall decrease of 5% in 2006. As indicated in Section **III-B**, the Company's current rates are about -15% below that of their initial rate filing which became effective on July 1, 2004.

National Union Fire Insurance Company of Pittsburgh

The company most recently filed for and received approval of a 0.0% change to the base rates for their Healthcare Provider program on July 1, 2013. Similar "no change" filings were approved each preceding year from 2011 back to 2007.

Medicus Insurance Company

The company most recently filed for and received approval of a 0.0% change to their base rates to become effective January 01, 2014. Prior to this filing, "no change" filings were approved for October 2012 and 2011, as well as September 2010. ***Medicus*** filed for and received approval of a -1.2% overall filing effective as of October 1, 2009. That filing was subsequent to their initial rate filing in the state which became effective on March 20, 2008. As also indicated in Section **III-B**, the Company's current rates are about -1.2% below that of their initial rate filing.

Mountaineer Freedom RRG, Inc

As previously noted, ***Mountaineer Freedom*** is incorporated as a risk retention group and is not required to make rate filings in West Virginia.

III-F: Investment Portfolio

Exhibit III presents a comparison of net investment gains and investment income provisions from rate filings. In earlier years, investment gains had generally declined but are now showing upward movement. As indicated above ***WVMIC*** is not accounting for investment income offset within its future rate filings and this should be addressed.

A review of each of the four reporting companies Annual Statement information demonstrates that investment yields are relatively modest as a percentage of assets invested, but are otherwise performing reasonably well in today's investment marketplace.

	WVMIC	NUFICoP	MIC	MF RRG
Bonds	$ 161,432,952	$ 14,245,527,282	$ 50,971,474	$ 24,288,800
Preferred Stocks	$ -	$ -	$ -	$ -
Common Stocks	$ 6,917,945	$ 9,010,477,699	$ -	$ -
Mortgage Loans on Real Estate	$ -	$ -	$ -	$ -
Real Estate	$ -	$ -	$ -	$ -
Cash	$ 1,854,632	$ 100,976,984	$ 5,396,159	$ 1,736,403
Cash Equivalents	$ 1,000,086	$ 1,038,161	$ -	$ -
Short-Term Investments	$ 4,498,911	$ 303,188,345	$ 696,037	$ -
Contract Loans	$ -	$ -	$ -	$ -
Derivatives	$ -	$ 2,322,979	$ -	$ -
Other Invested Assets	$ -	$ 4,007,170,294	$ -	$ -
Receivables for Securities	$ -	$ 3,211,173	$ -	$ -
Securities Lending Reinv. Coll. Assets	$ -	$ -	$ -	$ -
Agg. w/ins for Invested Assets	$ -	$ -	$ -	$ -
Total Cash & Invested Assets	**$ 175,704,526**	**$ 27,673,912,917**	**$ 57,063,670**	**$ 26,025,203**
Net Investment Income Earned	$ 5,597,965	$ 1,805,551,762	$ 640,392	$ 519,734
Investment Yield	**3.22%**	**6.95%**	**1.32%**	**2.24%**
Total Loss Reserves	$ 33,978,832	$ 10,292,215,983	$ -	$ 9,285,264
Total LAE Reserves	$ 13,972,243	$ 1,988,642,416	$ 4,291,080	$ 3,344,876
Total Loss & LAE Reserves	**$ 47,951,075**	**$ 12,280,858,399**	**$ 4,291,080**	**$ 12,630,140**

III-G: Overall Medical Malpractice Market (Annual Statement Line of Business 11)

Although sub-lines of medical malpractice (*e.g. physicians, hospitals, etc.*) are considered individually in the Appendix of this report, a detailed view of the entire medical malpractice line of business on an admitted company basis for 2012 provides the following: (*Companies under $1,000.00 omitted*)

Company Name	Premium Written	Market Share	Premium Earned	Loss Incurred	Loss Ratio
West Virginia Mut Ins Co	$28,587,149	50.4%	$30,373,162	$419,019	1.4%
National Union Fire Ins Co Of Pitts	$9,464,920	16.7%	$9,460,388	($6,200,752)	-65.5%
Medicus Ins Co	$6,983,646	12.3%	$6,492,705	$109,891	1.7%
Mountaineer Freedom RRG Inc	$5,988,817	10.6%	$5,988,817	$2,170,340	36.2%
American Cas Co Of Reading PA	$945,866	1.7%	$951,732	$310,162	32.6%
Continental Cas Co	$804,404	1.4%	$807,747	$37,192	4.6%
ProAssurance Ind Co Inc	$769,745	1.4%	$959,125	($212,459)	-22.2%
Podiatry Ins Co Of Amer	$570,685	1.0%	$564,252	$191,344	33.9%
Medical Protective Co	$503,048	0.9%	$516,058	$228,000	44.2%
Doctors Co An Interins Exch	$449,868	0.8%	$585,963	($248,029)	-42.3%
Cincinnati Ins Co	$369,215	0.7%	$367,743	$678,075	184.4%
NCMIC Ins Co	$321,795	0.6%	$326,881	($196,086)	-60.0%
Liberty Ins Underwriters Inc	$211,772	0.4%	$220,818	$102,445	46.4%
Ace Amer Ins Co	$160,834	0.3%	$153,475	$45,565	29.7%
American Alt Ins Corp	$100,020	0.2%	$98,562	($124,783)	-126.6%
Darwin Natl Assur Co	$83,300	0.1%	$76,945	$998,407	1297.6%
Cherokee Guar Co Inc a RRG	$76,715	0.1%	$25,572	$7,499	29.3%
Capson Physicians Ins Co	$71,902	0.1%	$45,322	$0	0.0%
Church Mut Ins Co	$52,018	0.1%	$50,132	($5,169)	-10.3%
Campmed Cas & Ind Co Inc	$46,199	0.1%	$46,158	($6,519)	-14.1%
Cincinnati Cas Co	$35,447	0.1%	$33,970	$19,800	58.3%
State Farm Fire & Cas Co	$19,536	0.0%	$19,299	$53,747	278.5%
Pharmacists Mut Ins Co	$17,153	0.0%	$16,537	$1,590	9.6%
PACO Assur Co Inc	$16,911	0.0%	$24,274	$10,439	43.0%
Fortress Ins Co	$14,709	0.0%	$13,692	$2,617	19.1%
Granite State Ins Co	$13,170	0.0%	$12,502	$950	7.6%
Everest Natl Ins Co	$12,632	0.0%	$12,346	$2,000	16.2%
Zurich Amer Ins Co	$8,195	0.0%	$9,135	($2,723)	-29.8%
Great Divide Ins Co	$3,656	0.0%	$1,002	$421	42.0%
Chicago Ins Co	$959	0.0%	$968	($79,325)	-8194.7%
American Ins Co	$379	0.0%	$268	($1,609)	-600.4%
St Paul Fire & Marine Ins Co	$0	0.0%	$0	($1,899,001)	0.0%
National Fire Ins Co Of Hartford	$0	0.0%	$0	($755,011)	0.0%
Travelers Ind Co	$0	0.0%	$0	($90,777)	0.0%
Standard Fire Ins Co	$0	0.0%	$0	($64,933)	0.0%
Executive Risk Ind Inc	$0	0.0%	$0	($30,880)	0.0%
Professionals Advocate Ins Co	$0	0.0%	$0	($6,956)	0.0%
Travelers Cas & Surety Co	$0	0.0%	$0	($6,265)	0.0%
Empire Fire & Marine Ins Co	$0	0.0%	$0	($4,779)	0.0%
St Paul Mercury Ins Co	$0	0.0%	$0	$10,414	0.0%
Westport Ins Corp	$0	0.0%	$0	$304,579	0.0%
12 Other Companies	$776	0.0%	$834	($894)	-115.2%
53 Companies in Report	**$56,705,441**	**100.0%**	**$58,256,384**	**($4,232,454)**	**-7.3%**

Note that only a very small number of companies (*53*) are reporting any activity in West Virginia for 2012, and that our domiciled mutual company (***West Virginia Mutual***) has a material concentration of total market share (*although this is in decline as previously noted*).

Looking back on these considerations historically, on an admitted basis as well as on a business written basis, the following summary information can be found.

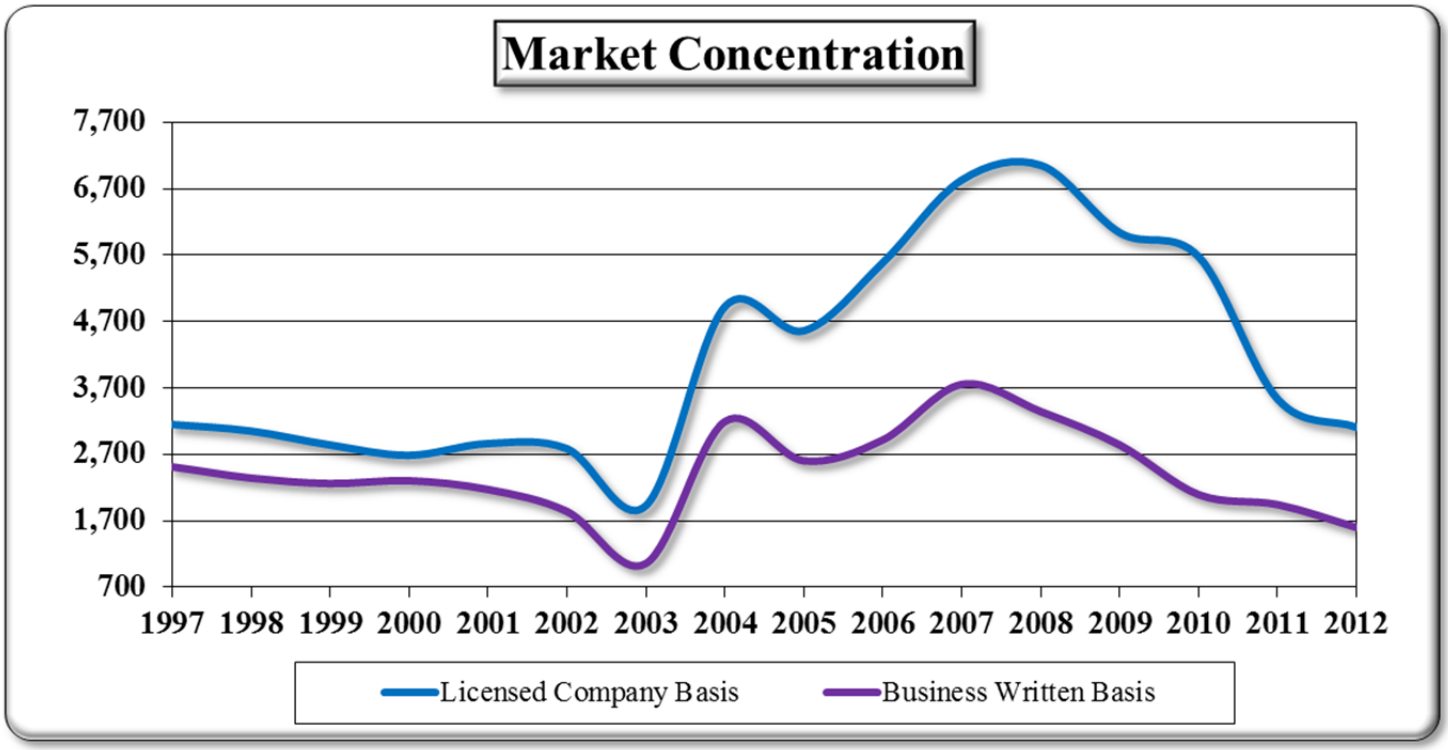
Licensed Company Basis			
	Active Co's	**Loss Ratio**	**HHI**
1997	59	90.69%	3,142
1998	58	79.77%	3,038
1999	60	93.82%	2,829
2000	61	76.51%	2,672
2001	61	89.68%	2,850
2002	60	97.76%	2,773
2003	58	70.17%	1,913
2004	65	38.23%	4,911
2005	59	26.54%	4,547
2006	56	15.78%	5,575
2007	52	59.39%	6,819
2008	57	-8.35%	7,039
2009	55	36.55%	6,023
2010	50	22.52%	5,659
2011	54	61.62%	3,512
2012	53	-7.27%	3,093

Business Written Basis			
	Active Co's	**Loss Ratio**	**HHI**
1997	79	92.81%	2,512
1998	87	76.04%	2,335
1999	91	93.69%	2,252
2000	93	85.64%	2,295
2001	93	91.36%	2,163
2002	94	93.27%	1,834
2003	94	67.19%	1,047
2004	100	36.84%	3,185
2005	104	25.85%	2,595
2006	104	17.44%	2,909
2007	102	51.90%	3,746
2008	107	3.73%	3,335
2009	111	29.14%	2,832
2010	106	27.95%	2,083
2011	108	52.89%	1,934
2012	112	9.41%	1,589

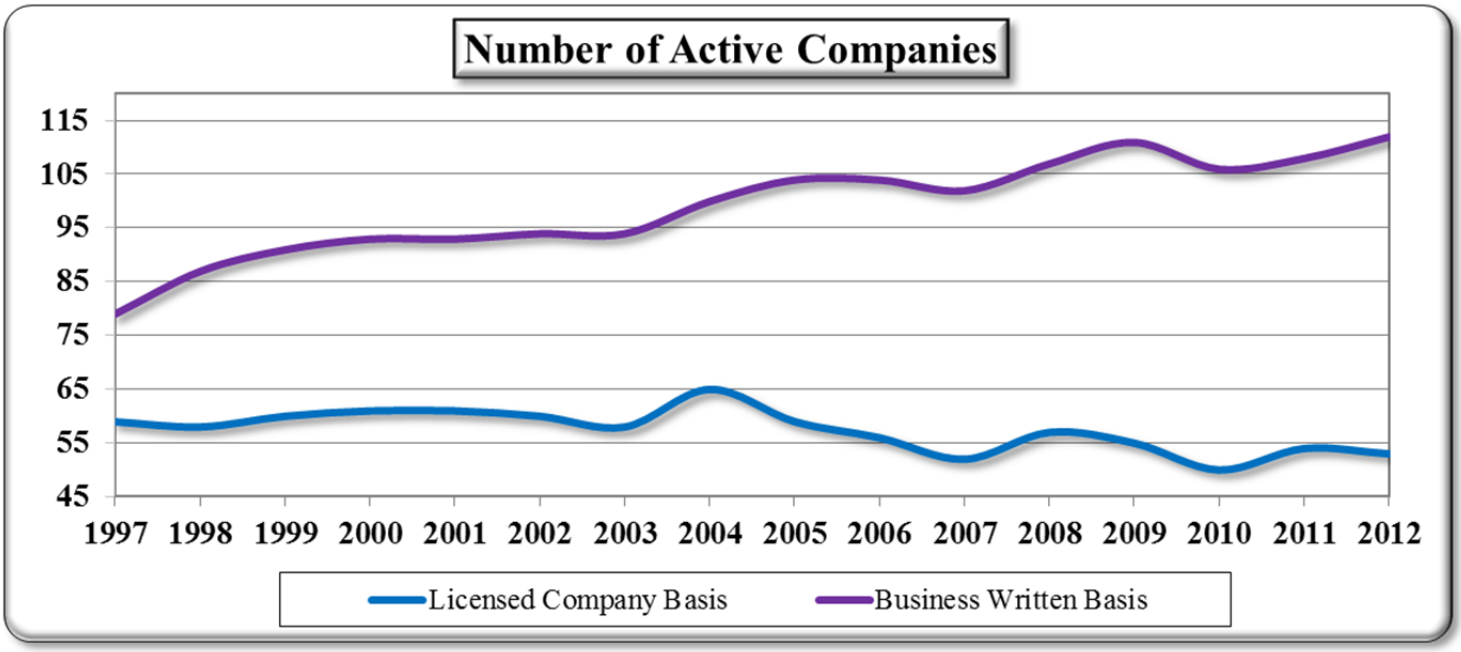
"**HHI**" represents the ***Herfindahl-Hirschman Index***, a metric named for its originators. This is a commonly accepted measure of marketplace concentration. It is calculated by squaring the market share of each firm competing in a market and then summing the resulting numbers for all firms. For example, in a market consisting of only four firms with market shares of 30%, 30%, 20% and 20%, the **HHI** would be found to be 2,600 or ($30^2 + 30^2 + 20^2 + 20^2$). A market having only a single firm with a market share of 100% would be found to be 10,000 or (100^2) in what is otherwise known as a monopoly.

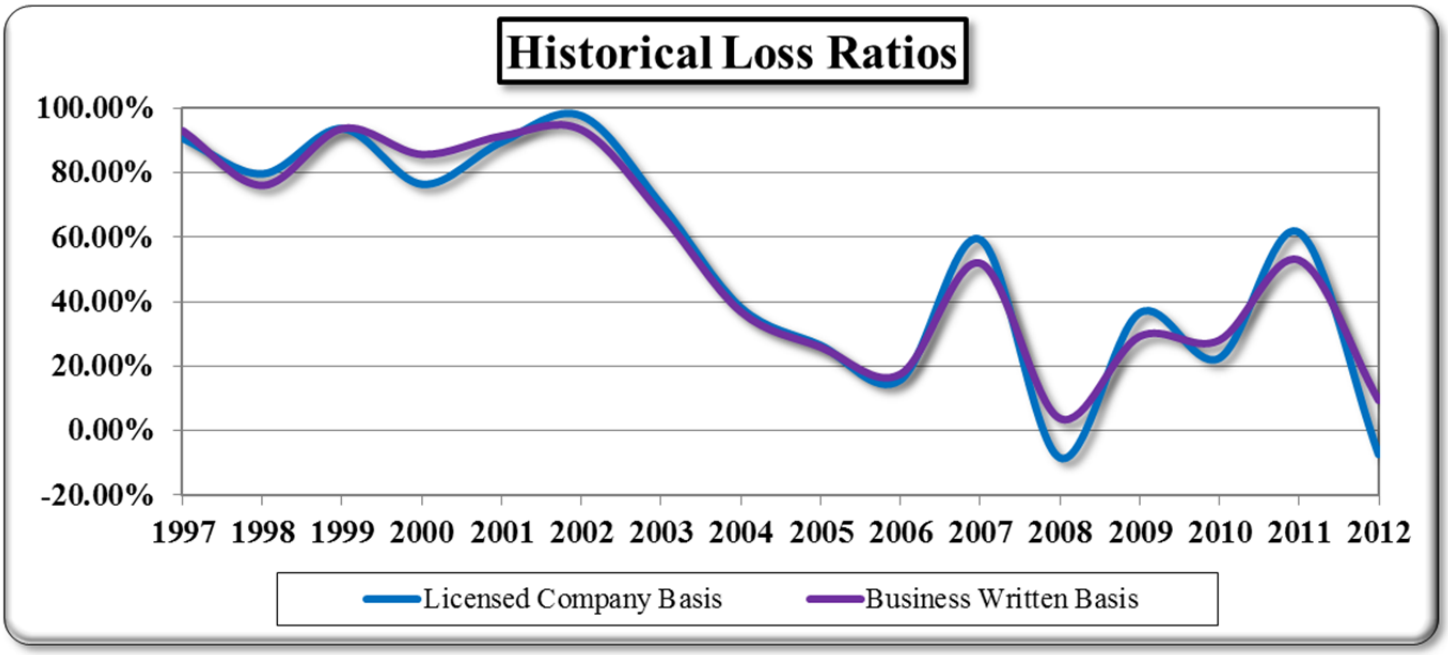
The **HHI** takes into account the relative size and distribution of the firms in a market and approaches zero when a market consists of a large number of firms of relatively equal size. The **HHI** increases both as the number of firms in the market decreases and as the disparity in size between those firms increases. Markets in which the **HHI** is between 1,000 and 1,800 points are considered to be moderately concentrated and those in which the **HHI** is in excess of 1,800 points are considered to be concentrated.

While the general medical malpractice market is in more of a healthy state simply due to the presence of the excess and surplus writers, both markets (*admitted and non-admitted*) have been becoming generally less concentrated since 2008. Notably, on a Business Written our market now scores as moderately concentrated with an HHI of 1,589 occurring during 2013 for the first time in 10 years.



Other graphical representations of the historical market data:





Section IV

Other Sources of Data

IV: Other Sources of Data

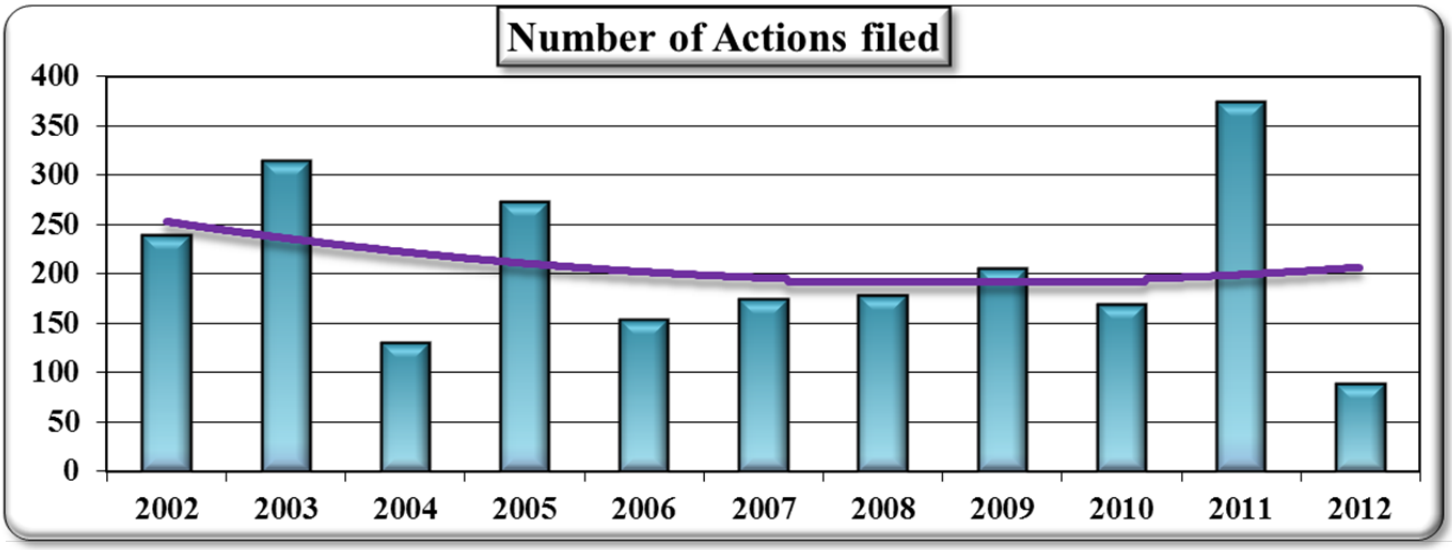
IV-A: Medical Liability Fund Data

Becoming effective on January 1, 2002, *HB 601* increased the fee associated with filing a medical professional liability action in part to support the Medical Liability Fund created pursuant to §29-12B-1 et seq. As part of this change, a portion of the moneys received for each action filed are received by the State Treasurers Office. The data associated with these transactions can be examined to establish the total number of actions involving Medical Professional Liability filed in West Virginia per year and as well the total number filed per county of venue. It is noted that due to the particular timing involved in posting these transactions, the data appears to lag by a period of approximately one month from the actual date that the action in consideration was actually filed in a court of law.

