

State of West Virginia

Medical Malpractice

Report on Insurers with over 5% Market Share

Provided by the Office of the West Virginia
Insurance Commission

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Introduction

The West Virginia Insurance Commission has prepared this report in response to the Medical Professional Liability Insurance situation in West Virginia and to fulfill the requirements and intent of WV Regulations 114CSR22, 114CSR23 and West Virginia Code § 33-20B-6. The information used in the preparation of this report encompasses the experience found in the statutorily required 'filed information' of those insurers with 5% or greater market share, the rate filings of those companies, NAIC supplementary information, Insurance Services Office (ISO) loss cost filings, other ISO reports, A. M. Best reports, data from the West Virginia Board of Medicine and various other studies recently released on this topic.

Considerable activity and discussion regarding medical malpractice occurred during 2002, both in West Virginia and countrywide; at the state level and the federal level. This year's report provides insight into Medical Malpractice Insurance by reviewing the following areas:

- **Section I:** An overview of the Industry's insurance results in 2002 coupled with a *direct comparison* of Industry results and West Virginia results for Medical Malpractice Insurance.
- **Section II:** A review of the West Virginia Board of Medicine paid claim data covering 1993 – 2002.
- **Section III:** A brief summary of the GAO report on Medical Malpractice Insurance and a synopsis of the NAIC draft report on Medical Malpractice Market Conditions.
- **Section IV:** 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. A review of rate filings and investment returns is provided. Also, a comparison of current approved physicians' and surgeons' rates in West Virginia.

- **Section V:** Summary observations and recommendations from this year's report.

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

Table of Contents

Contacts	1
Introduction	2
Table of Contents	4
Glossary of Terms	6
Section I: Overview of Industry Results for 2002	9
I-A: Medical Malpractice Results for the Industry	11
I-B: Industry vs. West Virginia Med Mal Results	12
I-C: Key Drivers of WV Med Mal Results	15
I-D: Losses & Defense Costs vs. Earned Premium	16
Section II: Analysis of paid claim information	17
II-A: How Malpractice claims are disposed of in WV	18
II-B: Historical Judgments	19
II-C: Historical Settlements	22
II-D: Paid Data Inferences	23
Section III: Summary of GAO and NAIC Reports	25
III-A: The GAO Report on Med Mal Insurance	26
III-B: The NAIC Draft on Med Mal Market Conditions	27
Section IV: Review of 5% Market Share Companies	29
IV-A: Enabling Legislation	31
IV-B: Market Positions	32
IV-C: Rating Plans and Rules	33
IV-D: Reconciliation of Information	34
IV-E: Rate Filings	35
IV-F: Investment Returns	36
Section V: Summary observations	37
Exhibits	41
I: Loss and Premium Information/Reconciliation	42
II: Comparison of Budgeted Expenses	46

III: Comparison of Investment Income Provisions	48
IV: Comparison of Premium Trends	49
V: Comparison of Loss Development Factors	50
VI: Written Premium Reconciliation	51
VII: Sample Comparison of Physicians' Rates	52
Appendix: NAIC Premium and Loss Information by Company	53
Physicians (West Virginia)	54
Hospitals (West Virginia)	55
Other Health Care Facilities (West Virginia)	56
Other Med Mal Policies (West Virginia)	57
Other Health Care Professionals (West Virginia)	58
Total Medical Malpractice (West Virginia)	60

Glossary of Terms

BRIM: 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 is administered by Marsh. BRIM II is written on a claims-made basis. BRIM II business will novate to the Physician's Mutual.

Claims-made Coverage: A policy providing coverage only if a written claim is made during the policy period (or any applicable extended reporting period). For example, a claim made in the current year could be charged against the current policy even if the injury or loss giving cause for the claim occurred many years in the past. If the policy has a retroactive date, an occurrence prior to that date is not covered. From a pricing perspective, claims-made coverage is more straightforward since it limits the insurers' exposure to unknown future liabilities (called "incurred but not reported" claims). Contrast this coverage with "occurrence". Claims-made coverage became a more accepted approach towards writing long-tailed lines like medical malpractice and products liability during the mid-'80's after introduction by the Insurance Services Organization.

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 they are deteriorating. When the ratio is over 100%, the insurer has an *underwriting* loss.

Direct Loss Ratio: The ratio of incurred losses to earned premium. The direct loss ratio is in contrast to the '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. Fifty dollars will be earned in 2001 and fifty dollars in 2002.

Guide "A" rating (also known as 'consent to rate' 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 can be determined by an experienced

underwriter. In this situation, actual filed rates are superceded by the underwriter's judgment.

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

Investment Gain/(Loss): The investment gain relates to 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 in reserves and surplus.

Loss Adjustment Expense: Cost on the part of the insurance company to cover expenses incurred in settling claims. This expense can be divided into two types: Allocated (ALAE), those expenses such as outside attorney and court fees which can be directly tied to a specific claim, and Unallocated (ULAE), such as insurance company claim department expenses, which are not directly allocated to a particular claim.

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. It is 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.

Pure Premium: The portion of the total premium 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.)

Severity: Average loss per claim.

Underwriting Expense: The expenses incurred by the insurance company in acquiring and selecting risks. Underwriting expense includes agents' commissions, general administration expenses, inspection & bureau expenses, and taxes, licenses and fees. It does not include loss adjustment expenses.

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

West Virginia Insurance Guaranty Association: This fund pays medical malpractice claims on behalf of insolvent insurers – ICA, PIE Mutual, PHICO. These losses are *not* captured in the results in this report. From 1998 through 2002, the Guaranty Association paid out losses and loss adjustment expenses of \$36,743,925.

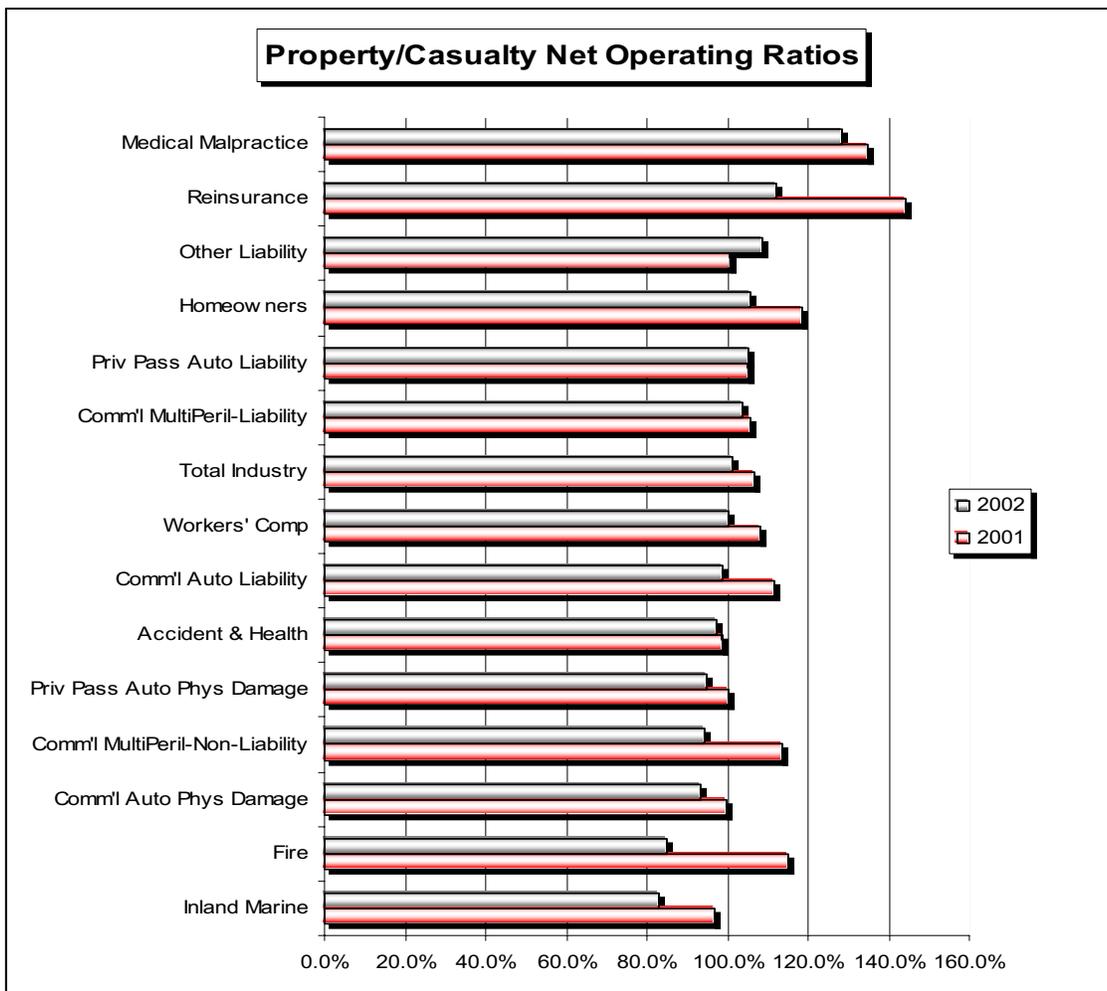
Written Premium: The total premium from all policies with effective dates within a given time period.

Section I

Overview

Section I. Introduction: Overview of Insurance Industry Results for 2002

In last year's report it was noted that the property/casualty insurance industry sustained a \$7.9 billion net loss after taxes for 2001. Results for 2002 show a **strong** recovery. The net operating ratio dropped from 106.8% in 2001 to 101.2% in 2002. The net operating ratio reflects the results after paying/reserving for all claims and claim expenses; paying underwriting expenses and policyholder dividends; paying and collecting on reinsurance agreements; and accounting for investment gains/losses. While the operating ratio for 2002 exceeded 100% (representing the target point for results), the improvement of 5.6 points from 2001 is significant.



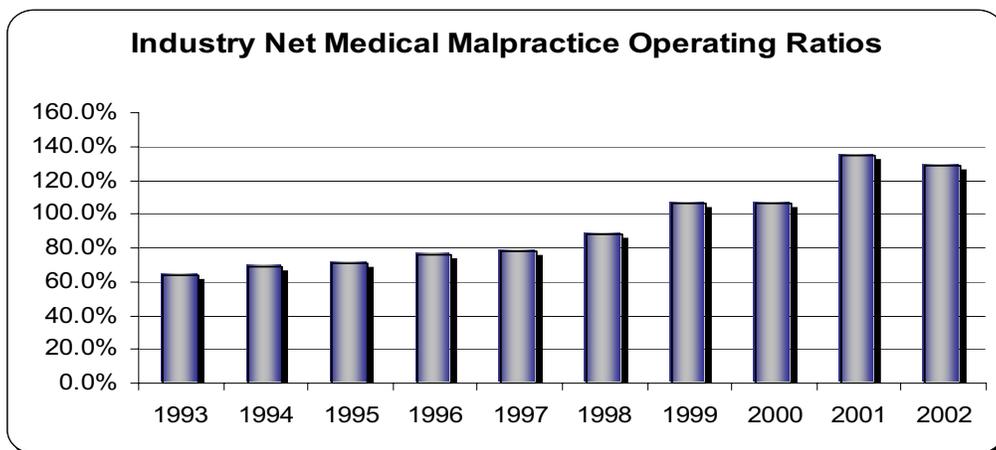
Source: A. M. Best

Several points should be noted on the industry results for 2002:

- Reinsurance results improved dramatically, from 144.2% in 2001 to 112.1% in 2002. This reflects the strong rise in reinsurance pricing and the absence of an event comparable to 9/11.
- Medical Malpractice was the second poorest performing line in 2001. In 2002, it has taken over as the *worst* performing line, with a net operating ratio of 128.4%. This is a modest improvement over the 2001 net operating ratio of 135.0%.
- As predicted in last year's report, the decline in investment income combined with poor underwriting results and higher priced reinsurance did result in pricing increases in the insurance market during the 2002-2003 periods. While price increases occurred in Medical Malpractice coverage, significant price increases also occurred in virtually all commercial and personal lines of insurance.

