



**Massachusetts Division of Insurance
Medical Malpractice Insurance Report
for the 2021 Calendar Year**

Michael T. Caljouw
Commissioner of Insurance

Acknowledgements

This report was prepared by the State Rating Bureau staff of the Massachusetts Division of Insurance (Division). Matthew M. Mancini, State Rating Bureau Director; Spase Kace, State Rating Bureau Researcher; Caleb Huntington, State Rating Bureau Mathematician; and Bashiru Abubakare, State Rating Bureau Actuary/Statistician prepared the report and provided the analysis.

The Division relies on insurance companies, the National Association of Insurance Commissioners, and other regulatory agencies for the accuracy of all reported financial information.

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Executive Summary

Medical malpractice insurance is a type of insurance purchased by physicians and other licensed health care professionals to provide liability coverage associated with medical errors that result in bodily injury or medical expenses.

Trends observed for the Massachusetts medical malpractice market in 2021 include the following:

- Total medical malpractice premiums, consisting of revenue from licensed insurance companies, risk retention groups, and surplus lines companies, was relatively flat, increasing by approximately 3.9% to \$353.4 million in 2021 from \$340.1 million in 2020 as indicated in Figure 1.
- Licensed insurers no longer provide the majority of medical malpractice coverage in Massachusetts when compared to what is covered by risk retention groups. Still insurers' share of the market, compared to that offered by surplus lines carriers and risk retention groups, increased to 33.2% in 2021.
- Almost 70% of the medical malpractice market continues to be underwritten by two entities – Coverys (formerly known as ProMutual or as the Massachusetts JUA) and the Controlled Risk Insurance Company of Vermont (CRICO). CRICO is a risk retention group created to insure the physicians and employees of Harvard-affiliated medical institutions.
- The financial strength of licensed insurance companies continues to improve in Massachusetts without significant rate activity. Coverys has not changed its base rates for physicians and surgeons since 2011.

While pressure on rates has eased, Massachusetts continues to have higher medical malpractice claim payments than most states. In 2021, the Massachusetts mean malpractice claim payment for physicians was the highest in the country, as seen in Figure 11.

Massachusetts Health Care Professionals

Liability Coverage Requirements

Medical malpractice coverage pays the cost to defend against claims and, if unsuccessful, cover the cost of damages.

In Massachusetts, if an insurance company offers medical malpractice coverage to health care professionals or facilities included in certain statutorily identified categories, the insurance company must provide coverage to any other professional or facility in that category. The statutory categories include:¹

- Doctor of Medicine;
- Doctor of Osteopathy;
- Doctor of Optometry;
- Doctor of Dental Science;
- Physical Therapists and Physical Therapist Assistants;
- Doctor of Podiatry;
- Doctor of Chiropractic;
- Registered Nurses;
- Interns, fellows or medical officers; and
- Licensed hospitals, clinics, or nursing homes, and their agents and employees.

Health care professionals outside the statutorily defined categories may apply for coverage with insurance companies, but a company has the right to decline to provide coverage for non-protected categories.

Medical doctors and advanced practice registered nurses with direct patient care responsibilities are required as a condition of licensure to have medical malpractice coverage sufficient to protect against claims of at least \$100,000 per claim and \$300,000 per year.² Limited liability companies or limited liability partnerships offering Chiropractic care are required to maintain coverage of at least \$500,000 per claim and \$1 million per year.³ Hospitals and health plans may impose additional requirements to permit health care professionals to practice in the hospital or to be part of a health plan network.

Number of Professionals

In order to practice in the Commonwealth of Massachusetts, a health care professional must be licensed or registered by the appropriate licensing board or agency. A health care professional may also need to satisfy additional training to represent that he or she is specially trained or board-certified in a specialty and may need to meet other requirements to practice in a hospital or to be

¹ M.G.L. c. 175, §193U. The Commissioner of Insurance also may designate other categories when they are eligible to be ceded to the medical malpractice reinsurance plan.

² 244 CMR 4.09; 243 CMR 2.07(16)(b).

³ According to 233 CMR 4.04 (1), "A limited liability company or limited liability partnership which provides or offers to provide Chiropractic Treatment in Massachusetts shall maintain in good standing professional liability insurance which meets the following minimum standards:

- (a) The insurance shall cover negligence, wrongful acts, and errors and omissions;
- (b) The insurance shall insure the limited liability company and its members, as required by M.G.L. c. 156C, § 65, or the limited liability partnership and its partners as required by M.G.L. c. 108A, § 45(8)(a);
- (c) The insurance shall provide, for each registered chiropractor who is a member, partner or employee of the limited liability company or limited liability partnership, coverage in an amount of at least \$500,000 for each claim with an aggregate top limit of liability for all claims during any one year of at least \$1,000,000."

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included in a health plan network. In 2021, there were approximately 305,431 individual health care professionals licensed by state agencies to practice in the following categories:⁴

151,380	Nurses
32,548	Social Workers
38,779	Medical and Osteopathic Doctors
25,637	Allied Health Providers (Physical and Occupational Therapists, Assistants and Athletic Trainers)
7,078	Dentists
15,752	Allied Mental Health and Human Service Providers
6,448	Psychologists
7,780	Audiologists, Speech Pathologists and Assistants
3,199	Respiratory Care Specialists
1,625	Chiropractors
3,723	Dietitians/Nutritionists
1,362	Dispensing Opticians
6,496	Physician Assistants
1,571	Optometrists
1,165	Acupuncturists
451	Podiatrists
208	Hearing Instrument Specialists
69	Certified Health Officers
160	Perfusionists

In addition to the above-noted individual professionals, approximately 1,750 facilities and programs were licensed to operate as the following types of entities:⁵

379	Nursing Homes
62	Rest Homes
364	Clinics
269	Home Health Care Agencies
164	Mammography Facilities
118	Hospitals (acute care and non-acute)
317	Ambulance services
77	Hospices

Market for Medical Malpractice Coverage

Medical malpractice insurance is purchased through licensed insurers, risk retention groups, or surplus lines insurers. Medical malpractice insurers that are licensed in Massachusetts must make medical malpractice coverage available on an equal basis, under the “take all comers” statute to all doctors and certain other licensed healthcare providers willing to pay for it. In contrast, surplus

⁴ Numbers of current licensed health care professionals as reported by the following agencies: Massachusetts Board of Registration in Medicine; Bureau of Health Professions Licensure; and Division of Occupational Licensure. The reported statistics reflect current licensed health care professionals; the number actively practicing in a profession may be smaller than the number reported. The data is as of January 16, 2025.

⁵ Numbers of licensed facilities and programs, not including satellites, as reported online by the Division of Health Care Facility Licensing and Certification in the Department of Public Health. While the reported statistics reflect the number licensed, the number actively operating may be lower.

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lines insurers and risk retention groups (RRG) may refuse to provide medical malpractice coverage to certain medical providers based on the insurer's underwriting standards.

Shares of the Market

During 2021, admitted insurers, surplus lines carriers, and RRGs together wrote \$353.5 million of medical malpractice premium, with 33.2% written by insurance companies, 50.8% written by RRGs and 16.0% written by surplus lines carriers. The prior year, insurers, surplus lines carriers, and RRGs together wrote \$340.1 million of medical malpractice premium, with 32.9% written by insurance companies, 52.9% written by RRGs and 14.2% written by surplus lines carriers. (Figure 1)