Examining this data in aggregate, the following information is noted:

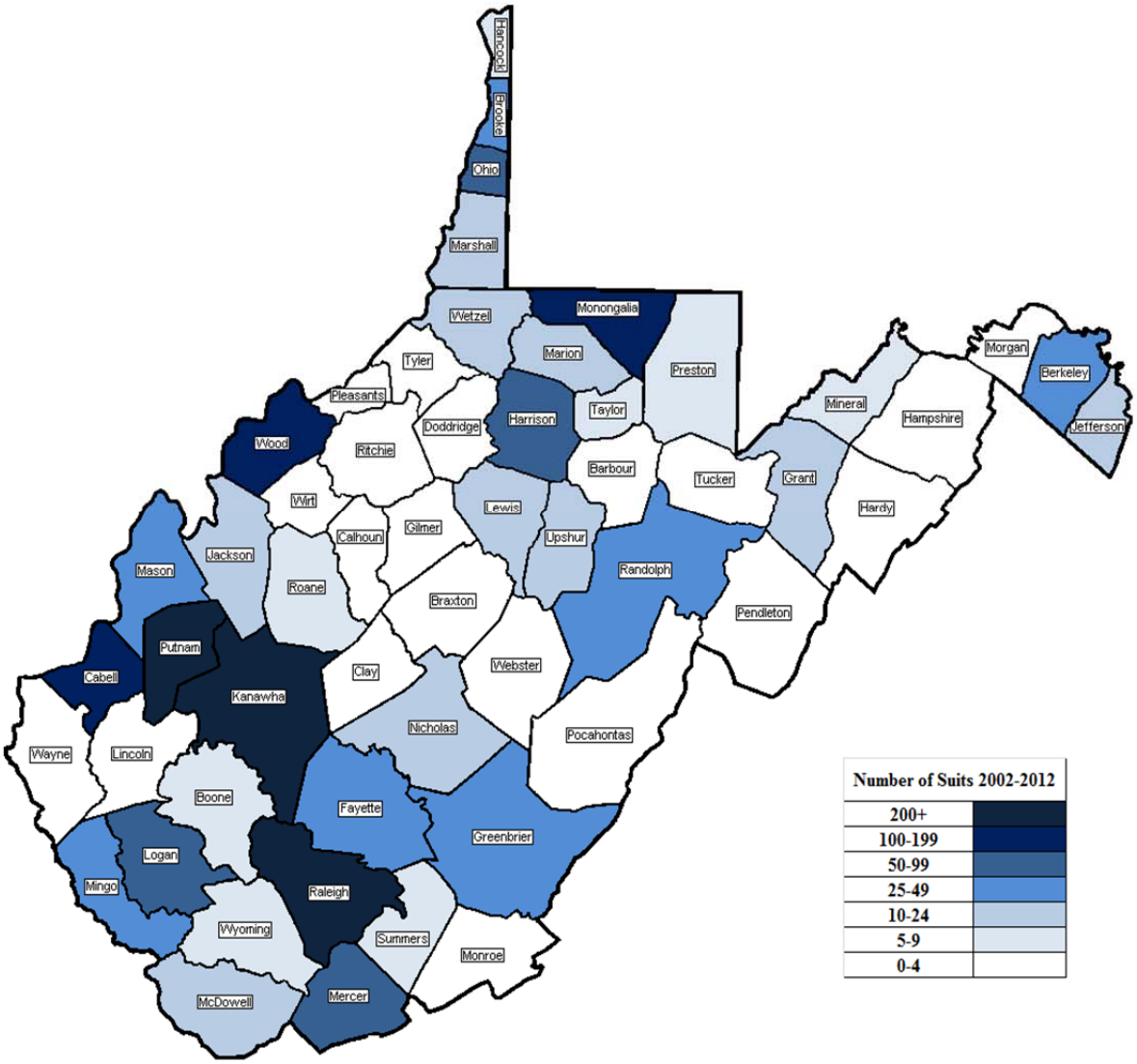
Year	# of Filed Actions
2002	239
2003	315
2004	130
2005	273
2006	154
2007	174
2008	178
2009	205
2010	169
2011	374
2012	89

Up until 2011, a general decline in the number of filed actions per year had taken place, and a new low of only 89 actions occurred for 2012. The polynomial trend (*purple*) line in the graph below indicates that we now have experienced an overall decrease of filed actions in the aggregate over this period.



Perhaps of more interest than the preceding annual counts, the Medical Liability Fund data also provides the county of venue where the action was filed. Compiling this data from 2002-2012 provides the following: (*See also the* ***Appendix*** *page 106*.)

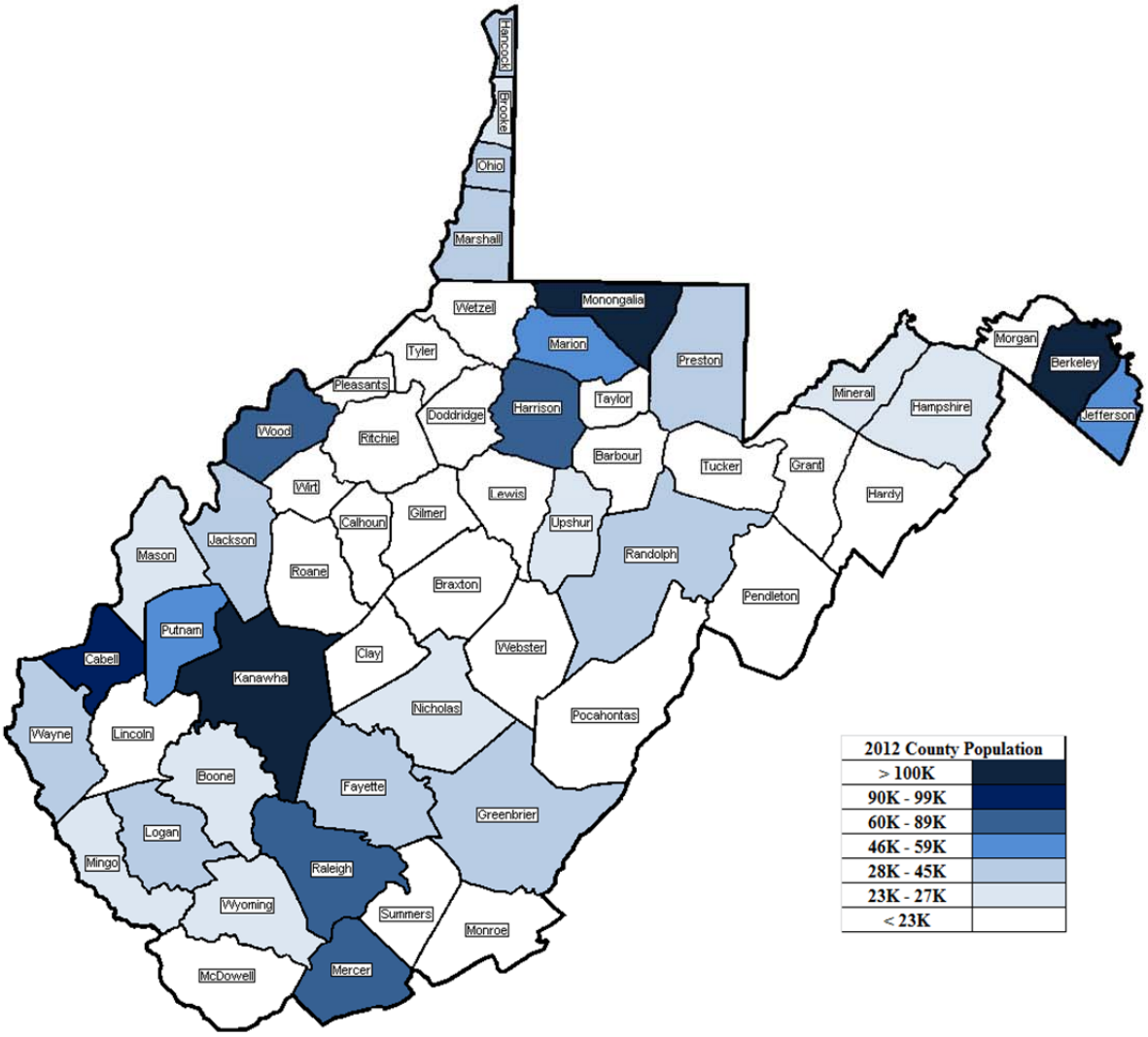
Number of Actions filed by County of venue: 2002-2012



The data on suits by county above appears to be roughly equivalent to population levels by county:

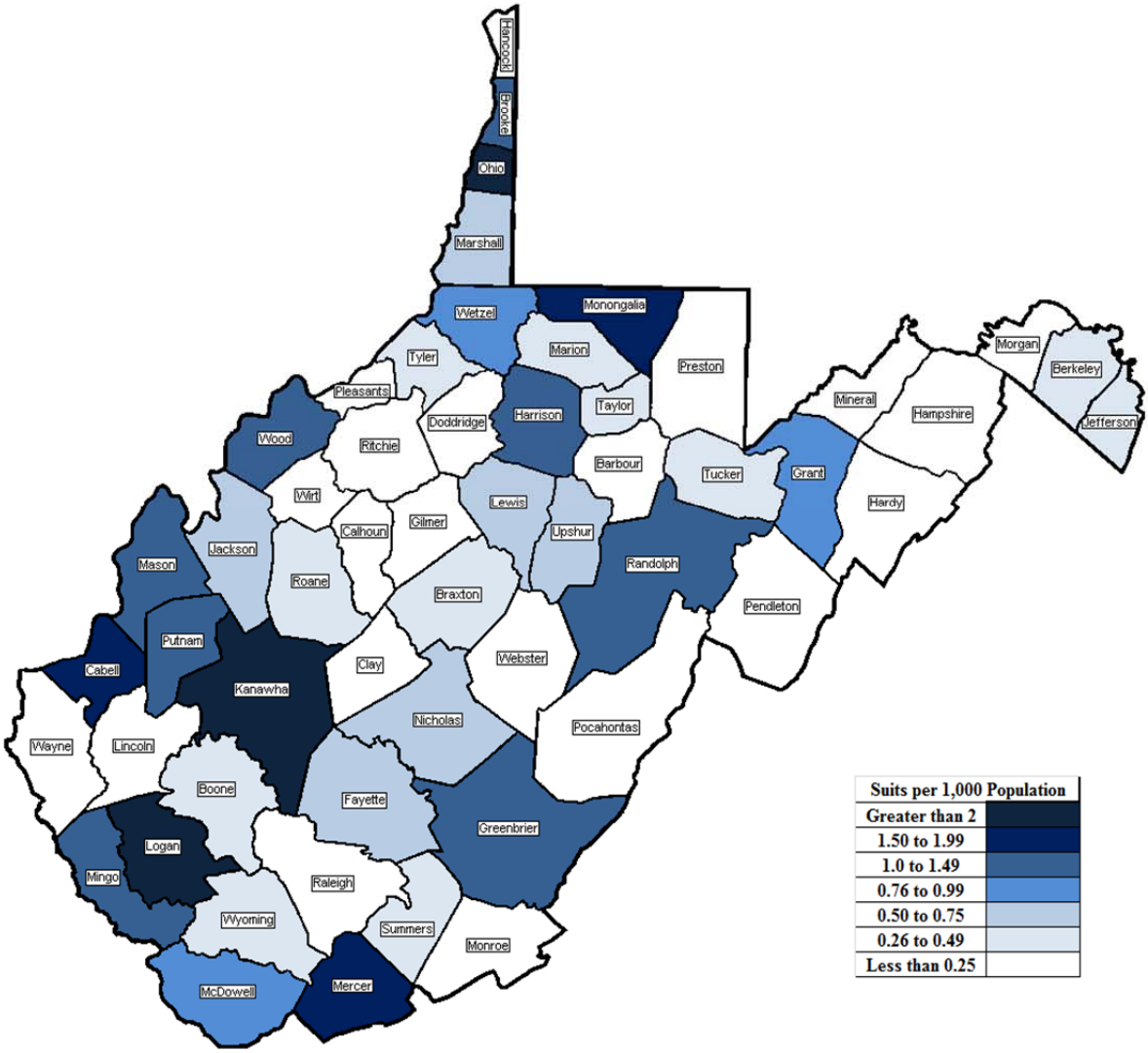
(*See also the* ***Appendix*** *page 130.*)

West Virginia population by County 2012 ***(Estimate from 2010 U.S. Census)***



If however, we make the suits by county data relative to the number of residents per county, we can determine which counties then have the highest suit ratios per population.

Total (2002-2012) suits filed per 1,000 population ***(2012 estimate from 2010 U.S. Census data)***



It is noted that approximately 146 cases were filed against a single doctor in Putnam County over the time period being reviewed above. That outlier has been adjusted for in the county level data above. Not accounting for this outlier would result in Putnam County being assigned to the "Greater than 2" group, and would also increase the State-wide average ratio to 1.24 (otherwise 1.16).

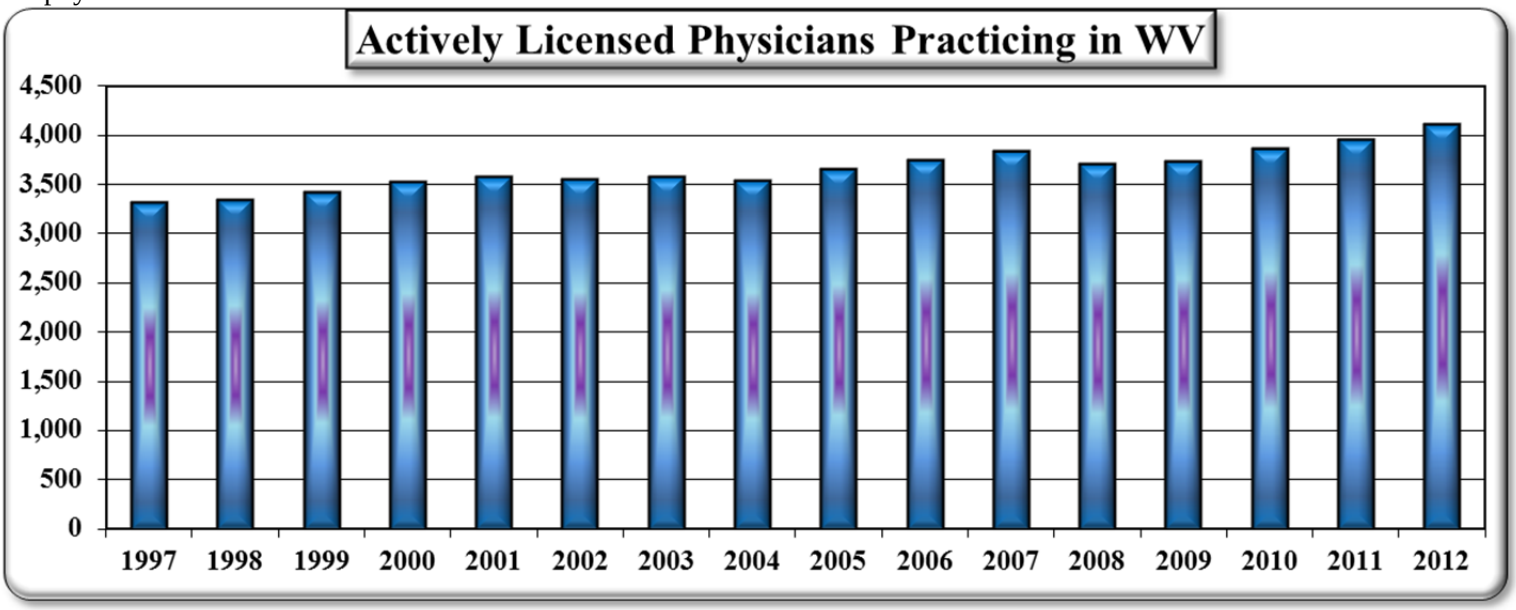
IV-B: Board of Medicine Data

Obtaining data from the West Virginia Board of Medicine regarding physician licensure in West Virginia, the following history is observed.

West Virginia Board of Medicine Licensure Data	1997	1998	1999	2000	2001	2002	2003	2004
Actively Licensed Physicians (M.D.)	5,026	5,107	5,251	5,212	5,246	5,199	5,182	4,873
Inactively Licensed Physicians	937	896	869	920	947	901	631	853
Actively Licensed Podiatrists (D.P.M.)	102	115	104	110	104	114	110	105
Inactively Licensed Podiatrists	13	13	22	24	22	22	17	22
Actively Licensed Physicians Practicing in WV	3,317	3,339	3,415	3,525	3,570	3,552	3,575	3,532
Actively Licensed Podiatrists Practicing in WV	58	59	65	67	68	71	73	72
Physician Assistants (P.A.)	289	333	335	371	378	405	421	467
Medical Corporations	585	595	590	603	611	568	565	557
Professional Limited Liability Companies	11	26	34	42	41	45	55	57
Special Volunteer Medical Licenses	-----	-----	-----	4	9	13	21	20
Medical School Faculty Limited Licenses	-----	-----	-----	-----	-----	-----	2	4

West Virginia Board of Medicine Licensure Data	2005	2006	2007	2008	2009	2010	2011	2012
Actively Licensed Physicians (M.D.)	5,058	5,187	5,379	5,594	5,776	5,857	5,962	6,020
Inactively Licensed Physicians	757	734	692	650	627	628	628	632
Actively Licensed Podiatrists (D.P.M.)	99	105	103	104	101	111	101	103
Inactively Licensed Podiatrists	20	20	16	16	15	14	15	15
Actively Licensed Physicians Practicing in WV	3,650	3,743	3,837	3,708	3,730	3,864	3,946	4,111
Actively Licensed Podiatrists Practicing in WV	68	66	75	73	64	68	72	74
Physician Assistants (P.A.)	480	540	542	580	604	658	671	732
Medical Corporations	540	521	513	502	500	498	495	498
Professional Limited Liability Companies	54	51	47	50	50	53	59	79
Special Volunteer Medical Licenses	16	15	13	16	15	16	17	16
Medical School Faculty Limited Licenses	4	4	4	2	3	4	3	3

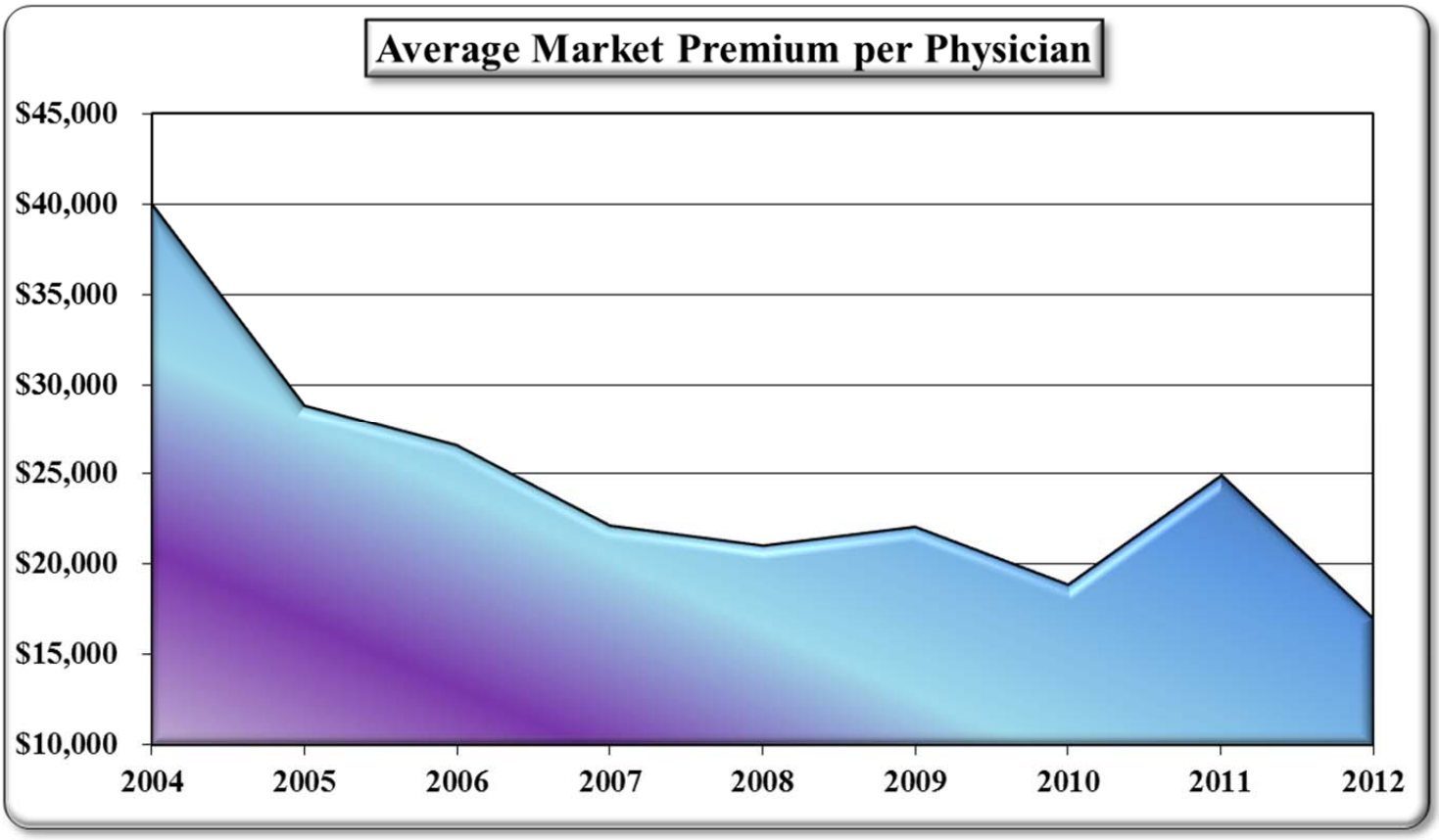
Looking at only licensed physicians that report as actively practicing in West Virginia, an overall favorable increase in physicians is observed for the State.