I-A. Medical Malpractice Insurance Results for the Industry

As noted in the industry overview, Medical Malpractice was the poorest performing line of insurance in 2002. The results show that this line improved its operating ratio from 135.0% in 2001 to 128.4% in 2002. *The graph below displays industry net operating ratios over the last ten years:*



Source: A. M. Best

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

The exhibit below provides a direct comparison of medical malpractice results for the Industry with results for West Virginia over the 1996 – 2002 time period. In reviewing this exhibit, the two areas of difference (other than premium) are *the direct loss ratio and the allocated loss adjustment expense (ALAE)*.

Industry vs. West Virginia Medical Malpractice Results

(000's)

INDUSTRY (Best's Aggregates & Averages)

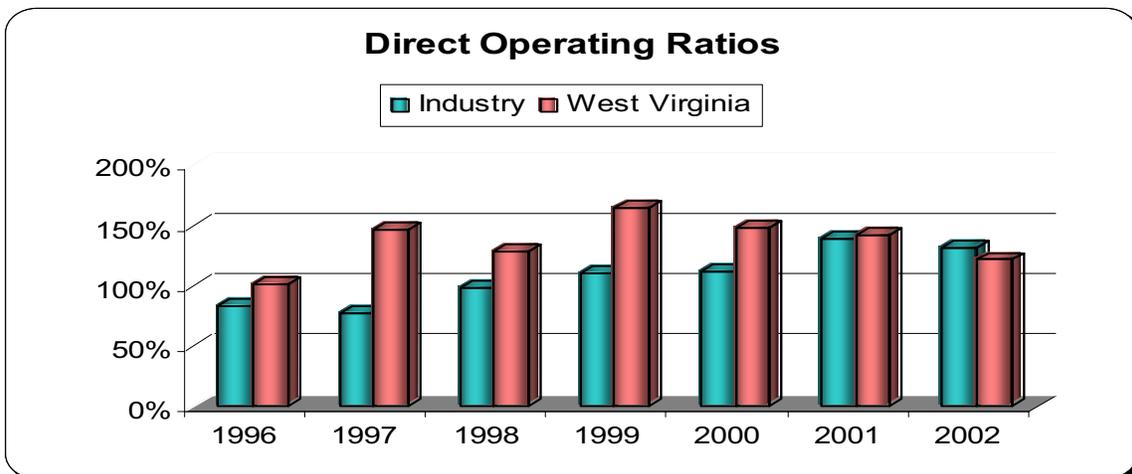
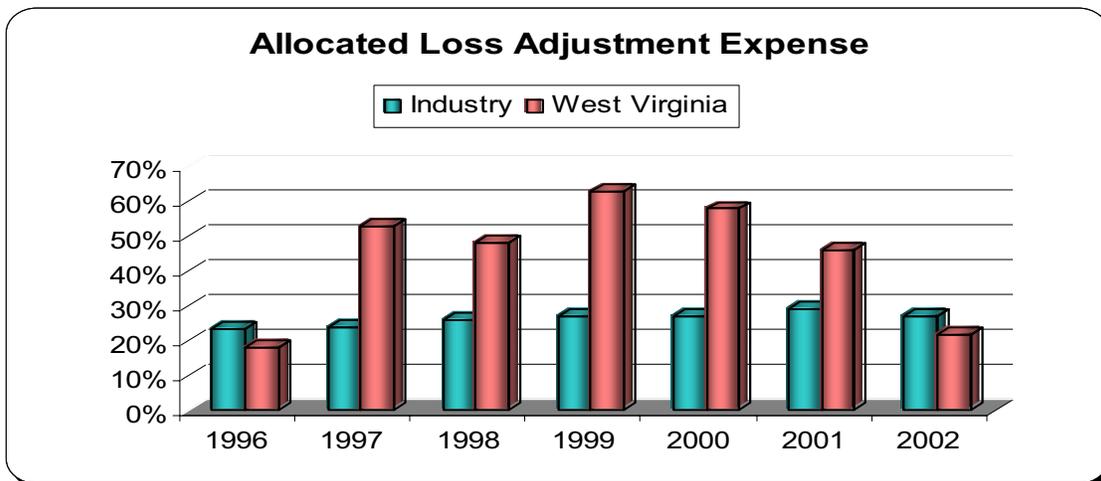
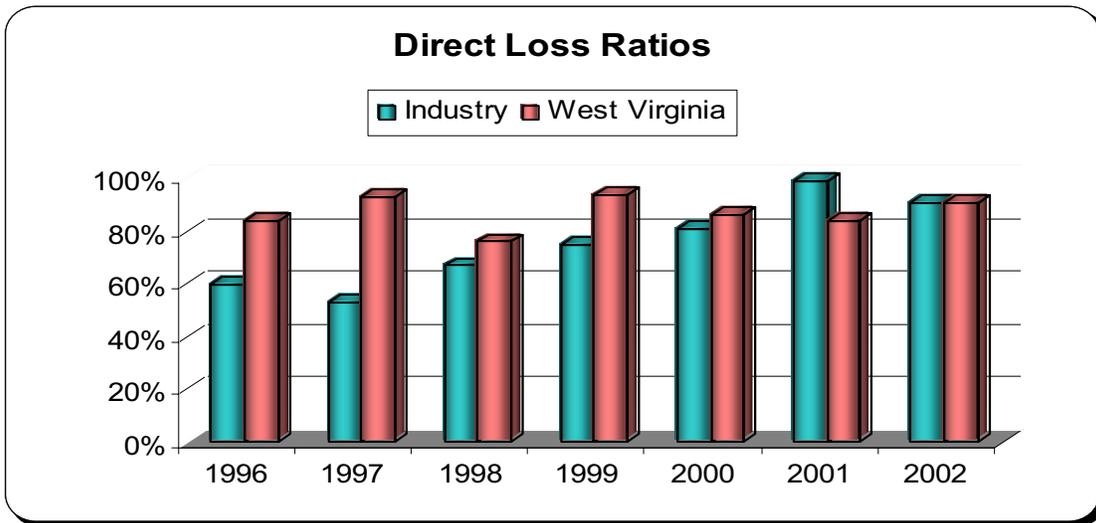
Year	Direct Written Premium	Direct Earned Premium	Direct Loss Ratio	ULAE	ALAE	Loss Adjustment Expense	Underwriting Expense	Direct Combined Ratio	Dividend	Combined Ratio (after Investment Gain)	Direct Operating Ratio	
1996	5,996,557	5,919,432	60.1%	4.8%	23.2%	28.0%	17.1%	105.2%	3.0%	108.2%	25.3%	82.9%
1997	5,744,387	5,756,941	52.7%	4.9%	23.6%	28.5%	18.4%	99.6%	3.4%	103.0%	25.6%	77.4%
1998	6,060,121	6,053,325	66.7%	5.5%	26.4%	31.9%	19.8%	118.4%	3.3%	121.7%	23.7%	98.0%
1999	6,012,482	5,997,702	74.7%	5.6%	26.5%	32.1%	20.1%	126.9%	3.7%	130.6%	20.5%	110.1%
2000	6,300,674	6,256,265	80.7%	5.6%	26.6%	32.2%	19.4%	132.3%	3.7%	136.0%	24.5%	111.5%
2001	7,329,332	6,798,306	98.6%	6.0%	28.8%	34.8%	18.8%	152.2%	2.7%	154.9%	15.9%	139.0%
2002	8,773,647	8,275,872	90.9%	6.0%	26.6%	32.6%	16.4%	139.9%	1.7%	141.6%	9.9%	131.7%
Total	46,217,200	45,057,843	76.3%	5.5%	26.1%	31.6%	18.5%	126.4%	3.0%	129.4%	20.1%	109.2%

WEST VIRGINIA (NAIC Annual Statement Data)*

Year	Direct Written Premium	Direct Earned Premium	Direct Loss Ratio	ULAE	ALAE	Loss Adjustment Expense	Underwriting Expense	Direct Combined Ratio	Dividend	Combined Ratio (after Investment Gain)	Direct Operating Ratio	
1996	65,166	59,206	83.8%	4.8%	17.7%	22.5%	17.1%	123.3%	3.0%	126.3%	25.3%	101.0%
1997	51,624	43,970	92.8%	4.9%	52.6%	57.6%	18.4%	168.8%	3.4%	172.2%	25.6%	146.6%
1998	58,538	57,920	76.0%	5.5%	47.9%	53.4%	19.8%	149.3%	3.3%	152.6%	23.7%	128.9%
1999	50,303	48,996	93.7%	5.6%	62.8%	68.3%	20.1%	182.1%	3.7%	185.8%	20.5%	165.3%
2000	73,320	62,785	85.6%	5.6%	58.1%	63.6%	19.4%	168.7%	3.7%	172.4%	24.5%	147.9%
2001	84,701	79,215	83.7%	6.0%	46.3%	52.3%	18.8%	154.8%	2.7%	157.5%	15.9%	141.6%
2002	91,978	100,556	91.0%	6.0%	21.5%	27.5%	16.4%	134.9%	1.7%	136.6%	9.9%	126.7%
Total	475,630	452,648	86.6%	5.6%	41.3%	46.8%	18.4%	151.8%	2.9%	154.7%	19.4%	135.3%

*excludes BRIM results

Visually, the comparison of Industry results with West Virginia results for Medical Malpractice can be seen in the three graphs that follow:

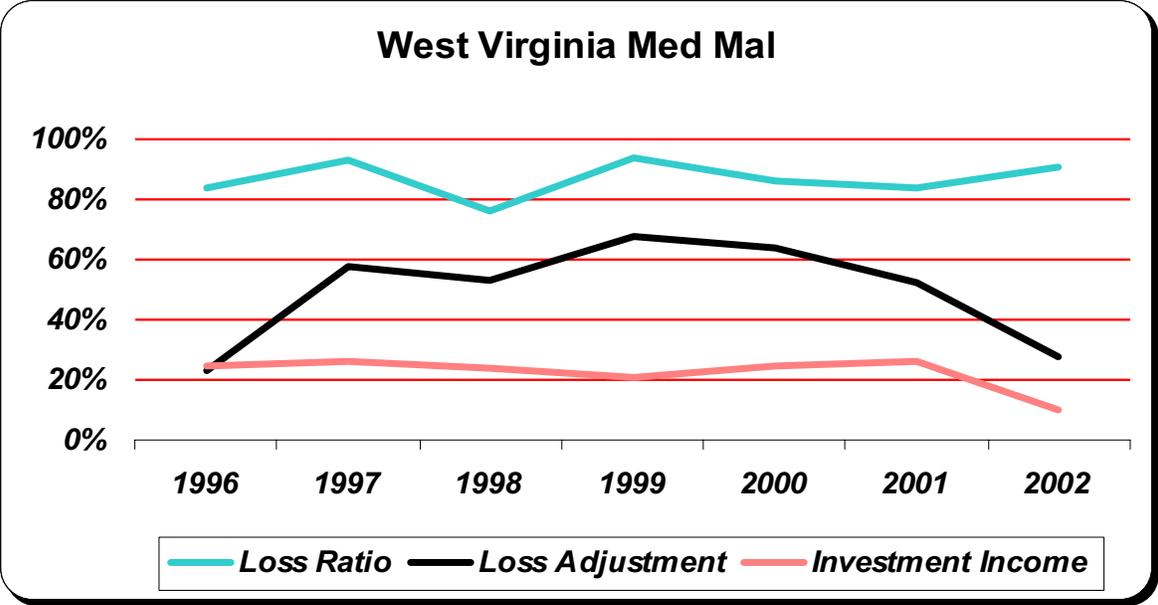


A number of observations can be made from the Industry vs. West Virginia comparison:

- Written premium for Medical Malpractice Insurance rose 19.7% countrywide in 2002. The comparable increase in West Virginia was 8.6%. The written premium for West Virginia is somewhat understated since medical malpractice figures for BRIM are not reported to the NAIC. It is estimated that including BRIM, written premium in West Virginia's numbers would raise the total increase to at most 10%.
- *From 1996 - 2000, the direct loss ratios in West Virginia have been considerably worse than countrywide.* The West Virginia loss ratio outperformed the industry in 2001 and matched the industry in 2002.
- *In last year's report it was noted that allocated loss adjustment expenses (the amounts paid for legal fees directly associated with a claim) in West Virginia have far exceeded the amounts paid countrywide.* The 2002 results show a dramatic turnaround, with allocated loss adjustment expense falling to 21.5% in West Virginia. This figure is *less than* the comparable countrywide number for 2002 of 26.6%. The reason for this significant decline will be explained later in the report.
- West Virginia direct operating ratios reached their peak level in 1999 and have shown steady improvement since then. The current combined West Virginia operating ratio of 126.7% is the lowest result in the last 6 years for Medical Malpractice.
- The countrywide direct loss ratio in 2002 improved to 90.9%; the West Virginia loss ratio in 2002 rose to 91.0%. *West Virginia's 2002 operating ratio was 5 points better than the industry. This is directly the result of the 2002 decline in allocated loss adjustment expense.*
- Finally, the investment gain (which is critical to the success of writing medical malpractice insurance) fell from 24.2% in 2000 to 15.7% in 2001 to 9.9% in 2002, reflecting the lower return on investments. Equity investments generally comprise less than 10% of a medical

malpractice insurance company’s portfolio. It should be noted that investment gain as shown in the above comparison is different from ‘investment yield’. The investment yield (Exhibit III), is currently in the 3% - 5% range. The investment gain would be calculated by applying this 3-5% return to all invested funds (from premiums, reserves and equity) and relating that amount to one year of earned premium. Thus, the magnitude and range of investment gain (9.9% - 24.2%) exceeds the investment yield (3% - 5%).

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



Negative Factors

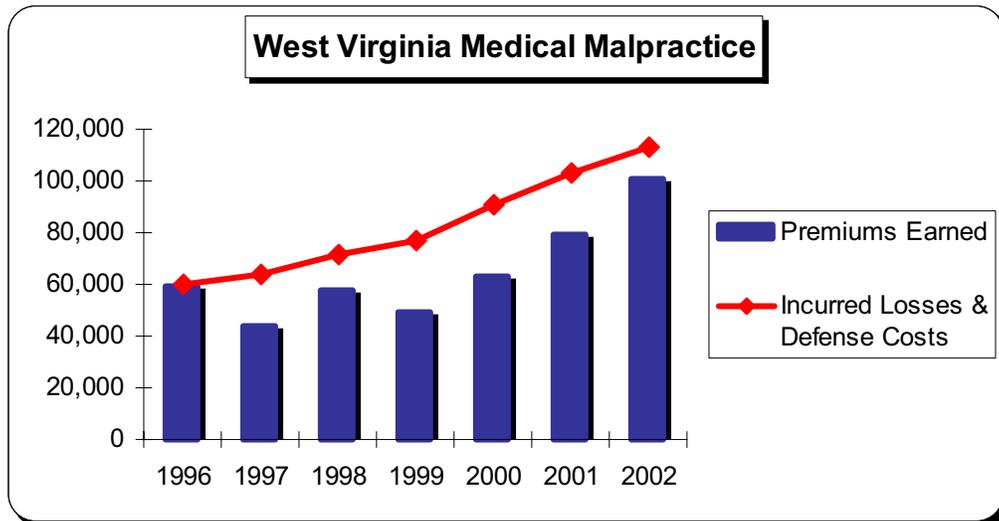
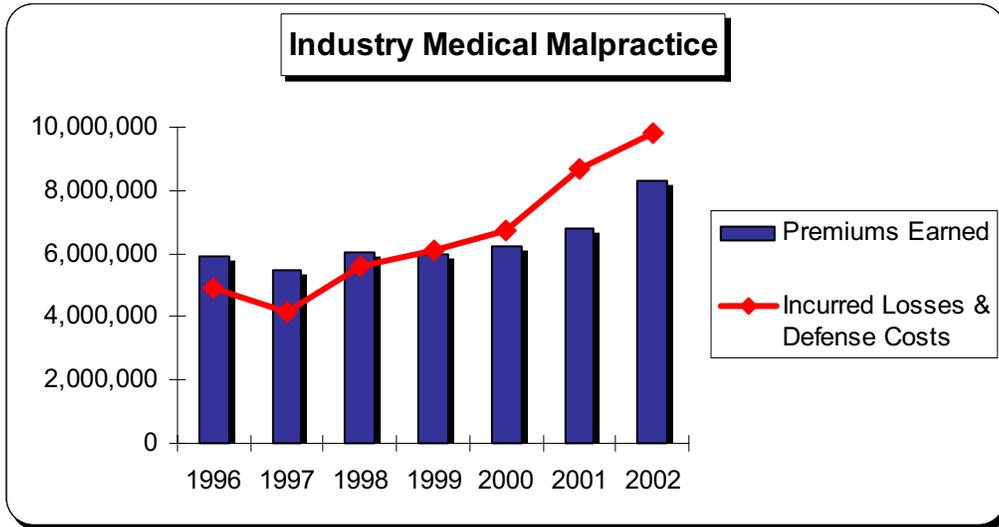
- Loss Ratio rising in 2002
- Investment Income declining in 2002

Positive Factor

- Sharp decline in Loss Adjustment Expense

I-D. Loss and Defense Costs incurred vs. Premiums Earned

The charts below compare losses and defense costs for the Industry against the comparable figures for West Virginia. They clearly show that results for losses and defense costs in West Virginia have exceeded premiums for the last six years.



Section II

A Review of Paid Claim Data provided by the West Virginia Board of Medicine

Section II. Analysis of Paid claim information provided by the West Virginia Board of Medicine

*Cautionary note: The following information is **not insurance data**; rather it is information provided to the WV Board of Medicine on Medical Malpractice claims after their disposition; as such, it has not been audited for accuracy. “Disposition” in this case means claims which have been dismissed, settled, or adjudicated. These are indemnity payments only, thus, loss adjustment amounts are not included. While not strictly matching insurance data, this information is valuable in identifying trends. It should also be noted that the data does not include hospitals or doctors working within a corporate structure. Even with 10 years worth of data, the number of claims and loss dollars are small enough to limit the credibility of the information.*

II-A. How Malpractice claims are disposed in West Virginia

The exhibit below displays paid claim count information for 1993 – 2002.

**West Virginia Board of Medicine
Claim Count Review**

Year	Number of Dismissals	% of Total	Judgments		% of Total	Settlements		% of Total	All Total
			Non Zero	Total		Non Zero	Total		
1993	79	28%	8	18	6%	186	187	66%	284
1994	74	23%	10	36	11%	208	210	66%	320
1995	103	31%	14	38	11%	190	190	57%	331
1996	81	27%	5	20	7%	194	197	66%	298
1997	114	26%	9	28	6%	289	291	67%	433
1998	53	22%	9	27	11%	156	156	66%	236
1999	99	30%	15	28	8%	207	208	62%	335
2000	104	30%	7	37	11%	204	205	59%	346
2001	112	30%	9	37	10%	226	230	61%	379
2002	122	39%	7	25	8%	165	166	53%	313
Total	941	29%	93	294	9%	2,025	2,040	62%	3,275

- West Virginia averages 328 malpractice claims per year. Over the past 10 years, **29% of malpractice claims have been dismissed**. It is with more than passing interest

that we **note the percentage of dismissals rose to 39% in 2002**. In 2001, H.B. 601 was passed. One of its key elements was 55-7B-6, requiring a 'certificate of merit'. As the provision reads a certificate of merit is required 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". This screening process and other changes made in H.B. 601 may account for some of the noticeable rise in the 2002 dismissals.

- On average, less than 10% of malpractice claims go to court. Of the claims that do go to court, 68% receive a judgment of \$0. Only 32% of the claims adjudicated actually receive a non-zero judgment. Put another way, only **2.8% of malpractice claims end up in court** and receive a non-zero judgment.
- On average, **62% of malpractice claims are settled** without court involvement.

II-B. Judgments

The next exhibit displays Paid Judgments by size of payment. Much has been made in West Virginia and elsewhere of large jury awards. The actual facts for West Virginia are in this table.

West Virginia Board of Medicine

Size of Paid Judgments Loss Distribution

Interval	1993		1994		1995		1996		1997	
	#	\$	#	\$	#	\$	#	\$	#	\$
Loss=\$0	10	\$0	26	\$0	24	\$0	15	\$0	19	\$0
\$0<loss<=\$100K	4	\$64,931	0	\$0	7	\$301,907	1	\$18,000	0	\$0
\$100K<loss<=\$250K	0	\$0	2	\$320,000	2	\$355,200	1	\$130,337	5	\$914,921
\$250K<loss<=\$500K	2	\$720,616	5	\$1,731,819	2	\$647,127	1	\$437,500	0	\$0
\$500K<loss<=\$1M	0	\$0	3	\$1,894,600	1	\$751,511	1	\$1,000,000	3	\$2,036,986
\$1M<loss	2	\$4,500,000	0	\$0	2	\$3,966,624	1	\$1,500,000	1	\$3,684,822
Total	18	\$5,285,547	36	\$3,946,419	38	\$6,022,369	20	\$3,085,837	28	\$6,636,729
Total ex Losses=\$0*	8	\$5,285,547	10	\$3,946,419	14	\$6,022,369	5	\$3,085,837	9	\$6,636,729

Interval	1998		1999		2000		2001		2002	
	#	\$	#	\$	#	\$	#	\$	#	\$
Loss=\$0	18	\$0	13	\$0	30	\$0	28	\$0	18	\$0
\$0<loss<=\$100K	2	\$132,514	6	\$197,576	0	\$0	3	\$210,000	3	\$175,073
\$100K<loss<=\$250K	2	\$336,640	2	\$371,829	0	\$0	3	\$440,557	0	\$0
\$250K<loss<=\$500K	0	\$0	0	\$0	3	\$1,157,054	0	\$0	2	\$680,150
\$500K<loss<=\$1M	2	\$1,940,000	4	\$2,997,264	2	\$1,610,500	1	\$528,733	1	\$1,000,000
\$1M<loss	3	\$4,270,552	3	\$3,527,451	2	\$2,381,508	2	\$3,612,000	1	\$6,238,000
Total	27	\$6,679,706	28	\$7,094,120	37	\$5,149,062	37	\$4,791,290	25	\$8,093,223
Total ex Losses=\$0*	9	\$6,679,706	15	\$7,094,120	7	\$5,149,062	9	\$4,791,290	7	\$8,093,223

*The second Total excludes losses which resulted in no indemnity payment.

