AMA POLICY RESEARCH PERSPECTIVES

For the seventh consecutive year, medical liability premiums continue to rise

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Executive summary

This American Medical Association Policy Research Perspective examines trends in medical professional liability (MPL) insurance premiums between 2016 and 2025 and differences across physician specialty and geographic area using data from the Annual Rate Survey Issues of the Medical Liability Monitor (MLM). The MLM gathers premium data from U.S. medical liability insurers for the current and previous years, broken down by specialty (general surgery, obstetrics/gynecology, and internal medicine) and geographic area (state and, in some cases, the sub-state level). The MLM is considered the most comprehensive source of nationwide MPL premiums, covering companies that account for 60% to 80% of the market.

There was a sustained upward trend in medical liability premiums over the past seven years (2019 to 2025), a pattern not observed since the early 2000s. The proportion of premiums that went up from one year to the next increased sharply from 13.7% in 2018 to 39.9% in 2025. There were 36 states in which at least one premium increased in 2025 and 18 states in which at least half of the reported premiums rose, comparable to the patterns reflected in recent years. While a nationwide hard market has not emerged, certain states are already experiencing a notable premium surge. Specifically, there were 11 states in which at least one premium grew by 10% or more in 2025, five of which had the same large upswings in 2024, indicating that these five states experienced considerable premium increases for two consecutive years.

In general, the reported premiums for obstetrics/gynecology and general surgery were significantly higher than for internal medicine, which is in line with the higher liability risk faced by both specialties. The data also indicate that premiums were considerably lower in certain states, like California, which has a cap on non-economic damages, than in other states.

Although there was a continued rise in MPL premiums over the past seven years, the severity and the magnitude of this rise pale in comparison to the hard market in the early 2000s. Nevertheless, if this upward trajectory continues to worsen in the future, it could lead to a negative impact on patients' access to care.

Introduction

This American Medical Association Policy Research Perspective examines recent trends in medical liability insurance premiums between 2016 and 2025 using the data extracted from the Medical Liability Monitor (MLM) Annual Rate Survey Issues. Each year, the MLM surveys leading U.S. medical liability insurers and collects detailed data on liability premiums at the state level, and, in some cases, at the sub-state level (Burns et al., 2025). Six states (Indiana, Kansas, Louisiana, Nebraska, New Mexico, and Pennsylvania) have a Patient Compensation Fund (PCF), in which physicians pay a surcharge to help finance the fund in addition to the premium paid to insurers. The PCF functions as supplemental insurance, providing additional coverage to the primary insurance policy. In those states, this analysis uses the combined total of the base premium and surcharge amounts.

The MLM presents premium data from these insurers for the current and previous years, broken down by specialty and geographic area. This breakdown offers valuable insights into overall premium trends, revealing both the direction and the magnitude of the changes. This level of granularity enables not only the tracking of premium trends over time but also the analysis of premium variations across geographic regions. This analysis leverages that granularity to provide a deeper analysis of states in which significant premium increases are more prevalent.

Despite their comprehensiveness, the data have a few limitations. First, the MLM only reports premiums for three physician specialties: general surgery, obstetrics/gynecology, and internal medicine. Additionally, the list of insurers in each state can change over time due to factors such as market exits or insurers no longer accepting new business. As a result, the data may not provide a complete representation of liability insurers in each market. Furthermore, the rates reported are manual premiums – i.e., they do not reflect credits, debits, dividends or other factors that may affect premiums.[1] Because of this, these rates should not be interpreted as the actual premiums paid by individual physicians. Finally, certain states may be over or underrepresented in the data depending on how many premiums are reported.

Results

Annual changes in premiums, 2016–2025

Exhibit 1 summarizes the proportion of premiums that remained unchanged, increased or decreased from the previous year over the 2016 to 2025 period. Taken together, the data indicate a sustained upward trend in medical liability premiums since 2019.