Tying the active physician licensure data to historical premium data for the physician sub-line of medical malpractice, we can also estimate how the cost of malpractice premiums might be spread on average throughout our physician population.

	Business Written Basis			
	P &S Written Premiums	Physicians practicing in WV	Board of Risk insured Physicians	Averaged Premium per Physician
2004	$104,451,130	3,532	923	$40,034.93
2005	$77,791,000	3,650	955	$28,864.94
2006	$76,117,773	3,743	881	$26,596.01
2007	$63,070,586	3,837	988	$22,137.80
2008	$55,572,225	3,708	1,065	$21,026.19
2009	$53,932,735	3,730	1,291	$22,112.64
2010	$49,672,860	3,864	1,237	$18,907.44
2011	$64,270,333	3,946	1,371	$24,959.35
2012	$43,657,853	4,111	1,547	$17,027.24

Note the significant decrease in average premium occurring from 2004 to present.



Note also that the “averaged” premiums above are not necessarily representative of the premium that a given physician doing business in West Virginia may actually be paying, as that premium would be influenced by the physicians specialty (*e.g. physician classes versus surgeon classes*), the maturity of their claims-made policy, the limits of insurance afforded, presence of rating credits and debits, etc.

However it is clear from the representative information above that, on average, malpractice rates in West Virginia are continuing to decline. This is also directly observable via the rate filing history appearing on page 128.

Section V

Summary Observations

V: Summary Observations

- In 2012, medical malpractice insurance in **West Virginia** continued to demonstrate favorable results, concluding with an overall loss ratio of **-7.27%.** Again, the negative loss ratio for this year is due to the take-down of loss reserves from years prior to 2012 carrying forward on a calendar year basis, yet this is a generally good sign of the experience of the marketplace as a whole (i.e. better than previously estimated). The total premium volume for 2012 declined only slightly from the 2011 level to one that was comparable to that last experienced during 2007-2008. The relatively unchanged premium volume aids in combating future volatility occurring within our marketplace due to its inherently small size.

- **Countrywide** net operating results for all lines of business in 2012 became slightly more favorable at 95.6%, but **medical malpractice results degraded slightly** (*76.7% for 2012, but 69.1% for 2011, 65.8% in 2010, 71.9% in 2009, 70.6% during 2008, 68.1% during 2007 and 72.6% in 2006.*)

- The key volume writer in the state, ***West Virginia Mutual Insurance Company*** whose market share declined to 50.4% for 2012 in the admitted market, and 35.27% of the entire market, again **experienced an outstanding year in 2012**, posting a pure direct loss ratio of just 1.38%. Encouragingly, there were four insurers once again meeting the 5% or more market share threshold for inclusion in the 2012 report, whereas only one writer (***WVMIC)*** met that threshold as recently as 2008.

- During 2012 medical malpractice **rates in West Virginia remained relatively unchanged.** **WVMIC** held the substantial majority of the market share and initiated no overall rate changes. ***National Union Fire*** had the second greatest market share and also proposed no rate changes in 2012. ***Medicus*** likewise initiated no rate changes in 2012.

- As noted in previous reports, one of the key elements underlying the historical adverse results for West Virginia had been a very **high level of defense costs**. Loss adjustment expenses in West Virginia had fallen from a high of 69.5% in 1999 to be more in line with (*or better*) than the industry countrywide ratios by 2002. That favorable change did not continue in 2007 as Loss Adjustment Expense grew to 50.8% of premium (*up from just 11.8% in 2006*), and only improved slightly over that level for 2008 with 39.42%. However, between 2010 & 2012, Loss Adjustment Expense is shown to have returned to more favorable levels (*23.1%, 19.7%, & 19.8% respectively*). Volatility in this area remains an item of concern for the future.

- In the admitted market, the top five malpractice writers in West Virginia by premium written accounted for 91.65% of the entire admitted market (*previously 91.26%*), and the continued favorable decline in market concentration ratios demonstrates an increase in competition. In the entire market (*admitted and non-admitted*), the top five writers account for 69.90% of the market (*previously 71.08%*). During 2012, our **medical malpractice market improved again slightly in its level of concentration**, and although adjudged moderately competitive on a business written basis, metrics still indicate a general absence of competition in the market especially considering only physicians and surgeons programs.

- The **small size** of our medical malpractice marketplace in West Virginia, with only 4,111 active physicians or surgeons practicing in our State, inherently **lends itself toward volatility**, as can be demonstrated by simply considering the 2006 through 2012 results (*with Direct Loss Ratios of 15.8%, 59.4%, -8.4%, 36.6%, 22.5%, 61.61%, and -7.3% respectively*).

- An analysis of West Virginia Board of Medicine data revealed the following:
    - The number of **paid claims** was shown to have generally **declined** in West Virginia.
    - Roughly **30% of claims** filed are still being **dismissed**.
    - The total number of **claims in 2012** (93) is about **one quarter** of that experienced in 2001 (*375 or 24.8%*).
    - Approximately **8% of claims** filed actually **go to court**.
    - **62% of** Malpractice **claims are settled** outside of court.
    - There still does not appear to be any clear and credible pattern of escalating jury awards, although the small number of awards yields little in the way of credible data upon which to draw conclusions.

- A review of Medical Liability fund data indicates that **the number of filed actions** in West Virginia **decreased over 2011**, but do tend toward volatility given their inherently limited size.

- Examination of the **5% market share companies data** as required by §114CSR22, §114CSR23, and §33-20B-6 notes several expense issues, but **found no areas of material concern**.

Glossary of Terms

Accident Year Experience: Measures premiums and losses relating to accidents which occurred during a 12-month period. Ties loss dollars to the year in which the premiums were earned.

Admitted Market: Comprised of only Insurance Companies that are specifically authorized and licensed to write business in a given state. Contrast this with the market as a whole which would also include non-admitted insurers who write in a given state on an Excess and Surplus lines basis. (i.e. Business Written Basis.)

BRIM: ***West Virginia Board of Risk and Insurance Management***

BRIM I: Term to identify the medical malpractice program for teaching schools and their physicians. This program is administered by ***National Union Fire of Pittsburgh*** (an ***AIG*** subsidiary) under a fronting arrangement. ***AIG*** assumes no real risk under this arrangement; they simply issue the policies on ***AIG*** paper and are fully reimbursed by **BRIM** for loss and other expenses. They receive a percentage of premium for providing this service. **BRIM I** policies are written on an occurrence basis.

BRIM II: Term to identify the medical malpractice program for private physicians and hospitals. This program was administered by ***Marsh***. **BRIM II** was written on a claims-made basis. All **BRIM II** business novated to the ***West Virginia Mutual Insurance Company*** (***WVMIC***) on July 1, 2004.

Calendar Year Experience: Measures premiums and losses entered on accounting records during the 12-month calendar. Losses may be from prior years.

Claims-made Coverage: A policy which provides coverage only when a claim is made during its active policy period or any automatic or purchased supplemental extended reporting period. For example, generally a claim that is made in the current year will be charged against the current policy even if the injury or loss giving rise to the claim had occurred many years in the past. However, a claims-made policy will also have a set specific retroactive date, prior to which any occurrence giving rise to a claim will not be covered. From a pricing perspective, claims-made coverage is much more straightforward since it strictly limits the insurers' exposure only to unknown future liabilities (called "incurred but not reported" claims). Contrast this coverage with "***Occurrence Coverage***". Claims-made coverage became a more accepted approach towards writing long-tailed exposure lines like medical malpractice and products liability during the mid-'80's after its introduction by the ***Insurance Services Organization*** (***ISO***).

Combined Ratio: Percentage of each premium dollar a property/casualty insurer spends on claims and expenses. A decrease in the combined ratio means financial results are improving; an increase means that they are deteriorating. When the ratio is over 100%, the insurer has an *underwriting* loss.

Direct Combined Ratio: The sum of expenses and incurred losses combined versus earned premiums. On a direct basis, this ratio does not take into account any adjustments for reinsurance recoveries or payments for reinsurance coverage.

Direct Loss Ratio: The ratio of incurred losses to earned premium. The direct loss ratio is in contrast to a 'net loss ratio' which compares losses after reinsurance recoveries to earned premiums after paying for reinsurance.

Earned Premium: The pro rata portion of written premium which represents the expired portion of the insurance contract. For example, an annual policy of $100 written on July 1, 2001, assuming a calendar year accounting period, will be shown on the company's books as being partially earned in 2001 and 2002, i.e. fifty dollars earned in 2001 and fifty dollars in 2002.

Guide (a) rating (also known as 'refer to company' and 'judgment rating'): (a)-rating is typically used for large and/or unique commercial risks. It is generally provided for in the rules section of a company's underwriting manual. When a risk, such as a hospital, qualifies for (a)-rating, the actual price for the risk will be determined by an experienced underwriter. In this situation, actual filed rates are superseded by the underwriter's judgment.

"**HHI**": The ***Herfindahl-Hirschman Index.*** A commonly accepted measure of marketplace concentration, calculated by squaring the market share of each firm competing in a market and then summing the resulting numbers for all firms. The measurement accounts for the relative size and distribution of firms within a market. It approaches 0 when a market consists of a large number of firms of relatively equal size, and 10,000 when a monopoly is measured.

Incurred Loss: A monetary payment and/or reserve on the part of the insurance company to cover claims of the insureds which are payable by the terms of the insurance contract.

Investment Gain/(Loss): The investment gain relates a company's total *return on all invested funds* (premiums, reserves, and equity) to the calendar year earned premium. Thus this figure will usually be quite substantial for a long-tailed line like medical malpractice which requires considerable funds to be held in reserves and surplus.

Loss Adjustment Expense (LAE): Costs on the part of an insurance company to cover expenses incurred in settling their claims. This expense can be divided into two types: Allocated Loss Adjustment Expenses (ALAE aka Direct Cost Containment Expense [DCCE]) which are those expenses such as outside attorney and necessary court fees which can be directly tied to a specific claim, and Unallocated Loss Adjustment Expenses (ULAE aka Adjusting and Other [AO]) which are insurance company general claim department expenses, etc. and are not directly allocated to a particular claim.

Loss Development Factors: Designed to account for the subsequent development of losses or those that are late in being reported in order to attempt to reasonably estimate ultimate settlement amounts. Loss development factors are frequently utilized in those lines of insurance where claims develop slowly or are commonly reported later than the year in which the original premiums were earned. Prospective loss development factors are based upon changes in the relationships of historical claim data at specific and set periods during their subsequent development, such as after 12, 24, and 36 months, etc.

Occurrence Coverage: A policy that pays claims arising out of incidents that occur during the policy term, even if the claims are filed many years later.

Operating Profit/(Loss): Bottom-line profit or loss of an insurance company. Calculated by adding investment income to underwriting profit/(loss).

Premium-to-Surplus Ratio: The ratio of written premium to surplus. This ratio is commonly used in the property/casualty insurance industry as a measure of financial strength or to indicate the degree to which a company is leveraged. In Medical Malpractice insurance, this ratio is often less than one-to-one.

Punitive Damages: Damages awarded over and above compensatory (economic) damages to punish a negligent party because of wanton, reckless, or malicious acts or omissions.

Pure Premium: The portion of the total premium only needed to pay expected losses. The pure premium does not take into account the portion of premium necessary for company expenses (e.g., commissions, taxes, etc.)

Risk Retention Group: Liability Insurance Companies which are owned by their policyholders. Membership is limited to people in the same business or activity which exposes them to similar risks. The purpose is to assume and spread liability exposure to group members and to provide an alternative risk financing mechanism for liability. (*See also the federal* ***Liability Risk Retention Act of 1986***.)

Severity: Average loss per claim.

Surplus Line: (aka **Excess Line**) A risk or part of a risk for which there is no market available through the original broker or agent in its jurisdiction. Therefore, it is placed with non-admitted insurers on an unregulated basis, in accordance with the surplus or excess lines provisions of the state law.

Underwriting Expense: The expenses which are realized by an insurance company in acquiring, selecting, and servicing policies. Underwriting expense includes agents' commissions, general administration expenses, inspection & bureau expenses, and taxes, licenses and fees. It does not include any loss adjustment expenses.

Underwriting Profit/(Loss): The remainder when loss, loss adjustment expense and underwriting expense are subtracted from earned premium income.

Written Premium: The total premium from all policies with effective dates within a given time period.

Exhibits

West Virginia Offices of the Insurance Commissioner

5% Market Share Report **Exhibit I--Sheet 1a**

Loss and Premium Information/Reconciliation

West Virginia Mutual Ins Co

Physicians & Surgeons

2013 Rate Filing	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Adj On-Lev EP	$40,178,290	$41,843,393	$41,144,486	$38,934,789	$35,387,432	$32,670,654	30,690,493
Tr, Dev Ult Loss & ALAE	$10,133,428	$19,872,371	$22,454,086	21,412,931	$18,270,087	$23,288,932	26,917,398
Loss & ALAE Ratio	25.2%	47.5%	54.6%	55.0%	51.6%	71.3%	87.7%
2012 Rate Filing	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Adj On-Lev EP	$40,203,167	$41,865,275	$41,147,049	$38,952,784	$35,403,530	$32,683,858	---
Tr, Dev Ult Loss & ALAE	$7,881,675	$15,883,100	$18,823,495	18,426,464	$15,904,672	$19,334,225	---
Loss & ALAE Ratio	19.6%	37.9%	45.7%	47.3%	44.9%	59.2%	---
2011 Rate Filing	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Adj On-Lev EP	$42,371,112	$44,117,064	$43,350,125	$41,043,960	$37,300,513	---	---
Tr, Dev Ult Loss & ALAE	$9,694,646	$18,824,555	$22,845,334	22,179,936	$26,917,398	---	---
Loss & ALAE Ratio	22.9%	42.7%	52.7%	54.0%	72.2%	---	---
2010 Rate Filing	**2006**	**2007**	**2008**	*half year	**2010**	**2011**	**2012**
Adj On-Lev EP	$42,058,272	$44,141,025	$42,314,798	$19,048,681	---	---	---
Tr, Dev Ult Loss & ALAE	$11,422,667	$22,179,936	$33,915,921	10,819,226	---	---	---
Loss & ALAE Ratio	27.2%	50.2%	80.2%	56.8%	---	---	---
2009 Rate Filing	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Adj On-Lev EP	$42,058,000	$44,141,000	$42,315,000	---	---	---	---
Tr, Dev Ult Loss & ALAE	$11,891,000	$24,407,000	$34,101,000	---	---	---	---
Loss & ALAE Ratio	28.3%	55.3%	80.6%	---	---	---	---
2008 Rate Filing	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Adj On-Lev EP	$42,951,000	$44,979,000	---	---	---	---	---
Tr, Dev Ult Loss & ALAE	$14,595,000	$33,415,000	---	---	---	---	---
Loss & ALAE Ratio	34.0%	74.3%	---	---	---	---	---
2007 Rate Filing	**2006**	*half year	**2008**	**2009**	**2010**	**2011**	**2012**
Adj On-Lev EP	$43,510,815	$21,755,014	---	---	---	---	---
Tr, Dev Ult Loss & ALAE	$16,550,040	$13,081,000	---	---	---	---	---
Loss & ALAE Ratio	38.0%	60.1%	---	---	---	---	---
2006 Rate Filing	*half year	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Adj On-Lev EP	$26,274,295	---	---	---	---	---	---
Tr, Dev Ult Loss & ALAE	$16,601,162	---	---	---	---	---	---
Loss & ALAE Ratio	63.2%	---	---	---	---	---	---

5% Market Share Report **Exhibit I--Sheet 1a**

Loss and Premium Information/Reconciliation

National Union Fire Insurance Company of Pittsburgh

Other Healthcare Facilities

2013 Rate Filing	2006	2007	2008	2009	2010	2011	2012
Adj On-Lev EP	---	$557,000	$599,000	$556,000	$546,000	$551,000	---
Tr, Dev Ult Loss & ALAE	---	$2,672,000	$256,000	$314,000	$10,000	$40,000	---
Loss & ALAE Ratio	---	479.7%	42.7%	56.5%	1.8%	7.3%	---

Medicus Insurance Company

Physicians & Surgeons

2013 Rate Filing	2006	2007	2008	2009	2010	2011	2012
Adj On-Lev EP	---	---	$535,000	3,662,000	4,911,000	5,539,000	6,493,000
Tr, Dev Ult Loss & ALAE	---	---	$1,008,000	5,373,000	4,763,000	4,514,000	4,382,000
Loss & ALAE Ratio	---	---	188.4%	146.7%	97.0%	81.5%	67.5%
2012 Rate Filing	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Adj On-Lev EP	---	---	$535,000	3,662,000	4,911,000	5,539,000	---
Tr, Dev Ult Loss & ALAE	---	---	$2,225,000	2,990,000	2,887,000	6,143,000	---
Loss & ALAE Ratio	---	---	415.9%	81.6%	58.8%	110.9%	---
2011 Rate Filing	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Adj On-Lev EP	---	---	$535,288	3,554,347	4,668,761	---	---
Tr, Dev Ult Loss & ALAE	---	---	$939,225	3,681,941	2,543,309	---	---
Loss & ALAE Ratio	---	---	175.5%	103.6%	54.5%	---	---
2010 Rate Filing	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Adj On-Lev EP	---	---	$541,789	3,706,372	---	---	---
Tr, Dev Ult Loss & ALAE	---	---	$218,000	1,123,000	---	---	---
Loss & ALAE Ratio	---	---	40.2%	30.3%	---	---	---
2009 Rate Filing	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Adj On-Lev EP	---	---	$535,288	---	---	---	---
Tr, Dev Ult Loss & ALAE	---	---	$69,832	---	---	---	---
Loss & ALAE Ratio	---	---	13.0%	---	---	---	---

Mountaineer Freedom Risk Retention Group

Other Healthcare Facilities

2013 Rate Filing	2006	2007	2008	2009	2010	2011	2012
Adj On-Lev EP	---	---	---	---	---	---	---
Tr, Dev Ult Loss & ALAE	---	---	---	---	---	---	---
Loss & ALAE Ratio	---	---	---	---	---	---	---

5% Market Share Report **Exhibit I--Sheet 1b**

Loss and Premium Information/Reconciliation

West Virginia Mutual Ins Co

Physicians & Surgeons

2013 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	---	$44,390,000	$40,022,000	$36,800,000	$35,077,000	$27,423,000	$26,884,000
Incurred Losses	---	$18,123,000	$8,095,000	$13,331,000	7,974,000	$7,606,000	($535,000)
Loss Ratio	---	40.8%	20.2%	36.2%	22.7%	27.7%	**-2.0%**

2012 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	$44,959,000	$44,390,000	$40,022,000	$36,800,000	$35,077,000	$27,423,000	---
Incurred Losses	($1,306,000)	$18,123,000	$8,095,000	$13,331,000	7,974,000	$7,606,000	---
Loss Ratio	**-2.9%**	40.8%	20.2%	36.2%	22.7%	27.7%	---

2011 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	$44,959,000	$44,390,000	$40,022,000	$36,800,000	$35,077,000	---	---
Incurred Losses	($1,306,000)	$18,123,000	$8,095,000	$13,331,000	7,974,000	---	---
Loss Ratio	**-2.9%**	40.8%	20.2%	36.2%	22.7%	---	---

2010 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	$44,959,000	$44,390,000	$40,022,000	$36,800,000	---	---	---
Incurred Losses	$1,837,000	$28,544,000	$20,816,000	$22,760,000	---	---	---
Loss Ratio	4.1%	64.3%	52.0%	61.8%	---	---	---

2009 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	$44,959,000	$44,390,000	$40,022,000	---	---	---	---
Incurred Losses	$1,837,000	$28,544,000	$20,816,000	---	---	---	---
Loss Ratio	4.1%	64.3%	52.0%	---	---	---	---

2008 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	$44,959,000	$44,390,000	---	---	---	---	---
Incurred Losses	$1,837,000	$28,544,000	---	---	---	---	---
Loss Ratio	4.1%	64.3%	---	---	---	---	---

2007 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	$44,959,000	---	---	---	---	---	---
Incurred Losses	$1,837,000	---	---	---	---	---	---
Loss Ratio	4.1%	---	---	---	---	---	---

2006 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	---	---	---	---	---	---	---
Incurred Losses	---	---	---	---	---	---	---
Loss Ratio	---	---	---	---	---	---	---

5% Market Share Report **Exhibit I--Sheet 1b**

Loss and Premium Information/Reconciliation

National Union Fire Insurance Company of Pittsburgh							
			Other Healthcare Facilities				
2013 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	---	---	$21,000	$1,000	$0	$6,718,000	$8,933,000
Incurred Losses	---	---	$3,699,000	$2,466,000	609,000	$17,865,000	($5,440,000)
Loss Ratio	---	---	17614.3%	246600.0%	---	265.9%	**-60.9%**

