

SCOMM

69:B9

#9

CLAIMS INFORMATION PROFESSIONAL

- 1) Liability Survey
- 2) Letter: 11/28/1989 From: Mary Pierce
- 3) Letter: 11/17/1989 to: Sam Cotten From: Janet Sloan Johnson
- 4) NICA Financial Database Sortfile

Claims Evaluations 3/28/1988

- 1) Evaluation Criteria and Report Format
- 2) Summary
- 3) Resume of Joyce Wainscott
- 4) Comments on Computer Database/Coding Addendum 1
- 5) Addendum 2
- 6) Addendum 3
- 7) Letter: 08/31/1989 To: Mary Pierce From: Jetta Whittaker
- 8) Letter: To: Jetta Whittaker From: Mary Pierce
- 9) Medical Indemnity Corporation of Alaska Reports and Studies
- 10) Letter: 04/19/1989 To: Mary Pierce From: Mary VandeCastle
- 11) Letter: 05/03/1989 To: MaryAnn VandeCastle From: Art Stanford
- 12) Letter: 04/27/1989 To: MaryAnn VandeCastle From: Janet Sloan Johnston
- 13) Letter: 11/21/1989 To: Mary Pierce From: Penne Chmielewski
- 14) Letter: 11/03/1989 To: Sam Cotten From: Douglas Smith
- 15) Liability Survey
- 16) Letter: 11/22/1989 To: David Rogers From: Ron Neupauer
- 17) Listing of Alaska Claims
- 18) Letter: 10/02/1989 To: Douglas Smith From: Ron Neupauer

- 19) Letter: 11/20/1989 To: David Rogers From: Patrick Hughes
- 20) Letter: 01/08/1989 To: David Rogers From: F. C. Ives
- 21) Alaska Professional Liability Loss and Premiums
- 22) Closed Professional Liability Claims for Alaska
- 23) Letter: 11/03/1989 To: David Rogers From: Bonnie Henkel
- 24) State of Alaska - Liability Survey
- 25) Letter: 11/02/1989 To: David Rogers From: Gary Bonham
- 26) Letter: 01/08/1990 To: Sam Cotten From: Thomas Porterfield, Jr.
- 27) Letter: 01/23/1986 From: Larry Laughman

American Institute of Architects

- 1) Survey
- 2) Letter: 07/29/1985 From: Larry Laughman
- 3) Questionnaire
- 4) Letter: 05/08/1985 To: Alaska Professional Design Council
From: Bernard Engals
- 5) Letter: 11/13/1989 To: David Rogers From: Lawrence Monin

Claims Information - Self Insured

- 1) Letter: 11/07/1989 To: David Rogers From: Brad Thompson
- 2) Letter: 12/28/1989 To: David Rogers From: Brad Thompson
- 3) Claims Made Analysis
- 4) Division of Risk Management
- 5) Letter: 10/30/1989 To: David Rogers From: Harry Sjoberg
- 6) Loss Experience Comparison
- 7) Letter: 10/30/1989 To: David Rogers From: H. P. Cutter
- 8) Letter: 11/01/1989 To: H. P. Cutter From: David Rogers

- 9) Letter: 11/17/1989 To: David Rogers From: Brian Rogers
- 10) Risk Management
- 11) State of Alaska Liability Survey
- 12) Letter: 11/17/1989 To: David Rogers From: Tom Bibeau
- 13) Liability Survey
- 14) Loss Summary
- 15) Letter: 11/28/1989 To: David Rogers From: Edward Zeine
- 16) Letter: 04/04/1989 From: Mr. Stanford
- 17) Resolution 89-24
- 18) Letter: 11/17/1989 To: David Rogers From: Gary Gandy
- 19) Ordinance #595
- 20) Letter: 11/19/1986 To: Judith Stevens From: Gary Gandy
- 21) MICA Meeting 01/15/1987

67.121

**CLAIMS INFORMATION
PROFESSIONALS**

STATE OF ALASKA

LIABILITY SURVEY

1. For each group, the total amount of premiums you have collected in Alaska for the last fifteen years which relate to liability insurance policies.
2. Claims information for the fifteen year period as follows:

Claim Synopsis

1. Date of event
2. Date suit filed
3. Date case settled/verdict received
4. Statute of limitations (exception/basis)
5. Percentage of comparative negligence
6. Total payment
7. Payment by each co-defendant
8. Collateral source (amount/source available)
9. Collateral source (amount/source allowed)
10. Case evaluation (if 100% liable)

Damages

1. Medical specials
2. Economic specials/income
3. Economic specials/out-going
4. Pain and suffering
5. Disfigurement
6. Loss of enjoyment of life
7. Punitive
8. Loss of consortium
9. Other (specify)
10. Prejudgment interest
11. Postjudgment interest

Method of Payment

1. Periodic payment (specifics)
2. Annuity (specifics)
3. Lump sum

Attorney Fees/Costs

1. Contingency fee/percentage plaintiff
2. Rule 82
3. Costs/plaintiff
4. Defense costs
5. Defense fees

3. From your experience, do you agree with this statement: "a small percentage of professionals in each group are responsible for a large percentage of the claims?" Do you have statistics to support your answer?

State of Alaska
Liability Survey
Page Two

4. If you carry other lines of liability insurance, please answer the above questions for each of those groups.
5. What is your current rate structure?
6. Are you aware of any availability problem in connection with any lines of liability insurance you carry?

MICA Medical Indemnity
Corporation of Alaska

ALEUT PLAZA
4000 OLD SEWARD HWY., SUITE 203
ANCHORAGE, ALASKA 99503
(907) 568-3414

November 28, 1989

Mr. David Rogers
Box 33932
Juneau, Alaska 99803

RE: Legislative Liability Task Force

Dear David:

I have enclosed several items as requested by the Legislative Liability Task Force.

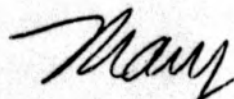
1. We have answered questions posed about our claims experience. I have also enclosed responses to two administrative requests regarding similar type questions which may prove helpful.
2. You also asked a question about agreeing with the statement that there are a few providers that generate most of the claims. I can't disagree with that statement since it is the basis of all insurance. What seems to be a between-the-lines question is that the few are the same few year after year. I have therefore included some information on our underwriting practices and how we cull out the "same few."
3. I have also included a summary of all the risk management activities that MICA has and continues to sponsor. I often hear the statement that healthcare providers are doing little to manage quality care. This list of activities should totally discount that statement.

Medical Indemnity Corporation of Alaska

Mr. David Rogers
November 28, 1989
Page 2

David, if you have any questions, please call me or if we can provide other information, please let me know.

Warm Regards,



Mary Pierce
Executive Director

MP/act

cc: Ray Schalow, ASMA
Harlan Knudson, HAA

MICA Medical Indemnity
Corporation of Alaska

ALEUT PLAZA
4000 OLD SEWARD HWY., SUITE 208
ANCHORAGE, ALASKA 99508
(907) 563-3414

November 17, 1989

Representative Sam Cotten
Chairman, House Liability Task Force
Alaska State Legislature
House of Representatives
P.O. Box V, State Capital
Juneau, Alaska 99811

RE: Informational Request of October 20, 1989

Dear Representative Cotten:

In attempting to promptly provide the information requested in your letter of October 20th, it seemed easiest to supply you with a claims audit completed at MICA in March of 1988 by Joyce Wainscott. I trust that you have seen this before. The study was completed at MICA's request by Ms. Wainscott whose CV is also attached.

Ms. Wainscott's study was more limited in scope than the information you are presently requesting. Specifically her study focused upon:

1. Only closed claims.
2. Only closed claims on which indemnity payment had been made.
3. Only closed claims where the indemnity payment had exceeded \$100,000.

Our computer data base, virtually non-existent when Ms. Wainscott began her study, has now progressed to the point that I can give you significantly expanded information, at least in some areas.

Representative Sam Cotten

November 17, 1989

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I'm attaching a computer run that references all of MICA's closed claims from the date of inception up to and including September 30th of 1989. I have included all closed claims whether or not indemnity was paid. Further, I have included files that are still pending (open) but on which we have already paid the indemnity portion. (We do not close a file until all financial transactions are complete including final attorney bills and reinsurance reimbursement if appropriate. So these are files where the indemnity has been finalized but the expense section is in the finalization stages.)

