



WEST VIRGINIA
OFFICES *of the*
INSURANCE COMMISSIONER

2021
Medical
Malpractice
Report

Allan L. McVey
Insurance Commissioner



STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

Allan L. McVey
Insurance Commissioner

October 29, 2021

The Honorable Jim Justice, Governor
State Capitol
1900 Kanawha Blvd.
Charleston, WV 25305

Dear Governor Justice:

Enclosed please find the 2021 Annual Medical Malpractice Report on insurers with 5% or greater market share. The information used in the preparation of this report was compiled from data in the filed information of those insurers. Included in this data were the rate filings of those companies, the NAIC data base information compiled on those companies' annual statements, and Bests Aggregates and Averages. In addition, we have included information that was made available through the West Virginia Board of Medicine and the West Virginia Board of Risk and Insurance Management (BRIM).

The overall goal of this report is to provide the reader with an overview of the Medical Professional Liability Insurance market for the previous year and the applicable trends. Please contact Juanita Wimmer at (304) 414-8491 or Juanita.D.Wimmer@wv.gov with any questions or concerns.

Sincerely,

Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner

Enclosure

cc: Dave Hardy, Secretary of Revenue



Introduction

The West Virginia Offices of the Insurance Commissioner (WVOIC) has prepared this report on Medical Professional Liability insurance to fulfill the requirements and intent of W. Va. Regulations [§114CSR22](#), [§114CSR23](#), W. Va. Code [§33-20B-6](#), and [§33-20B-7](#). The information used in the preparation of this report encompasses the experience found in the statutorily required filed information of those insurers with a 5% or greater written premium market share, rate filings, National Association of Insurance Commissioners (NAIC) supplementary information, A. M. Best reports, data collected in accordance with W. Va. Code §33-20B-8, and data from the West Virginia Board of Medicine.

This report does not include any assumptions or current observations for the global pandemic, COVID-19. There may be references throughout the report to potential future market conditions and effects due to COVID-19, but the focus remains reporting on calendar year 2020 market analysis and trends.

As shown later in this report, the West Virginia Mutual Insurance Company (WVMIC) retained its position as the market share leader by premium. The WVMIC was legislatively formed as a West Virginia domestic company during the medical malpractice crisis with a mission to provide viable options for West Virginia physicians to obtain medical professional liability insurance coverage and has been insuring physicians since July 1, 2004. In 2020, the WVMIC disclosed its intent to convert from a mutual company to a stock insurance company and then to immediately sell the converted company's stock to MAG Mutual Insurance Company (MMIC). The final conversion and acquisition plan was unanimously approved by the Company's Board of Directors on September 10, 2020. As required by the West Virginia Insurance Holding Company Systems Act, the Insurance Commissioner must hold a public hearing on the acquisition plan and the change of control of the WVMIC. This public hearing was held virtually on October 8, 2020 via Zoom. After the Public Hearing, the Act requires the Commissioner to approve the plan and change of control of the WVMIC. The Insurance Commissioner issued two (2) separate Orders related to this conversion and subsequent acquisition by MMIC. On October 19, 2020, the Insurance Commissioner issued an Order approving the Plan of Conversion (i.e., the demutualization converting the mutual insurer into a stock insurer). On October 22, 2020, the Insurance Commissioner issued an Order approving the acquisition of control of WVMIC by MMIC and MAG Mutual Holding Company (MMHC). The orders approved the transactions with conditions, specifically that the Plan of Conversion must be approved by a vote of not less than three-fourths of the Record Date Members of WVMIC voting thereon in person, by proxy or by mail at a Special Meeting called for the purpose of approving the Plan of Conversion, as required by W.Va. Code §33-5-24(b)(2), and that a certification of the vote be filed with the OIC within five (5) business days

of the vote. All conditions set forth in the Order were satisfied and the Insurance Commissioner gave final approval of the conversion and acquisition on October 28, 2020, with finalization occurring on November 1, 2020. The acquisition and demutualization of WVMIC, the market share leader since its creation, has an enormous effect on the medical malpractice industry in West Virginia. On the calendar year 2020 annual statement data, WVMIC maintained a premium market share of 43.1% for admitted insurers and 26.6% of business written. In the supplemental data review and overall industry analysis, the WVMIC data was inconsistent to prior years for comparative purposes due to the ceding and pooling arrangements with MAG. The 2020 annual statement and supplemental data included actuarial contrasts, data disparities and acquisition agreements and transfers which resulted in credibility concerns when performing a qualitative content analysis. Therefore, the change in the marketplace that is directly attributable to WVMIC reported data may or may not be an indication of current market conditions but rather may be the timing of the acquisition transfers as well as changes in actuarial or ratemaking methodologies. While the OIC does not believe the reported data was erroneous nor adjusted for any reason, the comparisons from year to year were deemed unreliable due to the ceding and pooling arrangement for the acquisition. The WVOIC will continue to monitor the transition and analyze the market conditions that may be affected by the acquisition from a reporting and data standpoint.

In addition to the MAG Mutual acquisition of WVMIC, there was yet another prominent demutualization and business acquisition that affected national medical professional liability markets. The demutualization and acquisition of NORCAL Mutual Insurance Company by the ProAssurance Corporation was announced in 2020 and finalized in May 2021. This unity of two of the top insurers in the nation will result in a 3rd place ranking for countrywide market share by premium for medical professional liability insurance. On a state level, NORCAL Mutual Insurance Company was West Virginia's second largest insurer with 11.19% market share with the NORCAL Group as a whole reporting 11.65% of licensed market share and ProAssurance Group reporting 1.26% of licensed market share for a total 2020 licensed market share percentage of 12.91%. As both insurer groups are financially stable with diverse operations and extensive expertise in healthcare professional liability, the WVOIC does not anticipate upheaval in the West Virginia market as a result of the acquisition.

A reporting anomaly was found for a specific insurer during the medical malpractice current and historical analysis. The insurer's annual reported data was unusable for data analysis due to policy structures where there is generally no transfer of risk from the policyholder to the insurer. Due to the circumstances relating to the data reporting, and the fact that the insurer's data significantly skewed the West Virginia medical malpractice market experience, all annual data reported by the insurer has been excluded from this report and is not used in the premium components for all years shown in tables and graphs. However, claims reported to the WVOIC from this insurer are used in the Closed Claim Analysis section details.

Another notable anomaly occurred in 2019 that affected the West Virginia medical malpractice market when Capson Physicians Insurance Company (CPIC) was found to be insolvent and placed in liquidation by the Texas Department of Insurance. CPIC did not file an annual statement for 2018 through 2020 so annual data was not included in this report. However, in 2017 and prior years, CPIC wrote more than \$1M in premium in West Virginia. The CPIC insolvency did not create upheaval in the market due to a surplus lines insurer, ISMIE Indemnity Company, agreeing to write the CPIC policies at the same rates and premiums as CPIC charged. ISMIE Indemnity Company has had sufficient time to accurately underwrite the transferred policies and adequately price policies.

There were observed anomalies in industry datasets that were outside of the expected thresholds of change from year to year. When considering the top two (2) admitted insurers by medical malpractice premium market share were demutualized and acquired by other insurance groups and the COVID-19 pandemic effects on the healthcare industry, there were several data disparities that were unexpected and often unexplainable. For this reason, there may be graphical and summative comparisons outlined in the report that appear to be anomalies or outliers when compared to previous years.

Pure loss direct ratios are claim costs directly related to the payment of current and future claims; whether known or not. The overall incurred losses are divided by the earned premium to indicate how much premium is being paid or expected to pay for losses. The overall West Virginia medical malpractice pure direct loss ratio decreased from 63.0% in 2019 to 52.7% in 2020. The 11.2% decrease in pure loss ratio is attributable to a \$4M decrease in incurred losses. Incurred losses may decrease due to the lowering of reserves and/or incurred but not reported (IBNR) claims. The decrease may also be a result of the COVID-19 pandemic and its effects on the medical community. The average West Virginia pure direct loss ratio for calendar years 2011 through 2020 is 53.3%; with the lowest ratio of 19.4% occurring in 2012 and the highest ratio of 90.5% occurring in 2017. This report will address the volatility of the West Virginia medical malpractice market.

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Coronavirus Disease 2019 (COVID-19)

The coronavirus disease of 2019 (COVID-19) global pandemic wreaked havoc on all segments of the healthcare industry, including the medical malpractice market. The pandemic placed tremendous pressure on hospitals, healthcare providers and long-term care facilities. The medical professional liability industry faced shortages of critical supplies, inadequate testing capabilities and lack of personal protective equipment for healthcare professionals. As the world was confronted with an unprecedented virus, there was no standard treatment plan for COVID-19 patients and the virus continued to mutate as the pandemic progressed. Further, only specialized care or lifesaving treatments were performed while elective treatments were delayed indefinitely. Critical need medical services are often areas where specialized care is required and thus subject to higher probabilities of a medical malpractice claim due to the complexity of care.

Industry experts have opined that the already hardened insurance market will become even tighter due to the spread, diagnosis and treatment of COVID-19 claims and also indirect claims arising from the pandemic's impact upon the availability of health care and health care resources, such as claims resulting from the delay or cancellation of procedures deemed elective. Many insurers are reducing capacity, revisiting retentions, requiring rate increases, and ultimately, some are exiting the market.

Additionally, due to social distancing and other COVID-19 restrictions and limitations, many facilities and physicians offered telehealth or virtual consults. While we do not know the potential exposure caused by the surge in telemedicine services, liabilities such as misdiagnoses, effective follow-up and referral protocols, HIPAA issues and cyber-liability concerns of using video conferencing platforms and cellular telephones may factor into potential malpractice claims.

The medical professional liability is a long tail insurance so potential impacts to this line of business may not be realized for several years. In West Virginia, the statute of limitations to file a claim is generally two (2) years from the date or discovery of the injury. The OIC will continue to carefully analyze trends that may emerge, evolve and contribute to potential outcomes as the pandemic continues to transition and linger.

In summary, medical malpractice insurance is anticipated to be highly affected by COVID-19 in the United States. While there will potentially be a short-term decrease in claims as some medical procedures were stopped in anticipation of the rush of patients needing COVID-19 treatment, there remains the potential for adverse frequency and severity claim trends as COVID-19 cases continue to flood hospitals and overwhelm healthcare professionals. Past, current and prospective COVID-19 malpractice claims will likely disrupt this line of insurance over the next several months and potentially for years to come.

Countrywide Medical Malpractice Insurance Results

Medical professional liability insurance, sometimes known as medical malpractice insurance, is a type of professional liability insurance which protects physicians/surgeons, other licensed healthcare professionals and facilities such as hospitals and nursing homes from liability associated with wrongful practices resulting in bodily injury, medical expenses, property damage, and covers the cost of defending lawsuits related to such claims.

When analyzing the West Virginia medical malpractice market results, it is important to understand how the state level market compared to countrywide results. While the West Virginia market is obviously on a much smaller premium scale and without the law of large numbers in place to accurately predict trends and projections, a comparison to countrywide results is a relevant method of determining current market conditions.

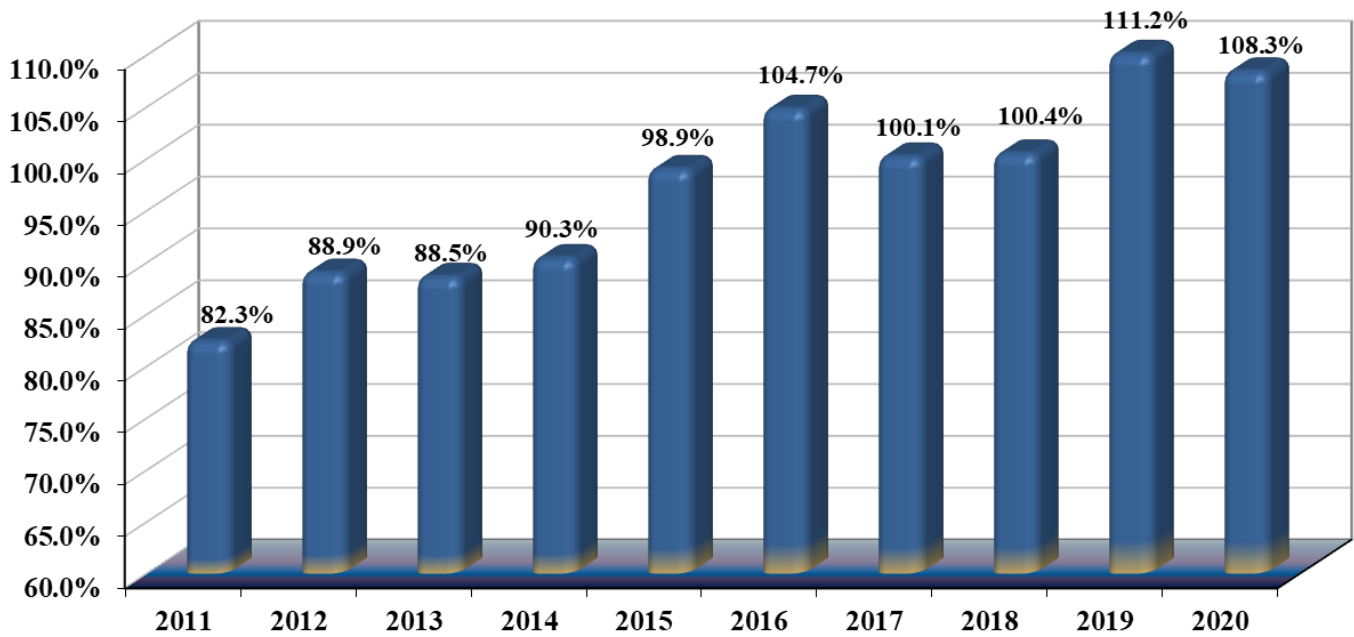
According to the 2021 Best's Aggregates and Average publication that includes analyses on the year end 2020 data, the current medical professional liability countrywide direct combined ratio result is 108.3%: the fifth consecutive year of industry loss. A combined ratio includes claim losses and insurer expenses divided by earned premiums. A combined ratio under 100% is profitable to a company but anything over is a loss. A combined ratio of 108.3% means that for every \$1 an insurer charges in premium, \$1.08 is spent on losses and expenses.