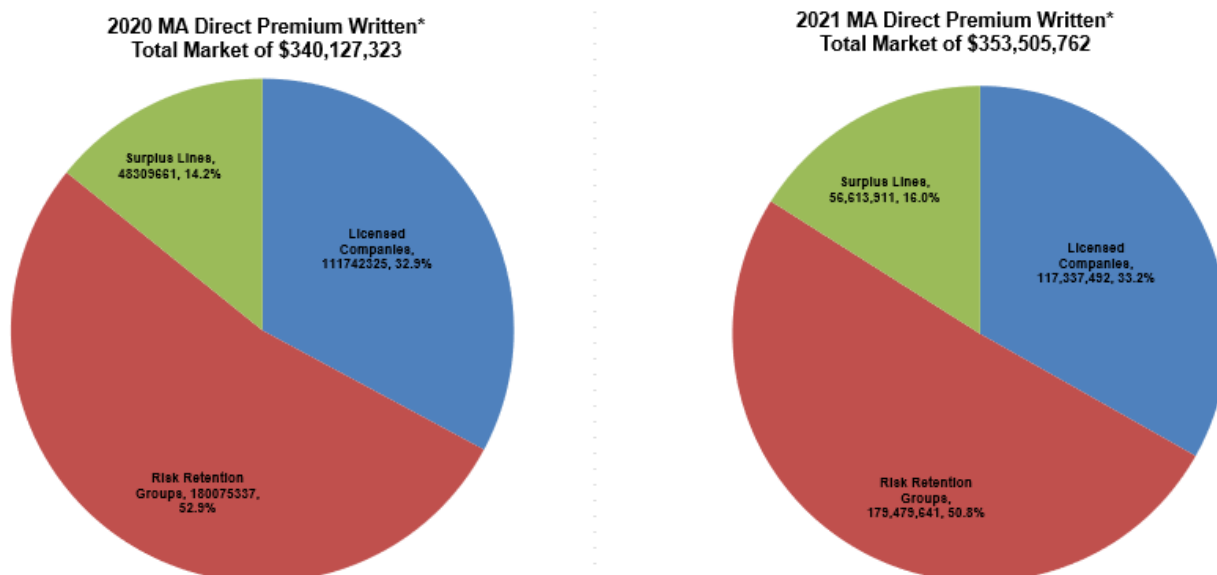


Figure 1

Compare that to 2015, when 45.4% was written by insurance companies, 45.9% was written by RRGs, and 8.7% was written by surplus lines carriers. (Figure 2)

Total Market 2015, 2018, 2021

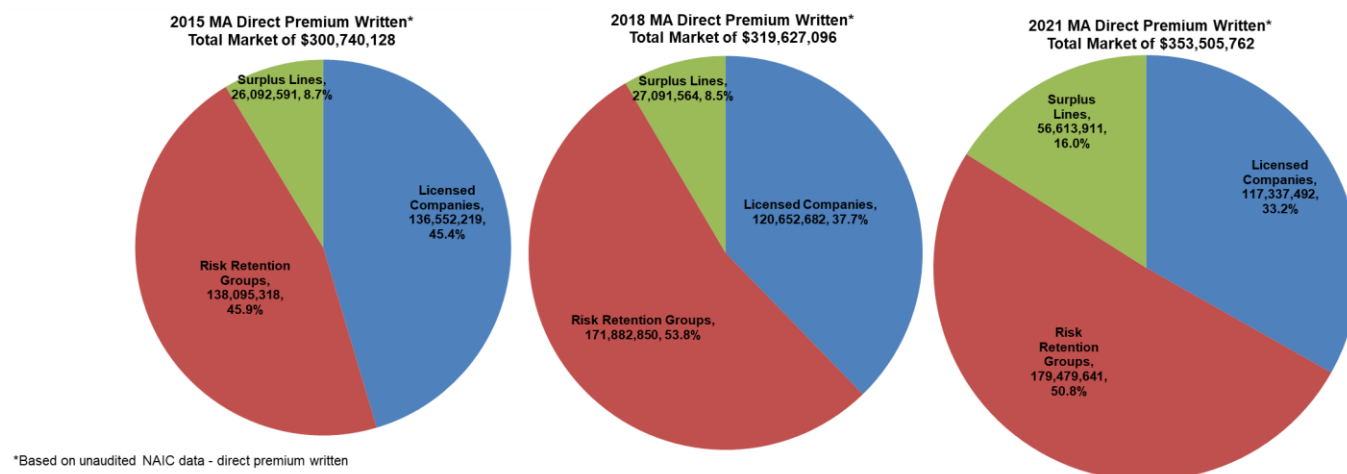


Figure 2

Licensed Insurance Companies

Medical malpractice insurance companies must be licensed by the Division of Insurance. These insurers are also required to participate in the state's guaranty fund for property and casualty writers, which provides some protection to policyholders in the event of an insurer's insolvency. In 2021, licensed medical malpractice insurance companies wrote \$117.4 million in direct

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premium; this is about 0.7% of the premium written for all admitted major lines property and casualty coverage. (Figure 3)

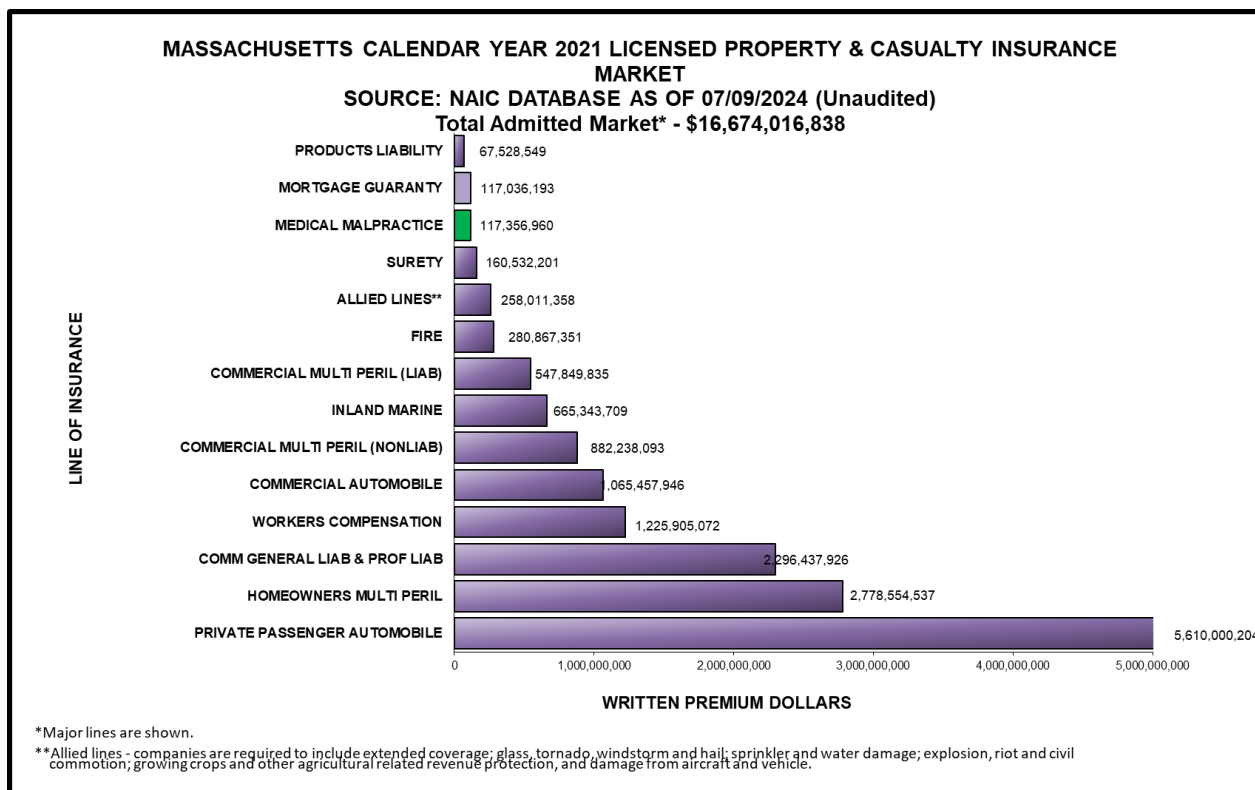
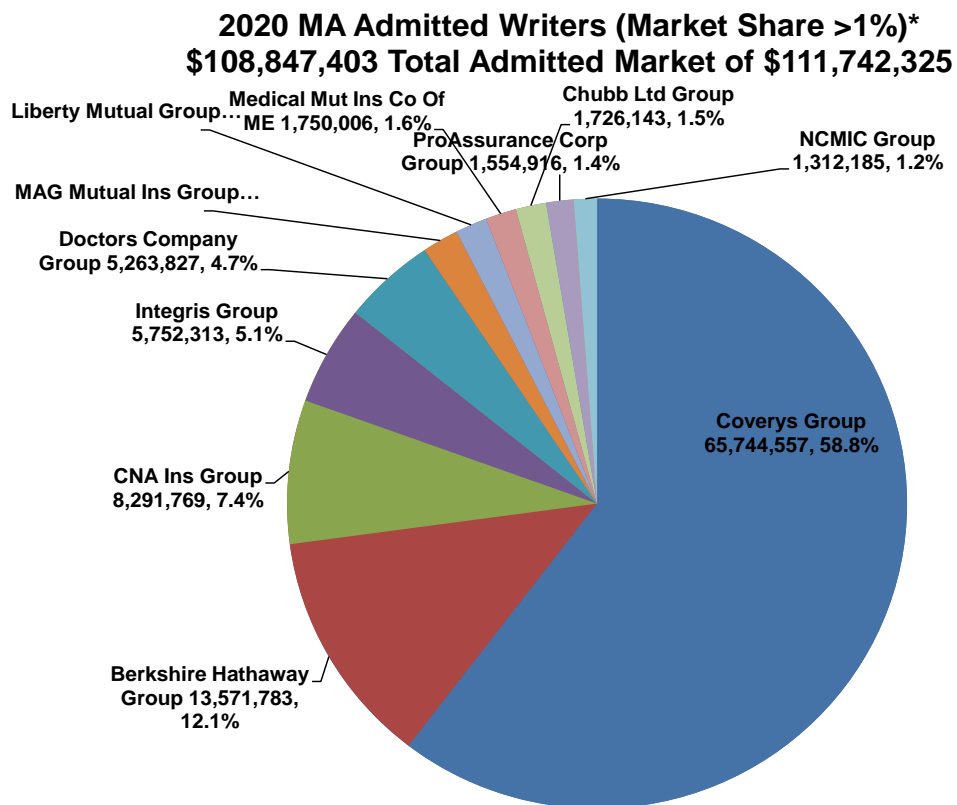


