



MEDICAL PROFESSIONAL LIABILITY STATE BY STATE ANALYSIS

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A business of Marsh McLennan



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ARIZONA

Population Demographics

	State	National
Total Population	7,164,191	330,342,293
Population Change, 2011-2020	9.7%	5.7%
Population Forecast, 2020-2025	5.9%	3.3%

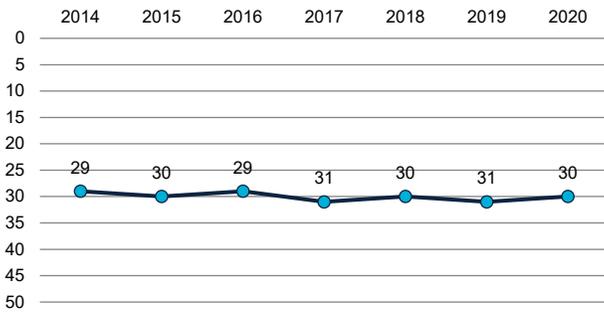
Public Health Statistics¹

	State	National	No. 1 State	State Rank
Primary Care Providers (per 100,000)	214.9	241.9	362.8	41
Economic hardship index (1 - 100)	71	-	1	45
Multiple chronic conditions (% of adults)	9.8%	9.5%	6.4%	28
Low birth weight (% of live births)	7.6%	8.3%	5.9%	16
% uninsured	11.3%	9.2%	3.0%	41
Public health funding (\$ per/person)	\$57	\$91	\$289	46

Overall Health Ranking

¹Based on data gathered by United Health Foundation. Rank #1 (best) to #50 (worst).

Overall Health Ranking



Physician Severity & Frequency Metrics²

Point-In-Time, Overall Rank	2017	2018
(1 = Lowest Frequency or Severity)		
Severity	28	29
Frequency	30	43

3-Year Trend Metrics

Physician		10-'12	13-'15	16-'18
Severity	Arizona	≥6%	≥6%	≥6%
	United States	1-3%	≥6%	≤1%
Frequency	Arizona	-10 - -5%	≤-10%	≥0%
	United States	-5 - 0%	-10 - -5%	-10 - -5%

Nurse		10-'12	13-'15	16-'18
Severity	Arizona	≤1%	≥6%	≥6%
	United States	≤1%	1-3%	≥6%
Frequency	Arizona	≥0%	≤-10%	≥0%
	United States	≥0%	-10 - -5%	≥0%

Dentist		10-'12	13-'15	16-'18
Severity	Arizona	≥6%	≤1%	≤1%
	United States	≥6%	≥6%	≤1%
Frequency	Arizona	≥0%	≥0%	≥0%
	United States	-5 - 0%	≥0%	-5 - 0%

²Per Guy Carpenter independent analysis of National Practitioners Data Bank

Market Share

2020

Top Ten Carriers (All MPL)	DWP (\$000)	2020 (%)	2019 (%)
Mutual Insurance Co. of AZ	79,956	39.13%	40.30%
Medical Protective Co.	17,298	8.47%	6.58%
National Fire & Marine Ins Co.	9,795	4.79%	5.00%
Columbia Casualty Co.	7,889	3.86%	2.09%
NORCAL Mutual Insurance Co.	7,398	3.62%	4.18%
Pfd Physicians Med RRG a Mutl	6,875	3.36%	3.51%
American Cas Co. of Reading PA	6,189	3.03%	2.77%
Illinois Union Insurance Co.	5,065	2.48%	1.63%
Admiral Insurance Co.	3,953	1.93%	1.59%
Aspen American Insurance Co.	3,662	1.79%	1.51%
Total, Top 10	148,080	72.47%	69.16%
Total, All Writers	204,339		

Loss & ALAE Ratio, State

61.51% 69.74%

Loss & ALAE Ratio, U.S.