The table and graph below display the countrywide medical professional liability industry direct combined ratios and components realized over the last ten (10) years:

**CUMULATIVE BY LINE UNDERWRITING EXPERIENCE - DIRECT PREMIUMS WRITTEN
MEDICAL PROFESSIONAL LIABILITY**

| LINES OF BUSINESS | Year | Direct Premiums Written (000) | Direct Premiums Earned (000) | Ratios To Direct Premiums Earned | | | Ratios To Direct Premiums Written | | | 'Dividends to Policy-holders | Combined Ratio After Div |
|--------------------------------|--------|-------------------------------|------------------------------|----------------------------------|----------------------------|--------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|------------------------------|--------------------------|
| | | | | Losses Incurred | Loss Adj Expenses Incurred | Losses & Adj Expenses Incurred | Comms & Brokerage Incurred | Other Under-Writing Expenses Incurred | Total Under-Writing Expenses Incurred | | |
| MEDICAL PROFESSIONAL LIABILITY | 2011 | 10,213,218 | 10,243,916 | 34.5 | 23.9 | 58.4 | 6.9 | 13.9 | 20.8 | 3.0 | 82.3 |
| | 2012 | 9,824,723 | 9,925,549 | 41.3 | 23.8 | 65.1 | 6.9 | 13.7 | 20.6 | 3.3 | 88.9 |
| | 2013 | 9,665,084 | 9,743,829 | 39.5 | 23.9 | 63.5 | 7.0 | 14.0 | 21.0 | 4.0 | 88.5 |
| | 2014 | 9,532,881 | 9,595,373 | 40.1 | 25.6 | 65.7 | 7.2 | 14.1 | 21.3 | 3.3 | 90.3 |
| | 2015 | 9,195,726 | 9,356,483 | 42.3 | 27.1 | 69.4 | 7.7 | 18.1 | 25.9 | 3.6 | 98.9 |
| | 2016 | 9,084,805 | 9,138,519 | 48.4 | 29.4 | 77.7 | 7.9 | 15.7 | 23.7 | 3.3 | 104.7 |
| | 2017 | 9,006,990 | 9,033,873 | 49.1 | 25.2 | 74.3 | 8.3 | 14.8 | 23.1 | 2.7 | 100.1 |
| | 2018 | 9,122,639 | 9,157,729 | 47.6 | 27.2 | 74.9 | 8.7 | 14.3 | 23.1 | 2.5 | 100.4 |
| | 2019 | 9,580,369 | 9,407,115 | 56.7 | 29.3 | 86.0 | 8.9 | 14.2 | 23.1 | 2.1 | 111.2 |
| | 2020 | 9,898,608 | 9,699,172 | 56.1 | 28.2 | 84.3 | 9.0 | 13.2 | 22.2 | 1.9 | 108.3 |
| | TOTALS | 95,125,043 | 95,301,558 | 45.4 | 26.3 | 71.7 | 7.9 | 14.6 | 22.4 | 3.0 | 97.1 |

Industry Medical Malpractice Direct Combined Ratios



Source: A. M. Best

If assuming the current trend continues the same level as the past ten (10) years and using linear forecasting calculations, it is anticipated that by 2025 the operating ratio will be more than 123.0%. With the 2020 results producing a net operating loss to insurers, increased costs of operating expenses and diminishing returns on investments will likely produce higher rate indications for the industry in the years ahead.

The industry loss duration and severity over the most recent five (5) years are an indicator that medical malpractice liability has entered a hard market. In the insurance industry, a hard market is the upswing in a market cycle, when premiums increase and capacity for most types of insurance decreases. This can be caused by several factors, including falling investment returns for insurers, increases in frequency or severity of losses, or demographics including legal or political landscapes. Insurance markets are cyclical in nature, and it is impossible to estimate the duration of hard or soft markets.

In long tail lines of insurance, investment return is an important part of an insurance expense exhibit and the solvency of an insurer. Fluctuating returns on equity or surplus can affect the reasonableness of profitability for a market. The direct combined ratios graph includes the combined ratio after dividends but does not include investment gains or other income. While A.M. Best does not provide investment percentages for the direct premiums, they do consider investment gain percentages for the net premium overall operating ratio.

The difference between net and direct premiums is that net premium represents premiums written minus premiums ceded to reinsurance companies whereas direct premiums do not include any reinsurance adjustments. Ceded reinsurance refers to the portion of liability that a primary insurer passes to a reinsurer. In exchange for taking on the liability, the reinsurance company receives a premium from the primary insurer and pays for claims they accept. Both net and direct datasets provide insight into market conditions from two different outlooks; the net premiums show a specific insurer's experience based on reinsurance contracts while direct premiums show market results in real time with no adjustments on who pays for the losses; insurer or reinsurer.

The net premium overall operating ratio (including dividends and investment gain) is shown below.

**CUMULATIVE BY LINE UNDERWRITING EXPERIENCE - NET PREMIUMS WRITTEN
MEDICAL PROFESSIONAL LIABILITY**

| LINES OF BUSINESS | Year | Net Premiums Written (000) | Net Premiums Earned (000) | Ratios To Net Premiums Earned | | | Ratios To Net Premiums Written | | | 'Dividends to Policy-holders | Com-bined Ratio After Div | 'Inv Gain on Funds & Other Income | Overall Operating Ratio |
|--------------------------------|--------|----------------------------|---------------------------|-------------------------------|----------------------------|--------------------------------|--------------------------------|---------------------------------------|---------------------------------------|------------------------------|---------------------------|-----------------------------------|-------------------------|
| | | | | Losses Incurred | Loss Adj Expenses Incurred | Losses & Adj Expenses Incurred | Comms & Brokerage Incurred | Other Under-Writing Expenses Incurred | Total Under-Writing Expenses Incurred | | | | |
| MEDICAL PROFESSIONAL LIABILITY | 2011 | 8,826,089 | 8,839,781 | 35.2 | 26.2 | 61.4 | 6.3 | 16.8 | 23.1 | 3.5 | 88.0 | 18.4 | 69.6 |
| | 2012 | 8,682,098 | 8,789,095 | 41.9 | 25.0 | 66.9 | 6.2 | 16.7 | 22.9 | 3.6 | 93.3 | 16.2 | 77.1 |
| | 2013 | 8,500,590 | 8,580,946 | 36.1 | 25.3 | 61.5 | 6.3 | 17.0 | 23.3 | 4.7 | 89.5 | 16.2 | 73.3 |
| | 2014 | 8,467,832 | 8,516,452 | 48.6 | 27.8 | 76.4 | 6.3 | 17.4 | 23.7 | 3.5 | 103.6 | 27.3 | 76.4 |
| | 2015 | 8,194,961 | 8,369,236 | 41.6 | 28.1 | 69.7 | 7.1 | 21.5 | 28.6 | 4.1 | 102.3 | 13.4 | 89.0 |
| | 2016 | 8,176,495 | 8,152,278 | 46.9 | 30.7 | 77.6 | 7.3 | 18.0 | 25.3 | 3.6 | 106.4 | 14.1 | 92.3 |
| | 2017 | 8,036,798 | 8,005,004 | 47.5 | 25.7 | 73.3 | 7.5 | 17.9 | 25.4 | 3.0 | 101.7 | 13.8 | 88.0 |
| | 2018 | 8,404,174 | 8,460,763 | 47.9 | 27.5 | 75.3 | 8.7 | 17.1 | 25.9 | 2.9 | 104.1 | 16.6 | 87.6 |
| | 2019 | 8,723,690 | 8,588,571 | 54.7 | 29.7 | 84.4 | 9.0 | 16.4 | 25.4 | 2.4 | 112.2 | 15.0 | 97.2 |
| | 2020 | 9,026,423 | 8,844,618 | 55.9 | 29.9 | 85.7 | 10.2 | 15.7 | 25.9 | 2.0 | 113.6 | 13.5 | 100.1 |
| | TOTALS | 85,039,150 | 85,146,744 | 45.6 | 27.6 | 73.2 | 7.5 | 17.4 | 24.9 | 3.3 | 101.4 | 16.5 | 85.0 |

As shown above, even the net premium overall operating ratio resulted in an industry loss for 2020. This was the first net loss the industry has experienced in more than ten (10) years which further supports hard market conditions for the medical professional liability line of insurance.

For purposes of this report, all West Virginia data and subsequent comparisons to countrywide results will use direct premiums.

West Virginia Medical Malpractice Insurance Results

The prior section provided insight into the countrywide market results; we will now compare that experience to the West Virginia market. Since 2016, the countrywide medical professional liability line has generated negative underwriting results due to rising loss costs and diminishing investment gain while the West Virginia line achieves better overall results. The table below outlines the changes by component of the most recent combined ratio, including dividends and excluding investment, for the West Virginia data compared to the countrywide data.

| West Virginia Direct Premium Data - NAIC | | | | | |
|---|-------------|------------|----------------|------------------|-----------------------|
| Year | Loss | LAE | Expense | Dividends | Combined Ratio |
| 2019 | 63.0% | 14.1% | 12.8% | 7.1% | 97.0% |
| 2020 | 52.7% | 29.5% | 16.5% | 0.4% | 99.1% |
| Change | (16.3%) | 109.2% | 28.9% | (94.4%) | 2.2% |

| Countrywide Direct Premium Data – A.M. Best | | | | | |
|--|-------------|------------|----------------|------------------|-----------------------|
| Year | Loss | LAE | Expense | Dividends | Combined Ratio |
| 2019 | 56.7% | 29.3% | 23.1% | 2.1% | 111.2% |
| 2020 | 56.1% | 28.2% | 22.2% | 1.9% | 108.3% |
| Change | (1.1%) | (3.8%) | (3.9%) | (9.5%) | (2.6%) |

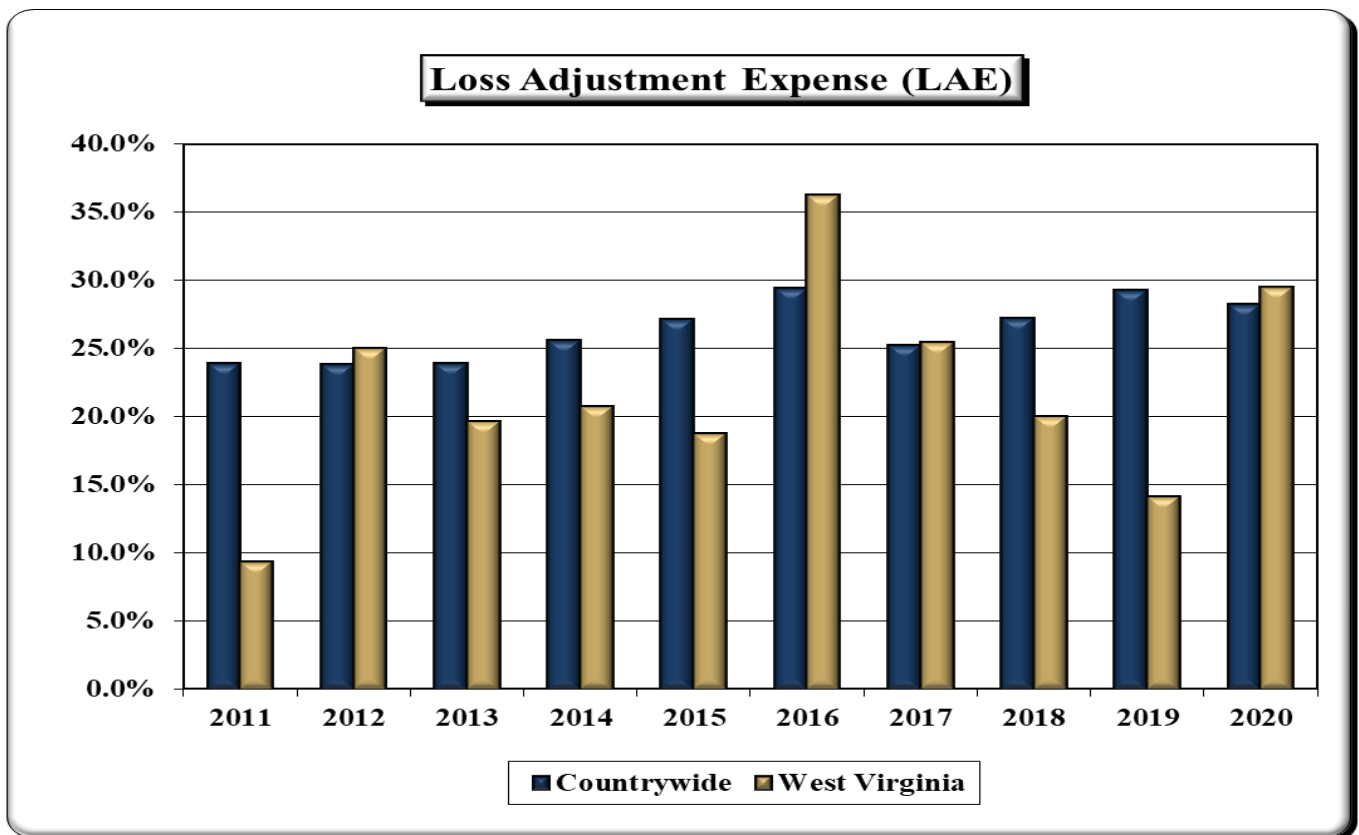
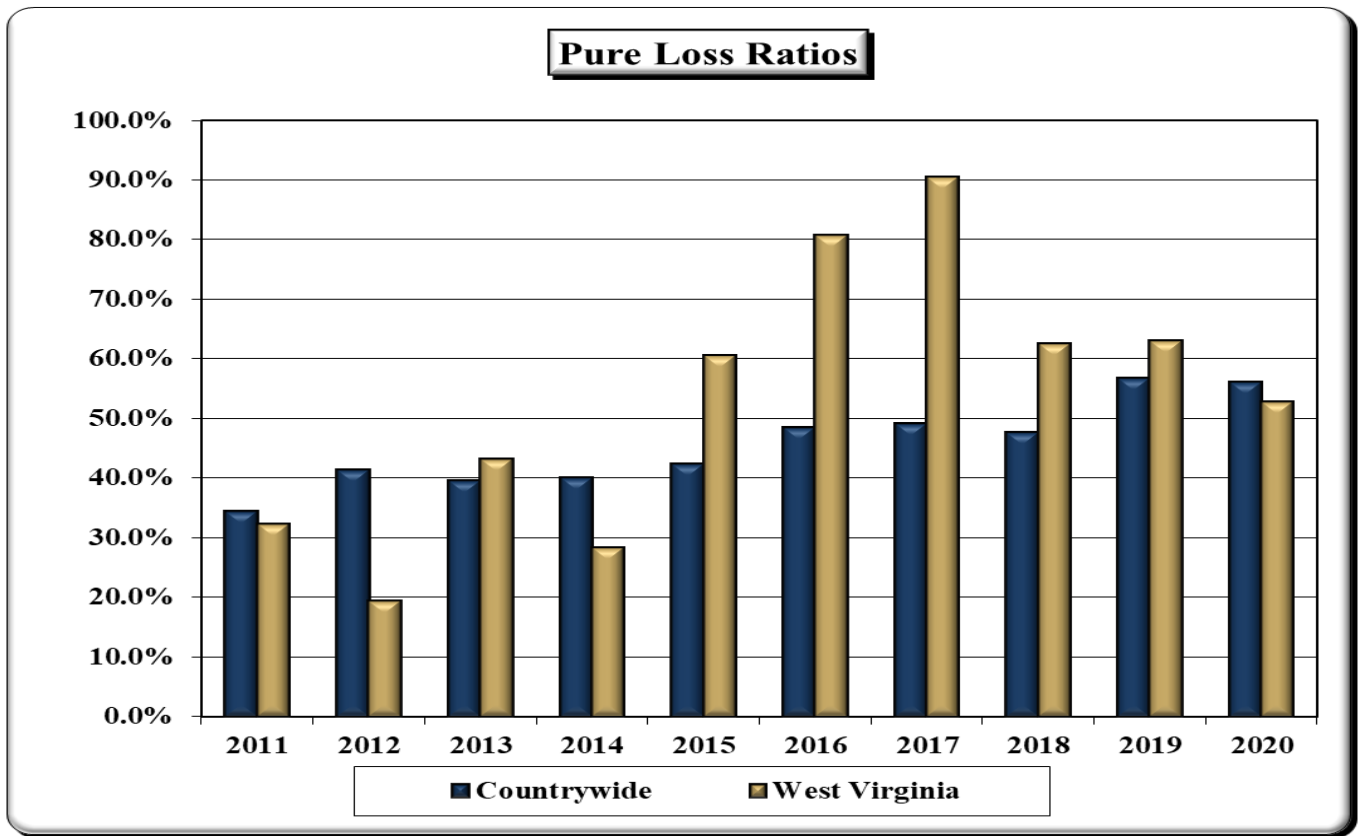
The loss portion of the ratio includes monies paid by an insurer for medical malpractice losses. Loss adjustment expense (LAE) includes insurer expenses that are associated with investigating and managing claims. Expenses include commissions, taxes, salaries, company overhead costs and any other costs not specifically related to claims. Dividends are payments returned to the policyholder due to better-than-expected company results and are not guaranteed for any policy term or year.

