

## DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or [library@lcb.state.nv.us](mailto:library@lcb.state.nv.us).

**NEVADA MEDICAL MALPRACTICE HISTORICAL EXPERIENCE**  
**SOURCE: NAIC I-SITE (ANNUAL STATEMENT)**

	1997	1998	1999	2000	2001	2002	Total
<b>St Paul Companies</b>							
Market Share	35.2%	34.6%	36.5%	39.5%	36.3%	13.8%	30.7%
Direct Written Premium	\$16,131	\$17,363	\$17,533	\$19,858	\$22,387	\$11,863	\$105,135
Direct Earned Premium	\$15,719	\$14,178	\$18,125	\$19,652	\$22,208	\$23,497	\$113,379
Losses Incurred	\$29,787	\$22,801	\$23,955	\$22,224	\$43,824	\$46,535	\$189,126
ALAE Incurred	\$4,909	\$4,217	\$5,068	\$4,023	\$7,622	\$7,531	\$33,370
Loss Ratio	189%	161%	132%	113%	197%	198%	167%
Loss & ALAE Ratio	221%	191%	160%	134%	232%	230%	196%
<b>The Doctors' Company Group</b>							
Market Share	31.8%	26.7%	15.1%	11.6%	12.7%	9.0%	16.6%
Direct Written Premium	\$14,569	\$13,413	\$7,247	\$5,818	\$7,844	\$7,715	\$56,606
Direct Earned Premium	\$15,175	\$11,079	\$8,734	\$5,861	\$6,628	\$10,983	\$58,460
Losses Incurred	\$16,383	\$14,564	\$15,008	\$1,425	-\$1,523	\$7,149	\$53,006
ALAE Incurred	\$2,593	\$1,624	\$991	-\$929	\$2,679	\$5,560	\$12,518
Loss Ratio	108%	131%	172%	24%	-23%	65%	91%
Loss & ALAE Ratio	125%	146%	183%	8%	17%	116%	112%
<b>Healthcare Indemnity Inc.</b>							
Market Share	7.3%	8.8%	11.2%	13.9%	12.6%	12.0%	11.2%
Direct Written Premium	\$3,356	\$4,412	\$5,372	\$7,009	\$7,797	\$10,292	\$38,238
Direct Earned Premium	\$3,356	\$4,412	\$5,372	\$7,009	\$7,797	\$10,292	\$38,238
Losses Incurred	\$2,236	\$3,302	\$4,817	\$6,695	\$8,615	\$8,486	\$34,151
ALAE Incurred	\$1,095	\$816	\$1,255	\$3,005	\$1,289	\$1,513	\$8,973
Loss Ratio	67%	75%	90%	96%	110%	82%	89%
Loss & ALAE Ratio	99%	93%	113%	138%	127%	97%	113%
<b>CNA Group</b>							
Market Share	8.4%	9.7%	10.8%	7.1%	4.7%	3.4%	6.8%
Direct Written Premium	\$3,870	\$4,842	\$5,175	\$3,586	\$2,893	\$2,917	\$23,283
Direct Earned Premium	\$2,954	\$4,398	\$5,468	\$4,191	\$3,474	\$3,004	\$23,489
Losses Incurred	\$916	\$434	\$3,627	\$5,987	\$13,571	\$14,121	\$38,656
ALAE Incurred	\$662	\$102	\$1,500	\$824	\$1,024	\$3,257	\$7,369
Loss Ratio	31%	10%	66%	143%	391%	470%	165%
Loss & ALAE Ratio	53%	12%	94%	163%	420%	578%	196%
<b>Physicians Insurance Company Of WI</b>							
Market Share	1.0%	2.9%	3.2%	4.8%	6.5%	8.6%	5.0%
Direct Written Premium	\$472	\$1,464	\$1,541	\$2,389	\$3,983	\$7,361	\$17,210
Direct Earned Premium	\$447	\$1,024	\$1,491	\$2,258	\$2,918	\$6,292	\$14,430
Losses Incurred	\$201	\$461	\$915	\$1,016	\$1,377	\$7,274	\$11,244
ALAE Incurred	\$101	\$210	\$337	\$479	\$689	\$1,376	\$3,192
Loss Ratio	45%	45%	61%	45%	47%	116%	78%
Loss & ALAE Ratio	68%	66%	84%	66%	71%	137%	100%