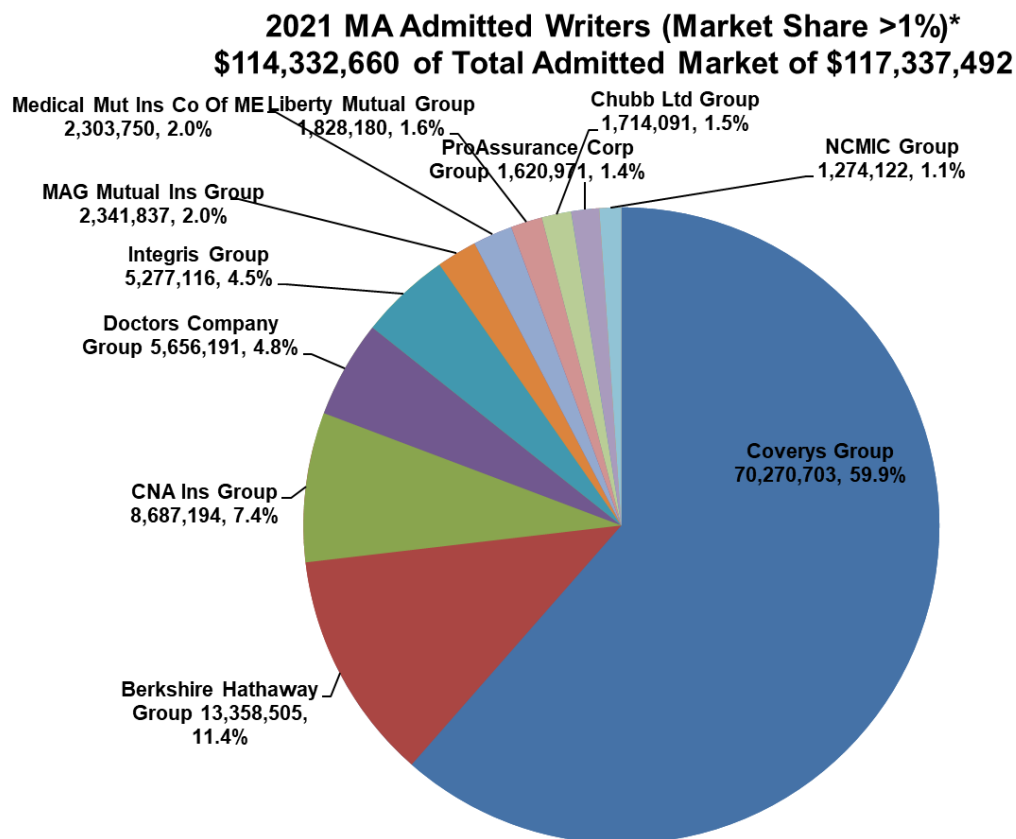
Figure 3

The Division of Insurance maintains a list of medical malpractice insurance companies on its website⁶ identifying the “take all comers” classes of health care professionals written by the company. The list of licensed insurance companies writing medical malpractice coverage in 2021 is in Appendix A-1.

⁶ The Division’s website indicates the companies that write each of the designated classes of providers:
<https://www.mass.gov/service-details/medical-malpractice-insurance>



*Based on unaudited NAIC data - direct premium written



*Based on unaudited NAIC data - direct premium written

Figure 4

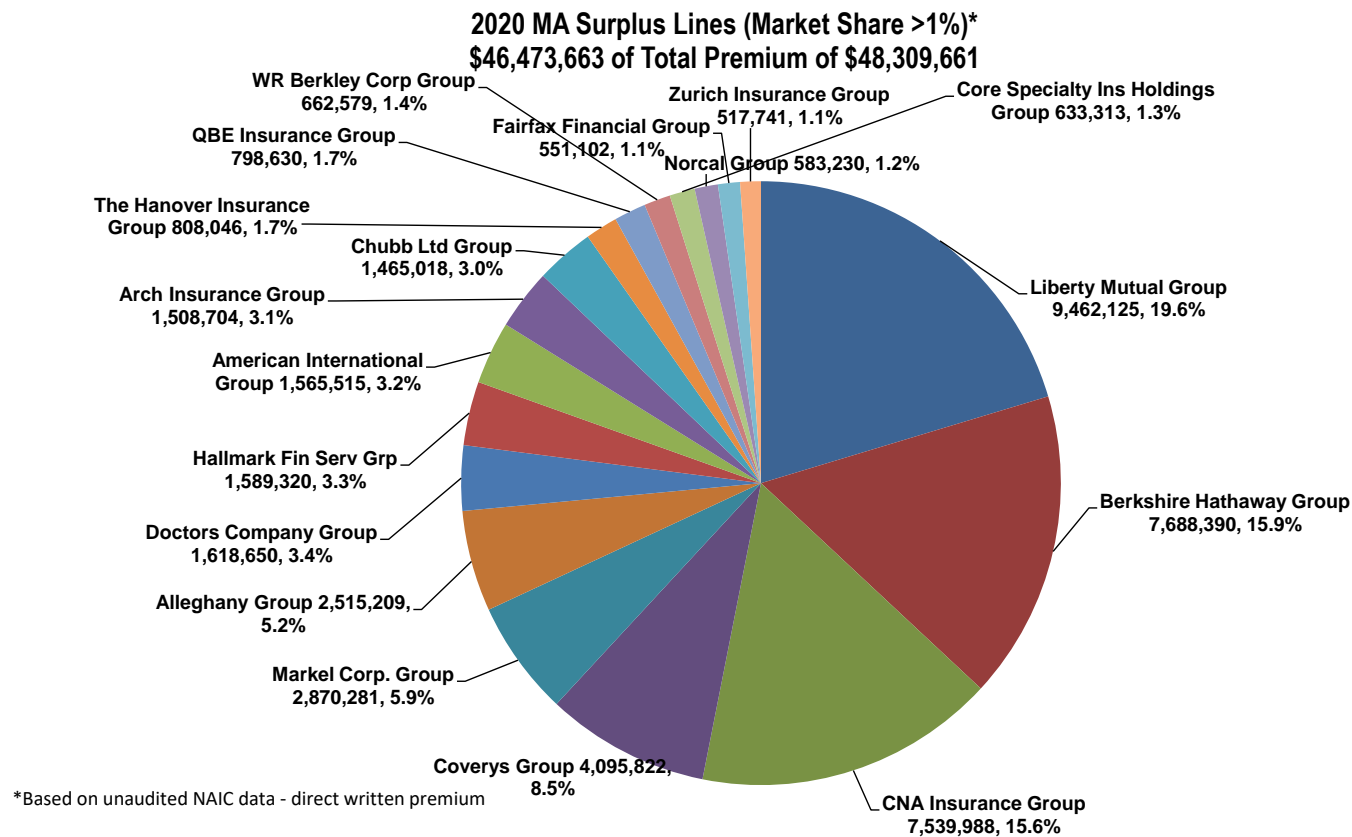
As noted in Figure 4 above, the Coverys Group, composed of Medical Professional Mutual Insurance Company, ProSelect Insurance Company and Preferred Professional Insurance Company, wrote the predominant share of 2021 medical malpractice insurance, collecting approximately 59.9% of total insurance premium. This is an increase from its 58.8% market share of the market in 2020.