While it may not be a balanced comparison due to two separate data sources of information, it may be construed that the West Virginia combined ratio is 8.5% lower than the countrywide ratio. The countrywide combined ratio is 108.4% while the West Virginia combined ratio is 99.1% with West Virginia experience being more favorable to the market. While most components are in-line with the countrywide results, the West Virginia underwriting expenses are 26% lower than countrywide. However, both LAE and underwriting expenses do fluctuate year to year based on the frequency, severity and type of claims filed.

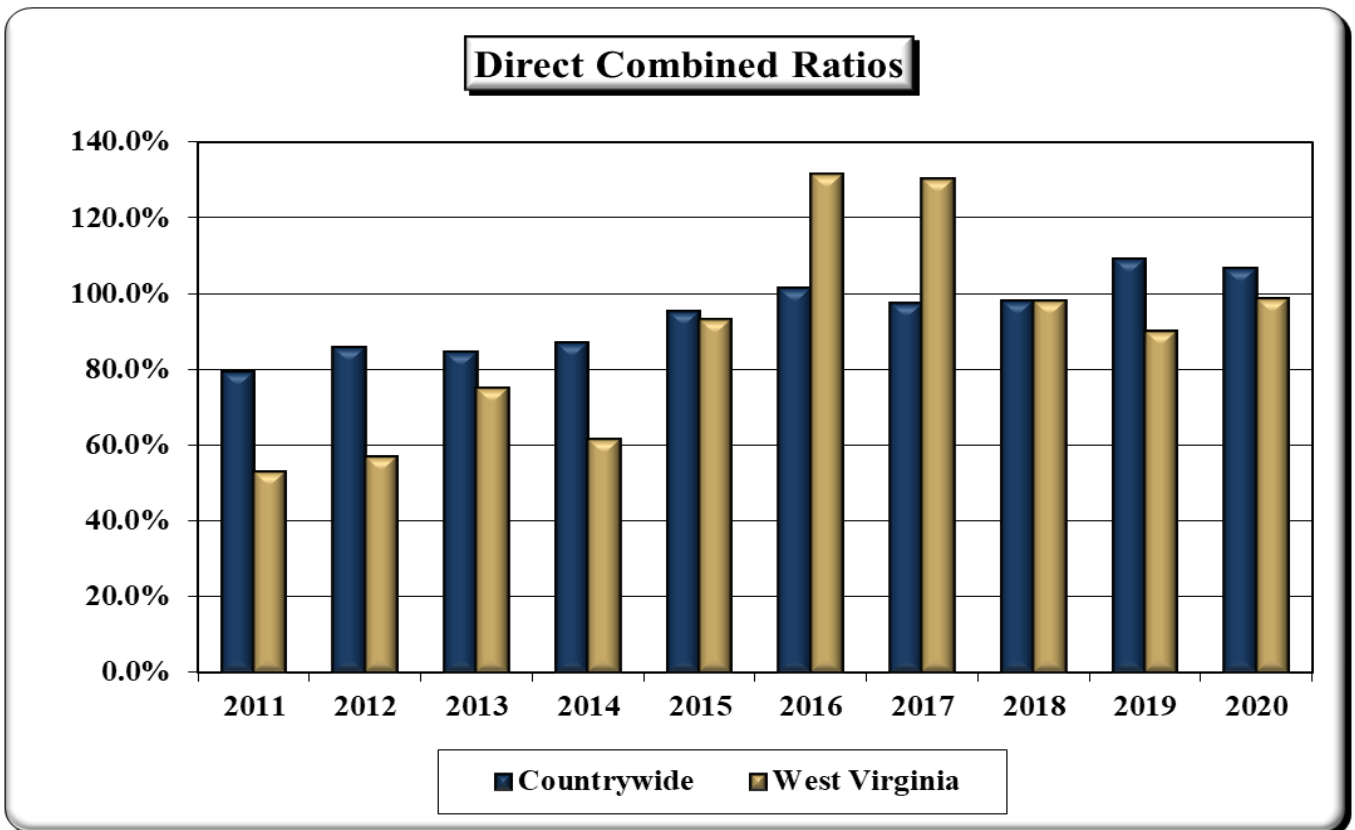
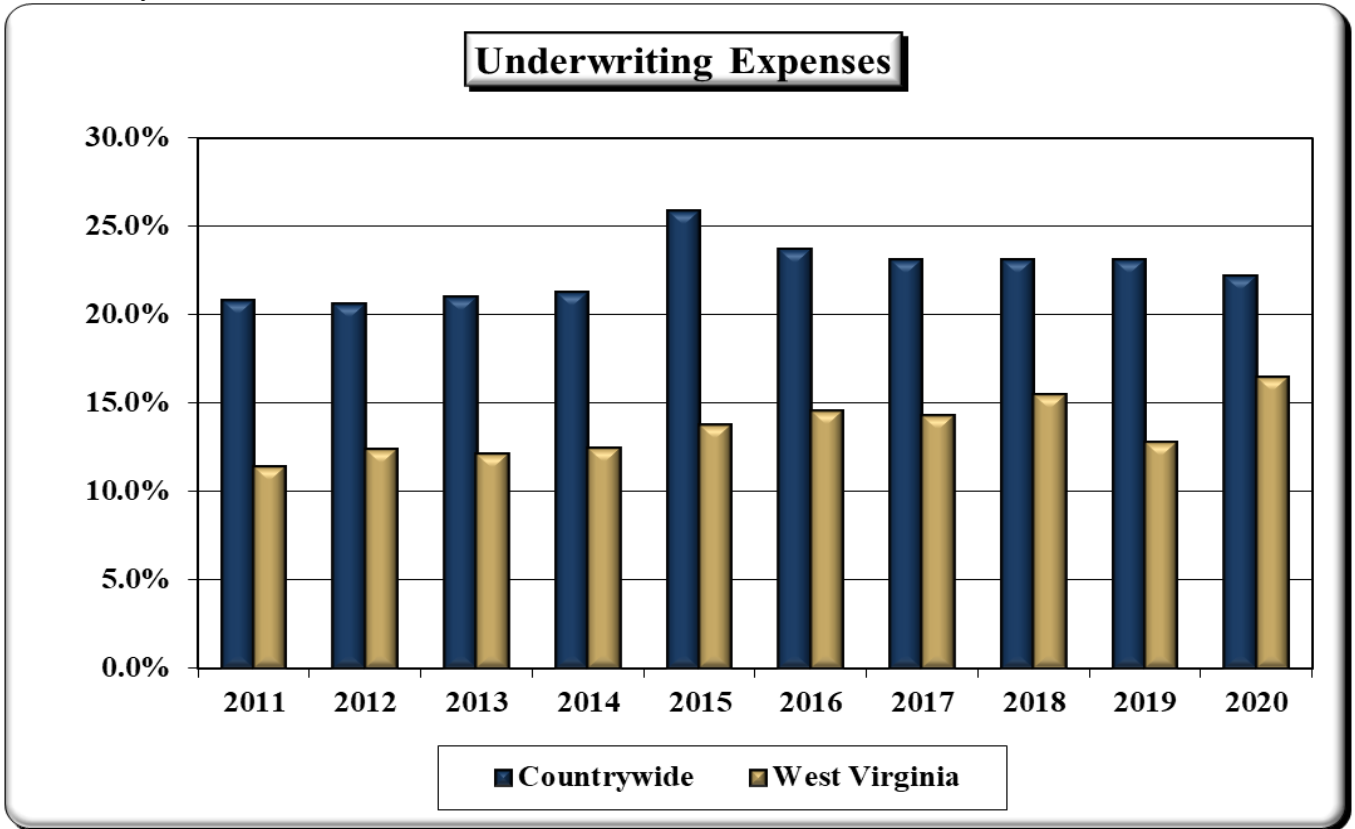
The following observations and exhibits provide a comparison of the medical professional liability line of business for the countrywide industry compared to West Virginia experience for the past ten years. In reviewing this exhibit, a few key areas of difference are noted.

- West Virginia medical malpractice earned premiums increased 5.2% from the 2019 premium level to the 2020 premium level with written premiums increasing by 11.2%. This is the first premium increase since 2010 after years of premium decreases. However, the current earned premium level remains ~\$5M less than 2018 and is a 26.8% decrease from the 2011 premiums.
- The pure loss ratio (incurred claims / total earned premiums) decreased 16.3% in 2020. This is the lowest pure loss ratio since 2014 and is lower than the countrywide pure loss ratio. The pure loss ratio is based on incurred direct losses, but it is notable that paid direct losses decreased 27.7% or ~ \$10M from 2019 to 2020.
- Loss allocated expenses (LAE) escalated more than 109% from the 2019 levels and are currently at the highest percentage since 2016. While these are steep variances from year to year, the 2020 West Virginia LAE result is in-line with the countrywide experience. The LAE increase above is based on incurred values; the LAE paid amounts decreased by more than 12% or \$1.6M from 2019 to 2020. When comparing incurred versus paid values, the difference may be in anticipated future payments or incurred but not reported claims. The WVOIC is aware of a current systemic (multi-claimant) case that may be affecting the reported LAE values due to the complex litigation strategies needed for systemic claims. Also, the increase comes after a substantial decrease in 2019 where the WVMIC reported negative \$1.1M for incurred LAE due to better-than-expected claims development.
- The 2020 underwriting expenses increased 29%. The expense ratio is the highest it's ever been in West Virginia since the OIC began documenting the expense component in 1999. It is important to note that while this is a severe increase in the West Virginia market, the 16.5% ratio remains well below the countrywide ratio of 22.2%.
- The West Virginia 2020 combined ratio increased by 9.8%. Loss ratios over the past six (6) years are much higher than 2008 – 2014 ratios. Combined ratios have traditionally been volatile due to frequency, severity and types of claims variances within the relatively small West Virginia market.

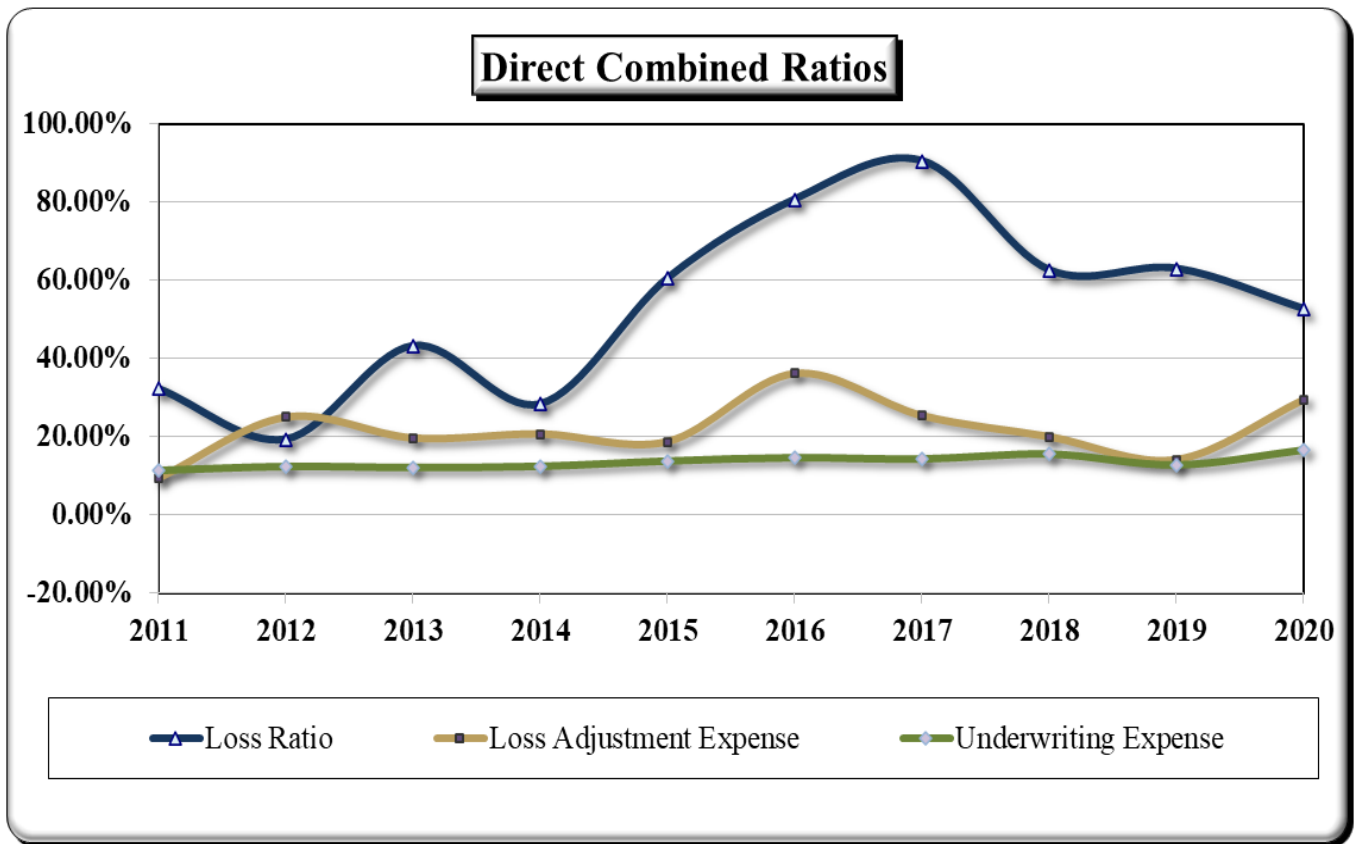
Visually, a comparison of countrywide and West Virginia industry results for medical malpractice operating ratios by component is provided below.



Reported and analyzed data contained and displayed throughout this report is on a calendar year basis. Increases or decreases in loss reserves from previous years will be carried forward to the calendar year on an accounting basis. This can result in incurred loss amounts which may appear inflated or even result in overall negative dollar values for the year.



The combined loss ratio summary graph below indicates the West Virginia medical malpractice line continues to exhibit volatile direct loss ratios and loss expenses with generally stable underwriting expenses.