**NEVADA MEDICAL MALPRACTICE HISTORICAL EXPERIENCE**

SOURCE: NAIC I-SITE (ANNUAL STATEMENT)

	1997	1998	1999	2000	2001	2002	Total
<b>Fireman's Fund Group</b>							
Market Share	0.9%	2.7%	4.2%	5.9%	6.8%	6.7%	4.9%
Direct Written Premium	\$416	\$1,348	\$2,003	\$2,949	\$4,177	\$5,785	\$16,678
Direct Earned Premium	\$412	\$933	\$1,805	\$2,570	\$3,716	\$6,302	\$15,738
Losses Incurred	\$71	\$509	\$653	\$1,466	\$4,420	\$19,089	\$26,208
ALAE Incurred	\$103	\$227	-\$235	\$1,175	\$666	\$3,990	\$5,926
Loss Ratio	17%	55%	36%	57%	119%	303%	167%
Loss & ALAE Ratio	42%	79%	23%	103%	137%	366%	204%
<b>American Physicians Assurance Corporation</b>							
Market Share	0.0%	0.3%	2.4%	3.6%	4.8%	5.3%	3.1%
Direct Written Premium	\$0	\$136	\$1,171	\$1,790	\$2,945	\$4,595	\$10,637
Direct Earned Premium	\$0	\$39	\$558	\$1,473	\$2,268	\$4,245	\$8,583
Losses Incurred	\$0	\$20	\$305	\$1,835	\$3,473	\$3,804	\$9,437
ALAE Incurred	\$0	\$10	\$160	\$550	\$1,060	\$1,096	\$2,876
Loss Ratio	0%	51%	55%	125%	153%	90%	110%
Loss & ALAE Ratio	0%	77%	83%	162%	200%	115%	143%
<b>Nevada Mutual Insurance Company</b>							
Market Share						10.7%	2.7%
Direct Written Premium						\$9,236	\$9,236
Direct Earned Premium						\$3,604	\$3,604
Losses Incurred						\$1,589	\$1,589
ALAE Incurred						\$882	\$882
Loss Ratio						44%	44%
Loss & ALAE Ratio						69%	69%
<b>TIG</b>							
Market Share	0.0%	0.0%	2.7%	0.5%	2.2%	6.4%	2.5%
Direct Written Premium	\$0	\$0	\$1,311	\$256	\$1,379	\$5,533	\$8,479
Direct Earned Premium	\$0	\$0	\$775	\$778	\$1,255	\$3,699	\$6,507
Losses Incurred	\$0	\$0	\$200	\$452	\$698	\$3,097	\$4,447
ALAE Incurred	\$0	\$0	\$134	\$327	\$283	\$663	\$1,407
Loss Ratio	0%	0%	26%	58%	56%	84%	68%
Loss & ALAE Ratio	0%	0%	43%	100%	78%	102%	90%
<b>Zurich Group</b>							
Market Share	2.1%	1.2%	2.6%	3.9%	2.2%	1.2%	2.1%
Direct Written Premium	\$943	\$617	\$1,254	\$1,980	\$1,357	\$1,066	\$7,217
Direct Earned Premium	\$950	\$987	\$660	\$2,285	\$1,298	\$1,362	\$7,542
Losses Incurred	\$599	\$936	\$2,446	\$99	\$3,977	\$1,076	\$9,133
ALAE Incurred	\$136	-\$245	\$281	\$21	-\$191	\$223	\$225
Loss Ratio	63%	95%	371%	4%	306%	79%	121%
Loss & ALAE Ratio	77%	70%	413%	5%	292%	95%	124%