Surplus Lines Carriers

In addition to licensed insurance companies, health care professionals also may turn to surplus lines carriers for medical malpractice coverage. Surplus lines carriers are not licensed as insurers in Massachusetts but are licensed in another jurisdiction and can issue coverage, through specially licensed brokers, to those who cannot obtain coverage from those insurers licensed to do business in Massachusetts (often referred to as the “admitted market”). Surplus lines carriers are not subject to Massachusetts insurance laws, such as the “take all comers” requirements, and do not participate in the state’s guaranty fund. The list of surplus lines carriers writing medical malpractice coverage in 2021 is in Appendix A-2. The Division of Insurance maintains a list of surplus lines carriers approved to do business in Massachusetts on its website.⁷

⁷ The list is located at <https://www.mass.gov/doc/massachusetts-eligible-surplus-lines-companiespdf>

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**2021 MA Surplus Lines (Market Share >1%)*
\$55,038,252 of Total Premium of \$56,613,911**

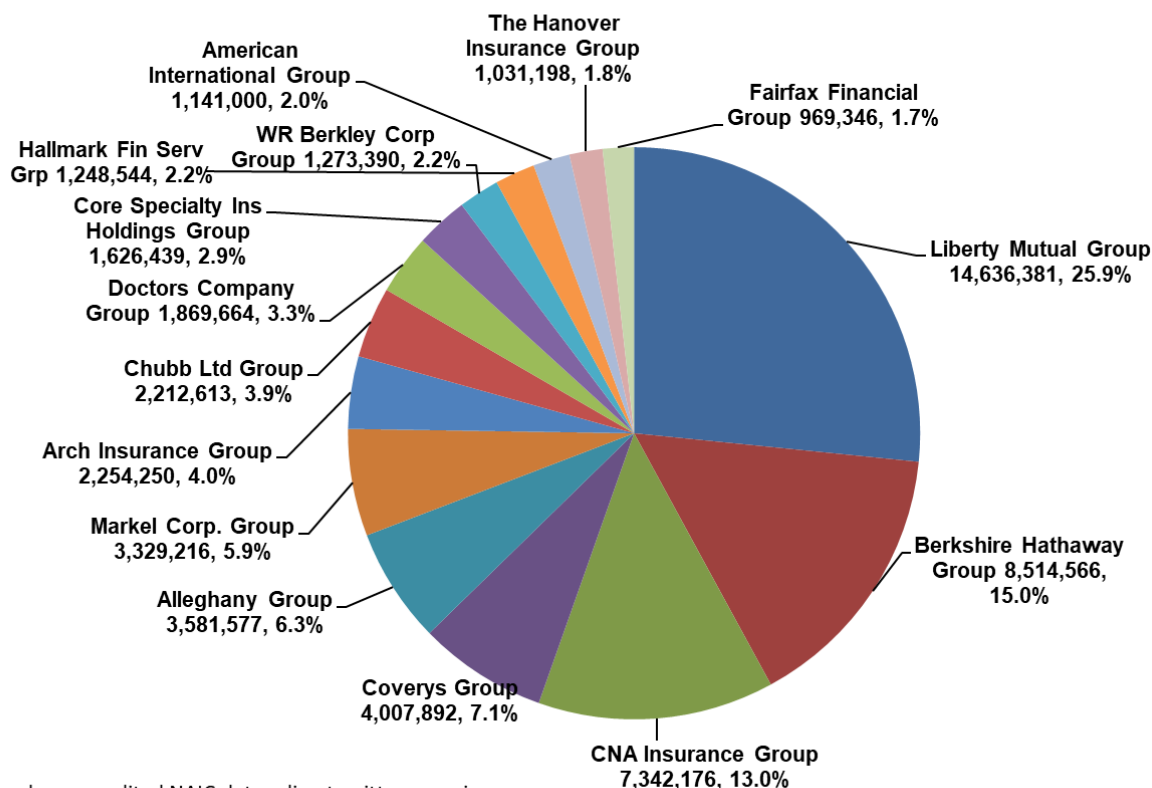


Figure 5

The largest medical malpractice carrier in the surplus lines market in 2021 was Liberty Mutual Group, accounting for 25.9% of the 2021 medical malpractice policy premium provided in the surplus lines market. (Figure 5)

Risk Retention Groups

Medical malpractice coverage also may be obtained through risk retention groups. Under federal law,⁸ an RRG may offer liability coverage in any state, provided the RRG is licensed as an insurance company in at least one state. RRGs are specifically exempted by federal law from participation in state guaranty funds and are not subject to the “take all comers” requirements that apply to licensed insurance companies.⁹

Under federal law,

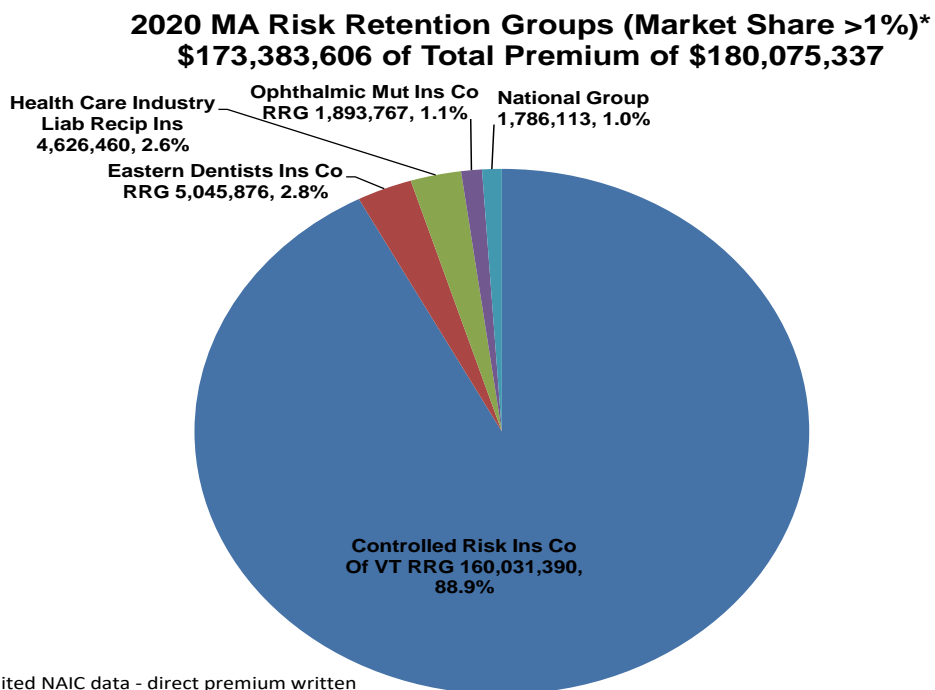
1. An RRG can be formed and owned only by members who are engaged in a similar business or activity and with similar liability risk exposure¹⁰; and

⁸ Liability Risk Retention Act of 1986, 15 U.S.C. § 3901.

⁹ 15 U.S.C. § 3902.

¹⁰ 15 U.S.C. § 3901.

2. An RRG cannot exclude eligible members solely to reduce the RRG's risk of loss.¹¹



¹¹ 15 U.S.C. § 3901.