- Over the last 10 years, there have been a total of 17 judgments in excess of \$1,000,000; or an average of less than 2 per year.
- The average judgment over \$1,000,000 has been a bit less than \$2,000,000.
- To identify patterns in the data from year-to-year, it is best to leave out judgments of \$0 and claims exceeding \$1,000,000 (i.e., “shock” losses for this line of business). Both types of claims will distort averages when looking for trends. Doing this leads to the following table:

West Virginia Board of Medicine

Non-zero judgments under \$1,000,000

	#	Amount	Average
1993	6	\$785,547	\$130,925
1994	10	\$4,196,636	\$419,664
1995	12	\$2,155,745	\$179,645
1996	4	\$2,085,837	\$521,459
1997	8	\$2,951,907	\$368,988
1998	6	\$2,409,154	\$401,526
1999	12	\$3,566,668	\$297,222
2000	5	\$2,767,541	\$553,508
2001	7	\$1,179,290	\$168,470
2002	6	\$1,855,224	\$309,204

- This table shows ***no clear pattern*** of either an increasing number of judgments or a consistent increase in the average paid judgment. It must be noted that the small number of judgments limit credible inferences.

II-C. Settlements

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

West Virginia Board of Medicine										
Size of Paid Settlements Loss Distribution										
	1993		1994		1995		1996		1997	
Interval	#	\$	#	\$	#	\$	#	\$	#	\$
\$0<loss<=\$50K	79	\$1,461,639	78	\$1,704,102	79	\$1,811,405	75	\$1,718,264	177	\$1,756,801
\$50K<loss<=\$100K	22	\$1,735,833	40	\$3,199,200	23	\$1,892,250	33	\$2,642,584	24	\$2,040,933
\$100K<loss<=\$250K	47	\$8,115,451	38	\$6,665,678	44	\$8,410,952	37	\$6,786,025	33	\$5,987,500
\$250K<loss<=\$500K	21	\$7,301,798	32	\$11,980,951	26	\$10,015,000	33	\$11,947,319	39	\$14,664,111
\$500K<loss<=\$1M	14	\$11,175,000	15	\$11,694,010	15	\$11,940,000	13	\$8,560,000	13	\$9,425,000
\$1M<loss	3	\$5,545,432	5	\$9,175,000	3	\$7,650,000	3	\$4,159,000	3	\$6,550,000
Total	186	\$35,335,153	208	\$44,418,941	190	\$41,719,607	194	\$35,813,192	289	\$40,424,345
Total ex Losses=\$0*	183	\$35,335,153	203	\$44,418,941	187	\$41,719,607	191	\$35,813,192	286	\$40,424,345

	1998		1999		2000		2001		2002	
Interval	#	\$	#	\$	#	\$	#	\$	#	\$
\$0<loss=\$50K	67	\$1,152,744	87	\$1,488,737	65	\$1,633,255	84	\$1,806,781	57	\$1,229,665
\$50<loss<=\$100K	19	\$1,612,092	28	\$2,278,500	36	\$2,892,600	37	\$2,934,401	15	\$1,214,000
\$100K<loss<=\$250K	28	\$4,700,000	34	\$5,936,000	45	\$8,124,710	48	\$8,350,814	49	\$8,500,031
\$250K<loss<=\$500K	21	\$7,188,000	42	\$13,884,542	34	\$12,753,796	29	\$10,671,417	26	\$10,065,000
\$500K<loss<=\$1M	18	\$13,660,000	12	\$9,615,000	19	\$16,152,535	27	\$21,817,833	18	\$13,255,516
\$1M<loss	3	\$5,468,431	3	\$10,995,605	4	\$5,675,000	1	\$1,250,000	0	\$0
Total	156	\$33,781,267	206	\$44,198,384	203	\$47,231,896	226	\$46,831,246	165	\$34,264,212
Total ex Losses=\$0*	153	\$33,781,267	203	\$44,198,384	199	\$47,231,896	225	\$46,831,246	165	\$34,264,212

*The second Total excludes losses which resulted in no indemnity payment.

- Settlements comprise the most common resolution for claim payment. Over the last 10 years, 30 settlements have exceeded \$1,000,000, or 3 per year on average.
- The average settlement over \$1,000,000 has been just over \$1,500,000.
- As was done for judgments, we will omit claims over \$1,000,000 and look for trends.

West Virginia Board of Medicine

Non-zero settlements under \$1,000,000

	#	Amount	Average
1993	180	\$29,789,721	\$165,498
1994	198	\$35,243,941	\$178,000
1995	184	\$34,069,607	\$185,161
1996	188	\$31,654,192	\$168,373
1997	283	\$33,874,345	\$119,697
1998	150	\$28,312,836	\$188,752
1999	200	\$33,202,779	\$166,014
2000	195	\$41,556,896	\$213,112
2001	224	\$45,581,246	\$203,488
2002	165	\$34,264,212	\$207,662

- From the above data, which removes claims over \$1,000,000, there does not appear to be a pattern for either the number of claims settled in a year nor the average payment. Looking at the years 1993 – 1999 versus the 2000 – 2002 period, there is an escalation in the average payment. For 1993 – 1999 the average paid settlement was \$163,519. For 2000 – 2002 the average paid settlement was \$207,881. This suggests that the average paid settlement has jumped over 25% during the last three years.
- As with judgments, the small number of settlements restricts the data’s credibility.

II-D. Paid data inferences

The data provided by the West Virginia Board of Medicine shows individual claims against physicians. It could be greatly enhanced by identifying (1) the physician’s primary specialty, (2) the ‘cause of loss’ (this code would need to be defined for reporting), (3) amounts paid on defense costs for each filed claim and finally, (4) the split of the indemnity payment between economic and non-economic damages. On a going forward basis this information would be

quite valuable both for proper pricing and for analyzing the effectiveness of the 'non-economic' caps enacted by West Virginia law in the 2002 Legislative Session. A recommendation regarding malpractice data collection will be made in the final section of this report.

Even in its present format, the data can be somewhat helpful in pricing. As an example, the information can provide a rough estimate of the probability that a physician that has had a malpractice claim will have another in the future. From the data provided, it turns out that 28% or roughly $\frac{1}{4}$ of doctors having 1 claim are likely to have additional claims in the relatively near future. This provides an important first step towards deciding how much a physician should be surcharged once they have incurred a claim.

Other information that should impact pricing would entail studying how long a physician must go 'loss free' before the surcharge is removed. Also, the information may be valuable in determining a 'loss free discount', thereby recognizing doctors that do exercise a high degree of care as exemplified in their loss history.

Section III

Summary of the GAO report on Medical Malpractice & the Draft NAIC release on Medical Malpractice

Section III-A: GAO Report (GAO-03-702) on Medical Malpractice Insurance

The full report can be found at www.gao.gov/cgi-bin/getrpt?GAO-03-702. What follows is a brief summary of the General Accounting Office study.

- **Why the GAO did the study**

- Affordability. Over the past several years, large increases in medical malpractice insurance premium rates have raised concerns that physicians will no longer be able to afford insurance and will be forced to limit or discontinue providing certain services.
- Availability. Also, some large insurers have stopped selling medical malpractice insurance, leading to concerns that physicians will not be able to obtain coverage.

- **What the GAO found**

- Losses on medical malpractice claims appear to be the primary driver of rising rates. *(True in West Virginia)*
- Falling investment income (80% of an insurer's investments are in bonds) contributes to the need to raise rates. *(True in West Virginia)*
- Rising reinsurance prices have also contributed to the recent increases in premium rates. *(True in West Virginia)*
- Around 60% of the medical malpractice market is now covered by Physician-owned and/or operated insurers. *(May become true in West Virginia with the start of the Physicians' Mutual)*

- **What the GAO Recommends**

- The GAO suggests that Congress may wish to consider encouraging *the NAIC and state regulators to identify and collect additional data necessary to better evaluate the medical malpractice insurance market.*

Section III-B: NAIC: Medical Malpractice Insurance: A Study of Market Conditions
(draft release 9/9/03)

- **NAIC Summary Findings**

- Rising claim costs are primarily responsible for escalating rates and deteriorating market conditions in some states.
- Substantial costs are involved in defending non-meritorious claims.
- State market conditions are very divergent.
- Rising rates have caused difficulties for the public with regard to access to essential health care as certain specialists withdraw from distressed markets or abandon risky procedures.

- **NAIC Recommendations for a state to consider when evaluating possible law changes to address market problems**

- Adopt reasonable limitations (caps) on awards for non-economic damages. *[H. B. 2122 adopted a \$500,000 cap for trauma related claims and a \$250,000 non-economic cap for all other claims.]*
- Require that juries be informed of “collateral sources” already provided or available to plaintiffs. *[H. B. 2122 requires the recognition of collateral sources.]*
- Allow for periodic payment of future damages.
- Identify and implement protocols and information exchange methods to reduce the prospect for successful “bad faith” claims adjudication allegations.
- Promote other strategies that would reduce non-meritorious claims or control loss adjustment expenses such as the use of mediation, alternative dispute resolutions, pretrial screening, contingency fee control and expert witness reforms. *[H. B. 601 established the “certificate of merit” requirement (i.e., screening of claims).]*
- Identify and implement alternative funding mechanisms that limit the variability of insurers’ exposure to loss. *[H. B. 2122 requested that a feasibility study for a*

Patient Compensation Fund be completed; while H. B. 601 established the framework for a Joint Underwriting Association (the WV Legislature has not implemented this).]

Section IV

Review of 5% Market Share Companies

Section IV. 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. Shown below are the six insurers passing the 5% threshold in 2002:

Total Medical Malpractice (NAIC Database) Company	2002 West Virginia Business Written				
	Direct Premiums Written	Market Share	Direct Premiums Earned	Direct Loss Incurred	Direct Loss Ratio*
St Paul Fire & Marine Ins Co	29,549,566	32.1%	42,693,599	34,047,063	79.7%
Medical Assurance of WV Inc	21,473,947	23.3%	23,990,391	21,310,922	88.8%
Everest Indemnity Ins Co*	8,044,441	8.7%	5,161,830	2,867,683	55.6%
Commonwealth Med Liab Ins Co	7,688,454	8.4%	6,269,823	3,714,750	59.2%
Lexington Ins Co*	7,053,692	7.7%	5,206,234	2,738,902	52.6%
Health Care Ind Inc	5,899,566	6.4%	5,899,566	14,864,781	252.0%
Subtotal	79,709,666	86.7%	89,221,443	79,544,101	89.2%
Other Companies	12,268,704	13.3%	11,334,122	12,008,157	105.9%
Total	91,978,370	100.0%	100,555,565	91,552,258	91.0%

The six companies comprise 86.7% of the 2002 West Virginia Medical Malpractice written premium. New major writers in 2002 are Commonwealth Medical Liability Ins. Co, Everest Indemnity Ins Co. (a surplus lines writer) and Lexington Ins. Co. (a surplus lines writer). Breaking down the written premiums into medical malpractice sublines shows the following:

Company	Subline	2002 Written Premium
St Paul Fire & Marine	Physicians and Surgeons	\$ 26,848,664
	Hospitals	\$ 1,972,796
	Other	\$ 727,966
	Total	\$ 29,549,566
Medical Assurance of WV	Physicians and Surgeons	\$ 20,707,312
	Hospitals	\$ 766,635
	Total	\$ 21,473,947
Everest Indemnity Ins Co*	Hospitals	\$ 7,459,439
	Other	\$ 585,002
	Total	\$ 8,044,441

Commonwealth Medical Liability Ins Co	Physicians and Surgeons	\$ 7,688,454
Lexington Ins Co*	Hospitals	\$ 6,170,972
	Other	\$ 882,720
	Total	\$ 7,053,692
Health Care Indemnity Co	Hospitals	\$ 5,899,566

IV-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:

WV Regulation 114CSR22
WV Regulation 114CSR23
WV Code § 33-20B-6

The regulations and referenced statutes set forth the form in which certain information needs to be reported to the Commissioner.