Attachment A. will draw your attention to some of the coding in our data base so that you can better understand the report.

Attachment B. will help to succinctly contrast the percentage of claims and/or suits closed with and without indemnity payment together with total average cost per file. The total average cost per file is further broken down to average indemnity payment and average LAE paid. Finally, that attachment draws your attention to the amount of each dollar spent on defense of a case in comparison to the amount reaching the plaintiff and/or his or her attorney.

Finally, in attachment C. I have referenced the list of claims information items you are requesting and commented on each item briefly. In some instances the information you seek is obtainable from the computer run. In some instances our computerization has not progressed to the point where we can readily capture the piece of data you are requesting. In still other cases our particular claims operation is not set up to focus on these items in an isolated fashion. Ms. Wainscott made this point in her previous report and I will simply reiterate it as being unchanged at the present time.

Medical Indemnity Corporation of Alaska

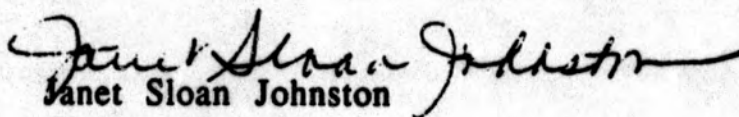
Representative Sam Cotten

November 17, 1989

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I hope the enclosed information will be of some assistance to you and to the Task Force. Please don't hesitate to contact me if I can be of further help.

Sincerely,


Janet Sloan Johnston
Claims Manager

Enclosure

JSJ/tmb

CURRENT AS OF SEPTEMBER 30, 1989

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NICA
FINANCIAL DATABASE SORTFILE