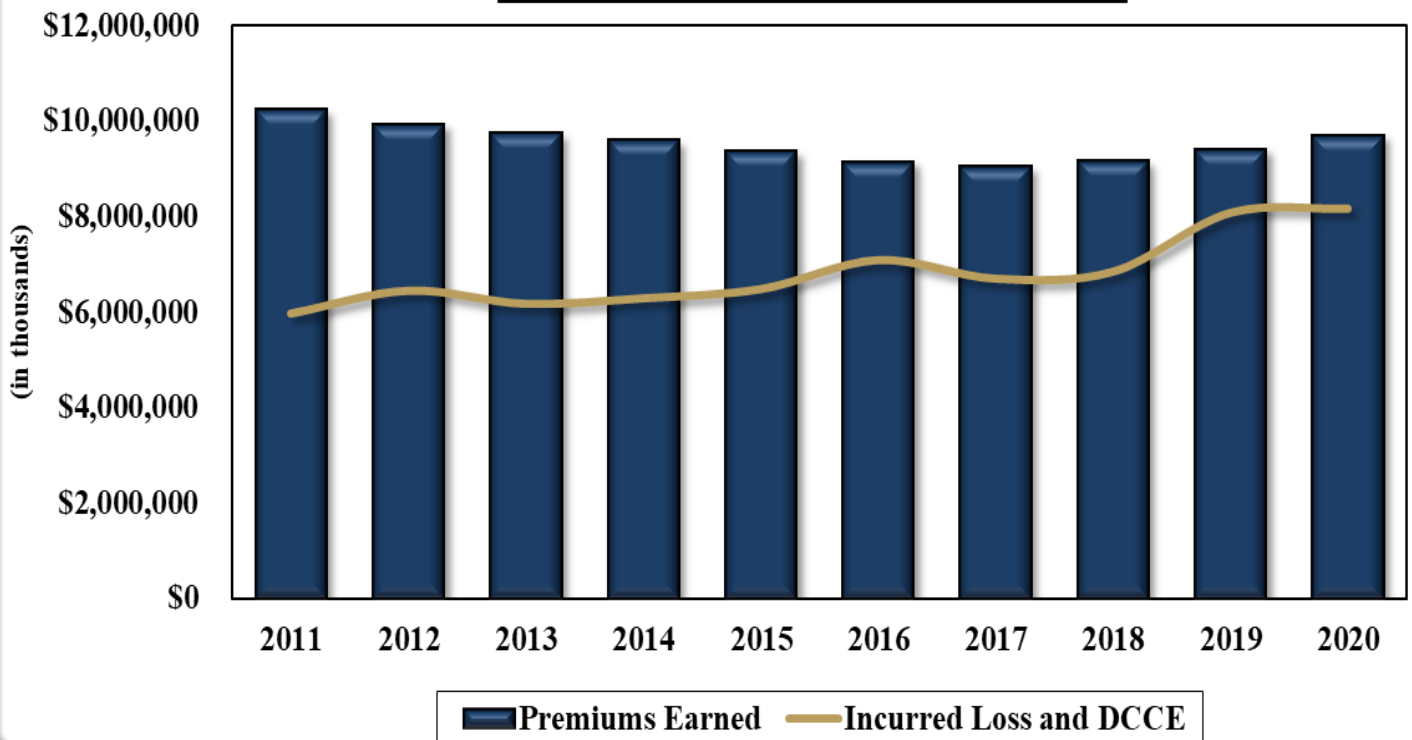


The loss adjustment expenses generally trend similarly to the loss ratio but may vary due to the specialized nature of litigation for the medical malpractice line of insurance. When the loss ratio and loss adjustment expenses are linearly trended using ten-year history values, the 2020 actual loss ratio was ~29% lower than the trended expectation and the LAE was ~15% higher than the trended projection.

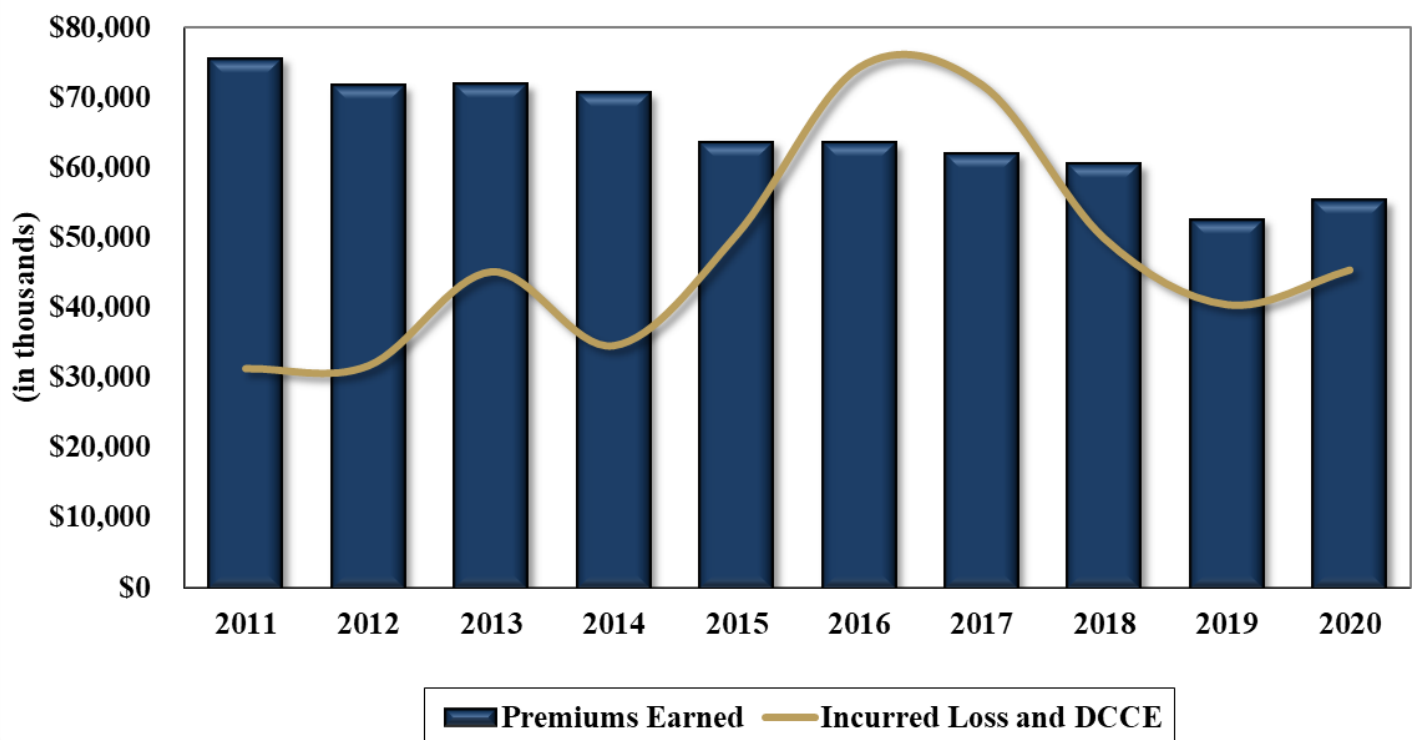
While both the direct loss ratio and loss adjustment expense fluctuate throughout the years, the underwriting expenses have remained relatively static over the last ten (10) years with only the most recent year showing an upswing in expenses. The underwriting expenses are adequate and consistent for the West Virginia market and are much lower than countrywide expenses.

The following graphs provide a visual representation of the historical countrywide earned premiums and loss information that includes incurred loss amounts and LAE components such as defense cost containment expenses (DCCE), where DCCE includes all expense related to defense and litigation costs, both internal and external to an insurer.

Countrywide Medical Malpractice



West Virginia Medical Malpractice



The premium and loss charts compare incurred losses and DCCE for the countrywide industry and the comparable figures for the West Virginia market. The 2020 West Virginia incurred losses were \$29,149,563 and DCCE incurred was \$16,294,409 for a total of \$45,443,972. The loss and DCCE expenses in West Virginia had far exceeded earned premiums until tort reform in medical malpractice in 2003. When considering the last ten years, the incurred losses and DCCE have averaged 75.2% of the earned premiums. 2016 and 2017 are the only years since 2002 where the combined loss expenses exceeded earned premiums. The 2020 West Virginia results performed slightly better than countrywide industry with West Virginia having an 82.2% loss to premium ratio and the countrywide loss to premium ratio was 84.3%.

While not part of DCCE, it is prudent to provide the 2020 commissions and taxes, licenses and fees expenses paid by insurers as these are considered in the combined ratio as underwriting expenses. There was \$7,233,848 paid in commissions and \$1,878,578 paid for taxes, licenses and fees.

The table below displays the 2020 West Virginia aggregate totals by component as reported by insurers on the annual statements to NAIC on a business written basis.

| Direct Premiums Written | Direct Premiums Earned | Dividends | Direct Premiums Unearned | Direct Losses Paid | Direct Losses Incurred | Direct Losses Unpaid | Direct Defense and Cost Containment Expense Paid | Direct Defense and Cost Containment Expense Incurred | Direct Defense and Cost Containment Expense Unpaid | Commission and Brokerage Expenses | Taxes, Licenses and Fees |
|-------------------------|------------------------|-----------|--------------------------|--------------------|------------------------|----------------------|--|--|--|-----------------------------------|--------------------------|
| \$56,863,609 | \$55,296,172 | \$233,676 | \$30,791,077 | \$26,299,606 | \$29,149,563 | \$109,313,678 | \$11,855,707 | \$16,294,409 | \$31,998,746 | \$7,233,848 | \$1,878,578 |

Closed Claims Analysis

A medical malpractice claim may occur when a hospital, doctor, or other health care professional, through a negligent act or omission, causes an injury or harm to a patient. The negligence may be the result of errors in diagnosis, treatment, after care or health management. West Virginia Code requires insurers report closed claim information to the WVOIC. This section will provide insight into the reported claims data as reported by insurers.

The Board of Medicine (BOM) information is not insurance data; but is information provided to the West Virginia Board of Medicine about medical malpractice claims after the disposition and has not been audited for accuracy. Disposition means any claim which has been dismissed, settled, or adjudicated. While not considered insurance data, this information is useful in attempting to identify trending of the market over time since even with twenty years of data, the number of claims and loss dollars are not at credible levels needed for analysis. Additionally, note that this information does include Board of Risk and Insurance Management (BRIM) claim payments and self-insured facilities.

A summary of the 2020 BOM claims is provided below:

| Action Type | Count of Action | Amount of Action |
|---------------------------|-----------------|------------------|
| Judgement in Legal Action | 0 | \$0 |
| Settlement | 67 | \$23,307,999 |
| Total | 67 | \$23,307,999 |

The exhibit below displays paid claim count information for 2011 – 2020.

| Year | Judgments | | Settlements | Total |
|--------------|------------|-----------|--------------|--------------|
| | \$0 Awards | Total | Total | |
| 2011 | 3 | 8 | 162 | 170 |
| 2012 | 2 | 7 | 86 | 93 |
| 2013 | 1 | 3 | 87 | 90 |
| 2014 | 3 | 3 | 119 | 122 |
| 2015 | 2 | 3 | 120 | 123 |
| 2016 | 4 | 5 | 140 | 145 |
| 2017 | 2 | 3 | 114 | 117 |
| 2018 | 0 | 0 | 99 | 99 |
| 2019 | 0 | 2 | 92 | 94 |
| 2020 | 0 | 0 | 67 | 67 |
| Total | 17 | 34 | 1,086 | 1,120 |

In general, the number of claims filed has dropped significantly since the passage of the 2001 legislation. The claim frequency decreased by 60% from 2011 to 2020 and was even more of a decrease when compared to earlier years. The COVID-19 pandemic may have influenced the number of actions in 2020 due to limited in-person hearings, virtual trials and/or suspension of non-emergency court business.

As noted in the historical action table, claims are nearly always settled outside of courtrooms. This is likely the reason why the West Virginia loss adjustment expenses and DCCE costs have historically been lower than countrywide (2020 notwithstanding). Generally, claims are settled so that an insurer knows the ultimate cost outcome rather than leaving an award up to chance to a jury or court. Settlements are not uncommon in any line of insurance and are prevalent in long tail lines such as medical malpractice.

The above summaries were based on data received from the West Virginia Board of Medicine. In accordance with §33-20B-8, the WVOIC also collects claim data from insurers. This method of collecting claim data was revised by the WVOIC in May 2017. Previously, insurers were required to complete and return paper forms to the WVOIC via email, postal mail or fax. Once received, the data would be manually entered into a repository claim database by WVOIC personnel. The WVOIC created and implemented an electronic, web-based module that replicated the form. This allowed insurers to complete the form online and submit to the WVOIC in real time thus saving time and money for insurers and WVOIC personnel. The online portal is continually reviewed and updated as needed by the WVOIC for data validation and accuracy of user inputs.

A medical malpractice claim includes four (4) damage components. The damage components and definitions of each follow:

Indemnity Paid – Indemnity payments include all compensation paid to claimants or plaintiffs.

Economic Damages Paid – Economic damages are monies awarded as compensation for monetary losses and expenses, which the plaintiff has incurred, or is reasonably likely to incur in the future, as a result of the defendant's negligence. This includes:

- Medical care and future expenses
- Loss of earnings
- Loss of earning capacity

Non-Economic Damages Paid – Non-economic damages are monies awarded as compensation for non-monetary losses and injuries, which the plaintiff has suffered, or is reasonably likely to suffer in the future, as a result of the defendant's negligence. This includes:

- Mental distress and suffering
- Loss of enjoyment of life
- Loss of consortium
- Disfigurement

Punitive Damages Paid – Punitive damages are monies awarded when it can be proven that a medical professional deliberately and maliciously caused serious harm to the patient. These damages are rarely awarded because the burden of proof falls to the claimant or plaintiff.

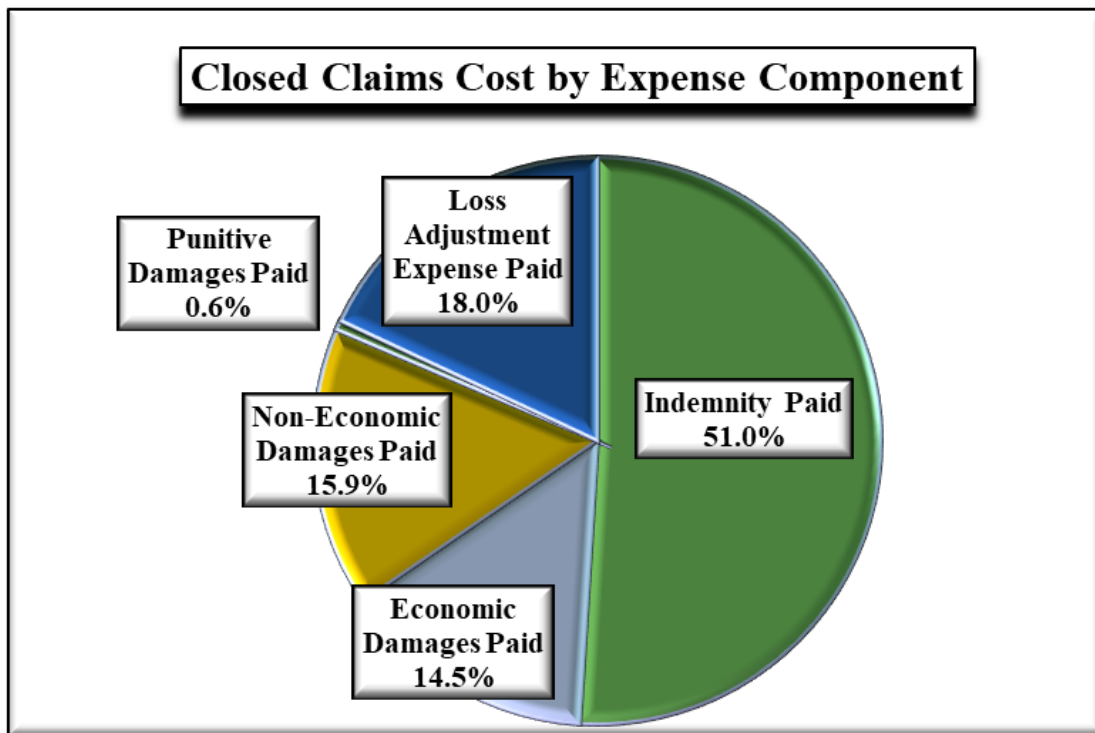
Loss Adjustment Expense (LAE) Paid – Expenses paid by the insurer in the process of administering or adjudicating a claim. The claimant/plaintiff does not receive these monies as part of an award.

As mentioned in the definitions above, the indemnity payments should display the total amount paid to the plaintiff and the economic, non-economic and punitive damages should equal the indemnity payments to show the allocation of the damages. However, the historical data, and some current claim reports to the WVOIC, show that is not always the case even though reporting instructions are clearly stated. The WVOIC cleansed the data as much as possible prior to analysis but cautions that the reported claim data may not be fully credible. The WVOIC has taken steps to ensure this is not the case for future reporting by implementing validation rules embedded within the online medical malpractice reporting form. In future annual reports, year to year comparisons will not be possible until we have used the five (5) year database claims for multiple years. Data analysis older than five (5) years will not be available, such as what is provided below. The WVOIC places more value on smaller, credible datasets rather than larger quantities of unreliable data.