Medicus Insurance Company							
			Physicians & Surgeons				
2013 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	---	---	$542,000	$3,706,000	$4,935,000	$5,539,000	$6,493,000
Incurred Losses	---	---	$81,000	$1,990,000	$4,915,000	$9,855,000	$2,224,000
Loss Ratio	---	---	14.9%	53.7%	99.6%	177.9%	34.3%
2012 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	---	---	$541,789	$3,706,372	$4,935,161	$5,539,308	---
Incurred Losses	---	---	$69,832	$1,990,249	$3,255,843	$6,930,431	---
Loss Ratio	---	---	12.9%	53.7%	66.0%	125.1%	---
2011 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	---	---	$541,789	$3,706,372	$4,935,161	---	---
Incurred Losses	---	---	$69,832	$1,990,249	$3,255,843	---	---
Loss Ratio	---	---	12.9%	53.7%	66.0%	---	---
2010 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	---	---	$541,789	$3,706,372	---	---	---
Incurred Losses	---	---	$69,832	$1,990,249	---	---	---
Loss Ratio	---	---	12.9%	53.7%	---	---	---

Mountaineer Freedom Risk Retention Group							
			Other Healthcare Facilities				
2013 Filed Information	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earned Premium	---	$1,981,000	$3,588,000	$4,283,000	$6,119,000	$6,310,000	$6,193,000
Incurred Losses	---	$1,540,000	$3,522,000	$1,596,000	2,393,000	$2,765,000	$2,244,000
Loss Ratio	---	77.7%	98.2%	37.3%	39.1%	43.8%	36.2%

5% Market Share Report **Exhibit I--Sheet 1c**

Loss and Premium Information/Reconciliation

West Virginia Mutual Ins Co

Physicians & Surgeons

2013 Filed Info	2006	2007	2008	2009	2010	2011	2012
Cur Lev EP	---	$41,865,000	$41,147,000	$38,952,000	$35,403,000	$32,683,000	---
Tr, Dev Inc Loss & AE	---	$19,247,000	$22,354,000	$21,703,000	$21,070,000	$25,302,000	---
Loss & ALAE Ratio	---	46.0%	54.3%	55.7%	59.5%	77.4%	---

2012 Filed Info	2006	2007	2008	2009	2010	2011	2012
Cur Lev EP	$42,371,000	$44,117,000	43,350,000	41,044,000	37,301,000	---	---
Tr, Dev Inc Loss & AE	$9,695,000	$18,825,000	22,845,000	22,180,000	26,917,000	---	---
Loss & ALAE Ratio	22.9%	42.7%	52.7%	54.0%	72.2%	---	---

2011 Filed Info	2006	2007	2008	2009	2010	2011	2012
Cur Lev EP	$42,371,000	$44,117,000	43,350,000	41,044,000	---	---	---
Tr, Dev Inc Loss & AE	$12,520,000	$22,898,000	29,662,000	35,636,000	---	---	---
Loss & ALAE Ratio	29.5%	51.9%	68.4%	86.8%	---	---	---

2010 Filed Info	2006	2007	2008	2009	2010	2011	2012
Cur Lev EP	$42,058,000	$44,141,000	42,315,000	---	---	---	---
Tr, Dev Inc Loss & AE	$11,891,000	$24,407,000	34,101,000	---	---	---	---
Loss & ALAE Ratio	28.3%	55.3%	80.6%	---	---	---	---

2009 Filed Info	2006	2007	2008	2009	2010	2011	2012
Cur Lev EP	$42,951,000	$44,979,000	---	---	---	---	---
Tr, Dev Inc Loss & AE	$14,595,000	$33,415,000	---	---	---	---	---
Loss & ALAE Ratio	34.0%	74.3%	---	---	---	---	---

2008 Filed Info	2006	2007	2008	2009	2010	2011	2012
Cur Lev EP	$45,511,000	---	---	---	---	---	---
Tr, Dev Inc Loss & AE	$16,205,000	---	---	---	---	---	---
Loss & ALAE Ratio	35.6%	---	---	---	---	---	---

2007 Filed Info	2006	2007	2008	2009	2010	2011	2012
Cur Lev EP	$44,959,028	---	---	---	---	---	---
Tr, Dev Inc Loss & AE	$21,595,000	---	---	---	---	---	---
Loss & ALAE Ratio	48.0%	---	---	---	---	---	---

5% Market Share Report **Exhibit I--Sheet 1c**

Loss and Premium Information/Reconciliation

National Union Fire Insurance Company of Pittsburgh							
			Other Healthcare Facilities				
2013 Filed Info	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Cur Lev EP	---	---	$16,962,000	$2,494,000	$3,284,000	$10,182,000	11,310,000
Tr, Dev Inc Loss & AE	---	---	$8,977,000	$5,596,000	$5,552,000	$16,934,000	($5,935,000)
Loss & ALAE Ratio	---	---	52.9%	224.4%	169.1%	166.3%	**-52.5%**

Medicus Insurance Company							
			Physicians & Surgeons				
2013 Filed Info	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Cur Lev EP	---	---	$535,000	$3,662,000	$4,911,000	$5,539,000	$6,493,000
Tr, Dev Inc Loss & AE	---	---	$1,008,000	$5,373,000	$4,763,000	$4,514,000	$4,382,000
Loss & ALAE Ratio	---	---	188.4%	146.7%	97.0%	81.5%	67.5%
2012 Filed Info	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Cur Lev EP	---	---	$535,288	$3,706,372	$4,935,161	$5,539,308	---
Tr, Dev Inc Loss & AE	---	---	$75,201	$2,091,005	$3,337,240	$6,930,431	---
Loss & ALAE Ratio	---	---	14.0%	56.4%	67.6%	125.1%	---
2011 Filed Info	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Cur Lev EP	---	---	$535,288	$3,706,372	$4,935,161	---	---
Tr, Dev Inc Loss & AE	---	---	$73,367	$1,320,487	$3,255,844	---	---
Loss & ALAE Ratio	---	---	13.7%	35.6%	66.0%	---	---
2010 Filed Info	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Cur Lev EP	---	---	$535,288	$3,706,372	---	---	---
Tr, Dev Inc Loss & AE	---	---	$71,578	$1,288,280	---	---	---
Loss & ALAE Ratio	---	---	13.4%	34.8%	---	---	---

Mountaineer Freedom Risk Retention Group							
			Other Healthcare Facilities				
2013 Filed Info	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Cur Lev EP	---	---	---	---	---	---	---
Tr, Dev Inc Loss & AE	---	---	---	---	---	---	---
Loss & ALAE Ratio	---	---	---	---	---	---	---

5% Market Share Report

II. Comparison of Budgeted Expenses **Exhibit II**

West Virginia Mutual Ins Co									
P & S									
Filing Number	§114CSR22	100023353	100016727	100011255	100006008	90918009	80903007	…	40331017
Effective Date	n/a	1/1/2014	1/1/2013	1/1/2012	1/1/2011	1/1/2010	1/1/2009	…	7/1/2004
Variable Expense									
Commission	7.00%	7.00%	n/a	n/a	n/a	n/a	n/a	…	n/a
Gen & Acq	30.00%	n/a	7.00%	6.50%	6.50%	6.00%	6.00%	…	13.30%
Taxes & Fees	5.00%	4.20%	5.00%	5.00%	5.00%	5.00%	5.00%	…	5.00%
Other	3.80%	n/a	n/a	n/a	n/a	n/a	n/a	…	n/a
Profit & Cont	2.30%	2.30%	2.25%	6.10%	6.10%	6.10%	6.10%	…	4.30%
Total Var Exp	**48.10%**	**13.50%**	**14.25%**	**17.60%**	**17.60%**	**17.10%**	**17.10%**	**…**	**22.60%**
Fixed Expense									
F E (Per Pol)	n/a	$6,616	$5,994	$5,532	$5,532	$4,977	$4,481	…	$469
Base Rate (MC 3)	n/a	$19,501	$19,501	$20,528	$20,528	$20,528	$20,528	…	$22,558
F E load	**n/a**	**33.93%**	**30.74%**	**26.95%**	**26.95%**	**24.24%**	**21.83%**	**…**	**2.08%**
Total Exp	**48.10%**	**47.43%**	**44.99%**	**44.55%**	**44.55%**	**41.34%**	**38.93%**	**…**	**24.68%**

National Union Fire Insurance Company of Pittsburgh							
Other Facilities							
Filing Number	§114CSR22	100016228	100010031	100004040	90629002	80702020	70626026
Effective Date	n/a	8/8/2012	6/30/2011	7/1/2010	7/20/2009	7/1/2008	7/24/2007
Variable Expense							
Commission	24.00%	18.80%	18.60%	18.50%	16.67%	17.21%	17.41%
Gen & Acq	10.30%	12.64%	11.17%	11.37%	7.69%	7.45%	7.39%
Taxes & Fees	3.60%	2.81%	3.34%	2.65%	4.31%	4.78%	5.34%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Profit & Cont	5.00%	5.00%	-2.00%	-15.60%	-7.70%	4.20%	5.00%
Total Var Exp	**42.90%**	**39.25%**	**31.11%**	**16.92%**	**20.97%**	**33.64%**	**35.14%**
Fixed Expense							
F E (Per Pol)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Rate (MC 3)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
F E load	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Total Exp	**42.90%**	**39.25%**	**31.11%**	**16.92%**	**20.97%**	**33.64%**	**35.14%**

5% Market Share Report

II. Comparison of Budgeted Expenses **Exhibit II**

Medicus Insurance Company						
P & S						
Filing Number	§114CSR22	100021635	100015802	100010073	100004152	90630015
Effective Date	n/a	1/1/2014	10/10/2012	10/27/2011	9/24/2010	10/1/2009
Variable Expense						
Commission	8.00%	8.00%	8.00%	9.00%	8.00%	9.00%
Gen & Acq	13.00%	13.00%	13.00%	12.00%	10.00%	12.00%
Taxes & Fees	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Other	2.70%	0.00%	0.00%	0.00%	0.00%	0.00%
Profit & Cont	5.00%	5.00%	0.00%	0.00%	1.50%	0.00%
Total Var Exp	**33.70%**	**31.00%**	**26.00%**	**26.00%**	**24.50%**	**26.00%**
Fixed Expense						
F E (Per Pol)	n/a	$5,994	n/a	n/a	n/a	n/a
Base Rate (MC 3)	n/a	$19,501	n/a	n/a	n/a	n/a
F E load	**n/a**	**30.74%**	n/a	n/a	n/a	n/a
Total Exp	**33.70%**	**61.74%**	**26.00%**	**26.00%**	**24.50%**	**26.00%**

Mountaineer Freedom Risk Retention Group		
Other Facilities		-
Filing Number	§114CSR22	n/a
Effective Date	n/a	*RRG's do not File*
Variable Expense		
Commission	2.00%	n/a
Gen & Acq	4.00%	n/a
Taxes & Fees	5.00%	n/a
Other	1.00%	n/a
Profit & Cont	0.00%	n/a
Total Var Exp	**12.00%**	**n/a**
Fixed Expense		
F E (Per Pol)	n/a	n/a
Base Rate (MC 3)	n/a	n/a
F E load	**n/a**	**n/a**
Total Exp	**12.00%**	**n/a**

5% Market Share Report

Comparison of Investment Income Provisions **Exhibit III**

Calendar Year		Net Investment Gain
West Virginia Mutual Insurance Company		
2004		0.5%
2005		2.9%
2006		3.6%
2007		10.8%
2008		12.1%
2009		13.1%
2010		16.2%
2011		21.6%
2012		23.2%
Rate of Return Underlying	2005 Filing:	3.5%
	2006 Filing:	**N/A**
	2007 Filing:	**N/A**
	2008 Filing:	**N/A**
	2009 Filing	**N/A**
	2010 Filing	**N/A**
	2011 Filing	**N/A**
	2012 Filing	**N/A**
	2013 Filing	**N/A**

Calendar Year		Net Investment Gain
National Union Fire Insurance Company of Pittsburgh		
2008		14.7%
2009		28.5%
2010		5.3%
2011		6.9%
2012		12.7%
Rate of Return Underlying	2007 Filing:	7.3%
	2008 Filing:	10.0%
	2009 Filing	24.0%
	2010 Filing	24.5%
	2011 Filing	19.1%
	2012 Filing	11.8%

Comparison of Investment Income Provisions **Exhibit III**

Calendar Year		Net Investment Gain
Medicus Insurance Company		
2008		1.1%
2009		7.3%
2010		5.5%
2011		1.6%
2012		0.8%
Rate of Return Underlying	2008 Filing:	N/A
	2009 Filing	5.0%
	2010 Filing	12.0%
	2011 Filing	12.0%
	2012 Filing	10.4%
	2013 Filing	10.2%

Calendar Year		Net Investment Gain
Mountaineer Freedom Risk Retention Group		
2007		25.9%
2008		9.1%
2009		0.2%
2010		3.8%
2011		7.3%
2012		8.9%
Rate of Return Underlying *RRG's do not file in WV*	2013 Filing	N/A

5% Market Share Report

Comparison of Pure Premium Trends **Exhibit IV**

	2008	2009	2010	2011	2012	2013	Physicians & Surgeons
West Virginia Mutual Ins Co	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
							5% Report
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	Oth Healthcare Facil
National Union Fire Ins Co of Pittsburgh	0.0%	3.5%	4.1%	5.0%	5.0%	5.0%	5.0%
							5% Report
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	Physicians & Surgeons
Medicus Insurance Company	3.00%*	3.00%*	3.00%*	3.00%*	3.00%*	3.00%*	3.00%*
							5% Report
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	Oth Healthcare Facil
Mountaineer Freedom RRG #	n/a	n/a	n/a	n/a	n/a	n/a	3.2%

*****Medicus Insurance Company*** *utilizes* ***West Virginia Mutual Insurance Company****'s trended pure premium in ratemaking,*

The 3.00% pure premium trend of ***West Virginia Mutual Insurance Company*** *is implied in* ***Medicus Insurance Company*** *rates*

 # Risk Retention Groups are not required to make filings in West Virginia

5% Market Share Report

Comparison of Incurred Loss Development Factors Exhibit V

Physicians & Surgeons

West Virginia Mutual Insurance Company	
Maturity (mos)	**Incurred LDFs**
18-ultimate	1.099
30-ultimate	0.991
42-ultimate	0.979
54-ultimate	0.985
66-ultimate	0.996
78-ultimate	1.000
90-ultimate	1.000
102-ultimate	1.000
138-ultimate	1.000

Other Healthcare Facilities

National Union Fire Insurance Company of Pittsburgh	
Maturity (mos)	**Incurred LDFs**
15-ultimate	6.102
27-ultimate	2.781
39-ultimate	2.026
51-ultimate	1.639
63-ultimate	1.389
75-ultimate	1.276
87-ultimate	1.191
99-ultimate	1.129
111-ultimate	1.119

Comparison of Incurred Loss Development Factors Exhibit V

Physicians & Surgeons

Medicus Insurance Company	
Maturity (mos)	**Incurred LDFs**
12-ultimate	2.221
24-ultimate	1.470
36-ultimate	1.104
48-ultimate	1.066
60-ultimate	1.043
72-ultimate	1.027
84-ultimate	1.015
96-ultimate	1.006

Other Healthcare Facilities

Mountaineer Freedom Risk Retention Group #	
Maturity (mos)	**Incurred LDFs**
12-ultimate	n/a
24-ultimate	n/a
36-ultimate	n/a
48-ultimate	n/a
60-ultimate	n/a
72-ultimate	n/a
84-ultimate	n/a
96-ultimate	n/a

 # Risk Retention Groups are not required to make filings in West Virginia

5% Market Share Report

Premium Reconciliation **Exhibit VI**

Company	Schedule T-Written Premium	Filing Forms
West Virginia Mutual Ins Co	$28,587,149	$28,587,149
All Other Lines of Business	$0	$0
Total	**$28,587,149**	**$28,587,149**

National Union Fire Ins Co of Pittsburgh	$9,464,920	$9,464,920
All Other Lines of Business	$22,245,232	$22,245,232
Total	**$31,710,152**	**$31,710,152**

Medicus Ins Co	$6,983,646	$6,983,646
All Other Lines of Business	$0	$0
Total	**$6,983,646**	**$6,983,646**

Mountaineer Freedom Risk Retention Group	$5,988,817	$5,988,817
All Other Lines of Business	$204,375	$204,375
Total	**$6,193,192**	**$6,193,192**

5% Market Share Report

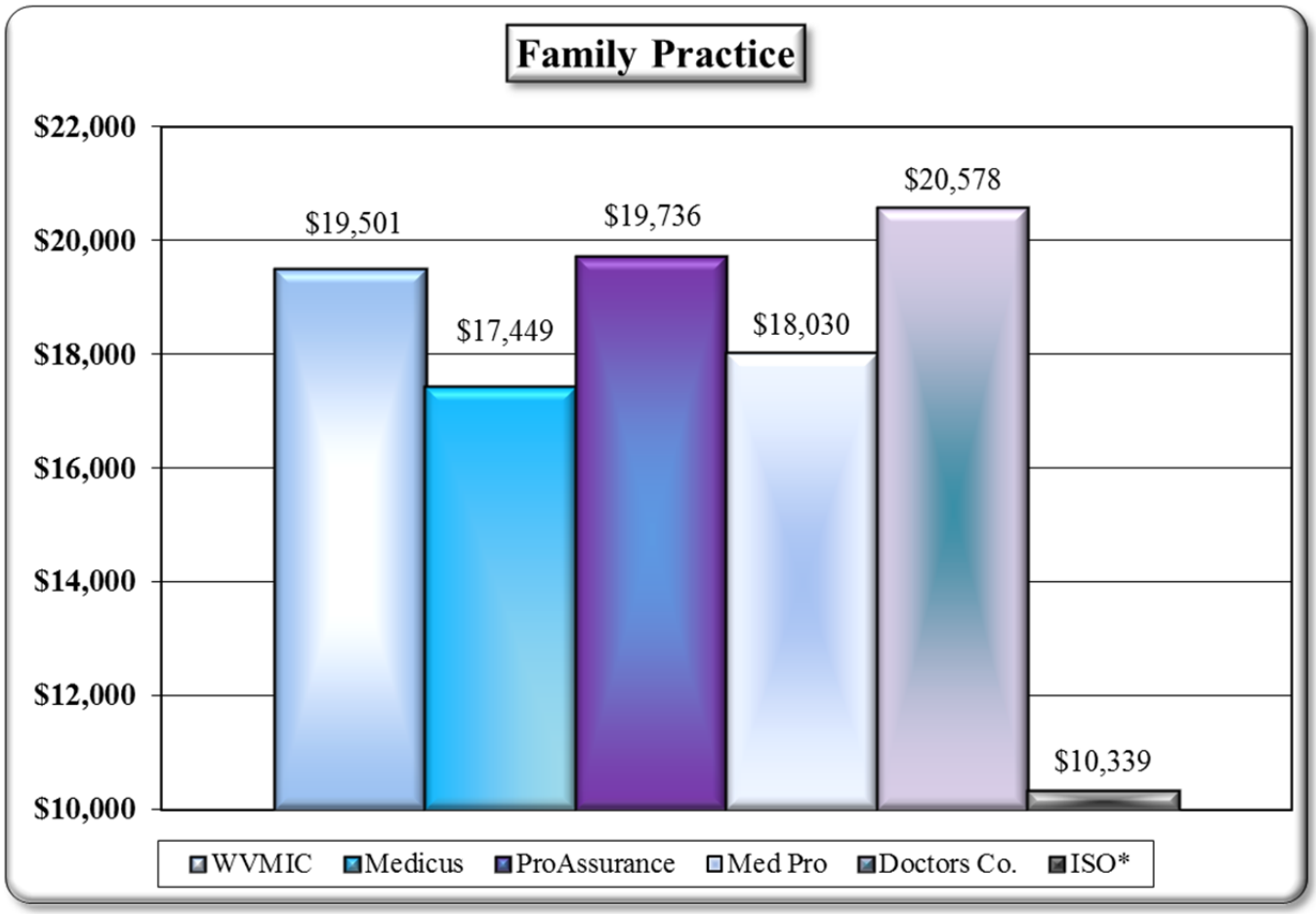
Sample Comparison of Physicians & Surgeons Rates **Exhibit VII**

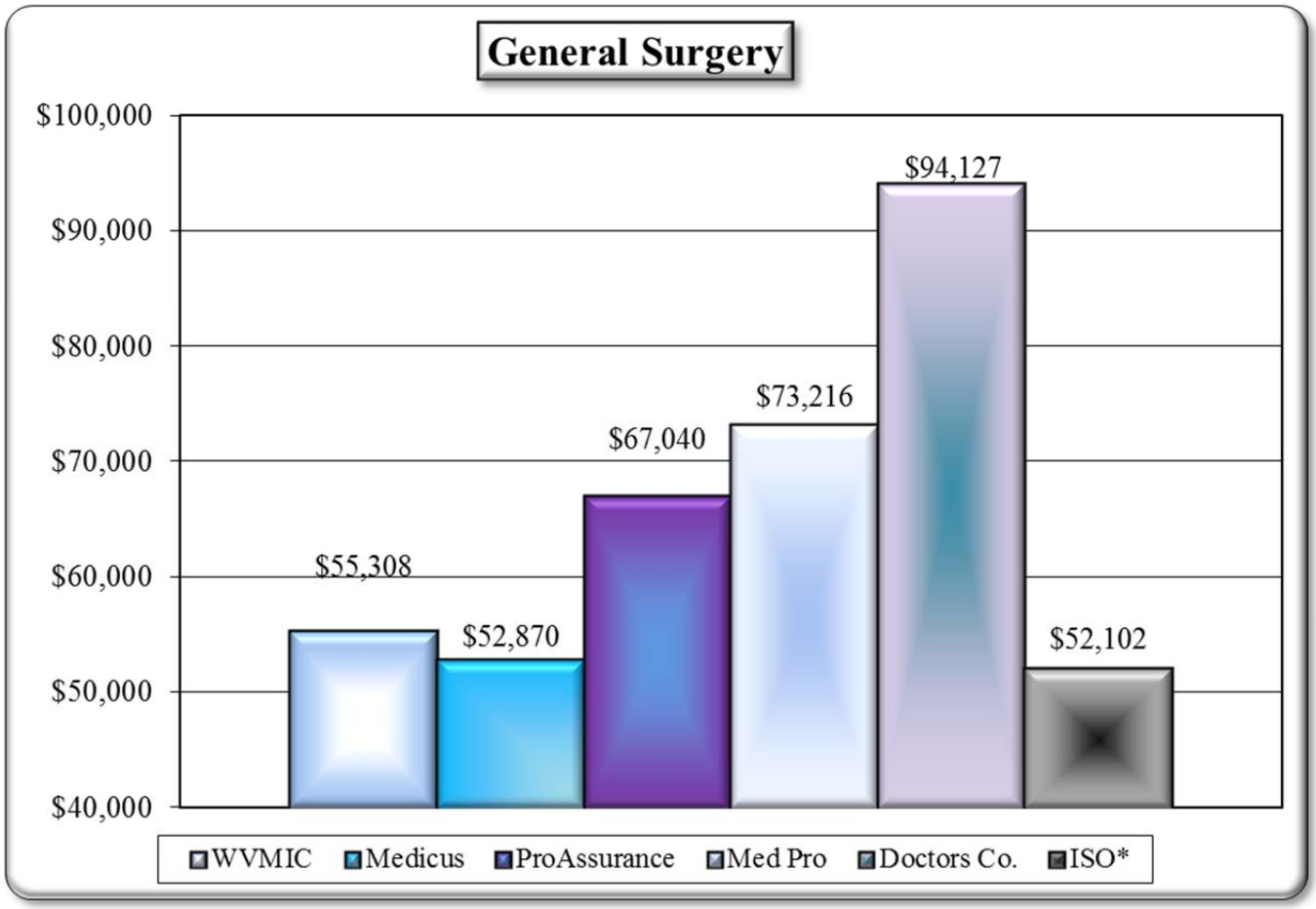
Claims Made Policies -- Mature Rate -- $1M/$3M Limits