Premiums remained relatively stable from 2016 through 2018, continuing the trends of the soft market which followed the hard market of the early 2000s.[2] In 2018, 80.8% of premiums showed no change from the previous year, compared to 75.2% in 2016. That proportion, however, has declined significantly in recent years, reaching 45.5% in 2024. In 2025, 57.0% of premiums experienced zero change from the previous year, significantly lower than the percentage in 2018.

More importantly, the evidence shows sustained growth in premiums between 2019 and 2025, a pattern not seen since 2005. Between 2016 and 2018, the share of premiums experiencing any increase hovered around 15%. The trend began to accelerate in 2019, with the share of premiums that increased nearly doubling from 13.7% in 2018 to 26.5%. The upward trend continued and peaked in 2024, when almost half (49.8%) of the reported premiums rose from the previous year. Despite the dip in 2025, almost 40% of premiums increased in that year. Excluding 2024, this constitutes the highest

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1. The manual premiums that insurers report to MLM are usually for policies with $1 million/$3 million limits, which is the most common limit.
2. A hard market in insurance is a period marked by significant rise in premiums, stricter underwriting and reduced coverage availability.

rate since 2005 when 65.5% of reported premiums rose.

A larger proportion of premiums in PCF states increased than in non-PCF states.[3] Specifically, more than three-quarters (76.1%) of premiums in PCF states increased compared to 35.9% of premiums in non-PCF states. Among the premium increases in PCF states, more than two-thirds (73.0%) were due to a rise in base premium (and, in some cases, a combination of base premium and surcharge), while the remaining proportion was solely due to a rise in surcharge.

The share of premiums that experienced a decline has also fallen over time. In 2016, 9.4% of premiums declined from the previous year. This share has dropped significantly and, in 2025, only 3.1% of premiums decreased.

States with large premium increases

Exhibit 2 provides a closer look at the premium increases in states that had at least one premium that rose by 10% or more between 2024 and 2025. There are 11 states that meet this criterion. These states, which are also shown in Exhibit 3, are ranked by the proportion of premiums that experienced an increase of 10% or larger. Pennsylvania is ranked first, with more than half of its premiums experiencing a 10% or larger increase between 2024 and 2025. Rhode Island, Kansas, and Utah each had a quarter of their premiums rising by 10% or more.

It is worth noting that Pennsylvania, Kentucky, Florida, Illinois, and New York each had one or more premiums with an increase of at least 10% between 2023 and 2024 as well. This indicates these states underwent a notable surge in premiums across two consecutive years. Moreover, an analysis of prior years' premium data reveals that Pennsylvania has seen a considerable premium uptick over three consecutive years, with Illinois exhibiting the same pattern since 2020.

For a more comprehensive look at these states, Exhibit 2 also highlights the size of the largest increase and the

Overall, 36 states reported at least one premium increase in 2025, comparable to the levels seen in 2021–2023, though below the 46 states reported in 2024.

proportion of premiums that rose from the previous year. The results provide some notable insights. For example, almost all (95.7%) of the reported premiums in New York rose in 2025. The story is similar in Pennsylvania, in which the vast majority (92.2%) of the reported premiums faced an uptick in 2025, with the largest increase being 29.6%.[4]

There were 18 states in which at least half of the reported premiums rose in 2025, eight of which are listed in Exhibit 2. While this represents a decline from 22 states in 2024, it remains above the numbers from the three years prior to that (13 states in 2023, 15 states in 2022, and six states in 2021). Overall, 36 states reported at least one premium increase in 2025, comparable to the levels seen in 2021–2023, though below the 46 states reported in 2024.[5]

Geographic variations by specialty in premium levels

Exhibit 4 examines how reported premiums vary across the three specialties (general surgery, obstetrics/gynecology, and internal medicine) and eight geographic areas between 2016 and 2025. For a given area, the reported premiums are for the same insurer over time across each of the three specialties.[6] However, insurers can and do differ across states, as no insurer reported in the MLM provides coverage nationwide. Because each state's premiums in Exhibit 4 only represent one insurer, they should not be generalized to reflect the experience of each state as a whole.