For this report, the WVOIC is providing claim information as was reported directly by the insurer via the online claims reporting portal. While this is not a full history a claims information, the data is more accurate and incorporates recent data validation in the responses whereas this was not the case with historical reporting. The summary below represents all claims reported including all professional codes such as physician and surgeons, nurses, hospitals, nursing homes, clinics, dentists, chiropractors and podiatrists. The data table represents claims reported as of August 17, 2021.

| Claim Closed Year | Count of Claims | Indemnity Paid | Economic Damages Paid | Non-Economic Damages Paid | Punitive Damages Paid | Loss Adjustment Expense Paid |
|-------------------|-----------------|----------------------|-----------------------|---------------------------|-----------------------|------------------------------|
| 2013 | 2 | \$0 | \$0 | \$0 | \$0 | \$8,806 |
| 2014 | 1 | \$0 | \$0 | \$0 | \$0 | \$8,756 |
| 2015 | 1 | \$0 | \$0 | \$0 | \$0 | \$4,154 |
| 2016 | 48 | \$6,533,165 | \$725,000 | \$800,000 | \$0 | \$1,337,799 |
| 2017 | 154 | \$74,669,078 | \$7,198,781 | \$6,867,787 | \$0 | \$31,204,323 |
| 2018 | 245 | \$37,223,050 | \$17,612,815 | \$16,560,367 | \$400,000 | \$11,696,015 |
| 2019 | 275 | \$32,133,559 | \$11,925,080 | \$13,247,786 | \$0 | \$10,752,128 |
| 2020 | 221 | \$24,339,909 | \$11,080,628 | \$12,509,281 | \$700,000 | \$9,096,691 |
| 2021 | 109 | \$17,040,785 | \$5,901,375 | \$9,893,434 | \$1,088,476 | \$3,782,639 |
| Total | 1,056 | \$191,939,547 | \$54,443,679 | \$59,878,655 | \$2,188,476 | \$67,891,311 |

Then from the entire dataset, you can determine how each of the damage types and loss adjustment expenses are related.



Considering that medical malpractice liability is a long tail line of insurance, it may be likely that the experience of later years will be subject to further adverse development. While these trends are important to understand the medical malpractice insurance and claim dynamics, it is important to realize that malpractice claims may take years to develop and/or be resolved through the litigation process and thus a year to year comparison may not be indicative of future trends or loss development.

Similar to the BOM data, we can also consider claim outcomes for the disposition of claims reported by the insurer through the online reporting portal. Please note the claims costs provided in the data tables and analyses are not capped at policy limits and are analyzed using the dispositions and damage payments reported by the insurer. Further, systemic cases may be counted as a single claim. For instance, in 2020, there was a single claim report that had 124 defendants that settled for \$50,000,000 and had ~\$23,000,000 in LAE. Because of the mass litigation of structured settlements, this was considered as a single claim.

| Disposition | Claim Count | Indemnity Paid | Economic Damages Paid | Non-Economic Damages Paid | Punitive Damages Paid | LAE Paid |
|---|--------------|----------------------|-----------------------|---------------------------|-----------------------|---------------------|
| Settlement | 560 | \$191,470,091 | \$54,367,679 | \$59,496,207 | \$2,188,476 | \$56,100,455 |
| Dismissal | 250 | \$141,007 | \$76,000 | \$54,000 | \$0 | \$7,495,556 |
| Judgment | 35 | \$328,448 | \$0 | \$328,448 | \$0 | \$2,688,953 |
| Lack of Certificate of Merit | 69 | \$0 | \$0 | \$0 | \$0 | \$245,143 |
| Failure to Pursue/ Voluntarily Withdrawn | 142 | \$0 | \$0 | \$0 | \$0 | \$1,361,204 |
| Total | 1,056 | \$191,939,547 | \$54,443,679 | \$59,878,655 | \$2,188,476 | \$67,891,311 |

Settlements account for the vast majority of the dispositions with 53.0% of overall claims that account for 99.8% of overall indemnity payments and 82.6% of LAE payments. As shown above, many claims are closed with \$0 payments due to lack of merit, voluntarily withdrawn or dismissals. There were 526 claims, nearly half of the total, that were reportedly closed with \$0 payments. However, those claims accrued LAE costs of \$11,799,875 or 17.4% of overall LAE.

The next data table considers only the 530 claims that did have reported indemnity payments. By removing the \$0 paid claims, the remaining claims provide better per claim averages that are not skewed by outliers.

| Disposition | Count | Indemnity Damages Paid | Economic Damages Paid | Non-Economic Damages Paid | Punitive Damages Paid | LAE Paid |
|--------------|------------|------------------------|-----------------------|---------------------------|-----------------------|---------------------|
| Settlement | 526 | \$191,470,091 | \$54,367,679 | \$59,496,207 | \$2,188,476 | \$55,774,916 |
| Dismissal | 3 | \$141,007 | \$76,000 | \$54,000 | \$0 | \$153,745 |
| Judgment | 1 | \$328,448 | \$0 | \$328,448 | \$0 | \$162,775 |
| Total | 530 | \$191,939,547 | \$54,443,679 | \$59,878,655 | \$2,188,476 | \$56,091,436 |

When considering the entire dataset of 1,056 reported claims the average judgment was \$9,384 with an average LAE of more than \$76,000 but when only considering the 530 claims with payments, the average judgment is \$328,448 and the average LAE is \$162,775.

The same comparisons using the 1,056 overall claim count shows an average settlement of \$341,911 with average LAE of more than \$100,179 but when only considering the 526 claims with settlements, the average settlement is \$364,012 and the average LAE is \$106,036. Based on those similar averages for claims payments, one may ask why settlements are the prevailing outcome with 526 claims compared to a single judgment ruling where both have very similar averages? The reasoning is the control of costs a settlement provides. There is generally less LAE involved, except in the larger systemic cases that require higher costs due to the amount of litigation involved. A judgment is an unknown which increases LAE for defense and legal preparation and may also result in a very large award or legal remedy to the plaintiff.

Review of 5% Market Share Insurer Data

The reporting of experience for insurance companies with 5% or more of the West Virginia medical malpractice direct written premium is mandated by:

[West Virginia Regulation §114CSR22](#)

[West Virginia Regulation §114CSR23](#)

[West Virginia Code §33-20B-6](#)

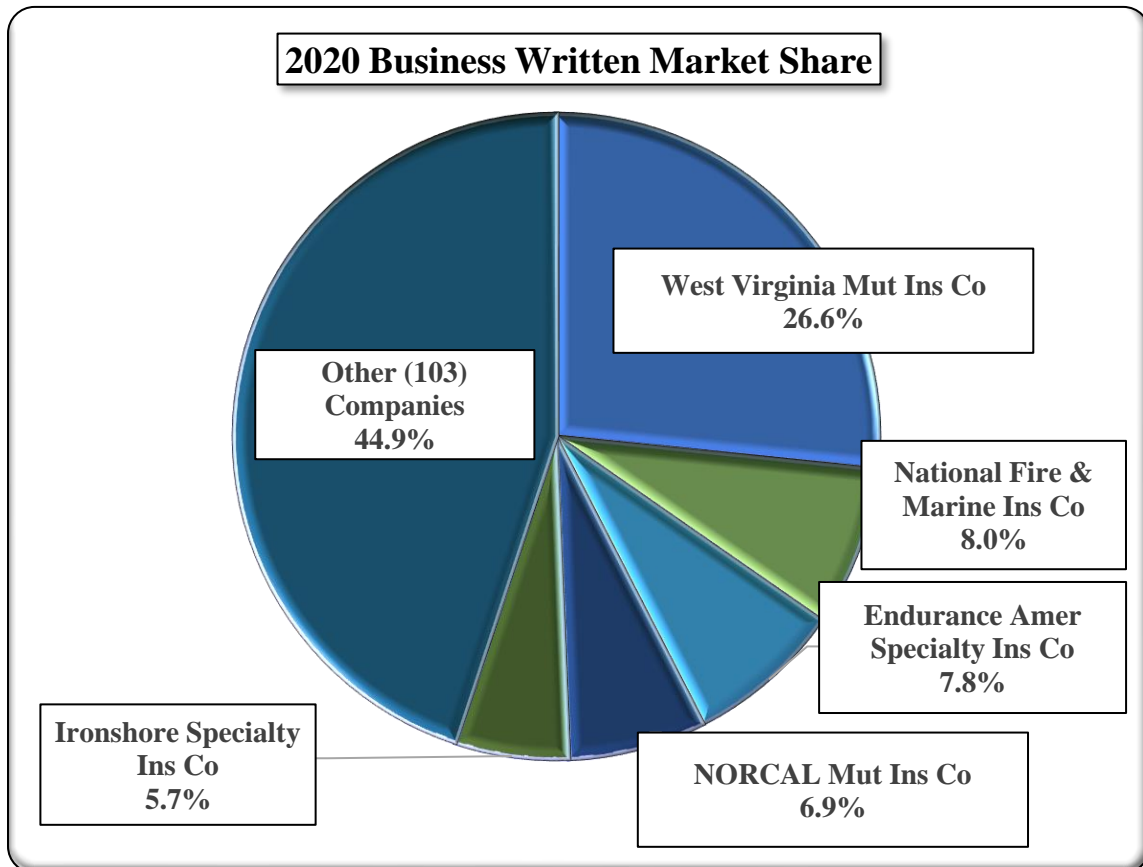
This section of the report reviews the rates and rules of insurers reporting 5% or greater premium market share of medical professional liability insurance. Two methods used to evaluate premium market share include reports based on an admitted, or licensed, basis and the other is on a business written basis. Business written includes financial reports from excess and surplus lines insurers, whereas licensed reports exclude unlicensed company reports. Unlicensed companies are not subject to the same regulatory requirements as licensed companies, including the filing of and receiving approval of company rates and forms. Unlicensed companies must be admitted as a surplus lines company in order to do business in our State. While the majority of the analyses in this report use a business written approach to accurately capture the entirety of the industry for both premiums and claims costs, the market share request is based on licensed data. The reasoning for this method is due to regulatory authority. It was determined the 5% requirement applied to licensed (regulated) entities only.

For calendar year 2020, if using the business written report, then six (6) insurers would meet the 5% requirement. However, National Fire & Marine Ins. Co., Endurance American Specialty Ins. Co. and Ironshore Specialty Ins. Co. are surplus lines companies that are outside of the Insurance Commissioner's regulatory authority to mandate a company response to comply with West Virginia Code. When using the licensed report, three (3) regulated insurers met the premium threshold requirement and was sent a notice to produce supplemental data as required by W.Va. Code §33-20B-6. The qualifying insurers were the West Virginia Mutual Insurance Company, NORCAL Mutual Insurance Company and Medical Protective Company. All three (3) insurers complied with the mandate and provided all required and supplemental data as directed by the WVOIC and W.Va. Code.

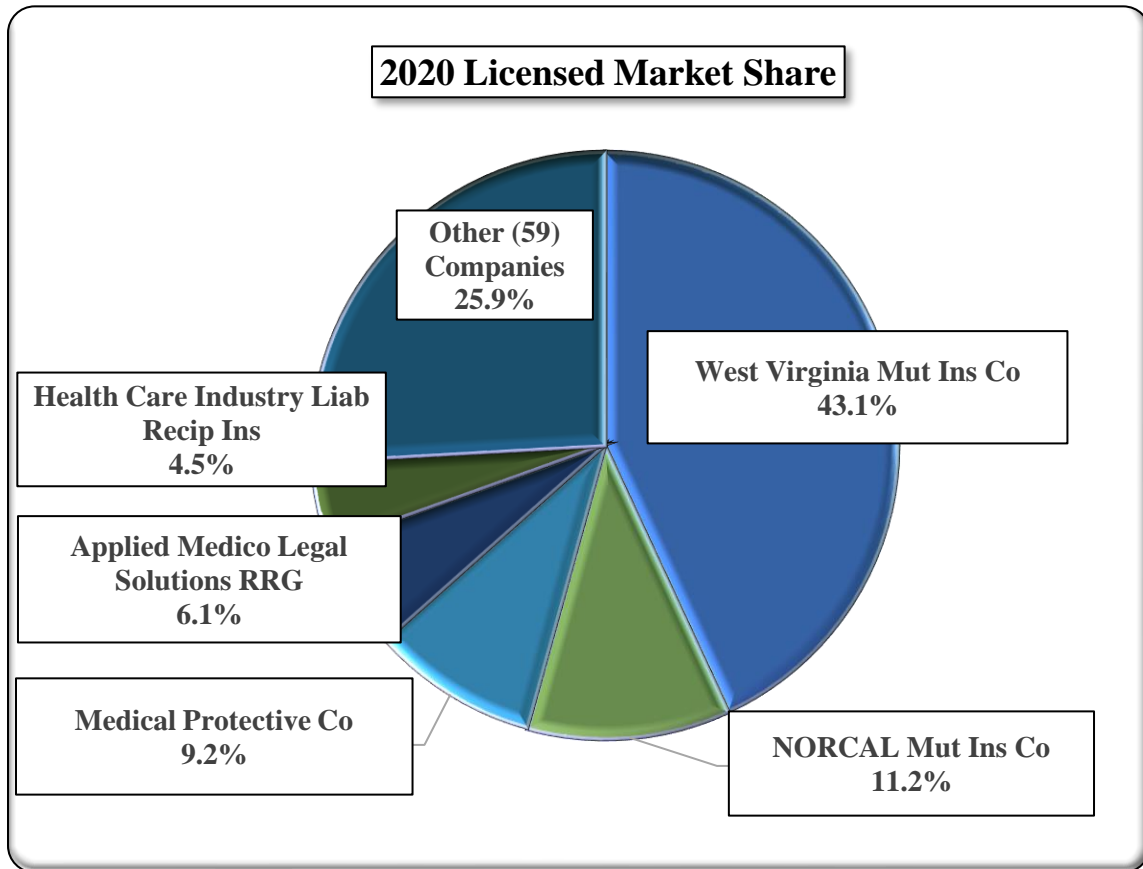
The market share reports also identified a federal risk retention group registered in West Virginia. W.Va. Regulation §114-22-2 defines insurer as an insurance company licensed by the Insurance Commissioner. A risk retention group is not licensed by the Commissioner and thus falls outside of the reporting requirements mandated by West Virginia Code.

The charts below identify the top five (5) insurers market share percentages for both business written and licensed reports. The full table with all insurers reporting medical professional liability premiums in West Virginia for 2020 is provided as an exhibit in the conclusion of this report.