Per WV 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.”

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.

IV-B. Discussion of Market Positions

St Paul Fire & Marine

Although St Paul is withdrawing from the medical malpractice market, this process was not completed until March, 2003. Thus, St Paul recorded \$29,549,566 in written premiums during 2002; and continued to hold the largest market share position with 32.1%.

Medical Assurance of West Virginia (MAWV)

MAWV was, at one time, the leading writer of malpractice insurance for physicians and surgeons in West Virginia. Their exposure, however, has decreased since its peak in 1998. Inforce *policies* have declined from 856 in 1998 to 359 policies as of 12/31/02. For 2002, the company wrote \$21,473,947 in direct written premium.

On June 11, 2003 MAWV filed for a rate increase of 17.5% with a proposed effective date of September 14, 2003. The Commissioner, after due consideration and actuarial review, subsequently approved an overall increase of 13% to be effective on 10/03/03. Combined with base rate increases of 35% in 2000, 18.0% in 2001 and 16.0% in 2002, MAWV rates have more than doubled since July, 2000.

Everest Indemnity Insurance Co

Everest is a surplus lines company which began writing West Virginia hospitals and other healthcare facilities in 2002. Their 8.8% market share comprises a bit more than \$8 million in written premium. Everest did not provide 5% market share information this year.

Commonwealth Medical Liability Insurance Co

Commonwealth wrote \$7,688,454 in Physicians and Surgeons written premium during 2002. This equates to an 8.4% market share.

Lexington Insurance Co

Lexington is a surplus lines writer (an AIG subsidiary) writing primarily hospitals and other healthcare facilities. They wrote \$7,053,692 in premium during 2002, representing a 7.7% market share. Lexington did not provide 5% market share information this year.

Health Care Indemnity Inc. (HCI)

HCI, now a licensed writer, provided \$5,899,566 in hospital coverage during 2002.

IV-C. Rating Plans and Rating Rules

Physicians and Surgeons

Coverage is provided by each of the insurers on a claims-made (or less frequently, occurrence) basis. Coverage of 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 reasonable.

Hospitals

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 allows underwriters the ability to customize the price to the risk. Such a feature is common when rating large, unique risks.

IV-D. Comparison of Filed Information to Rate Filings Information *As Required by WV Code 33-20B-3*

1. Reconcile the most recent filed information to the experience reported in the rate filings.

Exhibit I, sheets 1-4 provide the premium and losses of each carrier. St Paul has not had a rate revision since 2001. There is consistency when comparing the 2002 filed information with the 2001 filed information.

For Medical Assurance, the information is consistent and raises no concerns.

For HCI, the difference between the rate filing and filed information is due to rate filings being done on a direct (before reinsurance) basis; while the filed information was submitted on a net (after reinsurance) basis.

For Commonwealth, their entry into the West Virginia market is very recent.

2. Reconcile the experience in the filed information to the most recent experience reported in the company’s financial statements.

Exhibit VI shows the comparison of Annual Statement information with the filed information. The results display a reasonable reconciliation.

3. Compare the assumptions underlying the filed information to the most recent rate filing assumptions or other information.

Exhibits II-V provide the assumptions underlying the rate analysis in the filed information, rate filings, rate filing abstracts, or other source documents. Of note, on Exhibit III investment yields have dropped for all five companies shown. Pure premium trends, Exhibit IV, are running in the 4-5% range.

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

It is clear, that to varying degrees, the companies have attempted to provide accurate filed information.

5. Does the filed information support our conclusion on the rates as of 12/31/02?

Exhibit VII provides a rate comparison for a number of specialties and companies. Based on the latest actuarial review of the Medical Assurance of West Virginia rate filing, that company's 10/3/03 rates appear to be reasonable and adequate relative to the experience they presented. Rates for other providers shown for comparison are lower than the latest Medical Assurance rates with the exception of the current 1/1/2003 Commonwealth rates, which are on a level approximately the same as Medical Assurance.

IV-E: Analysis of Rate Filings

Medical Assurance of West Virginia

On June 11, 2003 MAWV filed for a rate increase of 17.5% with a proposed effective date of September 14, 2003. The Commissioner, after due consideration and actuarial review, subsequently approved an overall increase of 13% to be effective on 10/03/03.

Commonwealth Medical Liability Insurance Company

In the second half of 2002, Commonwealth requested a rate increase of 53.4%. Due to their lack of credible experience in West Virginia, this filing could not be supported actuarially. As their filing was attempting to use Medical Assurance and St Paul rate levels, it was agreed to grant Commonwealth a 22.7% increase; placing their rates at approximately the same level as Medical Assurance. The company currently has a +35.2% rate request pending.

IV-F: Investment Portfolio

Exhibit III presents a comparison of actual investment yields and investment income provisions for rate filings as available from various sources. As discussed earlier, investment yields have declined.

Section V

Summary Observations

Section V. Summary Observations

This section provides observations from this report.

- As pointed out last year, West Virginia results have been worse than the industry over the last six years. One of the key elements in these results has been the very high defense costs. This year, these costs dropped dramatically (and probably temporarily) from 2001. A closer look at Defense Costs by company shows the following figures for 2001 and 2002:

	2001 Defense Costs	2002 Defense Costs
St Paul Companies	39.3%	30.2%
HCI	16.5%	14.7%
Everest Indemnity	N/A	19.4%
Medical Assurance	88.0%	13.0%
Commonwealth	N/A	19.7%
<u>Lexington Ins Co</u>	<u>N/A</u>	<u>9.6%</u>
Total West Virginia	46.3%	21.5%

The notable change here is in the defense costs for Medical Assurance. In 2001 this figure was 88.0%, but in 2002 the defense costs dropped to 13.0%. This is the result of *both less payment dollars made for defense costs in 2002 and a reduction in the amount reserved for defense costs.*

- Overall, industry results improved substantially in 2002. However, the improvement for Medical Malpractice was less pronounced than for other lines. In fact, Medical Malpractice took over as the line with the worst results for the industry in 2002.
- Malpractice rates continued to rise in West Virginia during the past year, though less dramatically than in prior years.
- West Virginia posted its lowest direct operating result over the past 6 years in 2002.

- Six writers in West Virginia now account for over 85% of the written premium for Medical Malpractice. In addition to St Paul, Medical Assurance and HCI; Everest Indemnity, Commonwealth Medical Liability and Lexington Insurance Company each now hold more than a 5% market share. Everest and Lexington are surplus lines writers.

- An analysis of WV Board of Medicine data revealed the following:
 - Roughly 29% of claims filed are dismissed.

 - In 2002, dismissals rose to 39% suggesting that the 'certificate of merit' required by H. B. 601 may be having an impact.

 - Only 10% of claims filed actually go to court.

 - Less than 3% of the claims that go to court received a non-zero judgment.

 - 62% of Malpractice claims are settled outside of court.

 - There does not appear to be a pattern of escalating jury awards or claims going to court.

- West Virginia Code § 33-20B-8 empowers the Insurance Commissioner to collect medical malpractice claim information from insurers writing in the state. Some information is now collected. We **recommend** that the information gathered be expanded and periodically audited to be certain all claims are being reported and captured. Additionally there is a need to clarify the necessity for surplus lines writers to report. While not intended to be an exhaustive list, some items for consideration would include:
 - Physician's specialty

- Type of practice
- Loss adjustment expense paid to defense counsel
- Injured person's immediate medical expense; and anticipated future medical expense
- Injured person's incurred wage loss; and anticipated future wage loss
- Separation of total loss and loss adjustment expense into economic and non-economic amounts
- Identification of trauma claims

The collection of such information would prove useful in future reports as well as the regulation of insurer's rates and rating plans. We would further **recommend** that the Insurance Commission coordinate with the WV State Medical Association in the collection of malpractice claim data. It will be an objective of the Insurance Commission to see that this happens during the forthcoming year.

Other issues include:

- Recognition that this report is incomplete since BRIM data is not reported (and should be).
- Self-insureds (especially hospitals) data is not being captured.

Exhibits

West Virginia Insurance Commission
5% Market Share Report

Exhibit I – Sheet 1

Loss and Premium Information/Reconciliation

St. Paul Companies

<u>Physicians & Surgeons</u>	2003 Filed Information				2002 Filed Information			
	Calendar Year	Earned Premium	Incurred Losses	Loss Ratio	Calendar Year	Earned Premium	Incurred Losses	Loss Ratio
	1997	5,788,000	3,601,000	62%	1997	5,788,000	3,601,000	62%
	1998	7,494,000	8,702,000	116%	1998	7,494,000	8,702,000	116%
	1999	10,395,000	11,967,000	115%	1999	10,395,000	11,967,000	115%
	2000	13,323,000	16,340,000	123%	2000	13,323,000	16,340,000	123%
	2001	21,272,000	29,234,000	137%	2001	21,272,000	29,234,000	137%
	2002	37,571,000	28,585,000	76%	N/A	N/A	N/A	N/A

Report Year	Current Level Earned Premium	Trended, Developed Incurred Loss & ALAE	Loss & ALAE Ratio	Report Year	Current Level Earned Premium	Trended, Developed Incurred Loss & ALAE	Loss & ALAE Ratio
1997				1997			
1998				1998			
1999		N/A		1999		N/A	
2000				6/2000			
6/2001				NA			

<u>Hospitals</u>	Calendar Year				Calendar Year			
	Year	Earned Premium	Incurred Losses	Loss Ratio	Year	Earned Premium	Incurred Losses	Loss Ratio
	1997	3,457,000	2,971,000	86%	1997	3,457,000	2,971,000	86%
	1998	4,167,000	2,639,000	63%	1998	4,167,000	2,639,000	63%
	1999	4,981,000	5,788,000	116%	1999	4,981,000	5,788,000	116%
	2000	5,842,000	3,372,000	58%	2000	5,842,000	3,372,000	58%
	2001	5,500,000	4,801,000	87%	2001	5,500,000	4,801,000	87%
	2002	4,019,373	4,946,000	123%	2002	N/A	N/A	N/A

Report Year	Current Level Earned Premium	Trended, Developed Incurred Loss & ALAE	Loss & ALAE Ratio	Report Year	Current Level Earned Premium	Trended, Developed Incurred Loss & ALAE	Loss & ALAE Ratio
1997				1997			
1998				1998			
1999		N/A		1999		N/A	
2000				2000			
2001				2001			
2002				2002			