This exhibit reveals significant variations in premiums across specialties and geographic areas. In general, the premiums for obstetricians/gynecologists and general

3. Data are not shown in the exhibit but are available upon request.
4. In Pennsylvania, 68.1% of all premium increases are due to a rise in both the surcharge and base rate, with the rest due only to an increase in the surcharge.
5. In 2023, 36 states reported at least one premium increase, compared to 38 states in 2022 and 32 states in 2021.
6. The availability of continuous data for the same insurer over time limits the number of states shown in this exhibit.

surgeons are significantly higher than for internal medicine physicians. For example, the premiums for obstetricians/gynecologists and general surgeons are $243,988 in Florida, while the reported rate for internal medicine physicians is $59,736. Although a similar pattern is observed in Connecticut, the premiums are lower relative to those reported in Florida, ranging from $22,467 for internal medicine physicians to $159,537 for obstetricians/gynecologists. This is in line with previous findings on differences in liability risks across specialties, which show that general surgeons and obstetricians/gynecologists are the physicians most likely to be sued (Hardiman, 2026).

Exhibit 4 also demonstrates that the reported premiums are significantly lower in California than in other states across all three specialties. This pattern is not limited to a single insurer; when premiums for each specialty are averaged across all insurers within each state, California's average premiums are lower than those of every state listed in Exhibit 4.[7] This is likely driven by the fact that among these states, only California has a law enacting caps on noneconomic damages.[8] Previous research has consistently shown that such caps are associated with reductions in premiums (Viscusi & Born, 2005; Kilgore et al., 2006; Mizushima et al., 2025). When examining all the reported premiums in California, aside from a 11.6% average rise between 2022 and 2023 that coincided with the cap limit increase that year, California has otherwise experienced minimal premium growth. Average premiums in California were unchanged between 2024 and 2025, mirroring the condition observed between 2021 and 2022, and rose by an average of just 1.5% between 2023 and 2024.[9]

The premiums for obstetricians/gynecologists and general surgeons are significantly higher than for internal medicine physicians.

Conclusion

This AMA Policy Research Perspective provides an overview of the trends in medical liability premiums between 2016 and 2025 and differences across physician specialty and geographic area. For the seventh year in a row, medical liability premiums have experienced an upward trajectory not seen since the last liability crisis of the early 2000s. For context, in 2003 and 2004, 77.4% and 82.1% of premiums saw a rise from the previous year, respectively. Some general surgeons in Miami-Dade County, Florida, faced manual premiums as high as $277,241 in 2004 (Guardado, 2007).

This crisis was followed by a stable period beginning in 2007, during which the share of premiums that experienced an uptick declined significantly. Although fewer premiums experienced declines over time as reductions became less common, the trend remained relatively stable until 2018.

The upward trajectory of premiums began in 2019, when the share of premiums experiencing a year-over-year increase nearly doubled compared to 2018, reaching 26.5%. In 2020 and 2021, this proportion remained steady at approximately 30%, before rising to around 37% in 2022 and 2023. The share of rising premiums was even higher in 2024, when almost half (49.8%) of premiums rose from the previous year. Yet again in 2025, despite the drop, almost 40% of premiums increased. Excluding 2024, this represents the highest rate since 2005.

Although the annual growth in premiums in 2025 was not as dramatic as in 2024, the overarching pattern over the past seven years points to consistent upward trends in premiums not seen since the early 2000s, with select states seeing especially notable jumps. In 2024, there were 16 states that had at least one premium increase of 10% or more; in 2025, there

7. Data are not shown in the exhibit but are available upon request.
8. Up until 2022, the California Medical Injury Compensation Reform Act (MICRA) limit on non-economic damages was $250,000. Starting in January 2023, this cap was increased to $350,000 on noneconomic damages, with an incremental increase over the next 10 years to $750,000. There will be a 2% annual adjustment for inflation after that. The limit is even higher if a case involves the death of a patient.
9. Mean premiums are not shown in the exhibit but are available upon request.