79.45% 80.00%

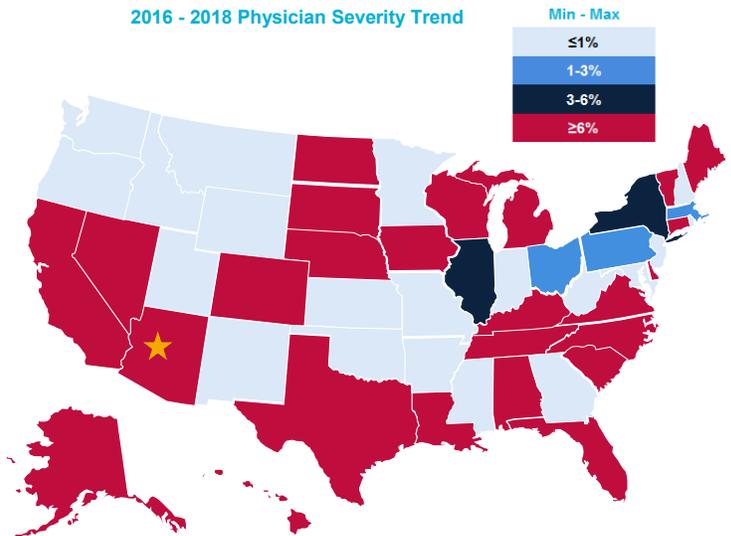
Combined Ratio, State

72.08% 80.30%

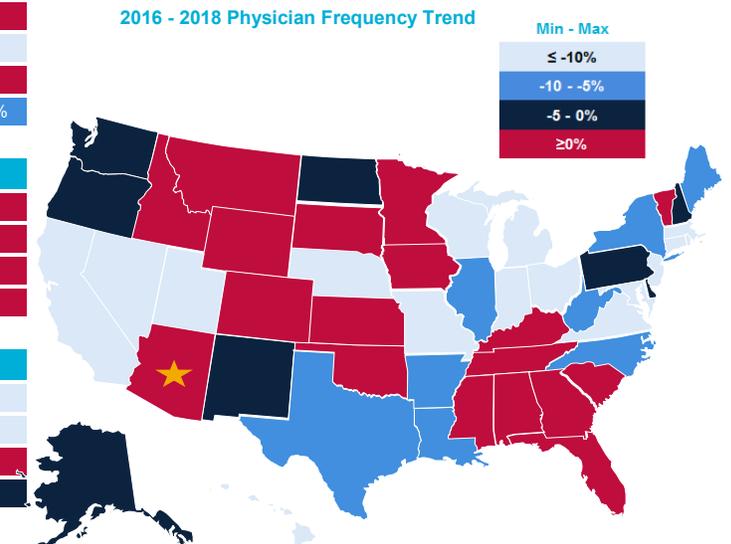
Combined Ratio, U.S.

90.09% 90.86%

2016 - 2018 Physician Severity Trend



2016 - 2018 Physician Frequency Trend



ARIZONA - PHYSICIAN OVERVIEW

Total Physicians		18,079
Primary Care	# of Phys	% of Total Phys
Internal Medicine	3,387	18.7%
Family Medicine/General Practice	2,679	14.8%
Pediatrics	1,523	8.4%
Geriatrics	44	0.2%
Total Primary Care	7,633	42.2%

Specialty Care	# of Phys	% of Total Phys
Surgery	980	5.4%
Obstetrics & Gynecology	1,000	5.5%
Emergency Medicine	1,130	6.3%
Psychiatry	879	4.9%
Anesthesiology	1,036	5.7%
Radiology	903	5.0%
Cardiology	535	3.0%
Oncology	270	1.5%
Endocrinology, Diabetes, Metabolism	106	0.6%
All Other Specialties	3,607	20.0%
Total Specialty Care	10,446	57.8%

Physician By Age

	State	Rank	Nat'l Median
Under Age 40	14.3%	43	17.0%
40 - 60	53.6%	-	-
Age 60 or Older	32.1%	20	32.1%

Other Providers

Category	2020
Registered Nurse (RN)	55,520
Licensed Practical Nurse (LPN)	7,440
Total	62,960
Total Physician Assistants	2,775
Total Nurse Practitioners	3,462
Total Dentists	3,837
Total Medical School Graduates	568