West Virginia Insurance Commission
5% Market Share Report

Exhibit I -- Sheet 2

Loss and Premium Information/Reconciliation

Medical Assurance of West Virginia

Physicians & Surgeons

<u>2003 Rate Filing</u>				<u>2002 Rate Filing</u>			
Report Year	Current Level Earned Premium	Trended, Developed Incurred Loss & ALAE	Loss & ALAE Ratio	Report Year	Current Level Earned Premium	Trended, Developed Incurred Loss & ALAE	Loss & ALAE Ratio
1998	35,707,000	40,200,000	113%	1998	30,813,000	39,246,000	127%
1999	36,698,000	38,280,000	104%	1999	31,671,000	34,974,000	110%
2000	40,511,000	32,438,000	80%	2000	34,968,000	30,664,000	88%
2001	26,959,000	17,495,000	65%	2001	23,287,000	18,063,000	78%
2002	20,630,000	17,135,000	83%	2002	N/A	N/A	N/A

Physicians & Surgeons

<u>2003 Filed Information</u>				<u>2002 Filed Information</u>			
Calendar Year	Earned Premium	Incurred Losses	Loss Ratio	Calendar Year	Earned Premium	Incurred Losses	Loss Ratio
1997	13,215,000	7,796,000	59%	1997	13,215,000	7,796,000	59%
1998	23,875,000	10,379,000	43%	1998	23,875,000	10,379,000	43%
1999	19,954,000	11,466,000	57%	1999	19,954,000	11,466,000	57%
2000	22,500,000	16,784,000	75%	2000	22,500,000	16,784,000	75%
2001	21,491,000	16,414,000	76%	2001	21,491,000	16,414,000	76%
2002	22,805,000	23,359,000	102%	2002	N/A	N/A	N/A

Report Year	Current Level Earned Premium	Trended, Developed Incurred Loss & ALAE	Loss & ALAE Ratio	Report Year	Current Level Earned Premium	Trended, Developed Incurred Loss & ALAE	Loss & ALAE Ratio
1997	15,574,000	20,402,000	131%	1997	13,438,000	20,600,000	153%
1998	35,707,000	40,200,000	113%	1998	30,813,000	39,246,000	127%
1999	36,698,000	38,280,000	104%	1999	31,671,000	34,974,000	110%
2000	40,511,000	32,438,000	80%	2000	34,968,000	30,664,000	88%
2001	26,959,000	17,495,000	65%	2001	23,287,000	18,063,000	78%
2002	20,630,000	17,135,000	83%	2002	N/A	N/A	N/A

Hospitals

<u>2003 Filed Information</u>				<u>2002 Filed Information</u>			
Calendar Year	Earned Premium	Incurred Losses	Loss Ratio	Calendar Year	Earned Premium	Incurred Losses	Loss Ratio
1997	1,804,000	(5,203,000)	-288%	1997	1,804,000	(5,203,000)	-288%
1998	1,948,000	(1,778,000)	-91%	1998	1,948,000	(1,778,000)	-91%
1999	2,045,000	1,175,000	57%	1999	2,045,000	1,175,000	57%
2000	2,469,000	1,876,000	76%	2000	2,469,000	1,876,000	76%
2001	3,163,000	1,776,000	56%	2001	3,163,000	1,776,000	56%
2002	1,185,000	-2,048,000	-173%	2002	N/A	N/A	N/A

Report Year	Current Level Earned Premium	Trended, Developed Incurred Loss & ALAE	Loss & ALAE Ratio	Report Year	Current Level Earned Premium	Trended, Developed Incurred Loss & ALAE	Loss & ALAE Ratio
1997	1,804,000	4,975,000	276%	1997	1,804,000	4,455,000	247%
1998	1,948,000	8,018,000	412%	1998	1,948,000	7,292,000	374%
1999	2,045,000	6,283,000	307%	1999	2,045,000	6,188,000	303%
2000	2,469,000	5,393,000	218%	2000	2,469,000	4,716,000	191%
2001	3,163,000	6,258,000	198%	2001	3,163,000	7,232,000	229%
2002	1,185,000	2,549,000	215%	2002	NA	NA	NA

**West Virginia Insurance Commission
5% Market Share Report**

Exhibit I -- Sheet 3

Loss and Premium Information/Reconciliation

Health Care Indemnity, Inc.

2003 Rate Filing

2002 Rate Filing

Hospitals

Calendar Year	Earned Premium	Incurred Loss & ALAE	Loss Ratio	
1998	3,490,000	3,297,000	94%	
1999	2,779,000	2,992,000	108%	
2000	2,708,000	3,537,000	131%	
2001	3,961,000	5,192,000	131%	
2002	5,315,000	13,094,000	246%	

N/A--Surplus Lines Writer

2003 Filed Information (Net basis)

2002 Filed Information

Hospitals

Calendar Year	Earned Premium	Incurred Loss & ALAE	Loss Ratio		Calendar Year	Earned Premium	Incurred Losses	Loss Ratio
1997	4,135,000	4,958,000	120%		1997	3,946,000	3,123,000	79%
1998	3,612,000	4,201,000	116%		1998	3,490,000	3,390,000	97%
1999	3,435,000	4,805,000	140%		1999	2,779,000	3,463,000	125%
2000	3,341,000	8,379,000	251%		2000	2,708,000	3,545,000	131%
2001	4,377,000	8,859,000	202%		2001	3,961,000	5,374,000	136%
2002	5,900,000	6,120,000	104%		2002	N/A	N/A	N/A

Accident Year	Current Level Earned Premium	Trended, Developed Incurred Loss & ALAE	Loss & ALAE Ratio	
1997				
1998				
1999	N/A			
2000				
2001				
2002				

Accident Year	Current Level Earned Premium	Trended, Developed Incurred Loss & ALAE	Loss & ALAE Ratio

N/A since as a surplus lines writer, they price each risk individually based on historical results, not filed rates.

West Virginia Insurance Commission
5% Market Share Report

Exhibit I -- Sheet 4

Loss and Premium Information/Reconciliation

Commonwealth Medical Liability Ins Co*

<u>Physicians & Surgeons</u>	<u>2003 Rate Filing</u>				<u>2002 Rate Filing</u>			
	Current	Trended,	Loss & ALAE	Ratio	Current	Trended,	Loss & ALAE	Ratio
	Level	Developed			Level	Developed		
Report	Earned	Incurred		Report	Earned	Incurred		
Year	Premium	Loss & ALAE		Year	Premium	Loss & ALAE		
1998				1998				
1999				1999				
2000		N/A		2000		N/A		
2001				2001				
2002				2002				

<u>Physicians & Surgeons</u>	<u>2003 Filed Information</u>				<u>2002 Filed Information</u>			
	Calendar	Earned	Incurred	Loss	Calendar	Earned	Incurred	Loss
	Year	Premium	Losses	Ratio	Year	Premium	Losses	Ratio
1997		0	0		1997			
1998		0	0		1998			
1999		1,230	0	0%	1999		N/A	
2000		6,192	0	0%	2000			
2001		1,071,284	918,750	86%	2001			
2002		6,269,823	3,714,750	59%	2002			

Report	Current	Trended,	Loss & ALAE	Ratio	Report	Current	Trended,	Loss & ALAE	Ratio
	Level	Developed				Level	Developed		
	Earned	Incurred	Earned	Incurred					
Year	Premium	Loss & ALAE			Year	Premium	Loss & ALAE		
1997					1997				
1998					1998				
1999		N/A			1999		N/A		
2000					2000				
2001					2001				
2002					2002				

* Commonwealth is a 'new' writer in West Virginia

West Virginia of Insurance Commission
5% Market Share Report

Exhibit II

Comparison of Budgeted Expenses

St Paul Companies

	2003 Rate Filing	2001 Rate Filing	Filing Forms
<u>Physicians & Surgeons</u> Commission & Brokerage		8.1%	10.5%
New Acquisition		1.0%	(in General)
General		6.2%	6.1%
Taxes, Lics, & Fees	N/A	4.2%	4.2%
Other		2.0%	2.0%
Profit & Contingency		0.3%	-0.3%

Hospitals

Commission & Brokerage			8.1%
New Acquisition			(in General)
General			16.2%
Taxes, Lics, & Fees	N/A	N/A	4.2%
Other			0.0%
Profit & Contingency			-1.2%

Medical Assurance of West Virginia

	2003	2002	
<u>Physicians & Surgeons</u> Commission & Brokerage	4.0%	6.2%	4.0%
New Acquisition	3.0%	2.8%	3.0%
General	7.3%	10.2%	7.3%
Taxes, Lics, & Fees	5.0%	4.0%	5.0%
Other	0.0%	0.0%	0.0%
Profit & Contingency	7.9%	6.5%	7.9%

Hospitals

Commission & Brokerage			
New Acquisition			
General			
Taxes, Lics, & Fees	N/A	N/A	N/A
Other			
Profit & Contingency			

Health Care Indemnity, Inc.

	2003 Rate Filing	2002 Rate Filing	Filing Forms
<u>Hospitals</u> Commission & Brokerage			0.0%
New Acquisition			0.0%
General			2.0%
Taxes, Lics, & Fees	N/A	N/A	2.0%
Other			-3.0%
Profit & Contingency			0.0%

Commonwealth Medical Liability Ins Co

Physicians & Surgeons

	2003 Rate Filing	2002 Rate Filing	Filing Forms
Commission & Brokerage	8.2%		7.5%
New Acquisition	0.0%		1.2%
General	7.8%		2.3%
Taxes, Licenses, & Fees	4.0%	N/A	3.1%
Other	0.0%		N/A
Profit & Contingency	5.0%		N/A

West Virginia Insurance Commission
5% Market Share Report

Exhibit III

Comparison of Investment Income Provisions

Calendar Year	Total Return*	Investment Yield*	Industry Invest. Yield*
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St Paul Companies

1998	7.4%	5.9%	5.7%
1999	10.0%	6.5%	5.4%
2000	7.9%	9.0%	6.1%
2001	4.7%	5.8%	
2002	3.6%	5.7%	

Rate of Return Underlying	2002 Filing:	Not Specified
	2003 Filing:	Not Specified

Medical Assurance of West Virginia

1998	N/A	5.6%	5.7%
1999	N/A	6.9%	5.4%
2000	N/A	6.9%	6.1%
2001	N/A	5.9%	
2002	N/A	3.3%	

Rate of Return Underlying	2002 Filing:	6.5%
	2003 Filing:	4.0%

Health Care Indemnity, Inc.

1998	6.2%	3.6%	5.7%
1999	6.3%	3.7%	5.4%
2000	10.8%	3.7%	6.1%
2001	5.0%	3.3%	
2002	-7.2%	2.8%	

Rate of Return Underlying	Filings:	N/A
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Commonwealth Medical Liability Insurance Company

1998	2.3%	5.6%	5.7%
1999	1.5%	5.1%	5.4%
2000	1.5%	5.6%	6.1%
2001	1.9%	4.9%	
2002	1.0%	3.7%	

Rate of Return Underlying	Filings:	3.00%
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Everest Indemnity Insurance Company

1998	6.6%	6.6%	5.7%
1999	4.7%	6.5%	5.4%
2000	6.3%	6.5%	6.1%
2001	6.2%	7.8%	
2002	4.7%	4.8%	

*Best's Insurance Reports

**West Virginia Insurance Commission
5% Market Share Report**

Exhibit IV

Comparison of Pure Premium Trends

St Paul Companies

	<u>2003</u> <u>Filing</u>	<u>2002</u> <u>Filing</u>	<u>Form</u> <u>Filing</u>
<u>Physicians & Surgeons</u>	5.0%	5.0%	5.0%
<u>Hospitals</u>		N/A	

Medical Assurance of West Virginia

<u>Physicians & Surgeons</u>	5.0%	5.0%	5.0%
<u>Hospitals</u>	N/A	N/A	5.5%

Health Care Indemnity, Inc.