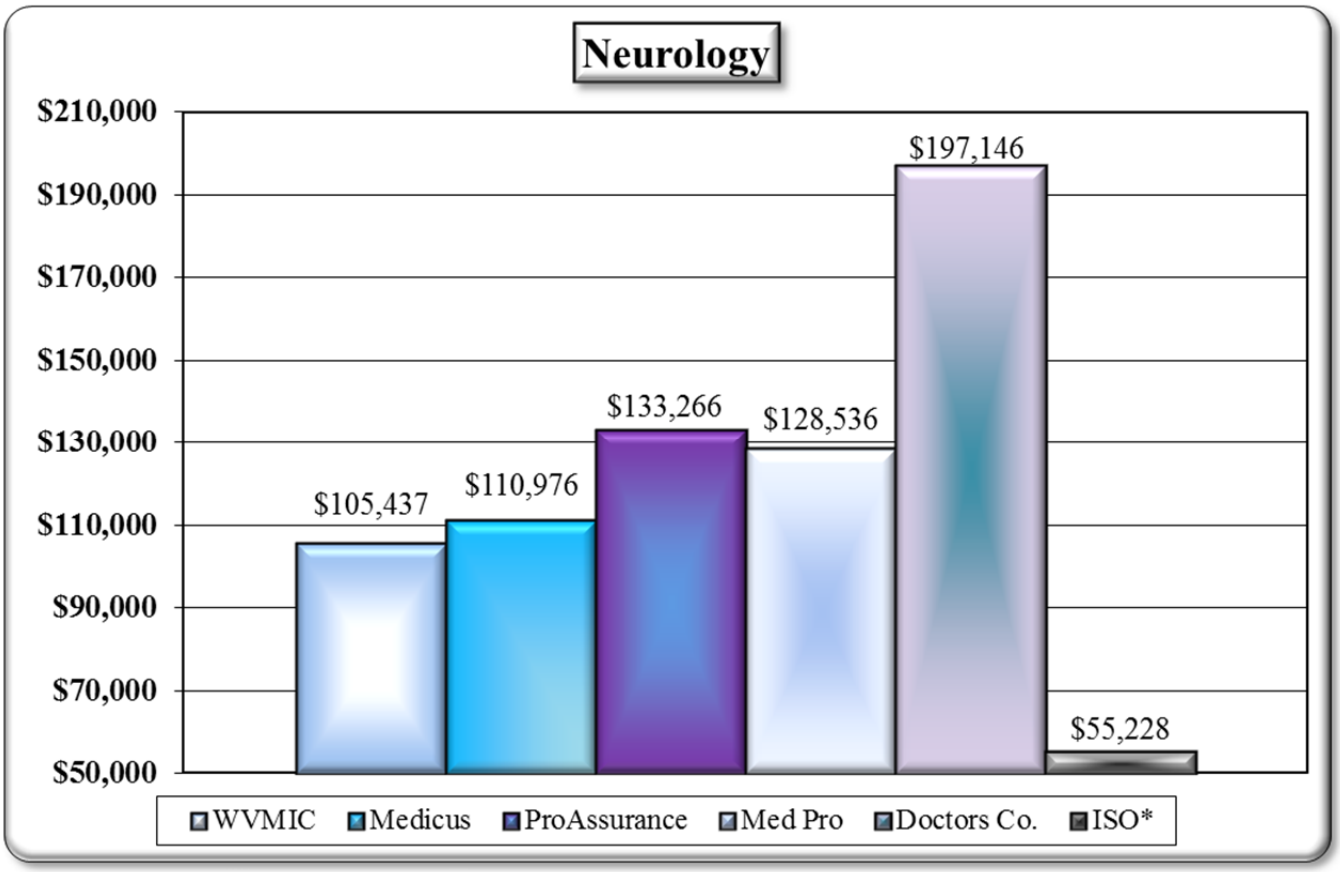
Class Code	Description	Eff. Date=>	WVMIC 1/1/2014	Medicus 1/1/2014	ProAssurance 12/1/2012	Med Pro 3/15/2013	Doctors Co. 10/1/2013	ISO* 11/1/2013
80254	Allergy		$12,340	$12,214	$10,275	$11,461	$9,153	$5,170
80151	Anesthesiology - Major Surgery		$30,959	$25,476	$24,466	$22,920	$27,946	$17,518
80150	Cardiovascular Disease - Major Surgery		$69,630	$27,744	$85,962	$73,216	$38,108	$46,893
80282	Dermatology - Minor Surgery		$26,663	$17,449	$29,197	$15,280	$18,959	$8,272
80102 (C)	Emergency Medicine - Minor Surgery		$33,824	$30,012	$38,657	$49,625	$53,351	$25,848
80420	Family Practitioner - No Surgery		$19,501	$17,449	$19,736	$18,030	$20,578	$10,339
80117 (A)	General Practitioner - Major Surgery		$40,985	$36,817	$29,197	$41,490	$36,838	$28,136
80143	General Surgery		$55,308	$52,870	$67,040	$73,216	$94,127	$52,102
80244	Gynecology - No Surgery		$19,501	$17,449	$19,736	$15,280	$50,303	$7,755
80284	Internal Medicine - Minor Surgery		$26,663	$23,207	$29,197	$30,560	$25,405	$15,509
80152	Neurology- Major Surgery		$105,437	$110,976	$133,266	$128,536	$197,146	$55,228
80153	Obstetrics/Gynecology		$76,792	$80,789	$95,422	$83,791	$109,751	$57,313
80286	Oncology - Minor Surgery		$26,663	$17,449	$29,197	$34,981	$21,595	$18,236
80114	Ophthalmology - Major Surgery		$23,082	$20,066	$24,466	$18,030	$23,754	$13,546
80154 (B)	Orthopedics - Incl Spinal Surgery		$69,630	$71,890	$85,962	$59,386	$77,487	$31,532
80155	Otorhinolaryngology-Incl Plastic Surg		$48,146	$44,146	$48,118	$41,490	$53,351	$33,866
80266	Pathology		$15,921	$14,832	$19,736	$18,030	$23,373	$6,253
80267	Pediatrics - No Surgery		$19,501	$17,449	$19,736	$18,030	$25,405	$9,305
80145 (C)	Urology - Major Surgery		$30,959	$27,744	$29,197	$30,560	$39,887	$20,841

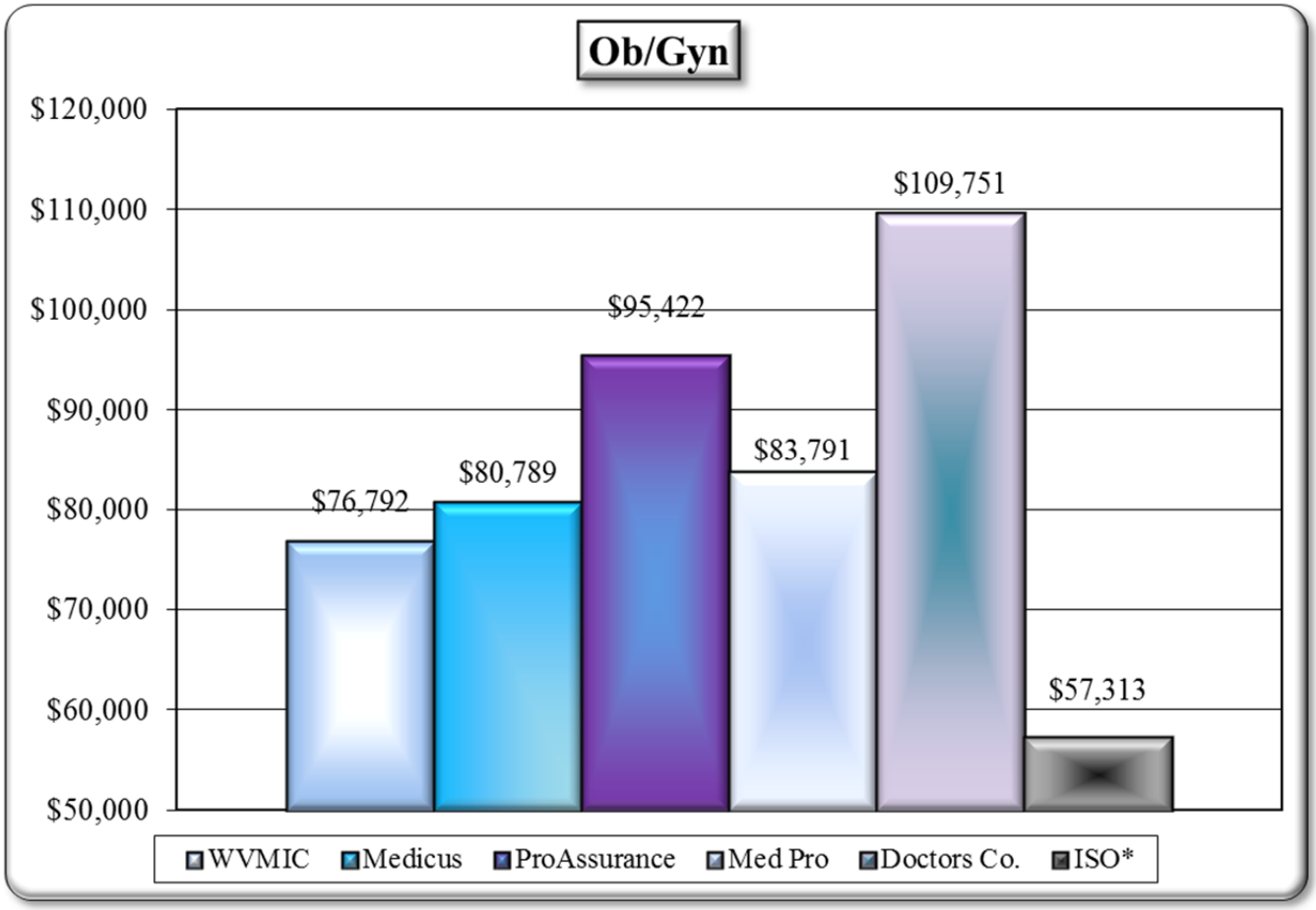
These rates are a starting point for rating a physician. Rates may be further adjusted by other rating plans.

**ISO only files loss costs and increased limit factors. Affiliated Insurers may use ISO as a basis for their rates. An underwriting expense load of 25% was used to convert ISO loss costs to rates.*


Family Practice
$22,000
$20,000
$18,000
$16,000
$14,000
$12,000
$10,000
$19,501
$17,449
$19,736
$18,030
$20,578
$10,339
WVMIC
Medicus
ProAssurance
Med Pro
Doctors Co.
ISO*


General Surgery
$100,000
$90,000
$80,000
$70,000
$60,000
$50,000
$40,000
$55,308
$52,870
$67,040
$73,216
$94,127
$52,102
WVMIC
Medicus
ProAssurance
Med Pro
Doctors Co.
ISO*


Neurology
$210,000
$190,000
$170,000
$150,000
$130,000
$110,000
$90,000
$70,000
$50,000
$105,437
$110,976
$133,266
$128,536
$197,146
$55,228
WVMIC
Medicus
ProAssurance
Med Pro
Doctors Co.
ISO*


Ob/Gyn
$120,000
$110,000
$100,000
$90,000
$80,000
$70,000
$60,000
$50,000
$76,792
$80,789
$95,422
$83,791
$109,751
$57,313
WVMIC
Medicus
ProAssurance
Med Pro
Doctors Co.
ISO*

Appendix

2012 Physicians / Hospitals /Other Facilities/ Professionals-Totals

Physicians	2012 West Virginia Business Written				
(NAIC Database) **COMPANY**	**Direct Premium Written**	**Physicians Market Share**	**Direct Premium Earned**	**Direct Loss Incurred**	**Pure Direct Loss Ratio**
West Virginia Mut Ins Co	$28,587,149	65.48%	$30,373,162	$419,020	1.38%
Medicus Ins Co	$6,983,646	16.00%	$6,492,705	$109,891	1.69%
Ophthalmic Mut Ins Co RRG	$849,233	1.95%	$848,609	$27,727	3.27%
ProAssurance Ind Co Inc	$759,414	1.74%	$948,794	($164,437)	-17.33%
General Star Ind Co	$587,911	1.35%	$447,132	($102,000)	-22.81%
Oceanus Ins Co A RRG	$544,879	1.25%	$543,483	$689,757	126.91%
Applied Medico Legal Solns RRG	$539,843	1.24%	$614,097	$675,801	110.05%
National Guardian RRG Inc	$473,927	1.09%	$473,927	($646,584)	-136.43%
Catlin Specialty Ins Co	$442,073	1.01%	$456,187	($63,191)	-13.85%
Doctors Co An Interins Exch	$438,765	1.01%	$576,351	($248,029)	-43.03%
National Union Fire Ins Co Of Pitts	$395,658	0.91%	$399,726	($525,566)	-131.48%
Physicians Specialty Ltd RRG	$362,743	0.83%	$362,743	$329,429	90.82%
Homeland Ins Co of NY	$312,500	0.72%	$38,466	$14,724	38.28%
Care RRG Inc	$311,178	0.71%	$179,392	($1,125)	-0.63%
Medical Protective Co	$288,577	0.66%	$295,276	$227,000	76.88%
Preferred Physicians Medical RRG	$250,368	0.57%	$251,022	($23,749)	-9.46%
Darwin Select Ins Co	$202,580	0.46%	$187,175	($68,625)	-36.66%
Evanston Ins Co	$202,134	0.46%	$264,848	($4,140)	-1.56%
Columbia Cas Co	$190,436	0.44%	$187,778	($122,708)	-65.35%
National Fire & Marine Ins Co	$150,533	0.34%	$94,296	($436,842)	-463.27%
Admiral Ins Co	$105,640	0.24%	$148,805	$25,559	17.18%
Southwest Physicians RRG Inc	$102,958	0.24%	$102,958	$30,817	29.93%
Darwin Natl Assur Co	$83,300	0.19%	$76,945	$8,595	11.17%
Professional Underwriters Liab Ins	$80,693	0.18%	$83,691	$333,297	398.25%
Healthcare Safety & Prot RRG	$76,929	0.18%	$70,895	$269,694	380.41%
Cherokee Guar Co Inc a RRG	$76,715	0.18%	$25,572	$0	0.00%
Capson Physicians Ins Co	$71,902	0.16%	$45,322	$0	0.00%
Hallmark Specialty Ins Co	$50,062	0.11%	$37,601	$18,801	50.00%
National Medical Professional RRG	$47,916	0.11%	$41,416	$5,812	14.03%
Green Hills Ins Co RRG	$28,134	0.06%	$42,629	($41,320)	-96.93%
Essex Ins Co	$22,616	0.05%	$27,875	($57)	-0.20%
Campmed Cas & Ind Co Inc	$22,005	0.05%	$21,945	$11,139	50.76%
Hudson Specialty Ins Co	$13,142	0.03%	$28,320	$12,858	45.40%
Ace Amer Ins Co	$1,518	0.00%	$1,518	$634	41.77%
18 Other Companies	*$776*	*0.00%*	*$9,735*	*($338,419)*	*-3476.31%*
TOTALS	**$43,657,853**	**100.00%**	**$44,800,396**	**$423,763**	**0.95%**

Hospitals	2012 West Virginia Business Written				
(NAIC Database) **COMPANY**	**Direct Premium Written**	**Hospitals Market Share**	**Direct Premium Earned**	**Direct Loss Incurred**	**Pure Direct Loss Ratio**
Mountaineer Freedom RRG Inc	$5,988,817.00	32.60%	$5,988,817.00	$2,892,139.00	48.29%
Community Hospital RRG	$5,622,590.00	30.60%	$5,622,590.00	$4,303,838.00	76.55%
Nautilus Ins Co	$1,668,104.00	9.08%	$1,671,995.00	($238,162.00)	-14.24%
Darwin Select Ins Co	$1,361,406.00	7.41%	$1,279,176.00	$6,800,250.00	531.61%
Homeland Ins Co of NY	$804,750.00	4.38%	$454,807.00	$111,639.00	24.55%
Endurance Amer Spec Ins Co	$790,000.00	4.30%	$593,579.00	$354,460.00	59.72%
Amer Excess Ins Exch RRG	$782,000.00	4.26%	$787,136.00	$178,547.00	22.68%
Illinois Union Ins Co	$665,000.00	3.62%	$652,605.00	$205,813.00	31.54%
Arch Specialty Ins Co	$410,000.00	2.23%	$465,264.00	$105,379.00	22.65%
Torus Specialty Ins Co	$268,800.00	1.46%	$22,093.00	$10,689.00	48.38%
Columbia Cas Co	$28,000.00	0.15%	$17,184.00	($21,363.00)	-124.32%
Ace Amer Ins Co	$1,728.00	0.01%	$917.00	$141.00	15.38%
St Paul Fire & Marine Ins Co	$0.00	0.00%	$0.00	($2,392,198.00)	---
First Specialty Ins Corp	$0.00	0.00%	$0.00	($414,526.00)	---
Steadfast Ins Co	$0.00	0.00%	$230,401.00	($243,427.00)	-105.65%
Capitol Specialty Ins Corp	$0.00	0.00%	$0.00	($185,990.00)	---
ProAssurance Ind Co Inc	$0.00	0.00%	$0.00	($44,148.00)	---
Executive Risk Ind Inc	$0.00	0.00%	$0.00	($20,380.00)	---
Standard Fire Ins Co	$0.00	0.00%	$0.00	($12,987.00)	---
Executive Risk Spec Ins Co	$0.00	0.00%	$0.00	($6,370.00)	---
Travelers Cas & Surety Co	$0.00	0.00%	$0.00	($6,265.00)	---
Empire Fire & Marine Ins Co	$0.00	0.00%	$0.00	($6,079.00)	---
ProAssurance Specialty Ins Co	$0.00	0.00%	$0.00	($5,500.00)	---
Zurich Amer Ins Co	$0.00	0.00%	($21.00)	($4,641.00)	22100.00%
Interstate Fire & Cas Co	$0.00	0.00%	$0.00	($4,031.00)	---
Admiral Ins Co	$0.00	0.00%	$0.00	($1,583.00)	---
St Paul Mercury Ins Co	$0.00	0.00%	$0.00	$7,998.00	---
Indian Harbor Ins Co	$0.00	0.00%	$60,168.00	$8,183.00	13.60%
Darwin Natl Assur Co	$0.00	0.00%	$0.00	$989,812.00	---
Lexington Ins Co	($18,970.00)	-0.10%	$358,457.00	($1,334,719.00)	-372.35%
TOTALS	**$18,372,225.00**	**100.00%**	**$18,205,168.00**	**$11,026,519.00**	**60.57%**