Based on business written premiums for 2020, the West Virginia medical malpractice market currently consists of the following insurers with the subsequent market share for each:



Based on licensed basis premiums for 2020, the West Virginia medical malpractice market currently consists of the following insurers and risk retention groups with the subsequent market share for each:



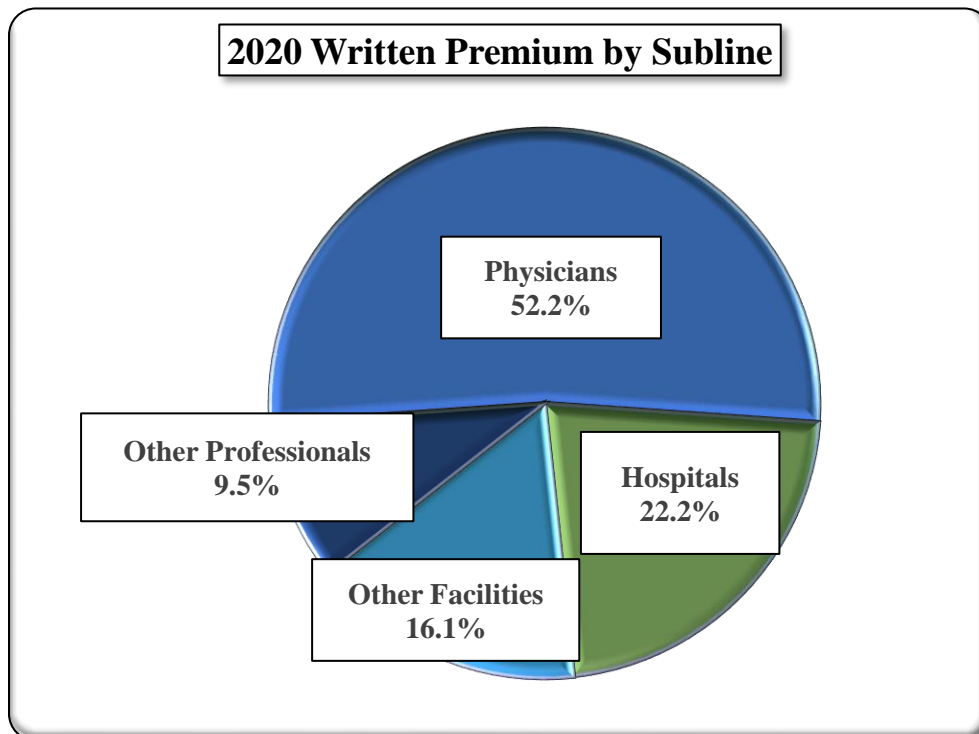
When evaluating the two reports of market share calculations, you can see there is a large disparity in the market share percentages by reporting basis. For instance, the West Virginia Mutual Ins. Co. reports 26.6% of the total business written premiums but more than 43% of the licensed company reports. When considering the overall direct written premiums from the separate basis reports, the difference is more than \$21.7M (business written is \$56.8M and licensed is \$35.1M). Considering the difference of \$21.7M, it can be calculated that more than 38% of total medical professional liability premiums are written by surplus lines insurers, risk retention groups or other non-licensed entities.

The medical professional liability premiums can be segmented into four sublines. The sublines are Physicians and Surgeons, Hospitals, Other Professionals and Other Facilities. Other Professionals coverage includes nurses, nurse practitioners, pharmacists, dentists, etc. Other Facilities coverage includes long-term care facilities, medical clinics and spas, surgery centers, etc.

The table below displays the written premiums by subline for each of the insurers meeting the 5% market share threshold.

| | | |
|---------------------------------|--------------------------------|---------------------|
| West Virginia Mut Ins Co | <i>Physicians and Surgeons</i> | \$15,130,157 |
| | <i>Hospitals</i> | \$0 |
| | <i>Other</i> | \$0 |
| | Total | \$15,130,157 |
| <hr/> | | |
| Norcal Mut Ins Co | <i>Physicians and Surgeons</i> | \$3,928,497 |
| | <i>Hospitals</i> | \$0 |
| | <i>Other</i> | \$0 |
| | Total | \$3,928,497 |
| <hr/> | | |
| Medical Protective Co | <i>Physicians and Surgeons</i> | \$2,703,353 |
| | <i>Hospitals</i> | \$0 |
| | <i>Other</i> | \$509,957 |
| | Total | \$3,213,310 |

The physicians and surgeons' premiums account for 52.2% of the total medical professional liability total with Hospitals accounting for 22.2%, Other Facilities at 16.1% and Other Professionals 9.5%.



The next section of this report will review market positions and rate histories of each of the three (3) insurers.

West Virginia Mutual Insurance Company (WVMIC)

As a long-term solution to the availability of medical malpractice coverage in West Virginia, §33-20F established WVMIC and all policies previously insured as part of the BRIM II program novated to the company upon inception. The rate history of WVMIC since inception follows:

| 2020 Market Share | Company | Effective date | % Requested | % Granted* | WV #: |
|------------------------------------|---|-----------------------|--------------------|-------------------|--------------|
| 26.61% (business written basis) | <i>West Virginia Mutual Ins Co</i> *fka W.V. Physicians Mutual | 1/1/2021 | 9.9% | 9.9% | 100054272 |
| | | 1/1/2020 | 0% | 0% | 100051088 |
| | | 1/1/2019 | 0% | 0% | 100048474 |
| | | 1/1/2018 | 0% | 0% | 100045368 |
| | | 1/1/2017 | 0% | 0% | 100040549 |
| | | 1/1/2016 | 0% | 0% | 100035423 |
| | | 1/20/2015 | 0% | 0% | 100030006 |
| | | 1/1/2014 | 0% | 0% | 100023353 |
| | | 1/1/2013 | 0% | 0% | 100016727 |
| | | 1/1/2012 | (5.0%) | (5.0%) | 100011255 |
| | | 1/1/2011 | 0% | 0% | 100006008 |
| | | 1/1/2010 | 0% | 0% | 90918009 |
| | | 1/1/2009 | 0% | 0% | 80903007 |
| | | 1/1/2008 | 0% | 0% | 70918006 |
| | | 1/1/2007 | (15.0%) | (15.0%) | 60915016 |
| | | 1/1/2006 | (5.0%) | (5.0%) | 50826007 |
| 1/1/2005 | 10.2% | 10.2% | 41006013 | | |
| 7/1/2004 | Initial filing | Initial filing | 40331017 | | |

* Does not include renewal credit adjustments

WVMIC was purchased by the MAG Mutual Insurance Group in 2020. With this acquisition, WVMIC's ratemaking methodology was impacted. WVMIC had previously used investment income from operations to offset indicated rate changes. MAG's approach is to use investment income generated from the premiums collected only to offset rate changes. It should be noted that MAG's use of premium investment income opposed to operations investment income more closely matches the industry standards used by most companies. This change impacted the ratemaking calculations by producing a substantial indicated rate increase.

The indicated rate increases from annual rate filings are:

2019 – indicated 9.3%; requested 0%; approved 0%

2020 – indicated 8.1%; requested 0%; approved 0%

2021 – indicated 36.1%; requested 9.9%; approved 9.9% and removal of 5% renewal credit

2022 (pending filing) – indicated 16.9%; requested 9.9%; pending approval

Prior to 2021 and the MAG acquisition, WVMIC had not taken a rate change in several years as indicated by the rate filing history chart. The 2021 rate filing not only requested and received approval of a 9.9% rate increase but also eliminated the 5% renewal credit effective 1/1/2021. This was the first rate increase the company had received since 2005; excluding the removal of any renewal credits throughout the years. WVMIC has also filed for a 9.9% rate increase to be effective 1/1/2022, which is currently pending approval from the Insurance Commissioner.

As the WVMIC's 2020 market share for licensed companies is 43.1%, their results have a substantial impact on the overall market. As noted, the recent increased rate indications have been significantly influenced by the change in the calculation of investment income and the manner in which it applies. When considering that 2020 is WVMIC's lowest pure loss ratio in several years, it may be assumed that the current higher rate indications are a result of methodology change and not trending nor experience.

While the current pending 2022 filing indicated rate need is greater than the requested rate increase, the WVOIC does not have concerns with the operations or financial status of this company. The financial position of the company remains strong.

NORCAL Mutual Insurance Company (NORCAL)

Domiciled in California and commenced business operations in November 1975. NORCAL's business operations are focused on long-tail liability lines of business. They primarily write professional liability coverage for physicians and medical groups on a claims-made basis. They received their initial Certificate of Authority to write casualty insurance in West Virginia in September 2013.

In 2011, NORCAL purchased Medicus Insurance Company (Medicus). Medicus was the second largest premium writer of medical malpractice liability insurance in West Virginia from 2012 through 2015. The purchase of Medicus propelled NORCAL into a leading insurer of medical malpractice insurance in our State. NORCAL accepted the business and assumed the Medicus rates that were in effect at the time of purchase. Medicus had previously suffered adverse development with reported loss ratios of 143.7% in 2015 and 122.9% in 2014. In May of 2016 NORCAL began the transition of Medicus' book of business to their company. NORCAL implemented strategic underwriting processes and rate increases to reverse the trend created by the assumption of Medicus' book of business. As shown by the last four (4) rate filings, NORCAL continues to file and receive approval for rate increases in order to achieve rate adequacy for their assumed and current book of business.

The rate history of NORCAL Mutual Insurance Company follows:

| 2020 Market Share | Company | Effective date | % Requested | % Granted | WV #: |
|-----------------------------------|--------------------------|----------------|----------------|----------------|-----------|
| 6.91% (business written basis) | <i>Norcal Mut Ins Co</i> | 1/1/2022 | 8.6% | 8.6% | 100056390 |
| | | 1/1/2021 | 8.0% | 8.0% | 100053130 |
| | | 1/1/2020 | 4.0% | 4.0% | 100050574 |
| | | 1/1/2019 | 7.0% | 7.0% | 100047937 |
| | | 1/1/2018 | 0% | 0% | 100044426 |
| | | 1/1/2017 | 0% | 0% | 100039187 |
| | | 5/1/2016 | Initial filing | Initial filing | 100035481 |

Medical Protective Company

Medical Protective Company had written premium prior to 2010 but at that time the company was not profitable in West Virginia and did not assume new or renewal business. Medical Protective Company began actively writing premiums in 2013 after medical malpractice tort reform and improving market conditions.

| 2020 Market Share | Company | Effective date | % Requested | % Granted | WV #: |
|-----------------------------------|------------------------------|----------------|-------------|-----------|-----------|
| 5.65% (business written basis) | <i>Medical Protective Co</i> | 1/1/2022 | 9.5% | 9.5% | 100056182 |
| | | 1/1/2021 | 6.8% | 6.8% | 100053288 |
| | | 1/1/2020 | 9.2% | 9.2% | 100050676 |
| | | 1/1/2019 | 4.1% | 4.1% | 100048408 |
| | | 1/1/2018 | 0% | 0% | 100046609 |
| | | 1/10/2017 | 0% | 0% | 100042047 |
| | | 1/1/2016 | 0% | 0% | 100035921 |
| | | 1/14/2013 | (13.3%) | (13.3%) | 100018489 |

The company filed and received approval for rate increases the past four (4) years. Recent rate changes were not “across the board” increases for all policyholders but rather, the company implemented the rate change by focusing on specific specialties, Anesthesiology and Orthopedic.

The company received approval for a 9.2% (indicated 10.8%) rate increase effective January 1, 2020. The filing provided that base rates would increase 3.5% and a changing of classifications for certain specialties achieved an additional 5.7%.

The Medical Protective Company has requested and received approval for rate increases that are in-line with the indicated levels for the past two years and have closely reviewed the profitability of their overall book of business. The WVOIC believes rates are adequate and have no concerns with the operations or financial status of this company.

W.Va. Code §33-20B-6 requires that the WVOIC report the investment portfolio, including reserves, and the annual rate of return on the investment portfolio for each insurer providing five percent or more of the malpractice insurance coverage in the state. This report also includes insurer responses to the questions outlined in the above referenced W.Va. code section.

The data sets below summarize the supplemental information as reported to the WVOIC by the companies.

Insurance Expense Exhibit

| 2020 | WVMIC | NORCAL | Medical Protective |
|--------------------------|----------|--------|--------------------|
| Commission and Brokerage | 0.0%* | 8.0% | 11.14% |
| New Acquisition | 19.1% | 0.0% | 5.66% |
| General | 17.9% | 11.0% | 7.24% |
| Taxes | 8.7% | 5.0% | 5.06% |
| Loss Ratio | 84.4% | 151.0% | 11.14% |
| Combined Ratio | 130.1% | 175.0% | 40.24% |
| Investment Gain/(Loss) | (441.0%) | - | 0.07% |

* Response stated underwriting and administrative expenses (excluding taxes, investment income and intercompany transactions) are offset to ceding commission.

Investment Income Provisions

(as reported to the NAIC)

| 2020 | WVMIC | NORCAL | Medical Protective |
|---------------------------------------|---------------------|------------------------|------------------------|
| Bonds | \$89,130,256 | \$1,116,455,017 | \$757,496,082 |
| Preferred Stocks | \$0 | \$4,474,130 | \$266,730,000 |
| Common Stocks | \$0 | \$363,452,691 | \$2,167,983,152 |
| Real Estate | \$0 | \$0 | \$10,721,275 |
| Cash | \$2,931,784 | \$29,589,211 | \$139,785,278 |
| Cash Equivalents | \$3,035,967 | \$16,713,305 | \$349,946,334 |
| Short Term Investments | \$0 | \$0 | \$399,922,140 |
| Derivatives | \$0 | \$0 | \$0 |
| Other Invested Assets | \$0 | \$26,709,123 | \$52,944,902 |
| Agg. w/ins for Invested Assets | \$0 | \$9,371,494 | \$0 |
| Total Cash and Invested Assets | \$95,098,008 | \$1,566,764,971 | \$4,145,529,164 |
| Net Investment Income Earned | \$3,688,220 | \$35,053,002 | \$125,363,561 |
| Investment Yield | 3.88% | 2.24% | 3.02% |
| Total Loss Reserves | \$0 | \$619,231,283 | \$735,832,158 |
| Total LAE Reserves | \$0 | \$286,819,226 | \$267,121,611 |
| Total Loss and LAE Reserves | \$0 | \$906,050,509 | \$1,002,953,769 |

Specific Claims, Underwriting and Investment Results

| Reporting Requirement | | WVMIC | NORCAL | Medical Protective |
|-----------------------|---|---------------------------------|---------------|--------------------|
| a. | The number of claims filed per category | 71 | 16 | 15 |
| b. | The number of civil actions filed | 54 | 10 | 8 |
| c. | The number of civil actions compromised or settled | 14 | 2 | 15 |
| d. | The number of verdicts in civil actions | 2 | 0 | 0 |
| e. | The number of civil actions appealed | 0 | 0 | 2 |
| f. | The number of civil actions dismissed | 12 | 5 | 7 |
| g. | The total dollar amount paid claims compromised or settled | \$6,042,963 | \$1,700,000 | \$910,000 |
| h. | The total dollar amount paid pursuant to judgments in civil actions | \$678,991 | \$0 | \$0 |
| i. | The number of claims closed without payments and the amount held in reserve | - | 10 - \$0 | 2- \$2,000 |
| j. | The total dollar amount expended for: | \$7,439,260 | \$839,098 | \$1,206,575 |
| | Loss Adjustment Expense | \$6,427,658 | \$521,850 | \$848,630 |
| | Commissions | \$1,011,602 | \$317,248 | \$357,945 |
| | Brokerage Expenses | - | - | - |
| k. | The total dollar amount expended in defense and litigation of claims | \$4,303,915 | \$521,850 | \$698,579 |
| l. | The total dollar amount held in reserve for anticipated claims: | \$37,549,092 | \$3,699,846 | \$9,793,184 |
| | Incurred and Reported | \$22,510,262 | \$1,822,027 | \$1,955,164 |
| | Incurred But Not Reported | \$15,038,830 | \$1,877,819 | \$7,838,020 |
| m. | Net Profit or Loss | (\$668,206) | (\$2,383,393) | \$905,290 |
| n. | Investment and other income on net realized capital gains and loss reserves and unearned premiums | \$667,000 | \$371,958 | \$272,493 |
| o. | The number of malpractice insurance policies canceled for reasons other than non-payment of premium | WVMIC – 0 Policyholder - 125 | 20 | 30 |

Summary Observations

- In 2020, medical malpractice insurance in West Virginia continued to demonstrate favorable pure loss results, concluding with an overall business written pure loss ratio of 52.7% and licensed pure loss ratio of 52.3%. While this ratio is encouraging at face value, the industry operating and combined ratios are moving steadily upward with the largest two (2) market share leader reporting well over 100% combined ratios in the supplemental data; resulting in underwriting losses.
- Comparing 2020 to 2019 premium levels, written premiums increased 11.2% and earned premiums increased 5.2% on a business written level. While this bounce back from steadily decreasing premium levels of the past several years seems promising, the 2020 premiums remain well below the 2018 and previous year levels.
- During 2020, medical malpractice rates in West Virginia continued an upward cycle as filed increases were approved for several insurers. The WVMIC retained the majority market share and initiated no overall rate changes for 2020 but both 2021 and 2022 rate filings have included rate increases for WVMIC and possibly most of the larger insurers as it appears that West Virginia business has entered a hard market.
- In the entire medical malpractice market premium, the top five (5) premium business written malpractice writers accounted for more than 55% of the overall premium. When considering incurred losses, it should be noted that the same five (5) insurers reported 48% of the total industry losses. The licensed market shows that the top five (5) insurers account for 74% of the premium and 75% of the losses. The business written data indicates that smaller premium insurers are assuming majority risk of the market which further leads to hardened market conditions with more stringent underwriting standards and a lower supply of coverages or insurers.
- Examination of the 5% market share company data as required by §114CSR22, §114CSR23, and §33-20B-6 found no areas of material concern. As previously mentioned in the report, the WVMIC data was affected by the acquisition by MAG Mutual and subsequent ceding and pooling agreements. The WVOIC will continually monitor and trend the companies for future loss development and rate stabilization.