**NEVADA MEDICAL MALPRACTICE HISTORICAL EXPERIENCE**  
**SOURCE: NAIC I-SITE (ANNUAL STATEMENT)**

	1997	1998	1999	2000	2001	2002	Total
<b>Medical Insurance Exchange of California</b>							
Market Share	2.1%	1.3%	1.2%	1.1%	0.8%	1.2%	1.2%
Direct Written Premium	\$952	\$659	\$572	\$549	\$465	\$1,030	\$4,227
Direct Earned Premium	\$945	\$751	\$588	\$608	\$463	\$979	\$4,334
Losses Incurred	-\$707	\$604	\$5,772	-\$1,661	\$1,125	-\$311	\$4,822
ALAE Incurred	\$762	-\$814	\$338	-\$84	-\$247	\$526	\$481
Loss Ratio	-75%	80%	982%	-273%	243%	-32%	111%
Loss & ALAE Ratio	6%	-28%	1039%	-287%	190%	22%	122%
<b>Preferred Physicians Medical RRG</b>							
Market Share	1.0%	1.1%	1.2%	1.3%	1.1%	1.1%	1.1%
Direct Written Premium	\$480	\$549	\$573	\$642	\$689	\$952	\$3,885
Direct Earned Premium	\$462	\$509	\$551	\$640	\$677	\$887	\$3,726
Losses Incurred	\$215	\$1,968	-\$177	\$355	\$806	\$1,335	\$4,502
ALAE Incurred	\$301	\$258	\$30	\$212	\$111	\$321	\$1,233
Loss Ratio	47%	387%	-32%	55%	119%	151%	121%
Loss & ALAE Ratio	112%	437%	-27%	89%	135%	187%	154%
<b>Medical Protective</b>							
Market Share	0.1%	0.0%	0.0%	0.1%	0.2%	4.3%	1.1%
Direct Written Premium	\$31	\$23	\$0	\$47	\$121	\$3,660	\$3,882
Direct Earned Premium	\$35	\$28	\$18	\$27	\$74	\$2,093	\$2,275
Losses Incurred	\$22	\$15	\$2	-\$38	\$29	\$2,250	\$2,280
ALAE Incurred	\$2	\$2	\$1	-\$1	\$16	\$1,120	\$1,140
Loss Ratio	63%	54%	11%	-141%	39%	108%	100%
Loss & ALAE Ratio	69%	61%	17%	-144%	61%	161%	150%
<b>Medical Liability Association of Nevada</b>							
Market Share						9.9%	2.5%
Direct Written Premium						\$8,549	\$8,549
Direct Earned Premium						\$3,495	\$3,495
Losses Incurred							
ALAE Incurred							
Loss Ratio							
Loss & ALAE Ratio							
<b>Totals</b>							
Market Share	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Written Premium	\$45,850	\$50,156	\$48,072	\$50,285	\$61,692	\$85,973	\$342,028
Direct Earned Premium	\$45,086	\$44,121	\$48,216	\$50,797	\$57,247	\$85,837	\$331,304
Losses Incurred*	\$53,742	\$47,769	\$61,358	\$43,093	\$84,602	\$117,997	\$408,561
ALAE Incurred*	\$10,974	\$6,936	\$12,120	\$10,025	\$16,890	\$29,508	\$86,453
Loss Ratio*	119%	108%	127%	85%	148%	143%	125%
Loss & ALAE Ratio*	144%	124%	152%	105%	177%	179%	151%
Note: For calendar years 1999 and subsequent, "ALAE" is defense and cost containment expense.							
*Excludes Medical Liability Association of Nevada.							

## NEVADA MEDICAL MALPRACTICE RATE HISTORY

In Order by Group Marketshare Over Past Six Years

### St Paul Companies - Entered Market in 1995

Date	Requested Rate	Approved Rate	Area Affected
01/01/1997	-15.0%	-15.0%	Statewide
09/01/1999	7.0%	7.0%	Statewide
09/01/2000	7.5%	7.5%	10.4% Clark County, 0% Rest of State
09/01/2001	83.6%	29.3%	35.0% Clark County, 0% Rest of State
12/01/2001		12.5%	15.0% Clark County, 0% Rest of State
03/01/2002		7.9%	9.5% Clark County, 0% Rest of State
	83.6%	57.0%	70% Clark County, 0% Rest of State
04/28/2002			Began Withdrawing From Market