Other Professionals	2012 West Virginia Business Written				
(NAIC Database) **COMPANY**	**Direct Premium Written**	**Oth Prof Market Share**	**Direct Premium Earned**	**Direct Loss Incurred**	**Pure Direct Loss Ratio**
Liberty Surplus Ins Corp	$1,244,853.00	18.56%	$1,134,431.00	$607,987.00	53.59%
Amer Cas Co Of Reading PA	$945,866.00	14.10%	$942,773.00	$299,601.00	31.78%
Continental Cas Co	$804,404.00	11.99%	$807,747.00	($508,168.00)	-62.91%
Podiatry Ins Co Of Amer	$570,685.00	8.51%	$564,252.00	$191,344.00	33.91%
Landmark Amer Ins Co	$370,925.00	5.53%	$339,731.00	($6,111.00)	-1.80%
Cincinnati Ins Co	$369,215.00	5.50%	$367,742.00	$678,075.00	184.39%
NCMIC Ins Co	$321,795.00	4.80%	$326,881.00	($196,086.00)	-59.99%
Evanston Ins Co	$292,242.00	4.36%	$271,331.00	$257,080.00	94.75%
Oms Natl Ins Co Rrg	$269,480.00	4.02%	$249,876.00	$0.00	0.00%
Western World Ins Co	$216,836.00	3.23%	$217,139.00	$9,586.00	4.41%
Medical Protective Co	$214,471.00	3.20%	$220,782.00	$1,000.00	0.45%
Liberty Ins Underwriters Inc	$211,772.00	3.16%	$220,818.00	$102,445.00	46.39%
Lexington Ins Co	$168,424.00	2.51%	$231,455.00	$66,664.00	28.80%
Ace Amer Ins Co	$157,588.00	2.35%	$151,040.00	$44,790.00	29.65%
Nat'l Union Fire Ins Co Of Pitts	$136,301.00	2.03%	$127,701.00	($191,739.00)	-150.15%
Columbia Cas Co	$130,190.00	1.94%	$129,689.00	($21,591.00)	-16.65%
Cincinnati Cas Co	$35,447.00	0.53%	$33,970.00	$19,800.00	58.29%
ProAssurance Specialty Ins Co	$27,280.00	0.41%	$22,414.00	$6,047.00	26.98%
Campmed Cas & Ind Co Inc	$24,194.00	0.36%	$24,213.00	($17,657.00)	-72.92%
Interstate Fire & Cas Co	$23,781.00	0.35%	$17,693.00	$18,637.00	105.34%
Allied Professionals Ins Co RRG	$21,479.00	0.32%	$15,448.00	$12,787.00	82.77%
State Farm Fire & Cas Co	$19,536.00	0.29%	$19,299.00	$53,747.00	278.50%
Pharmacists Mut Ins Co	$17,153.00	0.26%	$16,537.00	$1,590.00	9.61%
PACO Assur Co Inc	$16,911.00	0.25%	$24,274.00	$10,439.00	43.00%
Fortress Ins Co	$14,709.00	0.22%	$13,692.00	$2,617.00	19.11%
Granite State Ins Co	$13,170.00	0.20%	$12,502.00	$950.00	7.60%
Everest Natl Ins Co	$12,632.00	0.19%	$12,346.00	$135.00	1.09%
Amer Asn Of Othodontists RRG	$11,520.00	0.17%	$11,164.00	$983.00	8.81%
Doctors Co An Interins Exch	$11,103.00	0.17%	$9,612.00	$0.00	0.00%
ProAssurance Ind Co Inc	$10,331.00	0.15%	$10,331.00	($3,874.00)	-37.50%
The Cincinnati Spec Underwriter	$8,223.00	0.12%	$5,922.00	$3,824.00	64.57%
Church Mut Ins Co	$6,635.00	0.10%	$6,595.00	$353.00	5.35%
Nautilus Ins Co	$3,986.00	0.06%	$1,768.00	$743.00	42.02%
Great Divide Ins Co	$3,656.00	0.05%	$1,002.00	$421.00	42.02%
Chicago Ins Co	$959.00	0.01%	$968.00	($79,325.00)	-8194.73%
11 Other Companies	*$432.00*	*0.01%*	*$545.00*	*($923.00)*	*-976.77%*
American Ins Co	$379.00	0.01%	$268.00	($1,609.00)	-600.37%
Travelers Ind Co	$0.00	0.00%	$0.00	($90,777.00)	---
Admiral Ins Co	$0.00	0.00%	$57,566.00	($85,008.00)	-147.67%
Ironshore Specialty Ins Co	$0.00	0.00%	$0.00	($3,582.00)	---
Gulf Underwriters Ins Co	$0.00	0.00%	$0.00	($3,374.00)	---
Empire Fire & Marine Ins Co	$0.00	0.00%	$0.00	$1,300.00	---
Torus Specialty Ins Co	$0.00	0.00%	$0.00	$6,206.00	---
St Paul Fire & Marine Ins Co	$0.00	0.00%	$0.00	$7,811.00	---
Westport Ins Corp	$0.00	0.00%	$0.00	$304,579.00	---
TOTALS	**$6,708,563.00**	**100.00%**	**$6,621,517.00**	**$1,501,717.00**	**22.68%**

Other Healthcare Facilities	2012 West Virginia Business Written				
(NAIC Database) **COMPANY**	**Direct Premium Written**	**Oth Facilities Market Share**	**Direct Premium Earned**	**Direct Loss Incurred**	**Pure Direct Loss Ratio**
Natl' Union Fire Ins Co Of Pitts	$8,932,961.00	72.60%	$8,932,961.00	($5,483,447.00)	-61.38%
Health Care Ind Liab Recip Ins	$1,403,683.00	11.41%	$1,192,398.00	$752,346.00	63.10%
Homeland Ins Co of NY	$332,648.00	2.70%	$95,560.00	$51,684.00	54.09%
Guardian RRG Inc	$276,802.00	2.25%	$276,802.00	($11,482.00)	-4.15%
Darwin Select Ins Co	$265,399.00	2.16%	$257,187.00	$10,698.00	4.16%
Ironshore Specialty Ins Co	$239,579.00	1.95%	$124,623.00	$21,494.00	17.25%
Lexington Ins Co	$129,513.00	1.05%	$132,333.00	($93,722.00)	-70.82%
Evanston Ins Co	$119,723.00	0.97%	$182,304.00	$3,993.00	2.19%
Arch Specialty Ins Co	$106,164.00	0.86%	$114,285.00	($40,476.00)	-35.42%
American Alt Ins Corp	$100,020.00	0.81%	$98,562.00	($124,783.00)	-126.60%
ProAssurance Specialty Ins Co	$59,551.00	0.48%	$47,950.00	$13,521.00	28.20%
Nautilus Ins Co	$55,081.00	0.45%	$71,602.00	$6,900.00	9.64%
National Fire & Marine Ins Co	$51,726.00	0.42%	$43,629.00	$30,037.00	68.85%
Church Mut Ins Co	$45,383.00	0.37%	$43,538.00	($5,522.00)	-12.68%
Torus Specialty Ins Co	$44,250.00	0.36%	$16,730.00	$14,766.00	88.26%
General Star Ind Co	$38,715.00	0.31%	$50,143.00	($47,000.00)	-93.73%
The Cincinnati Spec Underwrtr	$36,750.00	0.30%	$35,510.00	$19,551.00	55.06%
Admiral Ins Co	$17,295.00	0.14%	($7,311.00)	$230,409.00	-3151.54%
Princeton E & S Lines Ins	$12,500.00	0.10%	$12,174.00	($288.00)	-2.37%
Catlin Specialty Ins Co	$12,500.00	0.10%	$12,500.00	$1,771.00	14.17%
Chartis Specialty Ins Co	$9,505.00	0.08%	$21,997.00	$10,123.00	46.02%
Zurich Amer Ins Co	$8,195.00	0.07%	$9,156.00	$1,918.00	20.95%
James River Ins Co	$5,270.00	0.04%	$4,230.00	$7,517.00	177.71%
Illinois Union Ins Co	$1,600.00	0.01%	$3,323.00	$1,983.00	59.67%
Affiliates Ins Recip a RRG	$202.00	0.00%	$202.00	$98.00	48.51%
Western World Ins Co	$0.00	0.00%	$0.00	($12,438.00)	---
Executive Risk Ind Inc	$0.00	0.00%	$0.00	($10,500.00)	---
Executive Risk Spec Ins Co	$0.00	0.00%	$0.00	($6,902.00)	---
Allied World Assur Co US Inc	$0.00	0.00%	$679.00	($1,133.00)	-166.86%
St Paul Mercury Ins Co	$0.00	0.00%	$0.00	$2,395.00	---
St Paul Fire & Marine Ins Co	$0.00	0.00%	$0.00	$11,066.00	---
6 Other Companies	*$0.00*	*0.00%*	*$884.00*	*($671.00)*	*-75.90%*
TOTALS	**$12,305,015.00**	**100.00%**	**$11,773,951.00**	**($4,646,094.00)**	**-39.46%**

Total Medical Malpractice	2012 West Virginia Business Written				
(NAIC Database) **COMPANY**	**Direct Premium Written**	**Total Med Mal Market Share**	**Direct Premium Earned**	**Direct Loss Incurred**	**Pure Direct Loss Ratio**
West Virginia Mut Ins Co	$28,587,149	35.27%	$30,373,162	$419,019	1.38%
National Union Fire Ins Co Of Pitts	$9,464,920	11.68%	$9,460,388	($6,200,752)	-65.54%
Medicus Ins Co	$6,983,646	8.62%	$6,492,705	$109,891	1.69%
Mountaineer Freedom RRG Inc	$5,988,817	7.39%	$5,988,817	$2,170,340	36.24%
Community Hospital RRG	$5,622,590	6.94%	$5,622,590	$3,988,150	70.93%
Darwin Select Ins Co	$1,829,385	2.26%	$1,723,538	$6,742,324	391.19%
Nautilus Ins Co	$1,727,171	2.13%	$1,745,365	($230,519)	-13.21%
Homeland Ins Co of NY	$1,449,898	1.79%	$588,833	$178,047	30.24%
Health Care Industry Liab Recip Ins	$1,403,683	1.73%	$1,192,398	$752,346	63.10%
Liberty Surplus Ins Corp	$1,244,853	1.54%	$1,134,431	$607,987	53.59%
American Cas Co Of Reading PA	$945,866	1.17%	$951,732	$310,162	32.59%
Ophthalmic Mut Ins Co RRG	$849,233	1.05%	$848,609	$27,727	3.27%
Continental Cas Co	$804,404	0.99%	$807,747	$37,192	4.60%
Endurance Amer Specialty Ins Co	$790,000	0.97%	$593,579	$354,460	59.72%
American Excess Ins Exch RRG	$782,000	0.96%	$787,136	$178,547	22.68%
ProAssurance Ind Co Inc	$769,745	0.95%	$959,125	($212,459)	-22.15%
Illinois Union Ins Co	$666,600	0.82%	$655,928	$207,655	31.66%
General Star Ind Co	$626,626	0.77%	$497,275	($149,000)	-29.96%
Evanston Ins Co	$614,099	0.76%	$718,486	$256,932	35.76%
Podiatry Ins Co Of Amer	$570,685	0.70%	$564,252	$191,344	33.91%
Oceanus Ins Co A RRG	$544,879	0.67%	$543,483	$689,757	126.91%
Applied Medico Legal Solutions RRG	$539,843	0.67%	$614,097	$675,801	110.05%
Arch Speciaity Ins Co	$516,164	0.64%	$579,549	$64,903	11.20%
Medical Protective Co	$503,048	0.62%	$516,058	$228,000	44.18%
National Guardian RRG Inc	$473,927	0.58%	$473,927	($646,584)	-136.43%
Catlin Specialty Ins Co	$454,573	0.56%	$468,687	($61,420)	-13.10%
Doctors Co An Interins Exch	$449,868	0.56%	$585,963	($248,029)	-42.33%
Landmark Amer Ins Co	$370,925	0.46%	$339,731	($6,111)	-1.80%
Cincinnati Ins Co	$369,215	0.46%	$367,743	$678,075	184.39%
Physicians Specialty Ltd RRG	$362,743	0.45%	$362,743	$329,429	90.82%
Columbia Cas Co	$348,626	0.43%	$334,651	($165,662)	-49.50%
NCMIC Ins Co	$321,795	0.40%	$326,881	($196,086)	-59.99%
Torus Specialty Ins Co	$313,050	0.39%	$38,823	$33,439	86.13%
Care RRG Inc	$311,178	0.38%	$179,392	($1,125)	-0.63%
Lexington Ins Co	$278,967	0.34%	$722,246	($1,361,777)	-188.55%
Guardian RRG Inc	$276,802	0.34%	$276,802	($11,482)	-4.15%
Oms Natl Ins Co Rrg	$269,480	0.33%	$249,876	$0	0%
Preferred Physicians Medical RRG	$250,368	0.31%	$251,022	($23,749)	-9.46%
Ironshore Specialty Ins Co	$239,579	0.30%	$124,623	$17,913	14.37%
Western World Ins Co	$216,836	0.27%	$217,139	($2,852)	-1.31%
Liberty Ins Underwriters Inc	$211,772	0.26%	$220,818	$102,445	46.39%
National Fire & Marine Ins Co	$202,259	0.25%	$137,925	($406,805)	-294.95%
Ace Amer Ins Co	$160,834	0.20%	$153,475	$45,565	29.69%
Admiral Ins Co	$122,935	0.15%	$199,060	$169,377	85.09%
Southwest Physicians RRG Inc	$102,958	0.13%	$102,958	$30,817	29.93%
American Alt Ins Corp	$100,020	0.12%	$98,562	($124,783)	-126.60%
ProAssurance Specialty Ins Co	$86,831	0.11%	$70,363	$14,068	19.99%
Darwin Natl Assur Co	$83,300	0.10%	$76,945	$998,407	1297.56%
Professional Underwriters Liab Ins C	$80,693	0.10%	$83,746	$333,297	397.99%
Healthcare Safety & Protection RRG I	$76,929	0.09%	$70,895	$269,694	380.41%
Cherokee Guar Co Inc a RRG	$76,715	0.09%	$25,572	$7,499	29.33%
Capson Physicians Ins Co	$71,902	0.09%	$45,322	$0	0%

Total Medical Malpractice	2012 West Virginia Business Written				
(NAIC Database) **COMPANY**	**Direct Premium Written**	**Total Med Mal Market Share**	**Direct Premium Earned**	**Direct Loss Incurred**	**Pure Direct Loss Ratio**
Church Mut Ins Co	$52,018	0.06%	$50,132	($5,169)	-10.31%
Hallmark Specialty Ins Co	$50,062	0.06%	$37,601	$18,800	50.00%
National Medical Professional RRG In	$47,916	0.06%	$41,416	$5,812	14.03%
Campmed Cas & Ind Co Inc	$46,199	0.06%	$46,158	($6,519)	-14.12%
The Cincinnati Specialty Underwriter	$44,973	0.06%	$41,432	$23,375	56.42%
Cincinnati Cas Co	$35,447	0.04%	$33,970	$19,800	58.29%
Green Hills Ins Co RRG	$28,134	0.03%	$42,629	($41,320)	-96.93%
Interstate Fire & Cas Co	$23,781	0.03%	$17,693	$6,176	34.91%
Essex Ins Co	$23,048	0.03%	$28,307	($196)	-0.69%
Allied Professionals Ins Co RRG	$21,479	0.03%	$15,448	$12,787	82.77%
State Farm Fire & Cas Co	$19,536	0.02%	$19,299	$53,747	278.50%
Pharmacists Mut Ins Co	$17,153	0.02%	$16,537	$1,590	9.61%
PACO Assur Co Inc	$16,911	0.02%	$24,274	$10,439	43.00%
Fortress Ins Co	$14,709	0.02%	$13,692	$2,617	19.11%
Granite State Ins Co	$13,170	0.02%	$12,502	$950	7.60%
Hudson Specialty Ins Co	$13,142	0.02%	$28,320	$12,858	45.40%
Everest Natl Ins Co	$12,632	0.02%	$12,346	$2,000	16.20%
Princeton Excess & Surplus Lines Ins	$12,500	0.02%	$12,174	($288)	-2.37%
American Assoc Of Othodontists RRG	$11,520	0.01%	$11,164	$983	8.81%
Chartis Specialty Ins Co	$9,505	0.01%	$21,997	$10,123	46.02%
Zurich Amer Ins Co	$8,195	0.01%	$9,135	($2,723)	-29.81%
James River Ins Co	$5,270	0.01%	$4,230	$7,517	177.71%
Great Divide Ins Co	$3,656	0.00%	$1,002	$421	42.02%
Chicago Ins Co	$959	0.00%	$968	($79,325)	-8194.73%
Community Hlth Alliance Recip RRG	$776	0.00%	$776	$0	0%
American Ins Co	$379	0.00%	$268	($1,609)	-600.37%
Affiliates Ins Recip a RRG	$202	0.00%	$202	$98	48.51%
St Paul Fire & Marine Ins Co	$0	0%	$0	($1,899,001)	0%
National Fire Ins Co Of Hartford	$0	0%	$0	($755,011)	0%
First Specialty Ins Corp	$0	0%	$0	($414,526)	0%
Steadfast Ins Co	$0	0%	$230,401	($247,922)	-107.60%
Capitol Specialty Ins Corp	$0	0%	$0	($208,588)	0%
Everest Ind Ins Co	$0	0%	$0	($167,030)	0%
Travelers Ind Co	$0	0%	$0	($90,777)	0%
Standard Fire Ins Co	$0	0%	$0	($64,933)	0%
Executive Risk Ind Inc	$0	0%	$0	($30,880)	0%
Houston Cas Co	$0	0%	$884	($16,634)	-1881.67%
Executive Risk Speciality Ins Co	$0	0%	$0	($13,272)	0%
Professionals Advocate Ins Co	$0	0%	$0	($6,956)	0%
Travelers Cas & Surety Co	$0	0%	$0	($6,265)	0%
Empire Fire & Marine Ins Co	$0	0%	$0	($4,779)	0%
Gulf Underwriters Ins Co	$0	0%	$0	($3,374)	0%
Aspen Specialty Ins Co	$0	0%	$0	($1,254)	0%
Allied World Assur Co US Inc	$0	0%	$679	($1,133)	-166.86%
Indian Harbor Ins Co	$0	0%	$60,168	$8,183	13.60%
St Paul Mercury Ins Co	$0	0%	$0	$10,414	0%
Reciprocal of Amer	$0	0%	$0	$43,475	0%
Westport Ins Corp	$0	0%	$0	$304,579	0%
12 Other Companies	$0	0%	$9,789	($894)	-9%
112 Companies in Report	**$81,043,656**	**100%**	**$81,410,766**	**$7,657,780**	**9.41%**

Medical Liability Fund suits filed by year and County												
County	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**Total**
Barbour	0	1	0	1	0	0	1	0	0	0	0	**3**
Berkeley	6	9	2	4	3	3	2	2	2	5	3	**41**
Boone	0	1	1	0	1	1	0	1	1	0	1	**7**
Braxton	0	0	1	1	1	0	0	0	1	0	0	**4**
Brooke	5	7	1	4	0	2	3	2	1	4	2	**31**
Cabell	29	28	15	7	14	14	13	27	17	18	6	**188**
Calhoun	0	0	0	0	0	0	0	0	0	0	0	**0**
Clay	1	0	0	0	0	0	0	0	0	0	0	**1**
Doddridge	0	0	0	0	0	1	0	0	0	0	0	**1**
Fayette	1	5	0	1	5	3	2	5	0	9	2	**33**
Gilmer	1	0	0	0	0	0	0	0	0	0	0	**1**
Grant	4	2	0	0	1	1	1	0	0	0	1	**10**
Greenbrier	5	7	3	4	3	5	5	6	5	4	0	**47**
Hampshire	0	1	1	1	0	1	0	0	0	0	0	**4**
Hancock	0	1	2	0	1	0	1	0	0	0	0	**5**
Hardy	0	1	1	0	0	0	0	0	0	0	0	**2**
Harrison	2	14	6	8	5	9	6	5	7	6	3	**71**
Jackson	1	1	1	1	3	4	1	4	1	3	1	**21**
Jefferson	1	2	1	1	0	2	3	2	1	2	1	**16**
Kanawha	70	66	20	37	47	46	49	53	56	84	33	**561**
Lewis	2	2	4	1	1	1	0	0	0	0	0	**11**
Lincoln	0	0	0	0	1	0	0	0	0	0	0	**1**
Logan	15	10	4	9	2	4	6	7	9	6	3	**75**
Marion	0	2	0	2	1	0	4	4	2	3	1	**19**
Marshall	4	6	2	2	2	2	0	0	0	1	0	**19**
Mason	8	2	1	3	1	2	5	3	2	3	1	**31**
McDowell	3	3	1	0	1	1	3	4	0	1	0	**17**
Mercer	8	17	9	4	8	9	8	15	5	11	3	**97**
Mineral	0	0	0	3	0	0	0	1	1	1	0	**6**
Mingo	4	4	2	5	3	3	2	4	3	5	0	**35**
Monongalia	17	31	7	10	15	15	14	17	15	16	2	**159**
Monroe	0	0	0	1	0	1	0	0	0	0	0	**2**
Morgan	0	1	1	0	0	0	0	1	0	1	0	**4**
Nicholas	0	4	1	2	1	2	1	5	0	3	0	**19**
Ohio	15	20	7	10	5	6	5	4	11	9	5	**97**
Pendleton	0	0	0	0	0	0	0	0	0	0	0	**0**
Pleasants	0	0	0	0	0	0	0	0	0	0	0	**0**
Pocahontas	0	0	0	1	0	0	0	0	0	0	0	**1**
Preston	2	1	0	0	2	0	0	0	0	1	0	**6**
Putnam	4	20	10	126	4	5	7	6	5	15	3	**205**
Raleigh	13	21	6	10	7	14	18	11	6	135	10	**251**
Randolph	2	3	3	4	2	5	3	4	4	2	0	**32**
Ritchie	0	0	0	0	0	1	0	0	0	0	0	**1**
Roane	2	0	0	1	0	1	1	0	0	1	0	**6**
Summers	0	0	1	0	0	1	0	1	0	2	0	**5**
Taylor	0	1	3	0	2	0	1	0	0	0	0	**7**
Tucker	0	1	0	0	0	1	0	0	0	0	0	**2**
Tyler	1	1	0	0	0	0	0	0	0	1	0	**3**
Upshur	1	2	1	1	3	1	1	0	4	3	0	**17**
Wayne	0	1	0	0	0	0	0	0	0	0	0	**1**
Webster	0	0	0	0	0	0	0	1	0	1	0	**2**
Wetzel	3	2	1	2	1	0	1	1	1	1	0	**13**
Wirt	0	0	0	0	1	0	0	0	0	0	0	**1**
Wood	9	14	11	6	5	6	11	8	9	15	8	**102**
Wyoming	0	0	0	0	2	1	0	1	0	2	0	**6**
Total	**239**	**315**	**130**	**273**	**154**	**174**	**178**	**205**	**169**	**374**	**89**	**2,300**