were 11 states. Five states had such increases in both years, indicating that these states experienced significant premium upswings for two consecutive years. The data also suggest that while large growth in premiums was concentrated in certain states, small increases were more widespread. In 2025, premium increases were observed in 36 states—a figure below the 46 states seen in 2024 but that is comparable to the three years prior. Of the 36 states, there were 18 in which at least half of the reported premiums rose from the previous year. While not as high as the 2024 peak of 22 states, this figure remained above those of 2023 (13 states), 2022 (15 states), and 2021 (six states). While a nationwide hard market has not yet emerged, certain states are already experiencing hard market conditions. For example, Illinois has suffered a considerable premium spike since 2020, and Pennsylvania has experienced a similar surge since 2023.

There is a clear geographical variation in medical liability premiums, as insurers determine their rates on the aggregate claims experience in a particular area, which can be influenced by state tort reforms such as caps on non-economic damages. Previous research provides consistent evidence that caps on non-economic damages are associated with reductions in claim frequency and claim payments, which subsequently affect the premiums insurers charge (Mello & Kachalia, 2016; Mizushima et al., 2025).

While a nationwide hard market has not yet emerged, certain states are already experiencing hard market conditions.

By multiple measures, this year's edition of the MLM reveals a continued rise in liability premiums over the past seven years, a trend not observed since the last hard market in the early 2000s. To put this into context, this trend does not reach the level from 20 years ago when premium increases were not only more prevalent, but also larger. Whether this upward trajectory will worsen in the near future remains to be seen. However, if the trend continues, it could negatively impact patients' access to care (American Medical Association, 2026).

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Exhibits

Exhibit 1.

Distributions of year-to-year changes in medical liability premiums (2016–2025)

Size of change in premium	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Increase										
10% or more	1.0%	0.1%	3.9%	3.6%	5.2%	7.5%	10.2%	6.1%	7.7%	6.0%
Less than 10%	14.5%	13.3%	9.7%	22.8%	25.9%	22.0%	25.9%	31.4%	42.1%	33.9%
Any increase	15.4%	13.4%	13.7%	26.5%	31.1%	29.5%	36.2%	37.5%	49.8%	39.9%
No change	75.2%	74.2%	80.8%	68.4%	60.8%	64.0%	56.1%	56.6%	45.5%	57.0%
Decrease										
Less than 10%	5.0%	7.3%	4.5%	3.3%	4.4%	4.9%	7.5%	4.5%	3.8%	2.8%
10% or more	4.4%	5.2%	1.0%	1.8%	3.7%	1.7%	0.3%	1.4%	0.9%	0.3%
Any decrease	9.4%	12.4%	5.6%	5.1%	8.1%	6.5%	7.8%	5.9%	4.7%	3.1%
N	1107	1143	1149	1296	1416	1500	1347	1386	1182	1170

Sources: 2016–2019 Medical Liability Monitor (MLM) Rate Survey Issues and author's analysis of 2020–2025 data from the Medical Liability Monitor.

Notes: The table reports year-to-year comparisons of manual premiums for medical professional liability insurance. The unit of observation is a liability insurer in a state (or sub-state area) and specialty. Changes in Patient Compensation Fund (PCF) states are based on the change in the total (premium + surcharge) amounts. In each year, the percentage of premiums that increased had no change, and decreased sum to 100%. For example, between 2024 and 2025, 57.0% of the premiums reported did not change, 39.9% of the premiums increased, and 3.1% decreased.

Exhibit 2.

