



Commissioner Kim Holland

Oklahoma Insurance Department

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Medical Professional Liability Insurance

Closed Claim Annual Report

January 1, 2004 – December 31, 2004

Oklahoma Insurance Department

Medical Professional Liability Insurance Closed Claim Annual Report January 1, 2004 – December 31, 2004

The Oklahoma Insurance Department is pleased to present composite data of medical professional liability closed claim reports for 2004. The Department publishes this report pursuant to Title 36, Section 6813 of the Oklahoma Statutes. This report contains aggregate numbers from statewide closed claims data. Information about specific closed claims is confidential pursuant to Title 36, Section 6816 and is unavailable for public inspection.

The Oklahoma Insurance Department has procedures to collect the claim reports and produce the final composite report. However, the closed claim reports submitted to the Insurance Department are done without any type of affirmation of accuracy by the insurer. The Insurance Department makes no final and absolute guarantees about the information contained within the report. This information should not be viewed as a substitute for any type of financial or actuarial opinion about a reporting insurer's claims activity.

The Oklahoma Insurance Department collects unedited data from reporting insurers and presents the final aggregate numbers in the annual report. The Department continues to work with the Oklahoma Legislature and with other Oklahomans to more accurately define the statutory requirements and to enhance the data collection understanding and process.

Questions about this report should be directed to:

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The Policy 2004

Business or Profession	Closed Claim Count
Physicians & Surgeons	660
Hospitals	90
Other Medical Professionals	55
Other Health Care Facilities	169

Insurance Policy Limits	Closed Claim Count
100,000	1
100,000/300,000	5
500,000/1,000,000	4
500,000/2,500,000	0
900,000	0
1,000,000	105
1,000,000/1,000,000	140
1,000,000/3,000,000	228
1,000,000/5,000,000	1
2,000,000	1
2,000,000/2,000,000	62
2,000,000/4,000,000	3
3,000,000	0
3,000,000/3,000,000	157
3,000,000/5,000,000	0
5,000,000	5
5,000,000/5,000,000	198
5,000,000/10,000,000	0
10,000,000	51
2,000,000/5,000,000	1
2,000,000/6,000,000	6
25,000,000	4
50,000/1,000,000	1
500,000	1

Type of Insurance Coverage	Closed Claim Count
Claims Made - basic	84
Claims Made - tail	21
Occurrence	867
Claims Made	1
Unknown	1

Insured's Practice Type	Closed Claim Count
Institutional (academic)	37
Corporation or Partnership (group)	225
Self-employed	657
Employed Physician	10
Employed Nurse	1
All Other Employees	8
Intern or Resident	9
Not Applicable	27

Composite Amount Reserved for All Claims

\$112,360,749.00

(This component is an example of the data refinement previously mentioned. The component was interpreted differently by insurers. In the 2005 report, the component was separated into Reserve at Onset and Last Reserve.)

Injury or Loss 2004

Injury Location - Facility	Closed Claim Count
Hospital Inpatient Facility	599
Emergency Room	61
Hospital Outpatient Facility	14
Nursing Home	61
Physician's Office	178
Patient's Home	16
Other Outpatient Facility	24
Other	7
Other Hospital/Institutional Location	12
Unknown	2

Injury Location - County	Closed Claim Count
Adair	1
Alfalfa	1
Atoka	0
Beaver	0
Beckham	5
Blaine	0
Bryan	2
Caddo	1
Canadian	6
Carter	5
Cherokee	10
Choctaw	0
Cimarron	0
Cleveland	118
Coal	0
Comanche	42
Cotton	0
Craig	1
Creek	7
Custer	5
Delaware	6
Dewey	0
Ellis	0
Garfield	10
Garvin	2
Grady	9
Grant	0
Greer	0
Harmon	0
Harper	0
Haskell	2
Hughes	0
Jackson	3
Jefferson	1

Injury Location - County	Closed Claim Count
Johnston	0
Kay	12
Kingfisher	0
Kiowa	1
Latimer	0
Le Flore	5
Lincoln	3
Logan	2
Love	0
Major	1
Marshall	0
Mayes	1
McClain	0
McCurtain	7
McIntosh	0
Murray	1
Muskogee	16
Noble	0
Nowata	0
Okfuskee	0
Oklahoma	361
Okmulgee	18
Osage	0
Ottawa	0
Pawnee	1
Payne	9
Pittsburg	5
Pontotoc	11
Pottawatomie	17
Pushmataha	0
Roger Mills	3
Rogers	4
Seminole	5
Sequoyah	3
Stephens	7
Texas	1
Tillman	0
Tulsa	220
Wagoner	7
Washington	8
Washita	4
Woods	0
Woodward	3
Unknown	1
Out of State	0
Not Applicable	0

Claims Process 2004

Was a Lawsuit Filed?	Closed Claim Count
Yes	842
No	132

County Where Suit Was Filed	Closed Claim Count
Adair	1
Alfalfa	1
Atoka	0
Beaver	0
Beckham	4
Blaine	0
Bryan	4
Caddo	1
Canadian	6
Carter	5
Cherokee	10
Choctaw	0
Cimarron	0
Cleveland	111
Coal	0
Comanche	37
Cotton	0
Craig	1
Creek	7
Custer	1
Delaware	4
Dewey	0
Ellis	0
Garfield	8
Garvin	2
Grady	5
Grant	0
Greer	0
Harmon	1
Harper	0
Haskell	2
Hughes	0
Jackson	2
Jefferson	1
Johnston	0
Kay	11
Kingfisher	0
Kiowa	1