Market Share

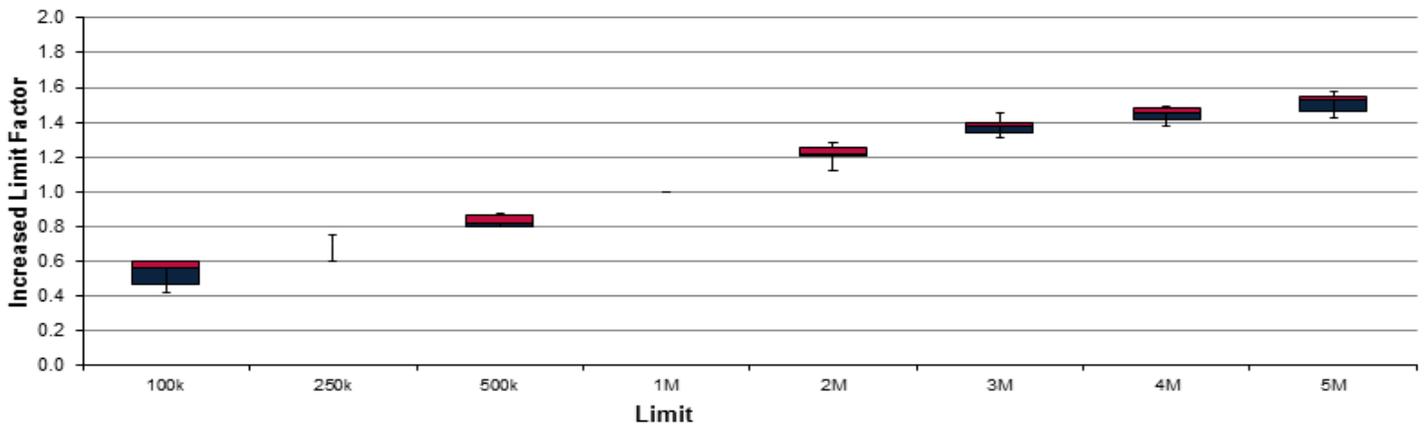
2020

Top Ten Carriers (Physicians)	DWP (\$000)	2020 (%)	2019 (%)
Mutual Insurance Co. of AZ	79,231	61.86%	57.91%
Medical Protective Co.	12,673	9.89%	6.43%
NORCAL Mutual Insurance Co.	7,398	5.78%	6.05%
Pfd Physicians Med RRG a Mutl	6,875	5.37%	5.08%
Lone Star Alliance Inc. a RRG	3,301	2.58%	8.48%
Doctors Co. An Interinsurance	1,911	1.49%	1.32%
Ophthalmic Mutl Ins Co (A RRG)	1,797	1.40%	1.35%
Centurion Med Liab Prtctv RRG	1,509	1.18%	1.12%
MedChoice RRG Inc.	1,380	1.08%	0.88%
MAG Mutual Insurance Co.	1,293	1.01%	0.00%
Total, Top 10	117,367	91.63%	88.61%
Total, All Writers	128,089		

Physician Rate Changes

Internal Medicine	2018 Rate	2019 Rate	% Change
Mutual Insurance Co. of Arizona (MICA)	\$13,080	\$13,080	0.00%
Medical Protective - MedPro	\$22,501	\$20,475	-9.00%
ProAssurance Ind. Co. (ProAssurance Group)	\$14,354	\$14,354	0.00%
COPIC Insurance Co.	\$13,080	\$13,080	0.00%
MMIC Ins. Inc. (Constellation)	N/A	\$18,050	
General Surgery	2018 Rate	2019 Rate	% Change
Mutual Insurance Co. of Arizona (MICA)	\$39,433	\$39,433	0.00%
Medical Protective - MedPro	\$58,006	\$58,006	0.00%
ProAssurance Ind. Co. (ProAssurance Group)	\$45,950	\$45,950	0.00%
COPIC Insurance Co.	\$39,433	\$39,433	0.00%
MMIC Ins. Inc. (Constellation)	N/A	\$54,151	
OB/GYN	2018 Rate	2019 Rate	% Change
Mutual Insurance Co. of Arizona (MICA)	\$50,263	\$50,263	0.00%
Medical Protective - MedPro	\$62,006	\$62,006	0.00%
ProAssurance Ind. Co. (ProAssurance Group)	\$60,996	\$60,996	0.00%
COPIC Insurance Co.	\$50,263	\$50,263	0.00%
MMIC Ins. Inc. (Constellation)	N/A	\$82,731	