- Lastly, this report has no COVID-19 assumptions on the past results, but it is prudent to realize that COVID -19 will play a very important role in the next several years’ results for the medical malpractice industry. Numerous types of medical malpractice claims are expected to emerge from the novel coronavirus which may include:
 - Provider failure to develop and implement an emergency preparedness plan and infection control policies in advance of the pandemic thus delaying or providing substandard care to patients.
 - Increased use of telehealth services increases the possibility of a healthcare professional missing a change in a patient’s health status or not following up with the patient in person to ensure proper diagnosis of symptoms.
 - Failure to diagnose or provide treatment for COVID-19 due to unknown and ever-changing symptomology for the novel coronavirus.
 - Hospital overflow or crowding with reduced workforce of skilled physicians, nurses or other healthcare professionals may result in malpractice claims.

In summary, the medical malpractice industry has several indicators that industry has entered a hard market. The WVOIC will continually provide regulatory oversight and monitoring of conditions for the medical professional liability line of insurance. HUB International, a leading brokerage in the mid-eastern states including West Virginia and surrounding states, presented information¹ on a hard market during a pandemic. The presentation included the following excerpts:

All the normal concerns raised by a hardening insurance market – from rising premiums to lower limits and changing terms – become secondary issues (at best) as our healthcare system battles COVID-19.

The financial impact of the pandemic crisis for hospitals and health systems is being felt across the board, especially as profitable elective procedures have been cancelled to care for coronavirus patients. Meanwhile, though, providers are being battered by rising costs, such as temporary staffing at higher crisis pay rates and for protective equipment and supplies like ventilators.

A more troubling concern for the longer term is the skyrocketing liability risk doctors and nurses on the front lines have faced as they have been forced to ration care and perform unfamiliar jobs because of staff and equipment shortages in a crisis situation. That’s something to be closely monitored, for sure.

¹ <https://www.hubinternational.com/-/media/HUB-International/PDF/Industries/Medical-Malpractice-in-a-Hard-Market.pdf>

Exhibits and Additional Information

Exhibit 1: Detailed View of Insurers on a Business Written Premium Basis for 2020

| Company Name | Written Premium | Market Share | Earned Premium | Losses Incurred | Pure Loss Ratio |
|-------------------------------------|-----------------|--------------|----------------|-----------------|-----------------|
| West Virginia Mut Ins Co | \$15,130,157 | 26.6% | \$15,953,904 | \$5,018,716 | 31.5% |
| National Fire & Marine Ins Co | \$4,571,523 | 8.0% | \$4,046,613 | \$3,059,750 | 75.6% |
| Endurance Amer Specialty Ins Co | \$4,441,832 | 7.8% | \$3,746,450 | \$770,746 | 20.6% |
| Norcal Mut Ins Co | \$3,928,497 | 6.9% | \$4,035,959 | \$3,883,384 | 96.2% |
| Ironshore Specialty Ins Co | \$3,244,200 | 5.7% | \$3,136,046 | \$1,369,772 | 43.7% |
| Medical Protective Co | \$3,213,310 | 5.7% | \$3,699,922 | \$2,427,639 | 65.6% |
| Applied Medico Legal Solutions RRG | \$2,157,284 | 3.8% | \$1,822,362 | \$1,600,777 | 87.8% |
| Health Care Industry Liab Recip Ins | \$1,597,627 | 2.8% | \$1,233,991 | \$980,878 | 79.5% |
| Professional Security Ins Co | \$1,336,979 | 2.4% | \$1,355,964 | \$25,822 | 1.9% |
| Pace RRG Inc | \$1,254,162 | 2.2% | \$849,604 | \$1,107,998 | 130.4% |
| Community Hospital RRG | \$1,113,918 | 2.0% | \$1,113,918 | (\$343,661) | (30.9%) |
| American Cas Co Of Reading PA | \$1,025,740 | 1.8% | \$1,047,082 | \$128,906 | 12.3% |
| General Star Ind Co | \$916,214 | 1.6% | \$833,108 | \$1,115,000 | 133.8% |
| MAG Mut Ins Co | \$912,888 | 1.6% | \$499,832 | (\$292,446) | (58.5%) |
| Ophthalmic Mut Ins Co RRG | \$780,469 | 1.4% | \$755,865 | \$497,031 | 65.8% |
| American Excess Ins Exch RRG | \$731,500 | 1.3% | \$731,500 | (\$357,590) | (48.9%) |
| Evanston Ins Co | \$686,296 | 1.2% | \$823,203 | (\$810,459) | (98.5%) |
| TDC Specialty Ins Co | \$686,133 | 1.2% | \$672,996 | \$1,763,882 | 262.1% |
| Admiral Ins Co | \$654,392 | 1.2% | \$562,352 | \$41,765 | 7.4% |
| ProAssurance Specialty Ins Co | \$610,235 | 1.1% | \$630,908 | \$410,694 | 65.1% |
| Columbia Cas Co | \$551,699 | 1.0% | \$353,875 | (\$324,546) | (91.7%) |
| Aspen Amer Ins Co | \$506,145 | 0.9% | \$533,627 | (\$14,598) | (2.7%) |
| Hallmark Specialty Ins Co | \$439,961 | 0.8% | \$374,795 | \$90,779 | 24.2% |
| ProAssurance Ins Co of Amer | \$437,334 | 0.8% | \$465,508 | \$67,342 | 14.5% |
| ISMIE Ind Co | \$390,222 | 0.7% | \$607,663 | \$312,924 | 51.5% |
| Doctors Co An Interins Exch | \$384,434 | 0.7% | \$389,991 | \$16,533 | 4.2% |
| Landmark Amer Ins Co | \$377,272 | 0.7% | \$376,036 | \$574,705 | 152.8% |
| The Cincinnati Ins Co | \$371,781 | 0.7% | \$386,021 | \$113,283 | 29.3% |
| Oms Natl Ins Co Rrg | \$361,597 | 0.6% | \$359,437 | \$139,113 | 38.7% |
| Aspen Specialty Ins Co | \$344,795 | 0.6% | \$365,149 | (\$36,157) | (9.9%) |
| Lone Star Alliance RRG | \$316,853 | 0.6% | \$192,848 | \$10,706 | 5.6% |
| Preferred Professional Ins Co | \$293,846 | 0.5% | \$314,517 | \$99,513 | 31.6% |
| Liberty Ins Underwriters Inc | \$284,482 | 0.5% | \$289,135 | (\$51,693) | (17.9%) |
| NCMIC Ins Co | \$261,385 | 0.5% | \$271,420 | (\$127,195) | (46.9%) |
| Fair Amer Ins & Reins Co | \$238,279 | 0.4% | \$242,569 | \$67,209 | 27.7% |

| Company Name | Written Premium | Market Share | Earned Premium | Losses Incurred | Pure Loss Ratio |
|--------------------------------------|-----------------|--------------|----------------|-----------------|-----------------|
| Princeton Excess & Surplus Lines Ins | \$180,000 | 0.3% | \$15,781 | \$2,198 | 13.9% |
| StarStone Specialty Ins Co | \$173,822 | 0.3% | \$134,792 | \$114,766 | 85.1% |
| Preferred Physicians Medical RRG | \$161,542 | 0.3% | \$157,294 | \$6,429 | 4.1% |
| Arch Specialty Ins Co | \$139,734 | 0.2% | \$138,377 | (\$27,967) | (20.2%) |
| Kinsale Ins Co | \$122,508 | 0.2% | \$121,536 | \$44,434 | 36.6% |
| Illinois Union Ins Co | \$117,917 | 0.2% | \$146,507 | \$307,622 | 210.0% |
| Allied World Ins Co | \$115,256 | 0.2% | \$125,587 | (\$3,471) | (2.8%) |
| Pharmacists Mut Ins Co | \$114,497 | 0.2% | \$99,165 | \$5,503 | 5.5% |
| Capitol Specialty Ins Corp | \$111,574 | 0.2% | \$130,350 | \$145,771 | 111.8% |
| United Specialty Ins Co | \$103,355 | 0.2% | \$92,355 | \$273,153 | 295.8% |
| Ace Amer Ins Co | \$99,723 | 0.2% | \$100,469 | \$52,339 | 52.1% |
| Beazley Ins Co Inc | \$97,469 | 0.2% | \$97,448 | \$304,594 | 312.6% |
| Medical Mut Ins Co Of NC | \$81,344 | 0.1% | \$41,779 | \$29,032 | 69.5% |
| Continental Ins Co | \$75,128 | 0.1% | \$57,527 | \$90,424 | 157.2% |
| The Cincinnati Specialty Underwriter | \$65,702 | 0.1% | \$61,773 | \$31,790 | 51.5% |
| Medical Security Ins Co | \$63,262 | 0.1% | \$49,467 | \$37,584 | 76.0% |
| Lexington Ins Co | \$50,400 | 0.1% | \$47,936 | (\$46,815) | (97.7%) |
| Church Mut Ins Co S I | \$46,704 | 0.1% | \$43,646 | \$172,031 | 394.2% |
| Cherokee Guar Co Inc a RRG | \$43,681 | 0.1% | \$43,681 | (\$7,216) | (16.5%) |
| State Farm Fire & Cas Co | \$37,619 | 0.1% | \$35,954 | \$44,114 | 122.7% |
| Great Divide Ins Co | \$32,428 | 0.1% | \$28,665 | \$7,900 | 27.6% |
| Berkshire Hathaway Specialty Ins Co | \$29,537 | 0.1% | \$23,890 | \$10,432 | 43.7% |
| Coverys Specialty Ins Co | \$24,311 | 0.0% | \$81,181 | \$198,108 | 244.0% |
| Liberty Surplus Ins Corp | \$24,094 | 0.0% | \$26,715 | \$17,440 | 65.3% |
| Steadfast Ins Co | \$21,360 | 0.0% | \$44,692 | (\$22,218) | (49.7%) |
| Fortress Ins Co | \$20,940 | 0.0% | \$18,273 | \$177,513 | 971.4% |
| Allied Professionals Ins Co RRG | \$20,100 | 0.0% | \$19,260 | (\$4,449) | (23.1%) |
| The Cincinnati Ind Co | \$17,055 | 0.0% | \$17,261 | \$1,750 | 10.1% |
| Continental Cas Co | \$15,950 | 0.0% | \$15,983 | \$2,596,752 | 16247.0% |
| The Cincinnati Cas Co | \$15,284 | 0.0% | \$17,109 | \$66,562 | 389.0% |
| Western World Ins Co | \$15,123 | 0.0% | \$17,429 | \$25,515 | 146.4% |
| Green Hills Ins Co RRG | \$14,059 | 0.0% | \$14,951 | \$291 | 1.9% |
| NORCAL Specialty Ins Co | \$12,633 | 0.0% | \$12,043 | \$6,797 | 56.4% |
| Allied World Surplus Lines Ins Co | \$12,000 | 0.0% | \$11,772 | \$210,561 | 1788.7% |
| American Assoc Of Othodontists RRG | \$11,373 | 0.0% | \$11,481 | (\$2,542) | (22.1%) |
| ProAssurance Ind Co Inc | \$6,574 | 0.0% | \$41,267 | \$17,336 | 42.0% |
| Clinician Assur Inc RRG | \$6,265 | 0.0% | \$1,566 | \$880 | 56.2% |
| Hilltop Specialty Ins Co | \$5,886 | 0.0% | \$3,554 | \$2,174 | 61.2% |
| Hudson Ins Co | \$1,720 | 0.0% | \$1,438 | \$510 | 35.5% |
| Academic Medical Professionals Ins | \$1,511 | 0.0% | \$1,511 | \$91 | 6.0% |
| Affiliates Ins Recip a RRG | \$398 | 0.0% | \$398 | \$386 | 97.0% |

| Company Name | Written Premium | Market Share | Earned Premium | Losses Incurred | Pure Loss Ratio |
|----------------------------------|---------------------|---------------|---------------------|---------------------|-----------------|
| Campmed Cas & Ind Co Inc | \$330 | 0.0% | \$154 | \$107 | 69.5% |
| Nautilus Ins Co | \$0 | 0.0% | \$0 | \$52,024 | 0.0% |
| Nationwide Mut Fire Ins Co | \$0 | 0.0% | \$0 | (\$15) | 0.0% |
| Executive Risk Ind Inc | \$0 | 0.0% | \$0 | \$2,973 | 0.0% |
| Allied World Specialty Ins Co | \$0 | 0.0% | \$0 | (\$2,782) | 0.0% |
| National Fire Ins Co Of Hartford | \$0 | 0.0% | \$0 | (\$12,614) | 0.0% |
| Everest Natl Ins Co | \$0 | 0.0% | \$0 | \$170 | 0.0% |
| Everest Ind Ins Co | \$0 | 0.0% | \$0 | \$16,376 | 0.0% |
| Granite State Ins Co | \$0 | 0.0% | \$0 | (\$722) | 0.0% |
| American Home Assur Co | \$0 | 0.0% | \$0 | (\$2,661) | 0.0% |
| American Alt Ins Corp | \$0 | 0.0% | \$21,478 | (\$7,690) | (35.8%) |
| Indian Harbor Ins Co | \$0 | 0.0% | \$0 | (\$451,204) | 0.0% |
| Nationwide Mut Ins Co | \$0 | 0.0% | \$0 | (\$125) | 0.0% |
| United States Fidelity & Guar Co | \$0 | 0.0% | \$0 | (\$2) | 0.0% |
| Allied World Assur Co US Inc | \$0 | 0.0% | \$0 | \$572,622 | 0.0% |
| Southwest Physicians RRG Inc | \$0 | 0.0% | \$0 | \$2,204 | 0.0% |
| Gulf Underwriters Ins Co | \$0 | 0.0% | \$0 | (\$1,621) | 0.0% |
| Executive Risk Specialty Ins Co | \$0 | 0.0% | \$0 | \$5,127 | 0.0% |
| St Paul Mercury Ins Co | \$0 | 0.0% | \$0 | (\$312) | 0.0% |
| Ace Fire Underwriters Ins Co | \$0 | 0.0% | \$0 | \$535 | 0.0% |
| Atlantic Specialty Ins Co | \$0 | 0.0% | \$0 | (\$1,788) | 0.0% |
| Travelers Ind Co | \$0 | 0.0% | \$0 | (\$204,693) | 0.0% |
| Fair American Select Ins Co | \$0 | 0.0% | \$0 | (\$25,465) | 0.0% |
| Homeland Ins Co of NY | \$0 | 0.0% | \$48,507 | \$13,344 | 27.5% |
| AXIS Surplus Ins Co | \$0 | 0.0% | \$0 | (\$71,758) | 0.0% |
| Medicus Ins Co | \$0 | 0.0% | \$0 | \$495,294 | 0.0% |
| Zurich Amer Ins Co Of IL | \$0 | 0.0% | \$0 | (\$147) | 0.0% |
| St Paul Fire & Marine Ins Co | \$0 | 0.0% | \$0 | (\$14,930) | 0.0% |
| The Doctors Co RRG a Recip Exch | \$0 | 0.0% | \$0 | \$801,365 | 0.0% |
| MT Hawley Ins Co | \$0 | 0.0% | \$0 | (\$240,141) | 0.0% |
| Berkley Assur Co | \$0 | 0.0% | \$0 | (\$205) | 0.0% |
| Care RRG Inc | \$0 | 0.0% | \$0 | \$1,671 | 0.0% |
| 108 Companies in Report | \$56,863,609 | 100.0% | \$55,296,172 | \$29,147,892 | 52.7% |