States with the largest increases in liability premiums (2024–2025)

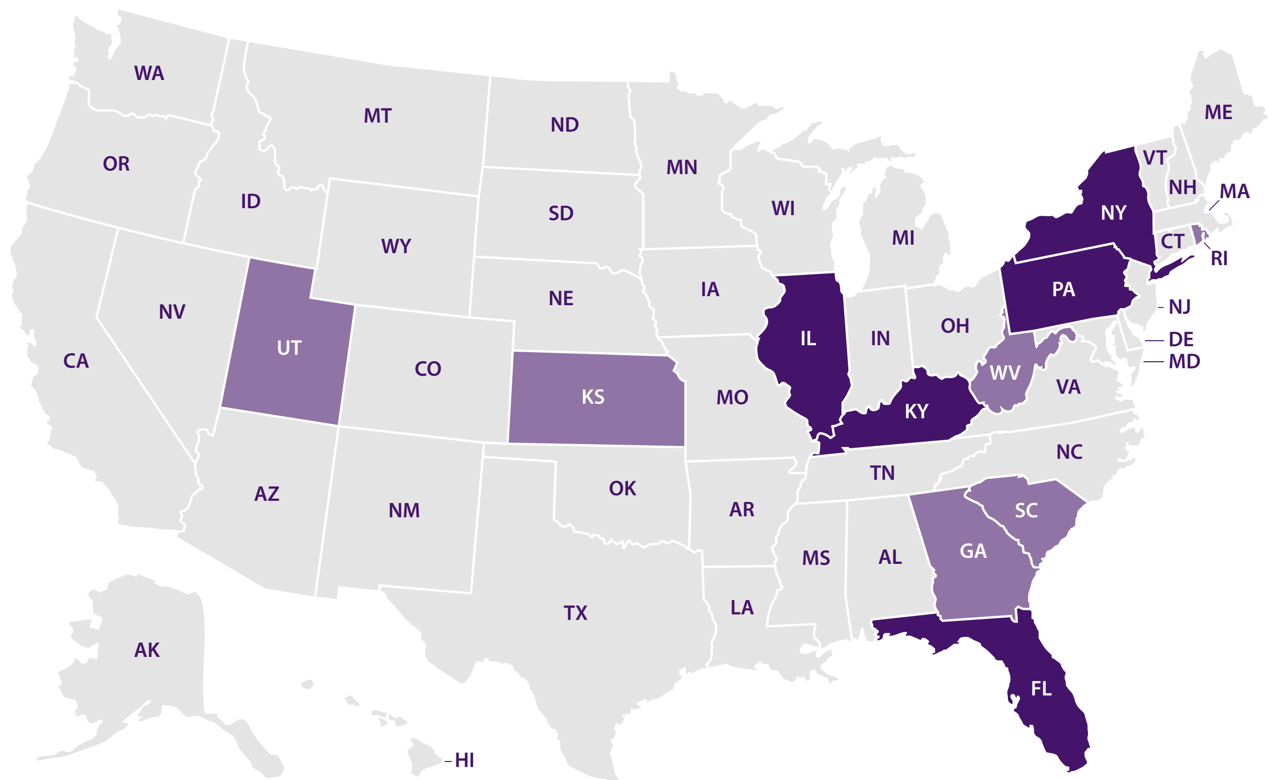
State	% of premiums that increased by at least 10%	Size of largest Increase	% of premiums that increased	N
Pennsylvania	52.9%	29.6%	92.2%	51
Rhode Island	25.0%	25.0%	25.0%	12
Kansas	25.0%	12.6%	75.0%	12
Utah	25.0%	12.0%	50.0%	12
South Carolina	20.0%	15.3%	40.0%	15
Kentucky	20.0%	15.0%	80.0%	15
Florida	19.0%	12.9%	19.0%	63
Georgia	12.5%	12.1%	62.5%	24
Illinois	9.7%	10.2%	83.9%	93
West Virginia	8.3%	10.1%	50.0%	12
New York	4.3%	11.0%	95.7%	69

Sources: Author's analysis of 2024–2025 data from the Medical Liability Monitor.

Notes: The unit of observation is an insurer in a state (or sub-state area) and specialty. States are included in this exhibit if they had at least one premium increase of at least 10%. The ranking of states is based on the share of premiums that reflected increases of 10% or more.