Physicians & Surgeons: ILF Box Plots



Summary Statistics

Limit	100k	250k	500k	1M	2M	3M	4M	5M
Minimum	0.42	0.60	0.80	1.00	1.13	1.31	1.38	1.43
25-th Percentile	0.47	0.70	0.80	1.00	1.20	1.34	1.41	1.47
Median	0.56	0.70	0.82	1.00	1.22	1.38	1.45	1.53
75-th Percentile	0.60	0.70	0.86	1.00	1.25	1.40	1.48	1.54
Maximum	0.60	0.75	0.88	1.00	1.28	1.45	1.49	1.58
Std Dev	0.07	0.05	0.03	0.00	0.04	0.04	0.04	0.06
Count	8	5	9	11	9	7	5	5

ARIZONA - HOSPITAL OVERVIEW

Bed Size, Community Hospitals¹

	2019
Less than 99	41
100 - 299	21
Greater than 300	18
Total Registered Community Hospitals	80

Personnel, Community Hospitals¹

	2019
Full-Time Equivalent Personnel	
Physicians & Dentists	2,849
Registered Nurses	27,582
Licensed Practical Nurses	625
Other Salaried Personnel	49,959
Full-Time Equivalent Trainees	
Medical & Dental Residents	1,318
Other Trainees	81

Utilization, Community Hospitals¹

	2019	National
Avg Length of Stay	4.8	5.1
Number of Births (per 1000)	10.2	10.9
Occupancy Rate (Excl. Nursing Homes)	61.5%	63.4%
Expense per Capital (per Person)	\$2,291	\$3,219

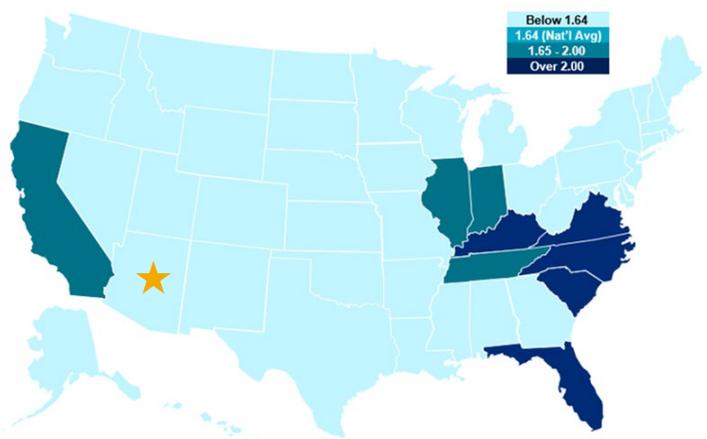
Market Share

	2020		
Top Ten Carriers (Hospitals)	DWP (\$000)	2020 (%)	2019 (%)
Illinois Union Insurance Co.	3,590	27.32%	24.43%
National Fire & Marine Ins Co.	1,600	12.18%	24.45%
Steadfast Insurance Co.	1,340	10.20%	6.38%
COPIC Insurance Co.	1,296	9.87%	9.97%
Endurance Amer Spclty Ins Co.	984	7.49%	10.45%
Admiral Insurance Co.	905	6.89%	5.29%
Professional Security Ins Co	875	6.66%	0.00%
MMIC Insurance Inc.	852	6.48%	5.32%
Coverys Specialty Insurance Co	697	5.31%	3.22%
ProAssurance Specialty Ins Co.	435	3.31%	2.55%
Total, Top 10	12,574	95.71%	92.06%
Total, All Writers	13,138		