N/H/R	FILE #	SEV.	FILE STATUS	D/O	D/R	DATE OF CLAIM	DATE CLOSED	DATE OF REOPENING	DATE OF FINAL CLOSURE	S.O.L.	TOTAL PAID ALL YEARS		
											LOBS	LAE	
N.D.	86-238-10	S	P	-84	-85							628,211.00	88,231.50
N.D.	86-314-86	S	P	-86	-86					(FINAL)		388,000.00	72,651.00
N.D.	86-232-040	S	P	-84	-86							178,992.17	185,252.31
N.D.	86-232-04C	S	P	-84	-86							178,992.16	183,492.30
N.D.	86-232-04A	S	P	-84	-86							88,621.09	24,877.97
N.D.	86-232-04A	S	P	-84	-86							88,621.00	24,868.60
											1,447,437.30	417,774.56	
HOSP/NO	85-227-57	S	C	-83	-85	28-Dec-88						2,779,897.04	124,447.00
N.D.	85-283-330	S	C	-84	-85	30-Jun-88						2,200,000.00	13,846.84
N.D.	84-138-15	S	C	-81	-84	01-Feb-89						1,918,582.00	246,132.45
HOSP	84-137-22	S	C	-82	-84	13-Dec-88						1,798,500.00	395,253.01
HOSP	83-112-27	S	C	-82	-83	31-Mar-86						798,000.40	13,206.63
N.D.	83-091-86	S	C	-83	-83	30-Jun-85						558,000.10	32,664.85
N.D.	84-116-01	S	C	-82	-84	31-Mar-86						583,625.00	18,266.70
N.D.	85-197-27A	S	C	-84	-85	11-Jun-87						408,000.00	24,179.10
N.D.	83-098-13	S	C	-83	-83	31-Dec-84						333,665.96	25,379.04
N.D.	86-239-11A	S	C	-85	-86	17-Apr-89						388,000.00	9,186.13
N.D.	82-081-21	S	C	-81	-82	31-Mar-85						229,964.55	11,395.75
HOSP	88-041-18	S	C	-78	-88	28-Sep-83						228,000.00	85,267.91
HOSP	77-012	S	C	-77	-77	30-Jun-81						288,000.00	11,288.47
N.D.	84-132-17	S	C	-82	-84	15-Oct-87						196,000.00	36,359.00
N.D.	85-214-44	S	C	-85	-85	30-Sep-87						175,000.00	18,878.33
N.D.	84-121-06	S	C	-83	-84	31-Dec-86						170,000.00	14,982.86
N.D.	85-195-25	S	C	-83	-85	11-Jun-87						163,500.00	39,417.12
N.D.	77-010	S	C	-77	-77	30-Jun-79						158,000.00	11,453.56
HOSP	82-065-05	S	C	-82	-82	28-May-87						158,000.00	24,913.07
N.D.	82-067-07	S	C	-82	-82	28-May-87						158,000.00	21,933.11
N.D.	81-049-08	S	C	-79	-81	31-Mar-82						142,500.00	35,688.60
N.D.	86-238-02B	S	C	-85	-86	11-Jun-87						188,000.00	11,824.43
N.D.	86-238-02A	S	C	-85	-86	11-Jun-87						188,000.00	18,885.97
N.D.	84-178-55	S	C	-82	-84	04-Oct-88						99,628.10	31,906.10
N.D.	83-106-21	S	C	-81	-83	01-Aug-85						99,335.00	73,124.07
HOSP	83-089-04	S	C	-82	-83	30-Sep-85						98,000.00	44,208.72
N.D.	82-071-11	S	C	-80	-82	30-Jun-84						88,000.00	9,948.83
N.D.	82-073-13	S	C	-80	-82	30-Sep-84						88,000.00	4,948.58
HOSP	82-085-25	S	C	-82	-82	31-Dec-84						88,000.00	13,385.33
N.D.	85-281-31A	S	C	-83	-85	16-Dec-88						75,000.00	53,925.34
N.D.	88-028-05	S	C	-79	-88	30-Jun-87						75,000.00	4,856.74
N.D.	84-134-19	S	C	-82	-84	31-Mar-87						75,000.00	58,321.14
N.D.	84-138-23	S	C	-84	-84	31-Aug-87						58,000.00	37,478.68
N.D.	78-089	S	C	-76	-78	30-Jun-81						55,000.00	12,576.17
N.D.	82-069-09	S	C	-81	-82	31-Dec-84						58,285.44	15,234.64
HOSP	82-078-10	S	C	-81	-82	31-Dec-84						58,285.44	15,227.23

CURRENT AS OF SEPTEMBER 30, 1989

(2)