<u>Hospitals</u>	N/A
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Commonwealth Medical Liability Ins Company

<u>Physicians & Surgeons</u>	4.0%	N/A	4.0%
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**West Virginia Insurance Commission
5% Market Share Report**

Exhibit V

Comparison of Accident Year Loss Development Factors

Physicians & Surgeons

St Paul Companies

<u>Maturity (mos)</u>	<u>Incurred LDFs</u>	
12-ultimate	8.110	From 2003 Filed Information
24-ultimate	2.450	
36-ultimate	1.260	
48-ultimate	1.030	
60-ultimate	1.000	
72-ultimate	1.000	

Medical Assurance of West Virginia

N/A

Health Care Indemnity, Inc.

N/A

Commonwealth Medical Liability Ins Co

N/A

**West Virginia Insurance Commission
5% Market Share Report**

Exhibit VI

Premium Reconciliation

<u>Company</u>	<u>Schedule T WP</u>	<u>Filing Forms</u>
Medical Assurance of WV	21,473,947	21,473,947
St Paul Companies	29,549,566	29,549,566
Everest Indemnity Ins Co	8,044,441	N/A
Commonwealth Med Liab	7,688,454	7,668,454
Lexington Ins Co	7,053,692	N/A
Health Care Indemnity, Inc.	5,899,566	5,900,000
All Other	12,268,704	xxxxxx
Total (xAll Other)	79,709,666	64,591,967
	64,611,533	64,591,967

<u>Subline</u>	<u>Medical Assurance</u>	<u>St Paul Companies</u>	<u>Health Care Indemnity, Inc.</u>
Physicians & Surgeons	20,707,312	26,848,774	
Hospitals	766,635	2,194,122	5,899,566
Other Malpractice		728,459	
	<u>Commonwealth</u>	<u>Lexington</u>	<u>Everest Indemnity</u>
Physicians & Surgeons	7,688,454		
Hospitals		6,170,972	7,459,439
Other Malpractice		882,720	585,000

West Virginia Insurance Commission

5% Market Share Report

Exhibit VII

Sample Comparison of Physicians' Medical Malpractice Rates
Claims Made Policies – Mature Rate – \$1M/\$3M

Class Code	Description	Medical Assurance 10/03	National Union 10/00	St Paul 8/01	Commonwealth 1/03	ISO* 4/03
80254	Allergy	\$11,992	\$10,873	\$10,782	\$11,978	\$9,697
80266	Pathology	\$23,323	\$10,873	\$10,782	\$22,640	\$12,125
80420	Family Practice-GP (xOB)	\$23,323	\$13,507	\$15,106	\$22,640	\$16,165
80244	Gynecology (NS)	\$23,323	\$13,507	\$15,106	\$27,971	\$12,125
80293	Pediatrics (NS)	\$23,323	\$13,507	\$15,106	\$22,640	\$24,244
80284	Internal Medicine (MS)	\$34,653	\$20,085	\$22,315	\$33,304	\$24,244
80102	Emergency Medical (NMS)	\$45,984	\$32,566	\$37,453	\$53,315	\$40,409
80145	Surgery-Urological	\$41,451	\$26,123	\$28,802	\$41,767	\$41,224
80286	Neoplastic Disease (MS)	\$34,653	\$26,123	\$28,802	\$27,971	\$20,207
80117(C)	Family Practice-OB/Gyn	\$79,975	\$32,556	\$37,453	\$33,304	\$48,491
80154(B)	Surgery-Orthopedics(spines)	\$90,901	\$32,556	\$37,453	\$82,208	\$57,712
80143	Surgery-General	\$79,975	\$51,233	\$72,584	\$70,861	\$65,957
80153	Surgery-OB/Gyn	\$113,966	\$77,261	\$84,962	\$116,878	\$82,448
80152	Surgery-Neurology	\$159,287	\$110,786	\$123,747	\$139,990	\$107,181

The above rates are current as of 10/22/03. Note that these rates are generally a starting point for rating the physician. Rates are further adjusted by rating plans that may credit/debit an individual physician.

*ISO publishes loss costs and increased limits factors. ISO believes it represents roughly 28% of the Medical Malpractice premium in the State of West Virginia. An expense loading of 20% (roughly comparable to the industry's expense loading) was used to convert the loss costs to rates.

Appendix

Hospitals

2002 West Virginia Business Written

(NAIC Database)

Rank	Company	Direct Premiums Written	Market Share	Direct Premiums Earned	Direct Loss Incurred	Direct Loss Ratio
1	Everest Ind Ins Co	7,459,439	32.9%	4,769,157	2,649,532	55.6%
2	Lexington Ins Co**	6,170,972	27.2%	4,160,196	2,222,782	53.4%
3	Health Care Ind Inc	5,899,566	26.0%	5,899,566	14,864,781	252.0%
4	St Paul Fire & Marine Ins Co	1,972,796	8.7%	3,798,047	3,819,336	100.6%
5	Medical Assurance of WV Inc	766,635	3.4%	1,184,472	-2,048,326	-172.9%
6	St Paul Mercury Ins Co	221,326	1.0%	221,326	1,126,663	509.1%
7	Cincinnati Ins Co	129,413	0.6%	142,007	-95,267	-67.1%
8	Gulf Ins Co	29,007	0.1%	253,889	162,889	64.2%
9	Doctors Co an Interins Exchange	11,626	0.1%	91,039	161,594	177.5%
10	Evanston Ins Co**	9,755	0.0%	13,014	160,963	1236.8%
11	Essex Ins Co	9,345	0.0%	9,345	3,446	36.9%
12	Columbia Cas Co**	1,987	0.0%	2,102	-36,905	-1755.7%
13	Continental Cas Co	271	0.0%	271	-446,005	-164577.5%
	Travelers Cas & Surety Co	0	0.0%	0	9,731	0.0%
	Standard Fire Ins Co	0	0.0%	0	17,071	0.0%
	American Cas Co of Reading PA	0	0.0%	0	22,239	0.0%
	Ace American Ins Co	0	0.0%	0	1,168	0.0%
	Executive Risk Speciality Ins Co Inc	0	0.0%	0	5,393	0.0%
	Bankers Standard Ins Co	0	0.0%	0	-457	0.0%
	Ace Fire Underwriters Ins Co	0	0.0%	0	-1,722	0.0%
	Gulf Underwriters Ins Co**	0	0.0%	5,236	13,813	0.0%
	OHIC Ins Co	0	0.0%	0	263,460	0.0%
	Executive Risk Ind Inc	0	0.0%	0	80,638	0.0%
	Pacific Employers Ins Co	0	0.0%	0	-387	0.0%
	Natl Fire Ins Co of Hartford	0	0.0%	0	35,877	0.0%
	Steadfast Ins Co**	0	0.0%	39,411	681,456	1729.1%
10	Licensed Companies	16,499,424	72.7%	16,369,119	20,631,654	126.0%
3	Surplus Lines Writers**	6,182,714	27.3%	4,219,959	3,042,109	72.1%
13	Grand Total (Active)	22,682,138	100.0%	20,589,078	23,673,763	115.0%

Other Health Care Facilities*

2002 West Virginia Business Written

(NAIC Database)		Direct Premiums Written	Market Share	Direct Premiums Earned	Direct Loss Incurred	Direct Loss Ratio
Rank	Company					
1	National Union Fire Ins Co of Pitts	11,822,707	79.7%	10,023,804	5,468,986	54.6%
2	Lexington Ins Co**	882,720	5.9%	1,046,038	516,120	49.3%
3	Executive Risk Ind Inc	752,462	5.1%	1,044,370	731,857	70.1%
4	Everest Indemnity Ins Co**	585,000	3.9%	392,671	218,151	55.6%
5	Executive Risk Speciality Ins Co	345,720	2.3%	117,024	27,479	23.5%
6	St Paul Fire & Marine Ins Co	142,252	1.0%	406,109	843,473	207.7%
7	Royal Surplus Lines Ins Co**	139,800	0.9%	140,373	7,816	5.6%
8	Western World Ins Co**	106,404	0.7%	87,890	40,329	45.9%
9	Landmark Amer Ins Co	30,000	0.2%	16,849	82	0.5%
10	Arch Speciality Ins Co	29,120	0.2%	9,653	0	0.0%
11	Church Mutual Ins Co	7,298	0.0%	3,473	3,609	103.9%
12	St Paul Mercury Ins Co	463	0.0%	10,725	-79,973	-745.7%
13	Steadfast Ins Co**	420	0.0%	4,964	29,605	596.4%
	American Home Assur Co	-735	0.0%	2,979	-351	-11.8%
	Admiral Ins Co**	-3,328	0.0%	11,720	42	0.4%
	Travelers Ind Co of IL	-4,625	0.0%	-4,625	61,337	-1326.2%
	Cincinnati Ins Co	0	0.0%	172	228,669	132947.1%
	Others	0	0.0%	0	-201,785	0.0%
8 Licensed Companies						
		13,124,662	88.5%	11,630,533	7,083,383	60.9%
5 Surplus Lines Writers*						
		1,711,016	11.5%	1,683,656	812,063	48.2%
13 Grand Total (Active)						
		14,835,678	100.0%	13,314,189	7,895,446	59.3%

* Other health care facilities including nursing homes & BRIM I (reported by National Union Fire)

OTHER MED MAL POLICIES*

2002 West Virginia Business Written

(NAIC Database)		Direct Premiums Written	Market Share	Direct Premiums Earned	Direct Loss Incurred	Direct Loss Ratio
Rank	Company					
1	Doctors Co An Interins Exchange	1,255,937	57.2%	1,007,913	299,904	29.8%
2	Ophthalmic Mut Ins Co RRG***	749,170	34.1%	624,533	196,206	31.4%
3	Oms Natl Ins Co RRG***	100,065	4.6%	82,530	3,374	4.1%
4	Professional UW Liab Ins Co**	77,894	3.5%	46,074	8,391	18.2%
5	American Alt Ins Corp**	8,925	0.4%	10,526	12,295	116.8%
6	American Assoc Of Othodontists**	4,932	0.2%	4,616	2,144	46.4%
	Mt Vernon Fire Ins Co**	0	0.0%	0	-1,917	0.0%
	USF&G	0	0.0%	0	-141	0.0%
	Others	0	0.0%	0	16,058	0.0%

1	Licensed Companies	1,255,937	57.2%	1,007,913	315,821	31.3%
3	Surplus Lines Writers**	91,751	4.2%	61,216	20,913	34.2%
2	Risk Retention Groups***	849,235	38.7%	707,063	199,580	0.0%

6	Grand Total (Active)	2,196,923	100.0%	1,776,192	536,314	30.2%
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* Medical Malpractice policies effective prior to January 1, 1976