### The Doctors' Company - Entered Market in 1980

Date	Requested Rate	Approved Rate	Area Affected
04/15/1996	31.0%	11.7%	16.1% Clark County, 5.9% Rest of State
04/01/1997		11.0%	18.7% Clark County, 0% Rest of State
	31.0%	24.0%	
07/01/1997	-0.1%	-0.1%	2.3% Clark County, -3.6% Rest of State
01/01/1999	8.7%	6.7%	15.3% Clark County, -3.1% Rest of State
01/01/2000	-2.2%	-2.2%	Statewide
01/01/2001	3.8%	3.8%	12.2% Clark County, -2.0% Rest of State
08/01/2001	1.2%	1.2%	Statewide (Entity Fee Increase From 6% to 10%)
06/25/2002	28.4%	26.0%	41.6% Clark County, 15.0% Rest of State: Company agreed to cap increases to 50% on renewal book of business. (As originally filed was 51.1% Clark County, 12.2% Rest of State with very large increases for some Clark County classifications (up to 296%.)
Pending	16.9%		17% Clark County, 15.7% Rest of State. Consists of manual rate increases by classification, reduction of claims-free discount from 15% to 12.5%, and reduction in group size discount.

### CNA - Entered Market in 1994

Date	Requested Rate	Approved Rate	Area Affected
09/01/2001	100.0%	52.0%	Statewide
Pending	104.0%		Statewide
CNA is now asking for 92.7% rather than the originally requested 104.0%.			

## NEVADA MEDICAL MALPRACTICE RATE HISTORY

In Order by Group Marketshare Over Past Six Years

### Physicians Insurance Company Of WI - Entered Market in 1997

Date	Requested Rate	Approved Rate	Area Affected
10/23/1997			New Program
04/01/1999			Additional Rating Flexibility & New Discounts
05/01/2001	7.40%	7.4%	7.5% Clark County, 0% Rest of State
01/01/2002	20.5%	20.5%	20.7% Clark County, 0% Rest of State
12/19/2002	24.7%	24.7%	25.0% Clark County, 10.0% Rest of State

### Chicago Insurance Company - Entered Market in 1999

Date	Requested Rate	Approved Rate	Area Affected
10/29/1999			New Program
06/11/2002			Began Withdrawing From Market

### American Physicians Assurance Corporation

(formerly known as Michigan Physicians Mutual Liability Company and Mutual Insurance Corporation of America)

Date	Requested Rate	Approved Rate	Area Affected
01/01/1998			New Program
01/15/1999			Introduction of Tiered Rating for OB/GYN's (less than 150, 250 or more)
07/25/1998			Introduction of Group Rates
02/20/1999			Introduction of 15% discount for members of Physicians Risk Purchasing Group, LLC
08/02/2001	34.2%	34.2%	
05/01/2002	100.0%	85.1%	
05/01/2003			Revised OB rating rules putting less emphasis on number of deliveries. OB's will have option to 5/1/02 rates/rules. Rate impact unknown. Depends on how many elect new rules.

05/01/02 changed applicable to renewal business 9/1/02. Company writes in Clark County only.

### Nevada Mutual Insurance Company - Entered Market in 2002

Date	Requested Rate	Approved Rate	Area Affected
05/06/2002			New Program
09/01/2002			Deductible credit options.
01/15/2003	0.0%	0.0%	Revised OB rating rules putting less emphasis on number of deliveries.

# NEVADA MEDICAL MALPRACTICE RATE HISTORY

In Order by Group Marketshare Over Past Six Years

## TIG - Entered Market in 1999

Date	Requested Rate	Approved Rate	Area Affected
12/29/1998			New Program - for Healthcare Insurance Group - Purchasing Group Registered 01/30/1999
12/01/1999			New Program - Physicians and Healthcare Facilities (no change to physician rates from 12/29/1998 filing)
Received notice 12/16/02 that company is restructuring.			

## Medical Protective - Entered Market in 2000

Date	Requested Rate	Approved Rate	Area Affected
03/01/2000			New Program
06/25/2002	75.7%	63.0%	77.4% Clark County, 0.8% Rest of State