2012 to 2000 Paid and Reserved Physicians Claims by Year

2012 PHYSICIANS COMPANY	# of Claims Direct Loss Paid	# of Claims Direct Loss UnPaid	Total # of Claims
West Virginia Mut Ins Co	70	154	224
Medicus Ins Co	6	41	47
National Fire Ins Co Of Hartford	0	43	43
ProAssurance Ind Co Inc	2	8	10
Evanston Ins Co	5	5	10
Doctors Co An Interins Exch	0	7	7
Applied Medico Legal Solutions RRG	2	5	7
Oceanus Ins Co A RRG	4	2	6
National Guardian RRG Inc	5	1	6
National Union Fire Ins Co Of Pitts	1	4	5
Catlin Specialty Ins Co	2	3	5
Ophthalmic Mut Ins Co RRG	1	3	4
Physicians Specialty Ltd RRG	0	3	3
Medical Protective Co	0	3	3
Southwest Physicians RRG Inc	0	3	3
National Fire & Marine Ins Co	1	2	3
General Star Ind Co	0	2	2
Healthcare Safety & Protection RRG	0	2	2
Admiral Ins Co	1	1	2
Continental Cas Co	2	0	2
Preferred Physicians Medical RRG	0	1	1
Professional Underwriters Liab Ins C	0	1	1
Mountaineer Freedom RRG Inc	0	1	1
Darwin Select Ins Co	1	0	1
Columbia Cas Co	1	0	1
St Paul Fire & Marine Ins Co	1	0	1
TOTALS	**105**	**295**	**400**
Licensed Companies (10)	**83**	**260**	**343**
Surplus Line Co's (7)	*10*	*14*	*24*
Risk Retention Groups (9)	12	21	33

2011 PHYSICIANS COMPANY	# of Claims Direct Loss Paid	# of Claims Direct Loss UnPaid	Total # of Claims
West Virginia Mut Ins Co	143	164	307
Medicus Ins Co	8	37	45
National Fire Ins Co Of Hartford	0	43	43
National Union Fire Ins Co Of Pitts	14	4	18
Everest Ind Ins Co	12	0	12
ProAssurance Ind Co Inc	2	10	12
Evanston Ins Co	5	5	10
Doctors Co An Interins Exch	2	6	8
National Guardian RRG Inc	2	6	8
Catlin Specialty Ins Co	2	2	4
Mountaineer Freedom RRG Inc	4	0	4
St Paul Fire & Marine Ins Co	4	0	4
Ophthalmic Mut Ins Co RRG	1	2	3
Applied Medico Legal Solutions RRG	1	2	3
Physicians Specialty Ltd RRG	0	3	3
Oceanus Ins Co A RRG	0	3	3
National Fire & Marine Ins Co	0	3	3
Medical Protective Co	0	2	2
Admiral Ins Co	0	2	2
Columbia Cas Co	0	1	1
Preferred Physicians Medical RRG	0	1	1
Darwin Select Ins Co	1	0	1
Professional Underwriters Liab Ins C	0	1	1
Continental Cas Co	1	0	1
ProAssurance Natl Capital Ins Co	1	0	1
Emergency Physicians Ins Co RRG	1	0	1
Ohic Ins Co	1	0	1
TOTALS	**205**	**297**	**502**
Licensed Companies (12)	**177**	**266**	**443**
Surplus Line Co's (7)	*19*	*14*	*33*
Risk Retention Groups (8)	9	17	26

2010 PHYSICIANS COMPANY	# of Claims Direct Loss Paid	# of Claims Direct Loss UnPaid	Total # of Claims
West Virginia Mut Ins Co	129	274	403
Continental Cas Co	0	62	62
National Fire Ins Co Of Hartford	0	43	43
Medicus Ins Co	3	25	28
ProAssurance Ind Co Inc	3	15	18
Evanston Ins Co	7	7	14
Doctors Co An Interins Exch	0	9	9
National Union Fire Ins Co Of Pitts	6	3	9
Ophthalmic Mut Ins Co RRG	0	6	6
St Paul Fire & Marine Ins Co	4	2	6
National Guardian RRG Inc	0	5	5
American Cas Co Of Reading PA	0	5	5
Physicians Specialty Ltd RRG	0	4	4
Admiral Ins Co	1	2	3
ProAssurance Natl Capital Ins Co	1	2	3
Applied Medico Legal Solutions RRG	1	1	2
Mountaineer Freedom RRG Inc	0	2	2
Oceanus Ins Co A RRG	1	0	1
Catlin Specialty Ins Co	0	1	1
Preferred Physicians Medical RRG	1	0	1
National Fire & Marine Ins Co	0	1	1
Medical Protective Co	0	1	1
Columbia Cas Co	0	1	1
Care RRG Inc	1	0	1
Darwin Select Ins Co	0	1	1
Lexington Ins Co	1	0	1
Ohic Ins Co	0	1	1
TOTALS	**159**	**473**	**632**
Licensed Companies (13)	**146**	**443**	**589**
Surplus Line Co's (6)	*9*	*12*	*21*
Risk Retention Groups (8)	4	18	22

2009 PHYSICIANS COMPANY	# of Claims Direct Loss Paid	# of Claims Direct Loss UnPaid	Total # of Claims
West Virginia Mut Ins Co	46	221	267
Continental Cas Co	55	69	124
National Fire Ins Co Of Hartford	0	42	42
Ohic Ins Co	37	1	38
ProAssurance Ind Co Inc	10	21	31
Doctors Co An Interins Exch	2	14	16
Medicus Ins Co	1	15	16
National Union Fire Ins Co Of Pitts	6	7	13
St Paul Fire & Marine Ins Co	8	3	11
Evanston Ins Co	3	7	10
Ophthalmic Mut Ins Co RRG	4	3	7
ProAssurance Natl Capital Ins Co	2	4	6
American Cas Co Of Reading PA	0	6	6
Everest Ind Ins Co	0	5	5
Lexington Ins Co	4	0	4
Oceanus Ins Co A RRG	1	2	3
National Guardian RRG Inc	1	2	3
Physicians Specialty Ltd RRG	0	3	3
Oms Natl Ins Co RRG	2	0	2
Applied Medico Legal Solutions RRG	1	1	2
Mountaineer Freedom RRG Inc	0	2	2
Preferred Physicians Medical RRG	0	2	2
Admiral Ins Co	1	0	1
Darwin Select Ins Co	0	1	1
Care RRG Inc	0	1	1
Green Hills Ins Co RRG	0	1	1
Medical Protective Co	0	1	1
TOTALS	**184**	**434**	**618**
Licensed Companies (13)	**175**	**417**	**592**
Surplus Line Co's (4)	*8*	*12*	*20*
Risk Retention Groups (10)	9	17	26

2008 PHYSICIANS COMPANY	# of Claims Direct Loss Paid	# of Claims Direct Loss UnPaid	Total # of Claims
West Virginia Mut Ins Co	53	190	243
St Paul Fire & Marine Ins Co	29	7	36
ProAssurance Ind Co Inc	15	44	59
National Union Fire Ins Co Of Pitts	10	5	15
ProAssurance Natl Capital Ins Co	6	11	17
National Fire Ins Co Of Hartford	5	40	45
Physicians Specialty Ltd RRG	3	3	6
Continental Cas Co	2	76	78
Doctors Co An Interins Exch	2	11	13
Oms Natl Ins Co RRG	2	1	3
Evanston Ins Co	1	4	5
National Guardian RRG Inc	1	3	4
Lexington Ins Co	1	2	3
Medical Protective Co	1	1	2
Darwin Natl Assur Co	1	1	2
Standard Fire Ins Co	1	0	1
American Cas Co Of Reading PA	0	6	6
Medicus Ins Co	0	2	2
Oceanus Ins Co A RRG	0	2	2
Care RRG Inc	0	2	2
Preferred Physicians Medical RRG	0	1	1
Applied Medico Legal Solutions RRG	0	1	1
Admiral Ins Co	0	1	1
Green Hills Ins Co RRG	0	1	1
Professionals Advocate Ins Co	0	1	1
TOTALS	**133**	**416**	**549**
Licensed Companies (14)	**125**	**395**	**520**
Surplus Line Co's (3)	*2*	*7*	*9*
Risk Retention Groups (8)	6	14	20

2007 PHYSICIANS	# of Claims	# of Claims	Total # of
COMPANY	**Direct Loss Paid**	**Direct Loss UnPaid**	**Claims**
West Virginia Mut Ins Co	41	167	208
St Paul Fire & Marine Ins Co	20	30	50
Woodbrook Cas Ins Inc	19	63	82
National Union Fire Ins Co Of Pitts	19	6	25
National Fire Ins Co Of Hartford	6	22	28
NCRIC Inc	6	17	23
Physicians Specialty Ltd RRG	5	4	9
Continental Cas Co	3	8	11
Standard Fire Ins Co	3	4	7
Medical Protective Co	3	1	4
Ohic Ins Co	2	5	7
Preferred Physicians Medical RRG	1	2	3
Doctors Co An Interins Exch	0	8	8
National Guardian RRG Inc	0	3	3
Oms Natl Ins Co RRG	0	3	3
Green Hills Ins Co RRG	0	1	1
Care RRG Inc	0	1	1
Darwin Natl Assur Co	0	1	1
Lexington Ins Co	0	1	1
Health Care Ind Inc	0	1	1
American Cas Co Of Reading PA	0	1	1
Professionals Advocate Ins Co	0	1	1
TOTALS	**128**	**350**	**478**
Licensed Companies (15)	**122**	**335**	**457**
Surplus Line Co's (1)	*0*	*1*	*1*
Risk Retention Groups (6)	6	14	20

2006 PHYSICIANS COMPANY	# of Claims Direct Loss Paid	# of Claims Direct Loss UnPaid	Total # of Claims
West Virginia Mut Ins Co	24	135	159
Woodbrook Cas Ins Inc	9	95	104
Nationwide Mut Ins Co	78	2	80
Essex Ins Co	13	48	61
National Fire Ins Co Of Hartford	6	31	37
NCRIC Inc	4	26	30
National Union Fire Ins Co Of Pitts	12	3	15
Continental Ins Co	3	7	10
Doctors Co An Interins Exchn	2	5	7
Pacific Employers Ins Co	-1	6	5
National Guardian RRG Inc	1	3	4
Preferred Physicians Medical RRG	0	3	3
American Cas Co Of Reading PA	2	1	3
Evanston Ins Co	1	1	2
Green Hills Ins Co RRG	0	2	2
Oms Natl Ins Co RRG	0	2	2
Standard Fire Ins Co	0	2	2
Health Care Ind Inc	0	1	1
Professionals Advocate Ins Co	0	1	1
Darwin Natl Assur Co	0	1	1
St Paul Mercury Ins Co	1	0	1
Steadfast Ins Co	1	0	1
Scottsdale Ins Co	1	0	1
TOTALS	**157**	**375**	**532**
Licensed Companies (15)	**140**	**316**	**456**
Surplus Line Co's (8)	*17*	*59*	*76*
Risk Retention Groups (4)	1	10	11

2005 PHYSICIANS COMPANY	# of Claims Direct Loss Paid	# of Claims Direct Loss UnPaid	Total # of Claims
West Virginia Mut Ins Co	33	125	158
St Paul Fire & Marine Ins Co	74	80	154
Woodbrook Cas Ins Inc	16	129	145
Continental Cas Co	78	4	82
NCRIC Inc	4	71	75
Ohic Ins Co	5	8	13
Doctors Co An Interins Exchn	3	9	12
National Union Fire Ins Co Of Pitts	6	5	11
Standard Fire Ins Co	3	6	9
Podiatry Ins Co Of Amer A Mut Co	1	6	7
Medical Protective Co	1	2	3
Evanston Ins Co	2	1	3
American Cas Co Of Reading PA	2	1	3
Scottsdale Ins Co	0	2	2
APSpeciality Ins Corp	0	1	1
Preferred Physicians Medical RRG	0	1	1
Darwin Natl Assur Co	0	1	1
TIG Ins Co	0	1	1
Steadfast Ins Co	0	1	1
Illinois Natl Ins Co	0	1	1
American Physicians Assur Corp	1	0	1
TOTALS	**229**	**455**	**684**
Licensed Companies (16)	**227**	**449**	**676**
Surplus Line Co's (5)	*2*	*6*	*8*
Risk Retention Groups (1)	0	1	1

2004 PHYSICIANS	# of Claims	# of Claims	Total # of
COMPANY	**Direct Loss Paid**	**Direct Loss UnPaid**	**Claims**
Woodbrook Cas Ins Inc	34	191	225
St Paul Fire & Marine Ins Co	44	140	184
West Virginia Mut Ins Co	3	123	126
Continental Cas Co	80	5	85
NCRIC Inc	7	64	71
Ohic Ins Co	1	15	16
Standard Fire Ins Co	7	8	15
Doctors Co An Interins Exchn	1	8	9
National Union Fire Ins Co Of Pitts	6	3	9
Podiatry Ins Co Of Amer A Mut Co	0	6	6
Evanston Ins Co	4	1	5
Scottsdale Ins Co	3	2	5
APSpeciality Ins Corp	1	2	3
Medical Protective Co	0	3	3
American Cas Co Of Reading PA	2	1	3
Green Hills Ins Co RRG	0	2	2
American Hlthcare Ind Co	0	1	1
Columbia Cas Co	1	0	1
Steadfast Ins Co	0	1	1
Illinois Natl Ins Co	0	1	1
American Physicians Assur Corp	0	1	1
TOTALS	**194**	**578**	**772**
Licensed Companies (15)	**185**	**570**	**755**
Surplus Line Co's (6)	*9*	*8*	*17*
Risk Retention Groups (1)	0	2	2

2003 PHYSICIANS COMPANY	# of Claims Direct Loss Paid	# of Claims Direct Loss UnPaid	Total # of Claims
Woodbrook Cas Ins Inc	48	244	292
St Paul Fire & Marine Ins Co	53	212	265
NCRIC Inc	2	79	81
National Union Fire Ins Co Of Pitts	10	6	16
Standard Fire Ins Co	1	14	15
Continental Cas Co	1	10	11
Doctors Co An Interins Exchn	2	8	10
Ohic Ins Co	2	8	10
Evanston Ins Co	7	1	8
Podiatry Ins Co Of Amer A Mut Co	2	5	7
Medical Protective Co	1	5	6
Scottsdale Ins Co	0	5	5
APSpeciality Ins Corp	1	2	3
Professionals Advocate Ins Co	2	1	3
Travelers Property Cas Co Of Amer	3	0	3
Illinois Natl Ins Co	2	1	3
Physicians Specialty Ltd RRG	0	2	2
American Hlthcare Ind Co	1	1	2
American Physicians Assur Corp	0	2	2
American Cas Co Of Reading PA	1	1	2
Steadfast Ins Co	0	2	2
Columbia Cas Co	1	0	1
US Fidelity & Guaranty Co	0	1	1
Frontier Ins Co	0	1	1
Medical Assur Co Inc	1	0	1
Safeco Surplus Lines Ins Co	1	0	1
TOTALS	**142**	**611**	**753**
Licensed Companies (19)	**132**	**599**	**731**
Surplus Line Co's (7)	*10*	*10*	*20*
Risk Retention Groups (1)	0	2	2

2002 PHYSICIANS	# of Claims	# of Claims	Total # of
COMPANY	**Direct Loss Paid**	**Direct Loss UnPaid**	**Claims**
Woodbrook Cas Ins Inc	79	307	386
St Paul Fire & Marine Ins Co	60	298	358
Commonwealth Medical Liability Ins Co	1	55	56
Ohic Ins Co	5	19	24
National Union Fire Ins Co Of Pitts	9	9	18
Standard Fire Ins Co	1	15	16
Continental Cas Co	1	14	15
Evanston Ins Co	6	4	10
Podiatry Ins Co Of Amer A Mut Co	1	8	9
Illinois Natl Ins Co	6	3	9
Medical Protective Co	0	4	4
Interstate Fire & Cas Co	0	3	3
Travelers Property Cas Co Of Amer	0	3	3
APSpeciality Ins Corp	0	2	2
Professionals Advocate Ins Co	0	2	2
American Hlthcare Ind Co	0	2	2
Columbia Cas Co	1	1	2
American Cas Co Of Reading PA	1	1	2
American Physicians Assur Corp	0	2	2
Western Ind Ins Co	2	0	2
American Equity Ins Co	1	1	2
Scottsdale Ins Co	1	1	2
Medical Assur Co Inc	1	1	2
Preferred Physicians Medical RRG	0	1	1
American Equity Specialty Ins Co	0	1	1
Continental Ins Co	1	0	1
Frontier Ins Co	0	1	1
TOTALS	**177**	**758**	**935**
Licensed Companies (19)	**166**	**745**	**911**
Surplus Line Co's (8)	*11*	*13*	*24*
Risk Retention Groups (1)	0	1	1

2001 PHYSICIANS	# of Claims	# of Claims	Total # of
COMPANY	**Direct Loss Paid**	**Direct Loss UnPaid**	**Claims**
Woodbrook Cas Ins Inc	83	387	470
American Continental Ins Co	48	197	245
St Paul Fire & Marine Ins Co	26	161	187
Standard Fire Ins Co	45	15	60
Ohic Ins Co	2	35	37
National Union Fire Ins Co Of Pitts	13	7	20
Evanston Ins Co	7	7	14
Illinois Natl Ins Co	7	4	11
Professionals Advocate Ins Co	1	7	8
American Equity Ins Co	1	4	5
Podiatry Ins Co Of Amer A Mut Co	2	2	4
Continental Ins Co	0	4	4
Travelers Property Cas Co Of Amer	2	2	4
Medical Protective Co	0	2	2
American Hlthcare Ind Co	0	2	2
Scottsdale Ins Co	1	1	2
MIIX Ins Co	1	1	2
Medical Assur Co Inc	0	2	2
American Cas Co Of Reading PA	1	1	2
Continental Cas Co	1	1	2
Columbia Cas Co	1	1	2
Western Ind Ins Co	0	2	2
Preferred Physicians Medical RRG	0	1	1
Travelers Ind Co Of CT	1	0	1
Maxum Ind Co	0	1	1
American Intl Specialty Lines Ins Co	1	0	1
Frontier Ins Co	0	1	1
TOTALS	**244**	**848**	**1,092**
Licensed Companies (19)	**233**	**831**	**1,064**
Surplus Line Co's (8)	*11*	*17*	*28*
Risk Retention Groups (1)	0	1	1

2000 PHYSICIANS	# of Claims	# of Claims	Total # of
COMPANY	**Direct Loss Paid**	**Direct Loss UnPaid**	**Claims**
Woodbrook Cas Ins Inc	55	1,776	1,831
American Continental Ins Co	13	211	224
St Paul Fire & Marine Ins Co	21	94	115
Standard Fire Ins Co	20	58	78
Professionals Advocate Ins Co	1	45	46
Phico Ins Co	4	28	32
Ohic Ins Co	0	26	26
Evanston Ins Co	9	8	17
Continental Cas Co	2	15	17
Continental Ins Co	0	13	13
American Equity Ins Co	0	5	5
Podiatry Ins Co Of Amer A Mut Co	1	4	5
Preferred Physicians Medical RRG	0	4	4
Scottsdale Ins Co	0	3	3
MIIX Ins Co	0	2	2
American Cas Co Of Reading PA	1	1	2
Independence Ind Ins Co	0	1	1
Travelers Property Cas Co Of Amer	0	1	1
Columbia Cas Co	0	1	1
Travelers Ind Co Of CT	0	1	1
TOTALS	**127**	**2,297**	**2,297**
Licensed Companies (14)	**118**	**2,275**	**2,393**
Surplus Line Co's (6)	*9*	*22*	*31*
Risk Retention Groups (1)	0	4	4

Historical top 10 Companies in WV Market Share for the Medical Malpractice line			
	Admitted Company Basis	**Market Share**	**Pure Direct L/R**
2012	**West Virginia Mut Ins Co**	50.41%	1.38%
2012	**National Union Fire Ins Co Of Pitts**	16.69%	-65.54%
2012	**Medicus Ins Co**	12.32%	1.69%
2012	**Mountaineer Freedom RRG Inc**	10.56%	36.24%
2012	**American Cas Co Of Reading PA**	1.67%	32.59%
2012	**Continental Cas Co**	1.42%	4.60%
2012	**ProAssurance Ind Co Inc**	1.36%	-22.15%
2012	**Podiatry Ins Co Of Amer**	1.01%	33.91%
2012	**Medical Protective Co**	0.89%	44.18%
2012	**Doctors Co An Interins Exch**	0.79%	-42.33%
2011	**West Virginia Mut Ins Co**	55.95%	31.31%
2011	**National Union Fire Ins Co Of Pitts**	12.40%	265.64%
2011	**Mountaineer Freedom RRG Inc**	10.41%	43.89%
2011	**Medicus Ins Co**	10.25%	125.11%
2011	**ProAssurance Ind Co Inc**	2.25%	-56.25%
2011	**American Cas Co Of Reading PA**	1.62%	-25.98%
2011	**Continental Cas Co**	1.40%	88.89%
2011	**Doctors Co An Interins Exch**	1.16%	126.04%
2011	**Medical Protective Co**	0.97%	0.00%
2011	**Podiatry Ins Co Of Amer**	0.92%	46.66%
2010	**West Virginia Mut Ins Co**	74.22%	23.86%
2010	**Medicus Ins Co**	11.29%	65.97%
2010	**ProAssurance Ind Co Inc**	2.90%	79.09%
2010	**American Cas Co Of Reading PA**	2.07%	14.02%
2010	**Continental Cas Co**	1.77%	46.72%
2010	**Doctors Co An Interins Exch**	1.46%	-81.60%
2010	**National Union Fire Ins Co Of Pitts**	1.16%	122.71%
2010	**Podiatry Ins Co Of Amer**	1.10%	57.56%
2010	**Medical Protective Co**	1.09%	60.85%
2010	**Cincinnati Ins Co**	0.86%	70.12%
2009	**West Virginia Mut Ins Co**	76.89%	35.06%
2009	**Medicus Ins Co**	9.17%	34.76%
2009	**ProAssurance Ind Co Inc**	3.68%	-84.22%
2009	**American Cas Co Of Reading PA**	2.33%	29.83%
2009	**Continental Cas Co**	1.65%	197.54%
2009	**Doctors Co An Interins Exch**	1.15%	53.80%
2009	**Podiatry Ins Co Of Amer**	1.04%	150.83%
2009	**National Union Fire Ins Co Of Pitts**	1.04%	469.85%
2009	**Cincinnati Ins Co**	0.81%	58.67%
2009	**NCMIC Ins Co**	0.65%	-17.31%