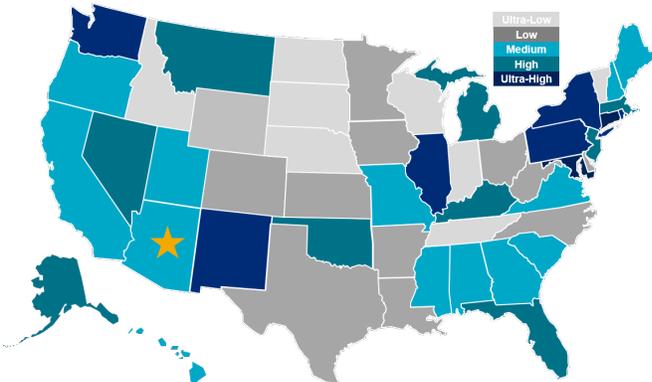
Hospital Statistics per OBE

	Claims Frequency		Loss Costs*	
	2020	2019	2019	2018
Arizona	1.57	1.36	Medium	Medium
National Average	1.64	1.50	2,900	2,830
2020 State Claim Severity	192,000		*Limited to \$2M per Occurrence	
2020 State Territory Relativity	0.750			

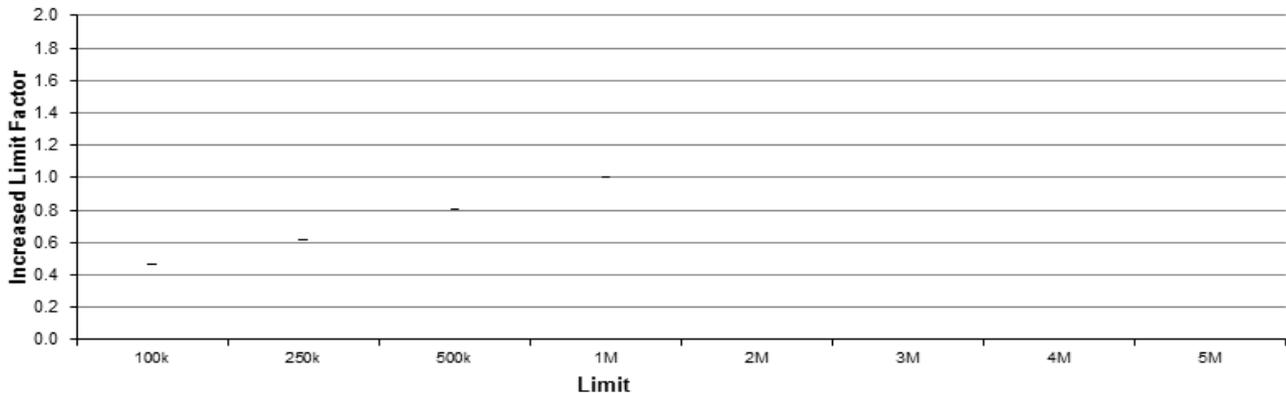
2020 HPL Frequency per OBE



2019 HPL Severity per OBE



Hospitals: ILF Box Plots



Summary Statistics

Limit	100k	250k	500k	1M	2M	3M	4M	5M
Minimum	0.47	0.62	0.81	1.00				
25-th Percentile	0.47	0.62	0.81	1.00				
Median	0.47	0.62	0.81	1.00				
75-th Percentile	0.47	0.62	0.81	1.00				
Maximum	0.47	0.62	0.81	1.00				
Std Dev	0.00	0.00	0.00	0.00				
Count	1	1	1	1				

¹Community hospitals are defined as nonfederal, short-term general, and other special hospitals (OB/gyn; ENT; long term acute-care; rehabilitation; orthopedic; other individually described specialties. Includes academic medical centers/teaching hospitals if they are nonfederal short-term. Excluded are hospitals not accessible by the general public, i.e., prison hospitals or college infirmaries.

ARIZONA - LEGAL OVERVIEW

Limits on Non-Economic / Pain & Suffering Damages

No statutory limit.