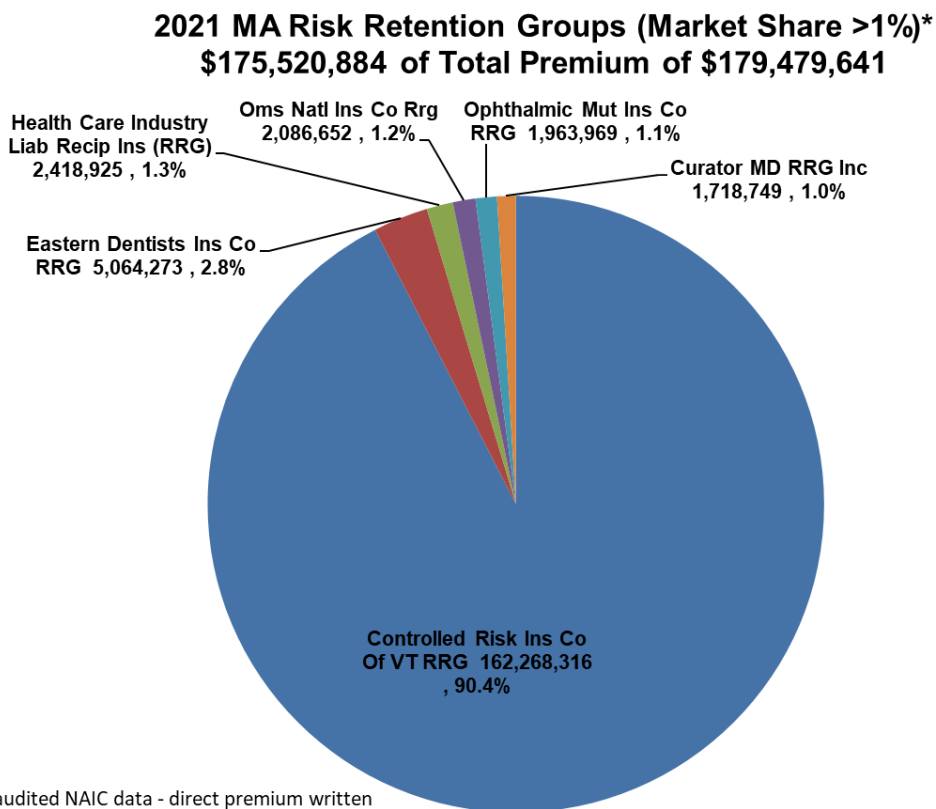


Figure 6

The Controlled Risk Insurance Company of Vermont RRG – also known as CRICO - has the predominant share of the RRG medical malpractice market, collecting 90.4% of premium for 2021. (Figure 6) CRICO was created in 1979 to provide professional liability coverage to the physicians and employees of Harvard-affiliated medical institutions.¹² According to CRICO's business plan,

¹² Founding members of the Risk Management Foundation eligible for CRICO coverage include:

Beth Israel Hospital Association	Judge Baker's Children Center, Inc.
Brigham and Women's Hospital	Massachusetts Eye and Ear Infirmary
Cambridge Health Alliance	Massachusetts General Hospital
CareGroup, Inc.	Massachusetts Institute of Technology
Children's Hospital Corporation	McLean Hospital
Dana-Farber Cancer Institute, Inc.	Mount Auburn Hospital
Faulkner Hospital	New England Baptist Hospital
Harvard Pilgrim Health Care, Inc.	New England Deaconess Hospital Corporation
Harvard School of Dentistry	Newton-Wellesley Hospital
Harvard School of Public Health	North Shore Medical Center
Harvard University Medical School	Partners HealthCare System, Inc.
Harvard University Health Services	Presidents/Fellows of Harvard University
Harvard Vanguard Medical Associates, Inc.	Spaulding Rehabilitation Hospital

physician applicants must meet CRICO underwriting criteria and are assigned to one of many underwriting classifications based on level of risk exposure.

The four next largest RRGs collectively account for 8.0% of the market, some of which write coverage for specialty providers. The list of RRGs writing medical malpractice coverage in 2021 is in Appendix A-3.

Premiums, Claims and Loss Ratios

Medical malpractice insurance premiums are based on projected medical malpractice claims costs, as well as the cost to settle or defend claims, general administrative expenses, agent commissions, and reinsurance expenses. Claims dollars are important drivers of overall costs, but examining incurred claims losses in financial reports may not present an accurate picture of an insurance provider's financial results.

Premiums

Insurance companies develop premiums to pay future expected claims and business expenses, while also meeting company profit expectations and staying competitive with other insurance companies. Changes in future expected claim costs, business expenses, and investment returns drive changes in insurers' rates on a yearly basis. If an insurer's current rates are adequate to pay all claims and expenses, and provide a reasonable profit, the rates for the next year can be expected to rise by the expected changes in underlying costs.

The Coverys Group is the largest medical malpractice licensed insurer in Massachusetts, writing approximately 21.0% of the total market, and 59.9% of the admitted market. As such, its rate history can be used to illustrate the relationship between expected cost increases and changes in rates.

The rate change history of the largest admitted writer under the Coverys Group, Medical Professional Mutual Insurance Company, suggests that financial results have been favorable for medical malpractice writers which allows premiums to stay lower. Between 2000 and 2004, its physician and surgeon average rates fluctuated between 9.0% and 20.0%. After 2004, base rate changes were much more moderate and ranging from -2.3% in 2007 to 3.5% in 2010. (Figure 7) In 2021, Medical Professional Mutual Insurance Company filed a rate increase of 7.0%.

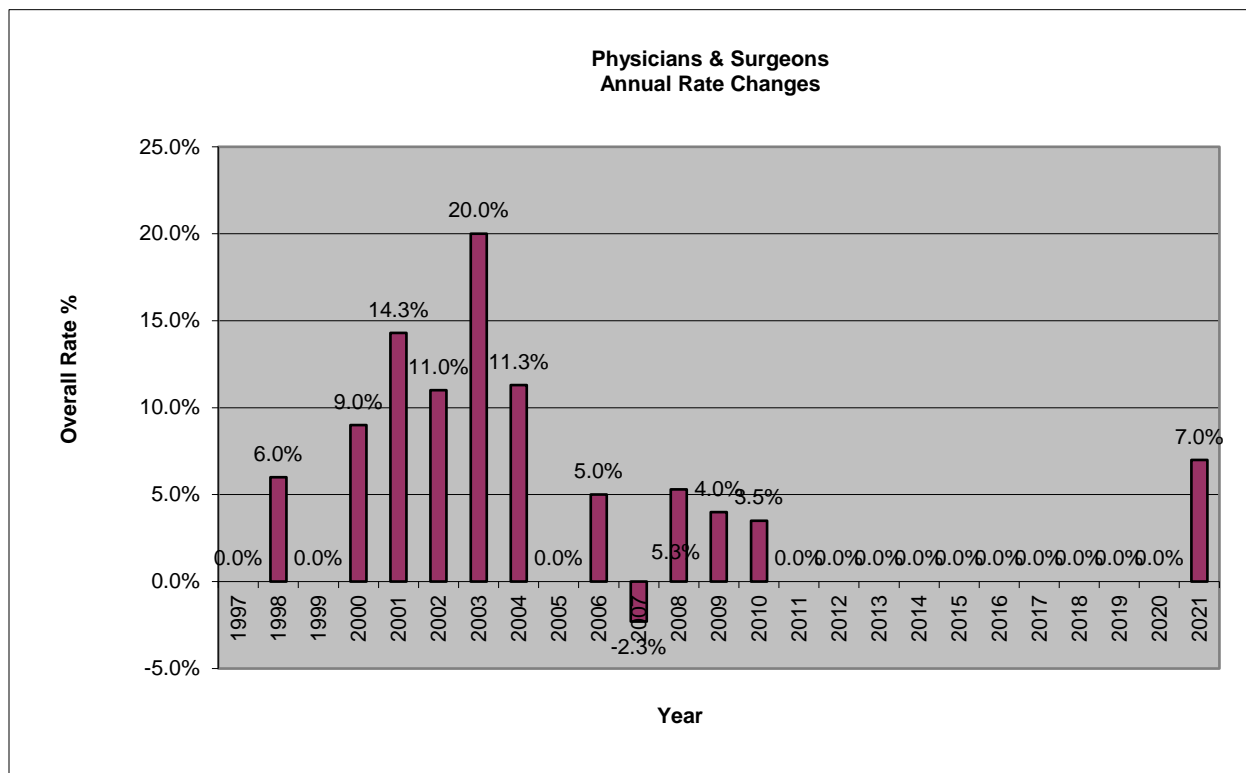


Figure 7

Premiums Compared to Those of Other States

Coverys submitted materials to reflect its Massachusetts rates as of October 1, 2021. The rates that the company charges, generally, in Massachusetts are not among the highest of for the noted specialties. (Figure 8)