Historical top 10 Companies in WV Market Share for the Medical Malpractice line			
	Admitted Company Basis	**Market Share**	**Pure Direct L/R**
2008	**West Virginia Mut Ins Co**	83.69%	21.14%
2008	**Medical Assur Co Inc**	3.93%	-49.44%
2008	**Medicus Ins Co**	2.61%	12.89%
2008	**American Cas Co Of Reading PA**	2.26%	-3.91%
2008	**Continental Cas Co**	1.63%	-581.45%
2008	**Doctors Co An Interins Exch**	1.24%	97.86%
2008	**National Union Fire Ins Co Of Pitts**	1.11%	231.61%
2008	**Podiatry Ins Co Of Amer A Mut Co**	0.95%	46.15%
2008	**Cincinnati Ins Co**	0.81%	-23.82%
2008	**NCMIC Ins Co**	0.62%	42.56%
2007	**West Virginia Mut Ins Co**	82.15%	40.37%
2007	**Woodbrook Cas Ins Inc**	7.63%	-12.14%
2007	**American Cas Co Of Reading PA**	1.94%	45.22%
2007	**Doctors Co An Interins Exch**	1.39%	-100.45%
2007	**Continental Cas Co**	1.30%	-186.21%
2007	**Podiatry Ins Co Of Amer A Mut Co**	1.29%	-3.75%
2007	**National Fire Ins Co Of Hartford**	1.15%	-102.80%
2007	**National Union Fire Ins Co Of Pitts**	0.93%	373.53%
2007	**Cincinnati Ins Co**	0.65%	54.35%
2007	**NCMIC Ins Co**	0.57%	6.53%
2006	**West Virginia Mut Ins Co**	73.13%	-3.61%
2006	**Woodbrook Cas Ins Inc**	9.77%	-12.62%
2006	**Health Care Ind Inc**	5.22%	20.52%
2006	**National Fire Ins Co Of Hartford**	3.23%	35.51%
2006	**American Cas Co Of Reading PA**	1.41%	34.91%
2006	**Doctors Co An Interins Exchn**	1.13%	36.61%
2006	**Continental Cas Co**	1.01%	432.48%
2006	**Podiatry Ins Co Of Amer A Mut Co**	0.96%	-77.87%
2006	**NCRIC Inc**	0.96%	-20.75%
2006	**National Union Fire Ins Co Of Pitts**	0.79%	1277.56%
2005	**West Virginia Mut Ins Co**	65.82%	30.25%
2005	**Woodbrook Cas Ins Inc**	9.26%	26.65%
2005	**Health Care Ind Inc**	7.78%	147.73%
2005	**National Fire Ins Co Of Hartford**	5.20%	35.51%
2005	**NCRIC Inc**	5.10%	6.95%
2005	**Doctors Co An Interins Exchn**	1.30%	14.47%
2005	**American Cas Co Of Reading PA**	1.16%	12.01%
2005	**National Union Fire Ins Co Of Pitts**	1.03%	-508.11%
2005	**Continental Cas Co**	0.95%	1007.96%
2005	**Podiatry Ins Co Of Amer A Mut Co**	0.83%	-111.48%

Historical top 10 Companies in WV Market Share for the Medical Malpractice line			
	Admitted Company Basis	**Market Share**	**Pure Direct L/R**
2004	**West Virginia Physicians Mut Ins Co**	68.87%	55.29%
2004	**Medical Assur Of WV Inc**	8.59%	2.75%
2004	**NCRIC Inc**	6.34%	49.80%
2004	**Health Care Ind Inc**	6.23%	44.09%
2004	**National Fire Ins Co Of Hartford**	3.21%	39.99%
2004	**Physicians Specialty Ltd RRG**	1.20%	30.44%
2004	**Doctors Co An Interins Exchn**	1.05%	27.77%
2004	**American Cas Co Of Reading PA**	0.71%	33.99%
2004	**National Union Fire Ins Co Of Pitts**	0.66%	212.50%
2004	**Continental Cas Co**	0.65%	-144.77%
2003	**Medical Assur Of WV Inc**	30.59%	43.84%
2003	**St Paul Fire & Marine Ins Co**	21.04%	99.04%
2003	**Health Care Ind Inc**	15.97%	77.12%
2003	**NCRIC Inc**	15.77%	50.55%
2003	**National Fire Ins Co Of Hartford**	3.34%	104.46%
2003	**Doctors Co An Interins Exchn**	2.97%	28.34%
2003	**Gulf Ins Co**	1.59%	214.50%
2003	**National Union Fire Ins Co Of Pitts**	1.39%	-383.84%
2003	**Continental Cas Co**	1.36%	-277.27%
2003	**American Cas Co Of Reading PA**	1.20%	249.04%
2002	**St Paul Fire & Marine Ins Co**	41.09%	79.75%
2002	**Medical Assur Of WV Inc**	29.86%	88.83%
2002	**Commonwealth Medical Liability Ins C**	10.69%	59.25%
2002	**Health Care Ind Inc**	8.20%	251.96%
2002	**Ohic Ins Co**	1.85%	462.81%
2002	**Doctors Co An Interins Exchn**	1.76%	41.99%
2002	**Executive Risk Ind Inc**	1.05%	77.80%
2002	**National Union Fire Ins Co Of Pitts**	0.92%	811.81%
2002	**Continental Cas Co**	0.82%	-1258.16%
2002	**American Cas Co Of Reading PA**	0.73%	25.51%
2001	**St Paul Fire & Marine Ins Co**	40.46%	95.41%
2001	**Medical Assur Of WV Inc**	33.18%	73.17%
2001	**American Continental Ins Co**	8.98%	193.74%
2001	**Commonwealth Medical Liability Ins C**	4.29%	85.76%
2001	**Doctors Co An Interins Exchn**	1.78%	69.79%
2001	**Ohic Ins Co**	1.60%	258.05%
2001	**Executive Risk Ind Inc**	1.52%	-10.99%
2001	**National Union Fire Ins Co Of Pitts**	0.94%	120.23%
2001	**Medical Protective Co**	0.85%	45.90%
2001	**Gulf Ins Co**	0.85%	90.15%

Historical top 10 Companies in WV Market Share for the Medical Malpractice line			
	Admitted Company Basis	**Market Share**	**Pure Direct L/R**
2000	**Medical Assurance Of W Virginia Inc**	42.66%	74.60%
2000	**American Continental Ins Co**	24.75%	94.60%
2000	**National Union Fire Ins Co Of Pitts**	12.95%	27.72%
2000	**St Paul Fire & Marine Ins Co**	7.60%	92.84%
2000	**Pennsylvania Casualty Co**	2.67%	105.03%
2000	**Ohic Ins Co**	1.45%	-274.22%
2000	**Virginia Ins Recip**	1.17%	214.48%
2000	**St Paul Mercury Ins Co**	0.95%	74.44%
2000	**Legion Ins Co**	0.84%	155.60%
2000	**American Cas Co Of Reading Pa**	0.67%	40.16%

Historical top 10 Companies in WV Market Share for the Medical Malpractice line			
	Business Written Basis	**Market Share**	**P Direct L/R**
2012	**West Virginia Mut Ins Co**	35.27%	1.38%
2012	**National Union Fire Ins Co Of Pitts**	11.68%	-65.54%
2012	**Medicus Ins Co**	8.62%	1.69%
2012	**Mountaineer Freedom RRG Inc**	7.39%	36.24%
2012	**Community Hospital RRG**	6.94%	70.93%
2012	*Darwin Select Ins Co*	2.26%	391.19%
2012	*Nautilus Ins Co*	2.13%	-13.21%
2012	*Homeland Ins Co of NY*	1.79%	30.24%
2012	*Health Care Industry Liab Recip Ins*	1.73%	63.10%
2012	*Liberty Surplus Ins Corp*	1.54%	53.59%
2011	**West Virginia Mut Ins Co**	40.89%	31.31%
2011	**National Union Fire Ins Co Of Pitts**	9.06%	265.64%
2011	**Mountaineer Freedom RRG Inc**	7.61%	43.89%
2011	**Medicus Ins Co**	7.49%	125.11%
2011	*Community Hospital RRG*	6.03%	31.12%
2011	*Darwin Select Ins Co*	2.01%	44.27%
2011	*Nautilus Ins Co*	1.83%	-7.23%
2011	**ProAssurance Ind Co Inc**	1.64%	-56.25%
2011	*Health Care Industry Liab Recip Ins*	1.40%	48.65%
2011	*Lexington Ins Co*	1.40%	-300.10%
2010	**West Virginia Mut Ins Co**	43.01%	23.86%
2010	*Lexington Ins Co*	8.88%	31.93%
2010	**Mountaineer Freedom RRG Inc**	7.17%	38.99%
2010	**Medicus Ins Co**	6.54%	65.97%
2010	*Community Hospital RRG*	5.35%	42.56%
2010	*Darwin Select Ins Co*	2.69%	54.61%
2010	**ProAssurance Ind Co Inc**	1.68%	79.09%
2010	*Health Care Industry Liab Recip Ins*	1.47%	52.50%
2010	*Steadfast Ins Co*	1.39%	67.03%
2010	*Homeland Ins Co of NY*	1.36%	7.25%
2009	**West Virginia Mut Ins Co**	51.87%	35.06%
2009	**Medicus Ins Co**	6.19%	34.76%
2009	**Mountaineer Freedom RRG Inc**	5.25%	37.27%
2009	*Community Hospital RRG*	4.51%	-2.18%
2009	*Lexington Ins Co*	4.41%	-38.51%
2009	*Darwin Select Ins Co*	3.43%	25.78%
2009	**ProAssurance Ind Co Inc**	2.48%	-84.22%
2009	**American Cas Co Of Reading PA**	1.57%	29.83%
2009	*Health Care Industry Liab Recip Ins*	1.53%	50.69%
2009	*Nautilus Ins Co*	1.38%	45.10%

Historical top 10 Companies in WV Market Share for the Medical Malpractice line			
	Business Written Basis	Market Share	P Direct L/R
2008	**West Virginia Mut Ins Co**	56.65%	21.14%
2008	*Lexington Ins Co*	8.07%	-31.66%
2008	**Mountaineer Freedom RRG Inc**	4.31%	98.32%
2008	**Medical Assur Co Inc**	2.66%	-49.44%
2008	*Evanston Ins Co*	2.25%	27.99%
2008	*Community Hospital RRG*	2.14%	70.09%
2008	*Health Care Industry Liab Recip Ins*	1.86%	49.26%
2008	*Homeland Ins Co of NY*	1.85%	45.93%
2008	**Medicus Ins Co**	1.77%	12.89%
2008	*Darwin Select Ins Co*	1.75%	61.78%
2007	**West Virginia Mut Ins Co**	59.92%	40.37%
2007	*Lexington Ins Co*	9.61%	-3.40%
2007	**Woodbrook Cas Ins Inc**	5.56%	-12.14%
2007	**Mountaineer Freedom RRG Inc**	2.33%	77.99%
2007	*Evanston Ins Co*	2.03%	10.07%
2007	*Columbia Cas Co*	1.79%	91.20%
2007	*Health Care Industry Liab Recip Ins*	1.68%	63.87%
2007	*Darwin Select Ins Co*	1.44%	38.39%
2007	**American Cas Co Of Reading PA**	1.42%	45.22%
2007	*Ophthalmic Mut Ins Co RRG*	1.39%	90.45%
2006	**West Virginia Mut Ins Co**	51.94%	-3.61%
2006	*Lexington Ins Co*	8.50%	22.23%
2006	*Darwin Select Ins Co*	7.39%	42.90%
2006	**Woodbrook Cas Ins Inc**	6.94%	-12.62%
2006	**Health Care Ind Inc**	3.71%	20.52%
2006	**National Fire Ins Co Of Hartford**	2.29%	35.51%
2006	*Admiral Ins Co*	1.97%	57.17%
2006	*Everest Ind Ins Co*	1.58%	-45.85%
2006	*Health Care Industry Liab Recip Ins*	1.44%	36.69%
2006	*Ophthalmic Mut Ins Co RRG*	1.18%	-16.03%
2005	**West Virginia Mut Ins Co**	48.63%	30.25%
2005	*Lexington Ins Co*	9.55%	11.65%
2005	**Woodbrook Cas Ins Inc**	6.84%	26.65%
2005	**Health Care Ind Inc**	5.75%	147.73%
2005	*Capitol Specialty Ins Corp*	3.89%	28.31%
2005	**National Fire Ins Co Of Hartford**	3.84%	35.51%
2005	**NCRIC Inc**	3.77%	6.95%
2005	*Everest Ind Ins Co*	1.47%	45.87%
2005	*Health Care Industry Liab Recip Ins*	1.38%	51.80%
2005	*Illinois Union Ins Co*	1.23%	68.36%

Historical top 10 Companies in WV Market Share for the Medical Malpractice line			
	Business Written Basis	Market Share	P Direct L/R
2004	**West Virginia Physicians Mut Ins Co**	54.55%	55.29%
2004	*Lexington Ins Co*	9.36%	68.54%
2004	**Medical Assur Of WV Inc**	6.80%	2.75%
2004	**NCRIC Inc**	5.02%	49.80%
2004	**Health Care Ind Inc**	4.94%	44.09%
2004	**National Fire Ins Co Of Hartford**	2.54%	39.99%
2004	*Capitol Specialty Ins Corp*	2.38%	42.82%
2004	*First Specialty Ins Corp*	2.21%	-82.27%
2004	*Everest Ind Ins Co*	1.63%	41.56%
2004	*APSpeciality Ins Corp*	1.48%	-1.45%
2003	**Medical Assur Of WV Inc**	20.05%	43.84%
2003	**St Paul Fire & Marine Ins Co**	13.79%	99.04%
2003	**Health Care Ind Inc**	10.46%	77.12%
2003	**NCRIC Inc**	10.34%	50.55%
2003	*Lexington Ins Co*	10.32%	54.18%
2003	*First Specialty Ins Corp*	8.42%	105.84%
2003	*Everest Ind Ins Co*	6.01%	29.34%
2003	**National Fire Ins Co Of Hartford**	2.19%	104.46%
2003	*APSpeciality Ins Corp*	1.98%	141.28%
2003	**Doctors Co An Interins Exchn**	1.95%	28.34%
2002	**St Paul Fire & Marine Ins Co**	32.13%	79.75%
2002	**Medical Assur Of WV Inc**	23.35%	88.83%
2002	*Everest Ind Ins Co*	8.75%	55.56%
2002	**Commonwealth Medical Liability Ins C**	8.36%	59.25%
2002	*Lexington Ins Co*	7.67%	52.61%
2002	**Health Care Ind Inc**	6.41%	251.96%
2002	**Ohic Ins Co**	1.44%	462.81%
2002	**Doctors Co An Interins Exchn**	1.38%	41.99%
2002	*APSpeciality Ins Corp*	1.31%	55.91%
2002	**Physicians Specialty Ltd RRG**	1.04%	57.29%
2001	**St Paul Fire & Marine Ins Co**	34.90%	95.41%
2001	**Medical Assur Of WV Inc**	28.62%	73.17%
2001	**American Continental Ins Co**	7.75%	193.74%
2001	**Health Care Ind Inc**	5.61%	133.34%
2001	**Commonwealth Medical Liability Ins C**	3.70%	85.76%
2001	*Clarendon Amer Ins Co*	2.41%	72.21%
2001	*Lexington Ins Co*	1.86%	60.05%
2001	**Doctors Co An Interins Exchn**	1.54%	69.79%
2001	**Ohic Ins Co**	1.38%	258.05%
2001	**Executive Risk Ind Inc**	1.31%	-10.99%

Historical top 10 Companies in WV Market Share for the Medical Malpractice line			
	Business Written Basis	**Market Share**	**P Direct L/R**
2000	**Medical Assurance Of W Virginia Inc**	39.35%	74.60%
2000	**American Continental Ins Co**	22.83%	94.60%
2000	**National Union Fire Ins Co Of Pitts**	11.95%	27.72%
2000	**St Paul Fire & Marine Ins Co**	7.01%	92.84%
2000	**Health Care Ind Inc**	4.56%	95.52%
2000	**Pennsylvania Casualty Co**	2.47%	105.03%
2000	**Ohic Ins Co**	1.34%	-274.22%
2000	**Virginia Ins Recip**	1.08%	214.48%
2000	**St Paul Mercury Ins Co**	0.87%	74.44%
2000	**Legion Ins Co**	0.78%	155.60%

Approved Rate Change History of Admitted Carriers for Medical Malpractice (Physicians & Surgeons unless noted)

2012 Market Share	Company	Eff date	% Req'd	% Granted	WV #:
50.41%	***West Virginia Mutual Ins Co***	*pending*	0%	*pending*	100023353
	**fka W.V. Physicians Mutual*	1/1/2013	0%	0%	100016727
		1/1/2012	-5%	-5%	100011255
		1/1/2011	0%	0%	100006008
		1/1/2010	0%	0%	90918009
		1/1/2009	0%	0%	80903007
		3/1/2008	-0.01%	-0.01%	80129001
		1/1/2008	0%	0%	70918006
		1/1/2007	-15.00%	-15.00%	60915016
		1/1/2006	-5.00%	-5.00%	50826007
		1/1/2005	10.20%	10.20%	41006013
		7/1/2004	initial filing	initial filing	40331017

2012 Market Share	Company	Eff date	% Req'd	% Granted	WV #:
16.69%	***National Union Fire Ins Co Of Pitts***	7/1/2013	0%	0%	100021782
	Healthcare Providers Program	8/8/2012	0%	0%	100016228
		6/30/2011	0%	0%	100010031
		7/1/2010	0%	0%	100004040
		7/20/2009	0%	0%	90629002
		7/1/2008	0%	0%	80702020
		7/24/2007	0%	0%	70626026

2012 Market Share	Company	Eff date	% Req'd	% Granted	WV #:
12.32%	***Medicus Insurance Company***	1/1/2014	0%	0%	100021635
		10/10/2012	0%	0%	100015802
		10/27/2011	0%	0%	100010073
		9/24/2010	0%	0%	100004152
		10/1/2009	-1.20%	-1.20%	90630015
		3/20/2008	initial filing	initial filing	80212014

2012 Market Share	Company	Eff date	% Req'd	% Granted	WV #:
10.56%	***Mountaineer Freedom RRG Inc***	n/a	n/a	n/a	n/a
	**RRG's not required to file*	n/a	n/a	n/a	n/a

2012 Market Share	Company	Eff date	% Req'd	% Granted	WV #:
1.67%	***Amer. Casualty Co. of Reading, PA***	8/30/2012	4.00%	4.00%	100015965
	*Nurse Programs	7/30/2010	3.90%	3.90%	100003916
		7/17/2009	3.70%	3.70%	90602012
		5/1/2008	0.00%	0.00%	80324027
		8/1/2007	2.87%	2.87%	70425011
		5/1/2006	3.00%	3.00%	60210003
		12/16/2005	6.20%	6.20%	50831026
		8/13/2004	26.80%	26.80%	40525004
		n/a	83.40%	0.00%	30819021
		12/1/2002	4.20%	4.20%	20923013
		6/21/2002	12.50%	12.50%	161467

Approved Rate Change History of Admitted Carriers for Medical Malpractice (Physicians & Surgeons unless noted)

2012 Market Share	Company	Eff date	% Req'd	% Granted	WV #:
1.42%	***Continental Casualty Co.***	8/29/2008	0.00%	0.00%	80815032
	*Dentist Programs	8/1/2007	6.30%	6.30%	70529010
		11/1/2005	3.90%	3.90%	50408008
		11/1/2004	10.00%	10.00%	40402013
		10/2/2003	10.00%	10.00%	30804003
		6/12/2002	30.00%	30.00%	159431
		4/11/2000	initial filing	initial filing	40147

2012 Market Share	Company	Eff date	% Req'd	% Granted	WV #:
1.36%	***ProAssurance Indemnity Co., Inc.***	9/18/2012	2.6%	2.6%	100015776
	**fka Woodbrook Casualty Ins, Inc*	4/1/2011	-9.9%	-9.9%	100007562
	**fka Medical Assur. of WV*	2/23/2010	0.4%	0.4%	100000816
		12/15/2008	0%	0%	81106028
		11/1/2008	-8.30%	-8.30%	80827030
		11/1/2007	-10.70%	-10.70%	70810017
		10/20/2006	-2.80%	-2.80%	60711005
		10/20/2005	-1.10%	-1.10%	50718024
		10/20/2004	18.50%	14.50%	40721020
		10/3/2003	17.30%	13.00%	30623002
		7/1/2002	23.00%	16.00%	161405
		9/14/2001	30.00%	18.00%	155255
		8/1/2000	35.00%	35.00%	50507

2012 West Virginia Population by County

County	US Census 2012 Est	County	US Census 2012 Est
Barbour	16,493	Mineral	27,956
Berkeley	107,098	Mingo	26,103
Boone	24,478	Monongalia	100,332
Braxton	14,468	Monroe	13,463
Brooke	23,853	Morgan	17,471
Cabell	96,974	Nicholas	26,229
Calhoun	7,607	Ohio	44,075
Clay	9,297	Pendleton	7,566
Doddridge	8,178	Pleasants	7,595
Fayette	45,869	Pocahontas	8,692
Gilmer	8,732	Preston	33,832
Grant	11,816	Putnam	56,435
Greenbrier	35,820	Raleigh	79,021
Hampshire	23,709	Randolph	29,384
Hancock	30,305	Ritchie	10,236
Hardy	13,866	Roane	14,684
Harrison	69,141	Summers	13,737
Jackson	29,234	Taylor	16,991
Jefferson	54,504	Tucker	6,995
Kanawha	192,179	Tyler	9,037
Lewis	16,371	Upshur	24,477
Lincoln	21,627	Wayne	41,649
Logan	36,168	Webster	9,043
Marion	56,678	Wetzel	16,422
Marshall	32,674	Wirt	5,847
Mason	27,179	Wood	86,701
McDowell	21,326	Wyoming	23,273
Mercer	62,523	**Total**	**1,855,413**

Source: 2012 Estimate from 2010 U.S. Census