Patient Compensation Funds / State Plans

No PCF fund

Policy Form

Primarily Claims Made

Judicial Hellholes

2019	2020
None	None

Legal Climate: Harris Survey Summary¹

Category	2019 Rank
Having and Enforcing Meaningful Venue Requirements	30
Overall Treatment of Tort and Contract Litigation	23
Treatment of Class Action Suits & Mass Consolidation Suits	33
Damages	9
Proportional Discovery	22
Scientific and Technical Evidence	18
Judges' Impartiality	11
Judges' Competence	12
Juries' Fairness	20
Quality of Appellate Review	15
Overall Ranking - 2019	17
Overall Ranking - 2017	25

Large Verdicts ≥ \$10M

Verdict Range	2017		2018		2019		2020	
	#	\$\$	#	\$\$	#	\$\$	#	\$\$
\$10M - \$20M	1	15,000,000	-	-	-	-	-	-
\$20.01M - \$30M	-	-	-	-	-	-	-	-
\$30.01M - \$50M	-	-	-	-	-	-	-	-
\$50.01M - \$100M	-	-	-	-	-	-	-	-
\$100M +	-	-	-	-	-	-	-	-
State Total	1	15,000,000	-	-	-	-	-	-
U.S. Totals	38	852,230,238	44	1,430,344,272	39	1,137,424,690	3	53,300,000

Overview of MPL Statutes:

Statute of Limitations	Within 2 years after the cause of action accrues. Ariz. Rev. Stat. Ann. §12-542. Arizona case law generally supports the reasonable discovery rule for cause of action accrual. See Walk v. Ring, 202 Ariz. 310, 44 P.3d 990 (2002). SOL is tolled for plaintiff under 18 or of unsound mind until the removal of the disability. Ariz. Rev. Stat. Ann. §12-502.
Punitive damages	No statutory limit.
Joint and Several	Several Only. Each defendant liable only for the amount of damages allocated to that defendant, but exceptions apply when parties are acting in concert, or there is an agency relationship. Ariz. Rev. Stat. Ann. §12-2506.
Limits on contingent attorney fees	No statutory limit.
Periodic payment of future damages	Statute which allowed a party to elect to receive or pay future damages in periodic installments was ruled unconstitutional. Smith v. Myers, 181 Ariz. 11, 887 P.2d 541 (1994).
Apology laws	Statements or conduct expressing apology, responsibility or liability made to the patient or patient's relative are inadmissible as evidence of an admission of liability. Ariz. Rev. Stat. Ann. §12-2605.
Alternative dispute resolution	No statutory requirements specific to medical malpractice.
Collateral source rule	Defendant may introduce evidence of collateral payments, but plaintiff may then introduce evidence of amounts plaintiff paid to secure the right to such benefit. Bans subrogation. Ariz. Rev. Stat. Ann. §12-565.
Comparative fault	Pure Comparative Negligence. Claimant's awarded damages proportionately reduced by claimant's share of fault. Ariz. Rev. Stat. Ann. §12-2505.
Certificate of merit	If plaintiff certifies that expert testimony is necessary, plaintiff must serve a preliminary expert opinion affidavit with the initial disclosures. AZ Rules of Civil Procedure - Rule 26.1.
Expert witness	Expert must be licensed as a health professional in any state, and expert's training and experience must be similar to the health care provider. Ariz. Rev. Stat. Ann. §12-2604. Requirements for the necessary experience vary depending on type of provider involved. Id.
Nurse Practitioner scope of practice	NP's have full independent practice authority under the licensure authority of the State Board of Nursing. Ariz. Rev. Stat. Ann. §32-1601(20). An NP may prescribe and dispense drugs, including Schedules II-V controlled substances, within the NP's population focus. See Ariz. Admin. Code §4-19-511 and -512.
Physician Assistant scope of practice	PA may perform delegated tasks, including prescribing Schedules II through V controlled substances, that are within the PA's skills and the physician's scope of practice. Ariz. Rev. Stat. Ann. §32-2531 and -2532.

¹Based on national sample of 1,321 in-house counsel to rank reasonableness/fairness of state liability systems. Rank #1 (best) to #50 (worst).

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