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COVERYS GROUP'S (FORMERLY PROMUTUAL GROUP) MATURE RATES BY CLASS AS OF 10/1/2021 FOR CLAIMS MADE POLICIES* 25 HIGHEST MASSACHUSETTS COMPARED TO RATES IN OTHER NORTHEAST STATES						
Class Description	Massachusetts Effective 7/1/2021	Connecticut Effective 12/1/2021	Rhode Island Effective 4/1/2021	N. Hampshire Effective 11/1/2021	New Jersey Effective 7/1/2021	PA-Territory 4 Effective 11/1/2021
80152 Neurology - incl children, major surgery	119,057	147,250	110,483	126,643	121,168	110,641
80153 OB, gynecology, major surgery	111,351	163,087	122,719	85,991	131,473	116,782
80168 OB, major surgery	111,351	163,087	122,719	85,991	131,473	116,782
80154 Orthopedic incl. spinal, major surgery	95,673	60,012	80,510	73,485	84,091	82,996
80146 Vascular, major surgery	63,401	80,318	68,262	64,103	68,802	67,906
80150 Cardiovascular disease, major surgery	63,401	80,318	83,709	64,103	70,010	63,741
80170 Head & neck, major surgery	63,401	80,318	50,608	56,286	70,010	63,741
80171 Traumatic, major surgery	63,401	80,318	68,262	64,103	70,010	63,741
80354 Orthopedic excl. spinal, major surgery	51,734	43,248	64,436	56,286	68,802	67,906
80141 Cardiac, major surgery	51,681	60,012	48,933	64,103	70,010	63,741
80143 General (NOC), major surgery	51,681	100,913	48,933	56,833	70,010	63,741
80144 Thoracic, major surgery	51,681	80,318	50,608	64,103	68,802	67,906
80155 Plastic - otorhinolaryngology, major surg.	51,681	80,318	68,262	53,158	70,010	63,741
80156 Plastic (NOC), major surgery	51,681	80,318	68,262	53,158	70,010	63,741
80157 Emergency med, incl major surg (brd cert)	51,681	43,248	48,933	56,286	43,437	45,405
80166 Abdominal, major surgery	51,681	60,012	48,933	53,158	70,010	63,741
80167 Gynecology, major surgery	51,681	60,012	48,933	56,286	70,010	63,741
80169 Hand, major surgery	51,681	60,012	46,361	53,158	70,010	63,741
80184 Bariatric, major surgery	51,681	100,913	48,933	53,158	70,010	63,741
80465 Emergency med, inc major surg (no brd cert)	51,681	43,248	48,933	N/A	43,437	45,405
80102 Emergency med, no major surg (brd cert)	35,489	39,644	33,483	23,234	35,106	35,688
80464 Emergency med, no major surg (no brd cert)	35,489	39,644	33,483	23,234	35,106	35,688
80101 Bronco-Esophagology, major surgery	34,392	43,248	28,339	37,523	28,637	28,263
80103 Endocrinology, major surgery	34,392	43,248	28,339	37,523	21,558	21,277
80104 Gastroenterology, major surgery	34,392	43,248	28,339	26,580	28,637	28,263

*Coverys's mature rates in a claims made policy are for those doctors who have been covered under the claims made policy for five or more years.

Figure 8

Among the specialty groups, Massachusetts' average rates for the obstetrician rating classes (80153 and 80168) are both \$111,351; this is in the lower end of rates reported for five other Northeast Region states but over \$25,000 more than what is reported for rates for obstetricians in New Hampshire.

Financial results for providers of medical malpractice insurance include premiums earned during the calendar year. Between calendar years 2020 and 2021, total earned premium for insurance companies, RRGs and surplus lines carriers combined increased 4.0%, compared with a 0.4% increase in earned premiums between calendar years 2019 and 2020.

Licensed insurance companies reported earned premium of \$114.6 million in 2021, which is more than the \$111.6 million in medical malpractice premium in 2020 but less than the \$119.2 million in medical malpractice premium in 2019. RRGs earned premium of \$180.3 million in 2021, which is less than the \$181.6 million in 2020 and less than the \$183.3 million premium in 2019. Surplus lines carriers earned premium of \$54.6 million in 2021, which is more than the \$42.8 million premium in 2020 and more than the \$32.0 million in 2019. (Figure 9)

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The rate of premium change over the period 2019 to 2021 varied considerably by the type of insurance provider. The average change in the annual premium¹³ for licensed insurance companies decreased by 0.7%, a decrease of 0.3% for RRGs, and an increase of 9.3% for surplus lines insurers.

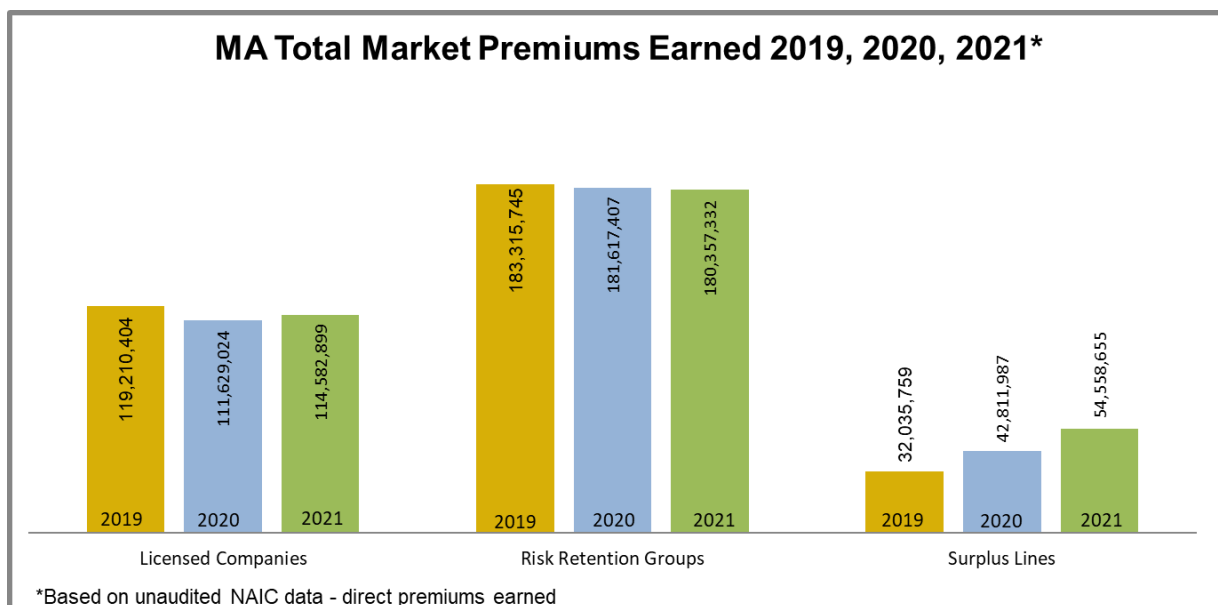


Figure 9

Claim Costs

In Massachusetts, medical malpractice claims are resolved an average of six years¹⁴ following a malpractice incident. Insurance losses reported in financial reports may be associated with premiums that were collected six years ago, even though they are compared with premiums that were collected in the past year.

¹³ Average annual change is calculated as the annualized change in earned premiums from 2014 to 2020 using the premiums shown in Figure 9.

¹⁴ National Practitioner Data Bank 2012 Annual Report, Table 24, Median and Mean Medical Malpractice Payment Delay, in Years, Between Incident and Payment, by Jurisdiction, 2003 – 2012, p.70.

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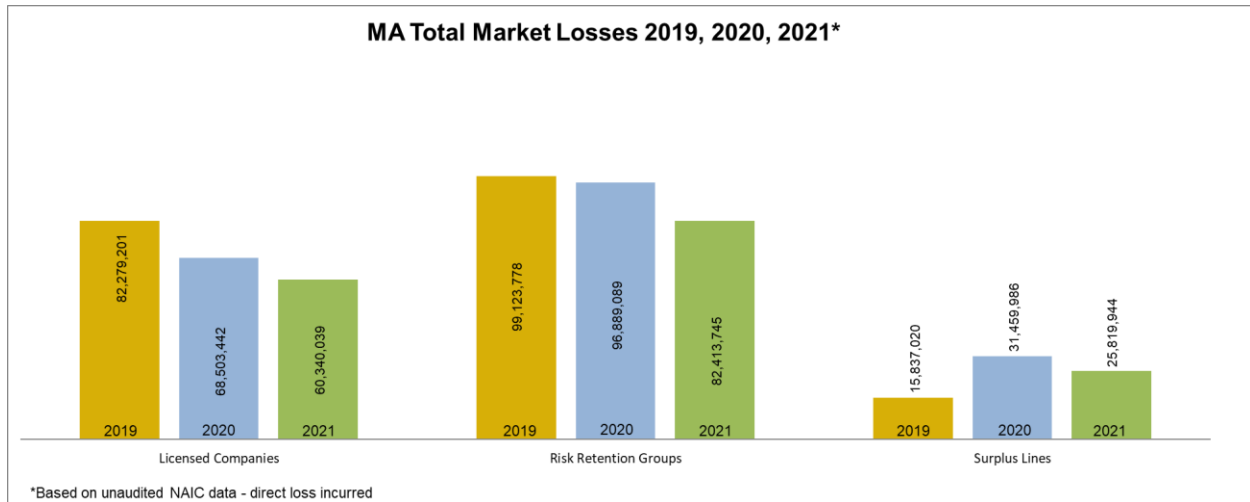


Figure 10

Average Claim Costs for Medical Malpractice Coverage

Massachusetts has higher claim payouts than other states. In 2021, mean Massachusetts medical malpractice payment made on behalf of physicians was \$ 602,956, sixth in the country.