Exhibit 2: Detailed View of Insurers on a Licensed Premium Basis for 2020

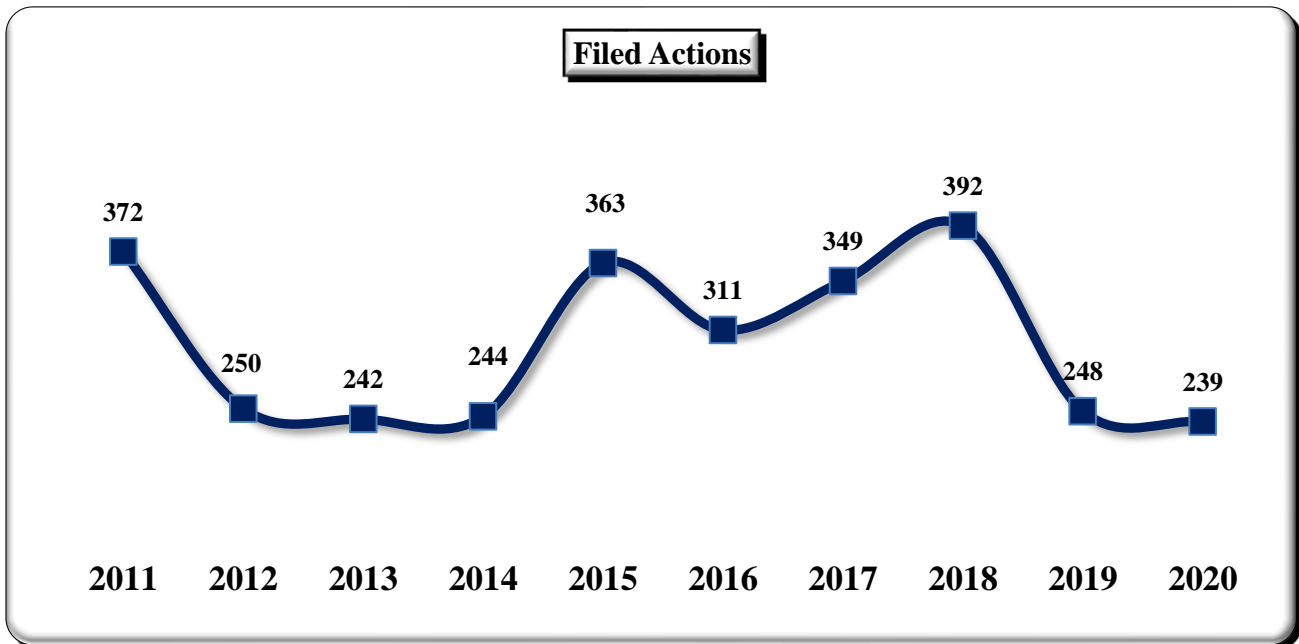
| Company Name | Written Premium | Market Share | Earned Premium | Losses Incurred | Pure Loss Ratio |
|-------------------------------------|------------------------|---------------------|-----------------------|------------------------|------------------------|
| West Virginia Mut Ins Co | \$15,130,157 | 43.1% | \$15,953,904 | \$5,018,716 | 31.5% |
| Norcal Mut Ins Co | \$3,928,497 | 11.2% | \$4,035,959 | \$3,883,384 | 96.2% |
| Medical Protective Co | \$3,213,310 | 9.2% | \$3,699,922 | \$2,427,639 | 65.6% |
| Applied Medico Legal Solutions RRG | \$2,157,284 | 6.1% | \$1,822,362 | \$1,600,777 | 87.8% |
| Health Care Industry Liab Recip Ins | \$1,597,627 | 4.5% | \$1,233,991 | \$980,878 | 79.5% |
| Community Hospital RRG | \$1,113,918 | 3.2% | \$1,113,918 | (\$343,661) | (30.9%) |
| American Cas Co Of Reading PA | \$1,025,740 | 2.9% | \$1,047,082 | \$128,906 | 12.3% |
| MAG Mut Ins Co | \$912,888 | 2.6% | \$499,832 | (\$292,446) | (58.5%) |
| Ophthalmic Mut Ins Co RRG | \$780,469 | 2.2% | \$755,865 | \$497,031 | 65.8% |
| American Excess Ins Exch RRG | \$731,500 | 2.1% | \$731,500 | (\$357,590) | (48.9%) |
| Aspen Amer Ins Co | \$506,145 | 1.4% | \$533,627 | (\$14,598) | (2.7%) |
| ProAssurance Ins Co of Amer | \$437,334 | 1.2% | \$465,508 | \$67,342 | 14.5% |
| Doctors Co An Interins Exch | \$384,434 | 1.1% | \$389,991 | \$16,533 | 4.2% |
| The Cincinnati Ins Co | \$371,781 | 1.1% | \$386,021 | \$113,283 | 29.3% |
| Oms Natl Ins Co Rrg | \$361,597 | 1.0% | \$359,437 | \$139,113 | 38.7% |
| Lone Star Alliance RRG | \$316,853 | 0.9% | \$192,848 | \$10,706 | 5.6% |
| Preferred Professional Ins Co | \$293,846 | 0.8% | \$314,517 | \$99,513 | 31.6% |
| Liberty Ins Underwriters Inc | \$284,482 | 0.8% | \$289,135 | (\$51,693) | (17.9%) |
| NCMIC Ins Co | \$261,385 | 0.7% | \$271,420 | (\$127,195) | (46.9%) |
| Fair Amer Ins & Reins Co | \$238,279 | 0.7% | \$242,569 | \$67,209 | 27.7% |
| Preferred Physicians Medical RRG | \$161,542 | 0.5% | \$157,294 | \$6,429 | 4.1% |
| Allied World Ins Co | \$115,256 | 0.3% | \$125,587 | (\$3,471) | (2.8%) |
| Pharmacists Mut Ins Co | \$114,497 | 0.3% | \$99,165 | \$5,503 | 5.5% |
| Ace Amer Ins Co | \$99,723 | 0.3% | \$100,469 | \$52,339 | 52.1% |
| Beazley Ins Co Inc | \$97,469 | 0.3% | \$97,448 | \$304,594 | 312.6% |
| Medical Mut Ins Co Of NC | \$81,344 | 0.2% | \$41,779 | \$29,032 | 69.5% |
| Continental Ins Co | \$75,128 | 0.2% | \$57,527 | \$90,424 | 157.2% |
| Church Mut Ins Co S I | \$46,704 | 0.1% | \$43,646 | \$172,031 | 394.2% |
| Cherokee Guar Co Inc a RRG | \$43,681 | 0.1% | \$43,681 | (\$7,216) | (16.5%) |
| State Farm Fire & Cas Co | \$37,619 | 0.1% | \$35,954 | \$44,114 | 122.7% |
| Great Divide Ins Co | \$32,428 | 0.1% | \$28,665 | \$7,900 | 27.6% |
| Berkshire Hathaway Specialty Ins Co | \$29,537 | 0.1% | \$23,890 | \$10,432 | 43.7% |
| Fortress Ins Co | \$20,940 | 0.1% | \$18,273 | \$177,513 | 971.4% |
| Allied Professionals Ins Co RRG | \$20,100 | 0.1% | \$19,260 | (\$4,449) | (23.1%) |
| The Cincinnati Ind Co | \$17,055 | 0.0% | \$17,261 | \$1,750 | 10.1% |
| Continental Cas Co | \$15,950 | 0.0% | \$15,983 | \$2,596,752 | 16247.0% |
| The Cincinnati Cas Co | \$15,284 | 0.0% | \$17,109 | \$66,562 | 389.0% |
| Green Hills Ins Co RRG | \$14,059 | 0.0% | \$14,951 | \$291 | 1.9% |

| Company Name | Written Premium | Market Share | Earned Premium | Losses Incurred | Pure Loss Ratio |
|------------------------------------|---------------------|---------------|---------------------|---------------------|-----------------|
| American Assoc Of Othodontists RRG | \$11,373 | 0.0% | \$11,481 | (\$2,542) | (22.1%) |
| ProAssurance Ind Co Inc | \$6,574 | 0.0% | \$41,267 | \$17,336 | 42.0% |
| Clinician Assur Inc RRG | \$6,265 | 0.0% | \$1,566 | \$880 | 56.2% |
| Hudson Ins Co | \$1,720 | 0.0% | \$1,438 | \$510 | 35.5% |
| Academic Medical Professionals Ins | \$1,511 | 0.0% | \$1,511 | \$91 | 6.0% |
| Affiliates Ins Recip a RRG | \$398 | 0.0% | \$398 | \$386 | 97.0% |
| Campmed Cas & Ind Co Inc | \$330 | 0.0% | \$154 | \$107 | 69.5% |
| Ace Fire Underwriters Ins Co | \$0 | 0.0% | \$0 | \$535 | 0.0% |
| United States Fidelity & Guar Co | \$0 | 0.0% | \$0 | (\$2) | 0.0% |
| The Doctors Co RRG a Recip Exch | \$0 | 0.0% | \$0 | \$801,365 | 0.0% |
| Medicus Ins Co | \$0 | 0.0% | \$0 | \$495,294 | 0.0% |
| Atlantic Specialty Ins Co | \$0 | 0.0% | \$0 | (\$1,788) | 0.0% |
| Allied World Specialty Ins Co | \$0 | 0.0% | \$0 | (\$2,782) | 0.0% |
| Nationwide Mut Fire Ins Co | \$0 | 0.0% | \$0 | (\$15) | 0.0% |
| Zurich Amer Ins Co Of IL | \$0 | 0.0% | \$0 | (\$147) | 0.0% |
| St Paul Mercury Ins Co | \$0 | 0.0% | \$0 | (\$312) | 0.0% |
| Travelers Ind Co | \$0 | 0.0% | \$0 | (\$204,693) | 0.0% |
| Nationwide Mut Ins Co | \$0 | 0.0% | \$0 | (\$125) | 0.0% |
| Granite State Ins Co | \$0 | 0.0% | \$0 | (\$722) | 0.0% |
| American Home Assur Co | \$0 | 0.0% | \$0 | (\$2,661) | 0.0% |
| National Fire Ins Co Of Hartford | \$0 | 0.0% | \$0 | (\$12,614) | 0.0% |
| Executive Risk Ind Inc | \$0 | 0.0% | \$0 | \$2,973 | 0.0% |
| Care RRG Inc | \$0 | 0.0% | \$0 | \$1,671 | 0.0% |
| St Paul Fire & Marine Ins Co | \$0 | 0.0% | \$0 | (\$14,930) | 0.0% |
| American Alt Ins Corp | \$0 | 0.0% | \$21,478 | (\$7,690) | (35.8%) |
| Everest Natl Ins Co | \$0 | 0.0% | \$0 | \$170 | 0.0% |
| 64 Companies in Report | \$35,114,013 | 100.0% | \$35,376,643 | \$18,484,672 | 52.3% |

Medical Liability Fund Data

Effective January 1, 2002, HB 601 increased the fee associated with filing a medical professional liability action in part to support the Medical Liability Fund created pursuant to §29-12B-1. BRIM collects the data and provides to the WVOIC monthly. The data can be examined to establish the total number of actions filed in West Virginia per year and as well the total number of actions filed per county of venue. The table and graph below display ten years of filed medical professional liability actions.

| Year | Filed Actions |
|------|---------------|
| 2011 | 372 |
| 2012 | 250 |
| 2013 | 242 |
| 2014 | 244 |
| 2015 | 363 |
| 2016 | 311 |
| 2017 | 349 |
| 2018 | 392 |
| 2019 | 248 |
| 2020 | 239 |



Filed Actions by County

| County | 2020 Filed Actions |
|------------|-----------------------|
| Barbour | 0 |
| Berkeley | 2 |
| Boone | 3 |
| Braxton | 1 |
| Brooke | 9 |
| Cabell | 23 |
| Calhoun | 0 |
| Clay | 0 |
| Doddridge | 0 |
| Fayette | 13 |
| Gilmer | 0 |
| Grant | 1 |
| Greenbrier | 2 |
| Hampshire | 0 |
| Hancock | 3 |
| Hardy | 0 |
| Harrison | 7 |
| Jackson | 1 |
| Jefferson | 0 |
| Kanawha | 56 |
| Lewis | 0 |
| Lincoln | 0 |
| Logan | 3 |
| Marion | 2 |
| Marshall | 1 |
| Mason | 19 |
| McDowell | 2 |
| Mercer | 9 |

| County | 2020 Filed Actions |
|------------|-----------------------|
| Mineral | 1 |
| Mingo | 0 |
| Monongalia | 19 |
| Monroe | 0 |
| Morgan | 0 |
| Nicholas | 1 |
| Ohio | 7 |
| Pendleton | 1 |
| Pleasants | 0 |
| Pocahontas | 0 |
| Preston | 0 |
| Putnam | 7 |
| Raleigh | 25 |
| Randolph | 3 |
| Ritchie | 1 |
| Roane | 0 |
| Summers | 0 |
| Taylor | 2 |
| Tucker | 2 |
| Tyler | 1 |
| Upshur | 1 |
| Wayne | 0 |
| Webster | 0 |
| Wetzel | 1 |
| Wirt | 0 |
| Wood | 9 |
| Wyoming | 1 |
| Total | 239 |

The 2020 actions decreased 3.6% from the 2019 actions. The WVOIC receives aggregate liability data from BRIM so underlying information is not available for analysis to determine the cause of the decrease but again, this is a volatile and sparse market, so fluctuations as shown above are not unexpected.

Board of Medicine Physician Data

The following data is obtained by the West Virginia Board of Medicine (BOM) Annual Report:

| West Virginia Board of Medicine Licensure Data | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Actively Licensed Physicians (M.D.) (In/Out of State) | 5,962 | 6,020 | 6,282 | 6,636 | 6,533 | 6,780 | 6,945 | 7,060 | 7,207 | 7,283 |
| Actively Licensed Podiatrists (D.P.M.) (In/Out of State) | 101 | 103 | 100 | 101 | 111 | 110 | 120 | 116 | 126 | 125 |
| Actively Licensed Physicians Practicing in WV | 3,946 | 4,111 | 4,231 | 4,327 | 4,177 | 4,276 | 4,212 | 4,386 | 4,466 | 4,459 |
| Physician Assistants (P.A.) | 671 | 732 | 781 | 821 | 791 | 891 | 846 | 974 | 956 | 943 |

Looking at only licensed physicians that report as actively practicing in West Virginia, the 2020 physician count dropped slightly but remains among the highest levels in the last several years.