County Where Suit Was Filed	Closed Claim Count
Latimer	0
Le Flore	4
Lincoln	2
Logan	2
Love	0
Major	1
Marshall	0
Mayes	2
McClain	1
McCurtain	7
McIntosh	0
Murray	1
Muskogee	12
Noble	0
Nowata	0
Okfuskee	0
Oklahoma	319
Okmulgee	16
Osage	0
Ottawa	0
Pawnee	1
Payne	8
Pittsburg	5
Pontotoc	7
Pottawatomie	17
Pushmataha	0
Roger Mills	4
Rogers	4
Seminole	2
Sequoyah	2
Stephens	7
Texas	1
Tillman	1
Tulsa	174
Wagoner	7
Washington	6
Washita	0
Woods	0
Woodward	2
Unknown	0
Out of state (Federal)	1
Not applicable	132

Claims Process 2004 (continued)

Were Attorneys Involved?	Closed Claim Count
Yes	927
No	47
Not Applicable	0

Stage the Claim Was Closed	Closed Claim Count
No Suit	127
Suit Filed No Trial	768
Trial No Verdict	4
Court Verdict	74
Not Applicable	1

Was a Court Verdict Issued?	Closed Claim Count
Yes	83
No	867
Not Applicable	24

Result of Court Verdict	Closed Claim Count
Directed Verdict for Plaintiff	0
Directed Verdict for Defendant	10
Judgment for Plaintiff	7
Judgment for Defendant	57
All Others	7
Judgment Not Withstanding for Defendant	2
Not Applicable	891

Was the Verdict Appealed?	Closed Claim Count
Yes	9
No	818
Not Applicable	142
Unknown	5

Who Requested Appeal?	Closed Claim Count
Plaintiff	9
Not Applicable	960
Unknown	5

Number of Defendants	Closed Claim Count
One	414
Two	184
Three	108
Four	70
Five	22
Six	34
More than Six	58
Not Applicable	79
Unknown	5

Settled Outside of Court	Closed Claim Count
Yes	344
No	607
Not Applicable	23

Legal Stage of Settlement	Closed Claim Count
Alternative Dispute Resolution: No Suit	13
No Suit Filed	49
Alternative Dispute Resolution: With Suit	50
Suit Filed, Settled Before Trial	192
Court Verdict	7
Case Dismissed or Summary Judgment	538
Not Applicable	118
During Trial, Before Court Verdict	1
Settlement After Appeal Filed	1
Unknown	5

Amount Paid 2004

Amount of Court Award		\$74,299,831
Amount Paid by the Medical Professional Liability Insurer		\$77,388,723
Amount of any Collateral Source	\$ 1,592	
Amount of any Structured Settlement	\$ 216,794	
Amount of Economic Compensatory Damages	\$32,059,954	
Amount of Noneconomic Compensatory Damages	\$35,399,325	
	Total:	\$67,677,665
Amount of Allocated Loss Adjustment Expenses		\$20,624,242
Amount Paid for Defense Cost		\$22,545,070
Amount Paid by Another Insurer, if Known		\$27,625,460
Amount Paid by Another Defendant, if Known		\$111,280
Amount of Prejudgment Interest		\$92,285
Amount Paid for Punitive Damages		\$1,647,953

Please Note:

1. Because of ambiguity and reporting differences, some amounts, which should have a relationship with one another, do not agree.
2. Allocated Loss Adjustment Expense (ALAE) may include defense attorney expenses, court costs, stenographer costs, expenses for expert testimony, specific research, etc. However, it is important to note that insurers may not have reported this data consistently. Some carriers may have included defense attorney expenses in the Amount of Allocated Loss Adjustment Expense category and the Amount Paid for Defense costs or one category but not the other.
3. The original statutes do not allow the Department to collect the precise data that we believe is necessary to adequately interpret and/or suggest any findings of fact. During the 2006 Legislative Session, minor changes were made to the statute to improve data collection methodologies; however, we believe additional changes are necessary to produce a reliable report. The Department will continue to work with the Oklahoma Legislature and, on a national scale, with the National Association of Insurance Commissioners' Statistical Information Task Force to enhance the data collection. This Task Force is in the initial stages of drafting a Medical Malpractice Closed Claim Reporting Model Law that should be beneficial to Oklahoma and to other states as well.

Oklahoma Insurance Department
 Medical Professional Liability Insurance
 Closed Claim Annual Report Supplement*

Supplemental Information	
Number of claims with payment by insurer	257
Number of claims with no payment by insurer	717
Total amount of payment by the Medical Professional Liability Insurer	\$77,388,723
Average payment of claims with payment by insurer	\$301,123
Total amount of ALAE for claims with payment by insurer	\$6,864,092
Total amount of ALAE for claims with no payment by insurer	\$13,760,150
Average ALAE for claims with payment by insurer	\$26,709
Average ALAE for claims with no payment by insurer	\$19,191

*The information on this page is provided as a courtesy by the Oklahoma Insurance Department to supplement your Medical Professional Liability Insurance Closed Claim Annual Report and is not required to be furnished by statute.

Allocated Loss Adjustment Expense (ALAE) may include defense attorney expenses, court costs, stenographer costs, expenses for expert testimony, specific research, etc. However, it is important to note that insurers may not have reported this data consistently. Some carriers may have included defense attorney expenses in the Amount of Allocated Loss Adjustment Expense category and the Amount Paid for Defense costs or one category but not the other.