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National Practitioner Data Bank Medical Malpractice Average Claim Payment Ranked by Jurisdiction for 2021

2021		
State	Average Payment	Rank
Alabama	\$637,432	5
Alaska	\$1,312,667	1
Arizona	\$379,042	23
Arkansas	\$318,833	32
California	\$270,901	41
Colorado	\$288,515	38
Connecticut	\$589,541	7
Delaware	\$577,222	8
District of Columbia	\$421,500	19
Florida	\$294,767	37
Georgia	\$478,745	14
Hawaii	\$503,333	12
Idaho	\$203,939	50
Illinois	\$438,557	18
Indiana	\$224,337	48
Iowa	\$670,000	4
Kansas	\$250,609	45
Kentucky	\$247,043	46
Louisiana	\$214,500	49
Maine	\$710,333	3
Maryland	\$402,832	20
Massachusetts	\$602,956	6
Michigan	\$251,210	44
Minnesota	\$758,372	2
Mississippi	\$499,531	13
Missouri	\$352,712	26
Montana	\$244,167	47
Nebraska	\$300,938	35
Nevada	\$312,727	34
New Hampshire	\$374,286	24
New Jersey	\$387,714	22
New Mexico	\$329,474	31
New York	\$455,705	17
North Carolina	\$342,031	28
North Dakota	\$287,778	39
Ohio	\$357,804	25
Oklahoma	\$266,963	42
Oregon	\$535,000	10
Pennsylvania	\$396,845	21
Rhode Island	\$523,469	11
South Carolina	\$330,429	29
South Dakota	\$265,455	43
Tennessee	\$271,892	40
Texas	\$196,185	51
Utah	\$299,444	36
Vermont	\$330,000	30
Virginia	\$345,854	27
Washington	\$467,285	15
West Virginia	\$463,243	16
Wisconsin	\$576,538	9
Wyoming	\$316,250	33
All States & Territories	\$353,768	

Note: Year is malpractice payment year.

Figure 11¹⁵

Massachusetts licensed insurance companies reported total incurred losses of \$60.3 million in 2021, which is less than \$114.6 million collected in earned premiums.

On an industry basis, the \$60.3 million in 2021 losses is less than incurred losses in 2020. These losses of \$60.3 million represent the sum of losses paid during 2021 and the change in reserves from year-end 2020 to year-end 2021.

Loss Ratios

Loss ratios (incurred losses divided by earned premium) reflect the proportion of premium dollars used to pay claims. Financial statement loss ratios for medical malpractice can vary significantly from one year to the next because of changes in reserves for unpaid or unknown claims. (Figure 12)

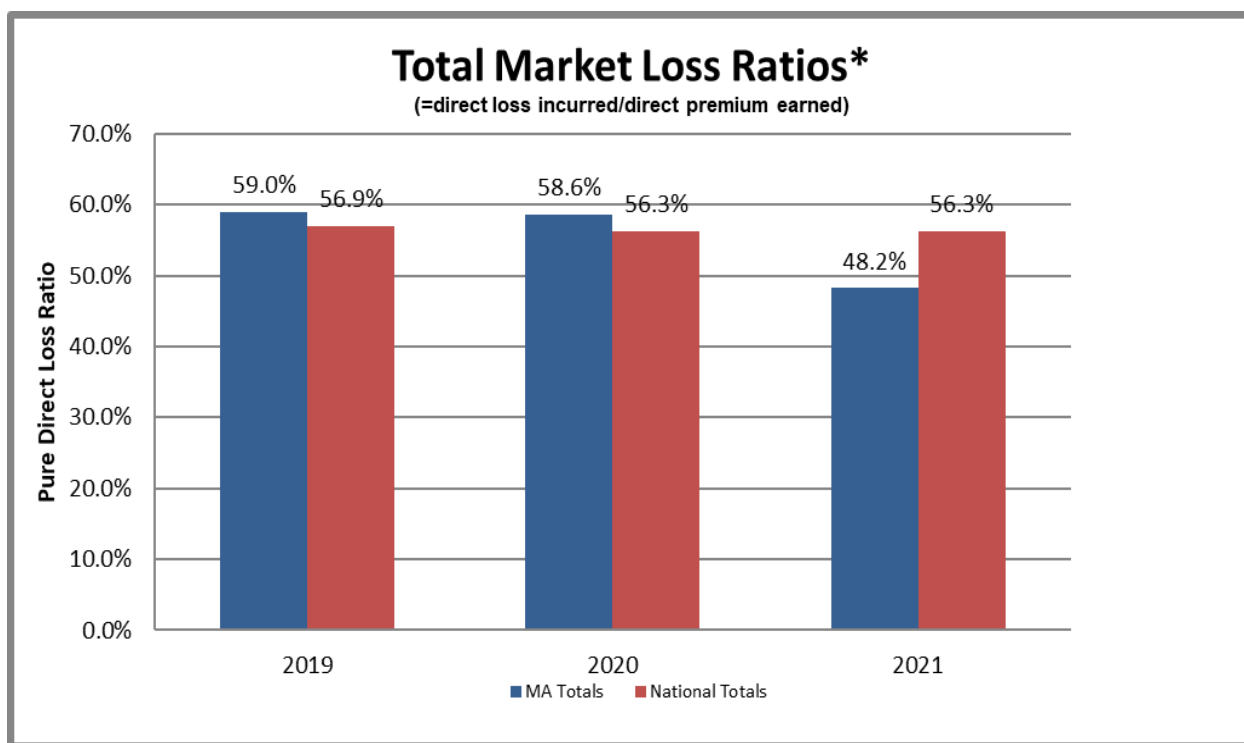


Figure 12

¹⁵ Figure 11's data is from the National Practitioner Data Bank.

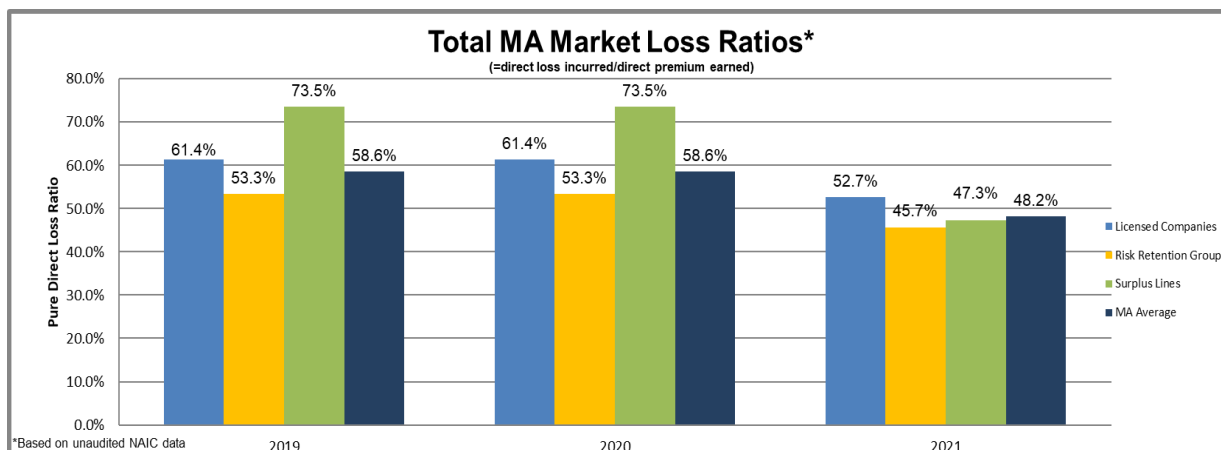


Figure 13¹⁶

Profitability

An operating ratio represents the overall return on an insurer's investment in providing medical malpractice insurance. The operating ratio reflects the loss ratio of an insurance company, as well as the costs required to run it, including claims handling, commissions to agents, advertising, taxes, and dividends to policyholders. This combined ratio is then reduced by an insurer's investment returns, as a percentage of premium collected, to produce the operating ratio. If a company's operating ratio is less than 100%, it has made a profit;¹⁷ when the operating ratio is greater than 100%, it has lost money. Operating ratios based on historic data are not good indicators of price strength in any given year but are helpful to understand why prices are moving in a specific direction.