Exhibit 3

States with the largest increases in liability premiums (2024–2025)



■ States with at least one premium increase of 10% or more in 2025 and 2024
■ States with at least one premium increase of 10% or more in 2025 but not in 2024

Exhibit 4.

Medical professional liability insurance premiums for $1M/$3M policies, selected insurers (2016–2025)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Obstetrics/gynecology					**In dollars**					
California (Los Angeles, Orange)	49,804	49,804	49,804	49,804	49,804	49,804	49,804	49,804	49,804	49,804
Connecticut	170,389	170,389	170,389	134,054	134,054	137,942	144,838	150,488	154,591	159,537
District of Columbia	147,595	147,595	147,595	147,595	134,901	134,901	134,901	134,901	134,901	134,901
Florida (Miami-Dade)	190,829	190,829	190,829	195,600	205,380	215,649	226,224	226,224	243,988	243,988
Illinois (Cook, Madison, St. Clair)	177,441	177,441	177,441	179,497	179,497	179,497	208,821	208,821	207,907	207,907
New Jersey	90,749	90,749	90,749	90,749	90,749	90,749	90,749	90,749	94,640	94,640
New York (Nassau, Suffolk)	214,999	214,999	192,087	182,482	174,552	165,824	159,639	165,452	171,672	176,358
Pennsylvania (Philadelphia)	103,918	105,969	95,278	95,278	98,021	101,398	94,221	101,398	122,906	135,974
General surgery										
California (Los Angeles, Orange)	41,775	41,775	41,775	41,775	41,775	41,775	41,775	41,775	41,775	41,775
Connecticut	65,803	65,803	65,803	90,577	90,577	93,203	97,863	101,680	104,452	107,794
District of Columbia	73,018	73,018	73,018	73,018	73,945	73,945	73,945	73,945	73,945	73,945
Florida (Miami-Dade)	190,829	190,829	190,829	195,600	205,380	215,649	226,224	226,224	243,988	243,988
Illinois (Cook, Madison, St. Clair)	118,909	118,909	118,909	120,258	120,258	120,258	139,807	139,807	139,284	139,284
New Jersey	60,810	60,810	60,810	60,810	60,810	60,810	60,810	60,810	63,366	63,366
New York (Nassau, Suffolk)	134,923	134,923	154,056	154,056	154,056	146,353	140,894	145,893	151,378	155,509
Pennsylvania (Philadelphia)	79,634	81,284	73,287	73,287	75,339	77,865	72,089	77,865	94,361	102,187
Internal medicine										
California (Los Angeles, Orange)	8,274	8,274	8,274	8,274	8,274	8,274	8,274	8,274	8,274	8,274
Connecticut	34,700	34,700	34,700	18,878	18,878	19,425	20,397	21,192	21,770	22,467
District of Columbia	24,010	24,010	24,010	24,010	24,073	24,073	24,073	24,073	24,073	24,073
Florida (Miami-Dade)	47,707	47,707	47,707	48,900	51,345	53,912	55,996	55,996	59,736	59,736
Illinois (Cook, Madison, St. Clair)	40,865	40,865	40,865	41,272	41,272	41,272	47,788	47,788	47,787	47,787
New Jersey	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900	18,410	18,410
New York (Nassau, Suffolk)	33,852	33,852	33,852	33,852	33,852	32,159	30,960	32,064	33,270	34,178
Pennsylvania (Philadelphia)	20,401	20,841	19,157	19,157	19,589	20,121	18,583	20,121	24,647	26,542

Sources: Annual Rate Survey (October) Issues of the Medical Liability Monitor, 2016–2025.

Notes: The numbers in this table are manual premiums reported by a liability insurer selected on the basis of data availability in every year. Premiums reported for Connecticut pertain to $1 million/$4 million limits, and Pennsylvania premiums include Patient Compensation Fund surcharges. Counties in California, Illinois and Pennsylvania changed slightly over time. However, California counties always include Los Angeles, Illinois counties always include Cook, and Pennsylvania counties always include Philadelphia.

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