Other Health Care Professionals*
(NAIC Database)

2002 West Virginia Business Written

Rank	Company	Direct Premiums Written	Market Share	Direct Premiums Earned	Direct Loss Incurred	Direct Loss Ratio
1	Continental Casualty Co	588,313	16.5%	646,655	-1,444,436	-223.4%
2	St Paul Fire & Marine Ins Co	585,744	16.5%	919,661	799,818	87.0%
3	American Cas Co of Reading PA	523,341	14.7%	496,920	31,362	6.3%
4	TIG Specialty Ins Corp**	273,918	7.7%	146,164	890,000	608.9%
5	Gulf Ins Co	252,731	7.1%	224,725	-94,679	-42.1%
6	Chicago Ins Co	240,693	6.8%	245,360	-2,086	-0.8%
7	NCMIC Ins Co	229,415	6.5%	217,651	384,567	176.7%
8	Evanston Ins Co**	210,488	5.9%	123,116	679,778	552.1%
9	TIG Ins Co	191,716	5.4%	145,378	141,994	97.7%
10	Cincinnati Ins Co	190,838	5.4%	172,578	893,704	517.9%
11	Western World Ins Co**	82,321	2.3%	52,169	23,938	45.9%
12	Granite State Ins Co	48,546	1.4%	22,719	14,391	63.3%
13	Ace American Ins Co	38,544	1.1%	33,571	9,137	27.2%
14	Connecticut Ind Co	22,982	0.6%	24,725	5,538	22.4%
15	Medical Protective Co	18,611	0.5%	17,962	9,000	50.1%
16	Safeco Surplus Lines Ins Co**	16,696	0.5%	19,861	1,170	5.9%
17	Kemper Indemnity Ins Co	11,265	0.3%	4,723	0	0.0%
18	Fireman's Fund Ins Co	9,582	0.3%	9,095	0	0.0%
19	Admiral Ins Co**	6,900	0.2%	6,467	2,615	40.4%
20	Nationwide Mutual Ins Co	5,835	0.2%	5,984	-2,673	-44.7%
21	Pharmacists Mutual Ins Co	2,320	0.1%	788	240	30.5%
22	Columbia Casualty Co	1,507	0.0%	1,769	-141,698	-8010.1%
23	Lumbermans Mutual Casualty Co	1,196	0.0%	144	0	0.0%
24	National Fire Ins Co of Hartford	963	0.0%	5,019	45,949	915.5%
25	Nationwide Mutual Fire Ins Co	911	0.0%	911	-255	-28.0%
26	Westport Ins Corp	575	0.0%	-304	954	-313.8%
	Federal Ins Co	0	0.0%	0	25	0.0%
	Medical Assur Co Inc	0	0.0%	478	-201	-42.1%
	St Paul Mercury Ins Co	0	0.0%	0	-15	0.0%

	Kemper Casualty Ins Co	0	0.0%	148	0	0.0%
	General Ins Co of America	0	0.0%	588	132	22.4%
	Ace Fire Underwriters Ins Co	0	0.0%	0	1,307	0.0%
	Gulf Underwriters Ins Co**	0	0.0%	0	-31,534	0.0%
	OHIC Ins Co	0	0.0%	0	502	0.0%
	Illinois National Ins Co	0	0.0%	0	149,862	0.0%
	Others	0	0.0%	1,147	1,074	93.6%

20	Licensed Companies	2,961,628	83.3%	3,198,395	803,513	25.1%
6	Surplus Lines Writers*	590,323	16.7%	347,777	1,565,967	450.3%
0	Risk Retention Groups**	0	0.0%	0	0	0.0%

26	Grand Total	3,555,951	100.0%	3,546,172	2,369,480	66.8%
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* Other Health Care Professionals, including dentists

Total Medical Malpractice (NAIC Database)	2002 West Virginia Business Written				
	Direct		Direct	Direct	Direct
	Premiums	Market	Premiums	Loss	Loss
Company	Written	Share	Earned	Incurred	Ratio
St Paul Fire & Marine Ins Co	29,549,566	32.1%	42,693,599	34,047,063	79.8%
Medical Assurance of WV Inc	21,473,947	23.4%	23,990,391	21,310,922	88.8%
Everest Indemnity Ins Co	8,044,441	8.8%	5,161,830	2,867,683	55.6%
Commonwealth Med Liab Ins Co	7,688,454	8.4%	6,269,823	3,714,750	59.3%
Lexington Ins Co*	7,053,692	7.7%	5,206,234	2,738,902	52.6%
Health Care Indemnity Inc	5,899,566	6.4%	5,899,566	14,864,781	252.0%
OHIC Ins Co	1,327,299	1.4%	1,204,742	5,575,633	462.8%
Doctors Ins Co An Interins Exchange	1,267,563	1.4%	1,098,952	461,498	42.0%
APSpeciality Ins Co*	1,209,277	1.3%	1,026,046	573,681	55.9%
Physicians Specialty Ltd RRG**	954,420	1.0%	238,605	136,697	57.3%
Executive Risk Indemnity Inc	752,460	0.8%	1,044,366	812,493	77.8%
Ophthalmic Mutual Ins Co RRG**	749,170	0.8%	624,533	196,206	31.4%
National Union Fire Ins Co of Pittsburgh	658,448	0.7%	523,478	4,249,661	811.8%
Continental Casualty Co	588,584	0.6%	544,777	-6,854,181	-
					1258.2%
American Cas Co of Reading PA	527,242	0.6%	500,537	126,692	25.5%
Executive Risk Specialty Ins Co	345,718	0.4%	117,024	32,872	28.1%
Cincinnati Ins Co	321,069	0.3%	315,001	1,027,214	326.1%
Gulf Ins Co	281,738	0.3%	478,615	68,210	14.3%
TIG Specialty Ins Corp*	273,918	0.3%	146,164	890,000	608.9%
Interstate Fire & Casualty Co	267,974	0.3%	481,593	272,682	56.6%
Preferred Physicians Medical RRG**	250,589	0.3%	241,117	43,678	18.1%
Chicago Ins Co	240,694	0.3%	244,735	138,658	56.7%
NCMIC Ins Co	229,415	0.2%	217,651	384,567	176.7%
St Paul Mercury Ins Co	221,789	0.2%	233,081	1,046,864	449.1%
Evanston Ins Co*	220,243	0.2%	136,130	910,722	669.0%
TIG Ins Co	191,716	0.2%	145,378	141,994	97.7%
Western World Ins Co*	188,725	0.2%	140,059	64,267	45.9%
Podiatry Ins Co of America RRG Mutual Co**	180,383	0.2%	159,987	276,184	172.6%
Royal Surplus Lines Ins Co*	139,800	0.2%	140,373	7,816	5.6%
Medical Protective Co	126,777	0.1%	260,562	-87,000	-33.4%
Professionals Advocate Ins Co	118,257	0.1%	111,103	-401,504	-361.4%
Oms National Ins Co RRG**	100,065	0.1%	82,530	3,374	4.1%
Professional UW Liab Ins Co*	77,894	0.1%	46,074	977,560	2121.7%
Steadfast Ins Co*	70,190	0.1%	132,929	1,052,542	791.8%
American Healthcare Indemnity Co	56,391	0.1%	108,602	561,787	517.3%
Granite State Ins Co	48,546	0.1%	22,719	14,391	63.3%
MIIX Ins Co	48,517	0.1%	57,902	10,304	17.8%
Ace American Ins Co	38,544	0.0%	43,518	10,304	23.7%
Landmark American Ins Co	30,000	0.0%	16,849	83	0.5%
Arch Speciality Ins Co	29,120	0.0%	9,653	4,407	45.7%
Columbia Casualty Co	25,180	0.0%	10,207	-574,005	-
					5623.6%
Connecticut Indemnity Co	22,982	0.0%	24,725	5,539	22.4%
Reciprocal of America	12,816	0.0%	12,179	312,710	2551.2%
Safeco Surplus Lines Ins Co	16,696	0.0%	19,861	1,170	5.9%
Kemper Indemnity Ins Co	11,265	0.0%	4,723	0	0%
Firemans Fund Ins Co	9,582	0.0%	9,025	5,400	59.8%
Essex Ins Co	9,345	0.0%	9,345	3,446	36.9%

American Alternative Ins Co	8,925	0.0%	10,526	12,295	116.8%
Church Mutual Ins Co	7,298	0.0%	3,473	3,609	103.9%
Nationwide Mut Ins Co	5,835	0.0%	5,984	-2,674	-44.7%
Amer Assoc of Orthodontists RRG**	4,932	0.0%	4,616	2,145	46.5%
Admiral Ins Co	3,572	0.0%	18,187	282	1.6%
American Physicians Assurance Corp	3,536	0.0%	307,304	522,500	170.0%
Pharmacists Mutual Ins Co	2,320	0.0%	788	240	30.5%
Lumbermens Mutual Casualty Co	1,196	0.0%	144	0	0%
National Fire Ins Co of Hartford	963	0.0%	5,019	220,238	4388.1%
American Equity Specialty Ins Co	923	0.0%	923	8,221	890.7%
Nationwide Mutual Fire Ins Co	911	0.0%	911	-255	-28.0%
Westport Ins Corp	575	0.0%	-304	954	-313.8%
Scottsdate Ins Co*	0	0.0%	0	-322,898	0.0%
Kemper Casualty Ins Co	0	0.0%	149	0	0.0%
Bankers Standard Ins Co	0	0%	0	-457	0%
Potomac Ins Co of IL	0	0%	0	-17,612	0%
Maxum Indemnity Co	0	0%	0	-3,934	0.0%
Medical Assurance Co Inc	0	0%	0	381,833	0.0%
North River Ins Co	0	0%	0	-22	0.0%
Standard Fire Ins Co	0	0%	0	94,261	0.0%
Travelers Ind Co	0	0%	0	-16	0.0%
Illinois National Ins Co	0	0%	0	1,651,861	0.0%
American Intl Specialty Lines Ins Co	0	0%	0	-159,486	0.0%
Western Ind Ins Co	0	0%	0	194,970	615.1%
National Surety Corp	0	0%	207	0	0.0%
Insurance Co of the State of PA	0	0%	0	12	0.0%
USF & G	0	0%	0	-141	2307.1%
Shelby Ins Co	0	0%	0	-118,364	0.0%
Mount Vernon Fire Ins Co	0	0%	0	-1,917	0.0%
Pacific Employers Ins Co	0	0%	0	367	0.0%
American Equity Ins Co	0	0%	0	638,951	0.0%
Fairmont Ins Co	0	0%	564	1,000	0.0%
Specialty Surplus Ins Co	0	0%	0	34	0.0%
Colony National Ins Co	0	0%	337	0	0.0%
Continental Ins Co	0	0%	0	-25,000	0.0%
Gulf Underwriters Ins Co	0	0%	5,236	-17,721	0.0%
Vigilant Ins Co	0	0%	0	457	0.0%
Others	-12,613	0%	-8,311	-1,243,571	14963.0%
Licensed Companies	83,582,966	90.9%	92,276,242	84,978,942	92.1%
Surplus Lines Writers*	6,155,845	6.7%	6,927,935	5,915,032	85.4%
Risk Retention Groups**	2,239,559	2.4%	1,351,388	658,284	48.7%
Grand Total	91,978,370	100.00%	100,555,565	91,552,258	91.0%