Since medical malpractice loss ratios from financial statements can vary widely from year to year, the Division of Insurance monitors the operating ratios of this industry using five-year moving average loss ratios. This adjustment smooths out these fluctuations and provides a more accurate picture of claim cost trends in this market. Also, because medical malpractice is considered a "long tailed line" where claim payments may not be made for many years after a claim has occurred or been reported, the investment income earned during this delay contributes significantly to an insurer's profitability. Because investment returns can vary widely from year to year, the Division of Insurance similarly monitors the operating ratios of this industry using five-year moving average investment returns.

Figure 14 below displays the "adjusted" operating ratios for all medical malpractice insurers licensed in Massachusetts. Column (G) indicates that the operating returns to medical malpractice insurers are trending towards profitability and indicates that the market is increasing its financial strength.

¹⁶ Includes losses covered by reinsurance and does not necessarily reflect the loss expense of the primary insurers.

¹⁷ Federal/state income tax and dividends to stockholders are paid out of the profits earned during the year.

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Calculation of Adjusted Operating Ratios - Licensed Companies								
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Calendar Year	Earned Premium	5 Year Moving Loss Ratio	1 Year Other Expense Ratio	1 Year Commission & Premium Tax	1 Year Dividend Ratio	5 Year Average Net Investment Income	Adjusted Operating Ratio	Average Return on Premium
2021	\$114,602	56.5%	16.6%	15.5%	5.1%	19.2%	74.6%	25.4%
2020	\$111,681	52.8%	19.1%	14.6%	7.6%	19.1%	75.0%	25.0%
2019	\$119,211	39.0%	22.2%	14.5%	6.1%	19.5%	62.3%	37.7%
2018	\$122,505	34.0%	21.9%	15.1%	6.5%	18.5%	59.0%	41.0%
2017	\$125,679	47.5%	22.7%	14.1%	8.3%	17.4%	75.2%	24.8%
2016	\$133,094	44.3%	24.7%	16.2%	6.2%	17.1%	74.3%	25.7%

(A) NAIC database, licensed companies only

(B) NAIC database, calendar year direct incurred loss & DCCE adjusted by a factor of 1.070 to reflect other claims adjustment expense

(C) Bests' Aggregates and Averages for MA licensed companies only

(D) NAIC database, as percentage of direct written premium

(E) NAIC database, as percentage of direct written premium

(F) Bests' Aggregates and Averages for MA licensed companies only

(G) = (B) + (C) + (D) + (E) - (F)

(H) = 1.0 - (G)

Figure 14

Conclusion

While medical malpractice premiums can change for many reasons, generally, Massachusetts' premiums compared to that of other states, are lower.

The Division's medical malpractice reports have analyzed different reasons that medical malpractice premiums had been high and over the years proposed ideas to reform the tort or medical systems. Since its first medical malpractice report in 2007, the Division has suggested ways to address the number and size of medical malpractice claims by looking at the following types of changes:

- Improving communications between patients and health care professionals to build trust, reduce unreasonable expectations, and avoid lawsuits;
- Shifting malpractice risk from individuals to enterprises - *e.g.*, hospitals and health plans - because systems' problems are responsible for many medical errors;
- Changing the tort system - *e.g.*, limiting medical malpractice awards and establishing new procedural tort standards - to reduce unnecessary lawsuits and lower the cost of those that remain; and
- Preventing medical errors - *e.g.*, disclosing all medical errors and establishing medical standards of care - to reduce patient injuries.

There are certain specialties (*e.g.*, obstetrics and gynecology) that have higher claims and higher premiums than other specialties, and there may be ways to temper premiums for these specialties by looking at the following changes:

- Increasing other providers' premiums to subsidize high-risk providers' premiums;
- Assessing insurers to subsidize high-cost providers' premiums; and
- Establishing limited no-fault systems to review claims for high-cost providers.

Appendix A-1: Medical Malpractice Insurance Companies

The following list identifies the admitted insurance companies that reported Massachusetts premium revenue for medical malpractice coverage during 2021:¹⁸

Company Name	Domicile
Ace Amer Ins Co	PA
Ace Fire Underwriters Ins Co	PA
Ace Prop & Cas Ins Co	PA
Affiliates Ins Recip a RRG	VT
Allied World Ins Co	NH
American Cas Co Of Reading PA	PA
American Home Assur Co	NY
Aspen Amer Ins Co	TX
Aspen Specialty Ins Co	ND
Beazley Ins Co Inc	CT
Berkshire Hathaway Specialty Ins Co	NE
Campmed Cas & Ind Co Inc	NH
Church Mut Ins Co S I	WI
Continental Cas Co	IL
Doctors Co An Interins Exch	CA
Fair Amer Ins & Reins Co	NY
Federal Ins Co	IN
Fortress Ins Co	IL
General Ins Co Of Amer	NH
Great Divide Ins Co	ND
Hartford Fire Ins Co	CT
Hudson Ins Co	DE
Integrus Ins Co	CT
ISMIE Mut Ins Co	IL
Liberty Ins Underwriters Inc	IL
MAG Mut Ins Co	GA
Medical Mut Ins Co Of ME	ME
Medical Professional Mut Ins Co	MA
Medical Protective Co	IN
National Union Fire Ins Co Of Pitts	PA
NCMIC Ins Co	IA
Pharmacists Mut Ins Co	IA
Preferred Professional Ins Co	NE

¹⁸ According to direct written premium reported to the National Association of Insurance Commissioners.

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ProAssurance Ins Co of Amer	IL
Professional Solutions Ins Co	IA
Proselect Ins Co	NE
State Farm Fire & Cas Co	IL
TDC Natl Assur Co	OR

Appendix A-2: Medical Malpractice Surplus Lines Carriers

The following list identifies the surplus lines carriers that reported Massachusetts premium revenue for medical malpractice coverage during 2021:¹⁹

Company Name	Domicile
Admiral Ins Co	DE
AIX Specialty Ins Co	DE
Allied World Surplus Lines Ins Co	AR
Arch Specialty Ins Co	MO
Berkley Assur Co	IA
Capitol Specialty Ins Corp	WI
Chubb Custom Ins Co	NJ
Columbia Cas Co	IL
Coverys Specialty Ins Co	NJ
Endurance Amer Specialty Ins Co	DE
Evanston Ins Co	IL
General Star Ind Co	DE
Hallmark Specialty Ins Co	OK
Houston Specialty Ins Co	TX
Hudson Excess Ins Co	DE
Illinois Union Ins Co	IL
Ironshore Specialty Ins Co	AZ
ISMIE Ind Co	IL
James River Ins Co	OH
Kinsale Ins Co	AR
Landmark Amer Ins Co	NH
Lexington Ins Co	DE
Liberty Surplus Ins Corp	NH
National Fire & Marine Ins Co	NE
Navigators Specialty Ins Co	NY
NORCAL Specialty Ins Co	TX
ProAssurance Cas Co	MI
Professional Security Ins Co	AZ
StarStone Specialty Ins Co	DE
TDC Specialty Ins Co	DC
The Cincinnati Specialty Underwriter	DE

¹⁹ According to direct written premium reported to the National Association of Insurance Commissioners.

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United Specialty Ins Co
Western World Ins Co

DE
NH

Appendix A-3: Medical Malpractice Risk Retention Groups

In Massachusetts, the following Risk Retention Groups (RRGs) reported Massachusetts premium revenue for medical malpractice coverage during 2021:²⁰

Company Name	Domicile
Affiliates Ins Recip a RRG	VT
Allied Professionals Ins Co RRG	AZ
American Assoc Of Othodontists RRG	AZ
American Excess Ins Exch RRG	VT
Applied Medico Legal Solutions RRG	AZ
Caring Communities Recip RRG	DC
Controlled Risk Ins Co Of VT RRG	VT
Copic RRG	DC
Curator MD RRG Inc	AZ
Eastern Dentists Ins Co RRG	VT
Emergency Capital Mgmt LLC a RRG	VT
Franklin Cas Ins Co RRG	VT
Green Hills Ins Co RRG	VT
Integris RRG Inc	DC
Lone Star Alliance RRG	DC
MedChoice RRG Inc	VT
NCMIC RRG Inc	VT
Oms Natl Ins Co Rrg	IL
Ophthalmic Mut Ins Co RRG	VT
Preferred Physicians Medical RRG a M	MO
Scrubs Mut Assur Co RRG	NV
Spirit Mountain Ins Co RRG Inc	AL
The Doctors Co RRG a Recip Exch	DC
Urgent Care Assur Co RRG Inc	NV

²⁰ According to direct written premium reported to the National Association of Insurance Commissioners.