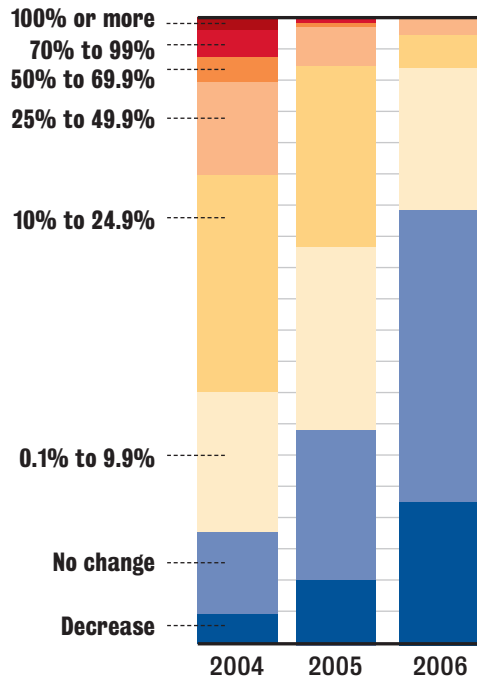


## CRITICAL BUT STABLE

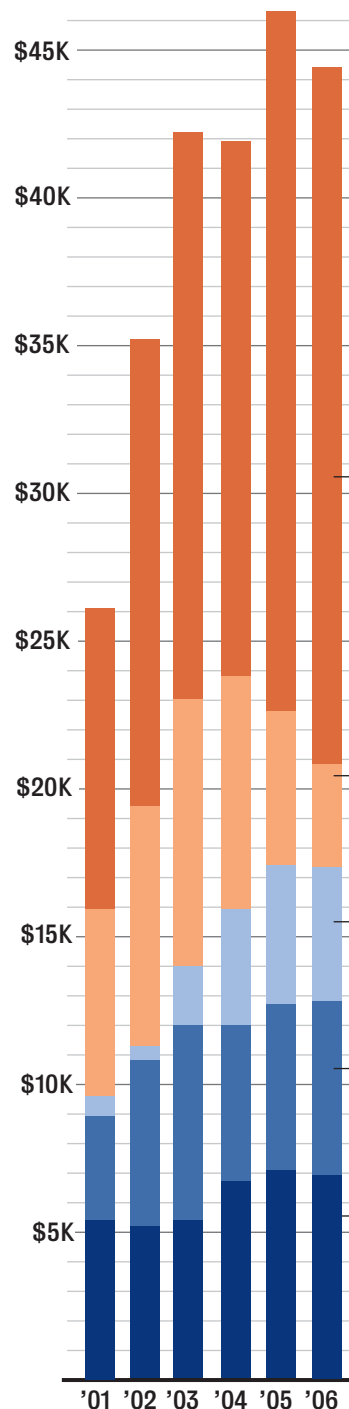
Medical liability premiums are still at high levels, but nearly half the rates remained unchanged in 2006.

### BREAKDOWN OF LIABILITY RATE INCREASE



SOURCE: MEDICAL LIABILITY MONITOR'S 2004, 2005, 2006 RATE SURVEYS.

### LIABILITY PREMIUM



## TORT REFORM IN ACTION

Insurers say tort reform has helped stabilize medical liability rates, although the laws' uncertain staying power leaves a question as to whether the steady rates will continue. Here is a look at the average premiums internists paid between 2001 and 2006 in some states with tort reform, based on insurer reports to *Medical Liability Monitor*.

**FLORIDA:** Passed a \$500,000 cap on noneconomic damages in 2003 that increases to \$1 million under certain circumstances. Passed a limit on attorneys' fees in 2004, which the state Supreme Court in September said attorneys can have patients sign a form to waive.

**TEXAS:** Passed a \$250,000 cap on noneconomic damages in 2003, with a \$750,000 ceiling for multiple defendants. The limit was approved as a constitutional amendment, making it more difficult to overturn in court.

**LOUISIANA:** Passed a \$500,000 cap on noneconomic damages in 1975. A state appeals court overturned the cap in September, ruling that the dollar amount was too low. The case is headed to the state Supreme Court.

**CALIFORNIA:** Passed a \$250,000 cap on noneconomic damages in 1975 that still stands.

**WISCONSIN:** Passed a \$350,000 cap on noneconomic damages in 1995. The state Supreme Court overturned the cap in 2005, when it stood at \$445,775 adjusted for inflation. Gov. Jim Doyle in March approved a higher cap of \$750,000.

SOURCE: AMERICAN MEDICAL ASSOCIATION; AN AMNEWS ANALYSIS OF MEDICAL LIABILITY MONITOR 2001 THROUGH 2006 RATE SURVEYS.

## LOCATION HELPS DICTATE PREMIUMS

Physicians in large metropolitan areas pay some of the highest medical liability insurance premiums in the nation. Below is a summary of the highest and lowest reported rates for three specialties as of July 1. Companies reported their data based on annual rates for specific mature claims-made policies with limits of \$1 million/\$3 million. The rates do not reflect credits, debits or dividends. The rankings are by state, county or city.

<b>HIGHEST RATES</b>		<b>2005</b>	<b>2006</b>	<b>CHANGE</b>
<b>Internists</b>	Florida (Dade)	\$74,855	\$74,855	0%
	Illinois (Cook)	\$65,887	\$65,887	0%
	Michigan (Wayne)	\$49,386	\$48,041	-2.7%
	Ohio (Cuyahoga, Lorain)	\$43,416	\$43,192	-0.5%
	Connecticut	\$34,700	\$34,700	0%
<b>General surgeons</b>	Florida (Dade)	\$299,420	\$299,420	0%
	Illinois (Cook)	\$212,176	\$212,176	0%
	Michigan (Wayne)	\$162,623	\$162,623	0%
	Ohio (Cuyahoga, Lorain)	\$158,634	\$160,162	1.0%
	Missouri (Kansas City)	\$132,314	\$132,314	0%
<b>Ob-gyns</b>	Florida (Dade)	\$299,420	\$299,420	0%
	Illinois (Cook)	\$266,349	\$266,349	0%
	Ohio (Cuyahoga, Lorain)	\$187,858	\$194,293	3.4%
	Maryland (Baltimore city)	\$157,524	\$176,978	12.3%
	New Jersey	\$146,267	\$171,199	17.0%

<b>LOWEST RATES</b>		<b>2005</b>	<b>2006</b>	<b>CHANGE</b>
<b>Internists</b>	Minnesota	\$3,375	\$3,375	0%
	South Dakota	\$3,697	\$3,697	0%
	Idaho	\$3,770	\$3,770	0%
	Nebraska	\$3,572	\$4,548	27.3%
	Wisconsin	\$5,147	\$5,147	0%
<b>General surgeons</b>	Minnesota	\$11,306	\$11,306	0%
	South Dakota	\$12,569	\$12,569	0%
	Idaho	\$14,514	\$14,514	0%
	Nebraska	\$12,144	\$17,328	42.7%
	Wisconsin	\$18,015	\$18,015	0
<b>Ob-gyns</b>	Idaho	\$19,320	\$19,320	0%
	Minnesota	\$19,643	\$19,643	0%
	South Dakota	\$21,072	\$21,072	0%
	Wisconsin	\$23,677	\$23,677	0%
	Nebraska	\$17,144	\$25,559	49.1%

SOURCE: MEDICAL LIABILITY MONITOR 2006 RATE SURVEY