NICA
FINANCIAL DATABASE SORTFILE

M/W/R	FILE #	SEV.	FILE STATUS	D/O	D/R	DATE OF CLAIM	DATE CLOSED	DATE OF REOPENING	DATE OF FINAL CLOSURE	S.O.L.	***** TOTAL PAID ALL YEARS LOSS LAE	
											LOSS	LAE
N.D.	85-192-22	S	C	-83	-85	29-Dec-88					58,000.00	37,045.18
N.D.	78-814	S	C	-77	-77	30-Jun-81					58,000.00	774.07
N.D.	85-191-21	S	C	-83	-85	28-Oct-88					58,000.00	78,421.69
N.D.	82-874-14	S	C	-88	-82	30-Sep-85					58,000.00	28,476.62
N.D.	87-437-27	S	C	-82	-87	30-Oct-88					49,357.58	2,439.60
N.D.	87-485-75	S	C	-85	-87	30-Oct-88					49,357.58	2,177.09
HOSP	82-884-24	S	C	-82	-82	30-Jun-86					46,585.45	25,387.82
N.D.	85-222-32	S	C	-85	-85	25-Apr-89					45,000.00	8,816.75
HOSP	79-821-87	S	C	-79	-79	30-Sep-81					45,000.00	18,666.16
N.D.	88-827-84	S	C	-78	-88	01-Aug-85					43,758.38	19,234.27
N.D.	84-131-16	S	C	-82	-84	15-Oct-87					35,000.00	67,672.34
N.D.	84-133-18	S	C	-82	-84	01-Aug-85					32,000.00	19,386.89
HOSP	84-122-87	S	C	-83	-84	31-Dec-86					38,000.00	3,695.53
N.D.	84-141-25	S	C	-84	-84	31-Aug-87					25,288.00	7,586.66
N.D.	76-883	S	C	-76	-77	31-Mar-78					25,000.00	697.68
HOSP	85-281-31C	S	C	-83	-85	16-Dec-88					25,000.00	52,884.66
N.D.	85-198-28	S	C	-83	-85	31-Mar-87					25,000.00	15,576.93
HOSP	81-852-11	S	C	-81	-81	30-Jun-83					25,000.00	83,249.88
HOSP	87-482-72	S	C	-85	-87	26-Feb-88					28,188.16	33,727.75
N.D.	81-846-85	S	C	-79	-81	30-Jun-83					28,000.00	3,739.14
N.D.	85-218-48	S	C	-84	-85	15-Mar-88					28,000.00	21,642.72
N.D.	82-879-19	S	C	-82	-82	30-Sep-85					15,000.00	13,142.82
N.D.	86-234-86	S	C	-83	-86	31-Mar-87					12,588.00	18,581.47
N.D.	84-117-82	S	C	-82	-84	31-Mar-87					12,588.00	74,674.88
HOSP	78-881	S	C	-77	-78	31-Mar-81					18,000.00	11,728.45
HOSP	82-876-16	S	C	-81	-82	31-Mar-86					7,758.00	3,542.83
N.D.	83-894-89	S	C	-81	-83	31-Dec-84					7,000.00	8,839.86
N.D.	83-185-28	S	C	-81	-83	30-Jun-86					6,588.00	38,867.33
N.D.	85-184-14	S	C	-78	-84	31-Mar-86					3,758.00	2,322.25
HOSP	83-899-14	S	C	-81	-83	31-Dec-84					3,888.00	813.88
HOSP	84-154-39	S	C	-84	-84	15-Sep-89					3,888.00	7,446.21
N.D.	88-826-83	S	C	-78	-79	30-Jun-81					2,888.00	9,928.57
											15,439,688.02	2,312,937.92
N.D.	82-861-81	S	C	-88	-82	31-Mar-85					8.00	11,939.87
N.D.	85-216-468	S	C	-83	-85	22-Jul-87					8.00	1,245.33
RNC/ND	78-818	S	C	-76	-78	30-Sep-88					8.00	5,878.82
N.D.	84-145-388	S	C	-81	-84	31-Mar-86					8.00	8.00
N.D.	86-237-89	S	C	-86	-86	24-Mar-88					8.00	17,671.85
N.D.	85-228-588	S	C	-83	-85	28-Jul-86					8.00	8.00
N.D.	87-491-81	S	C	-86	-87	09-Jun-87					8.00	8.00
HOSP	81-843-82	S	C	-81	-81	31-Mar-85					8.00	3,845.54
HOSP	88-838-15	S	C	-88	-88	30-Jun-82					8.00	4,169.99
HOSP	82-866-86	S	C	-81	-82	31-Dec-84					8.00	4,348.48
N.D.	84-129-14	S	C	-81	-84	19-Dec-88					8.00	144,551.88
N.D.	84-145-388	S	C	-81	-84	11-Oct-87					8.00	613.57

CURRENT AS OF SEPTEMBER 30, 1989

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NICA
FINANCIAL DATABASE SORTFILE

N/H/R	FILE #	SEV.	FILE STATUS	D/O	D/R	DATE OF CLAIM	DATE CLOSED	DATE OF REOPENING	DATE OF FINAL CLOSURE	S.O.L.	***** TOTAL PAID ALL YEARS LOSS L&E
HOSP	84-145-38E	S	C	81	84	11-Oct-87					0.00 0.00
HOSP	82-882-22	S	C	80	82	30-Sep-84					0.00 3,929.81
N.D.	85-216-46C	S	C	83	85	22-Jul-87					0.00 1,245.33
HOSP	88-832-89	S	C	77	88	30-Jun-83					0.00 13,632.00
N.D.	85-284-34A	S	C	83	85	31-Dec-87					0.00 2,868.00
N.D.	86-252-24A	S	C	79	86	29-Dec-88					0.00 0.00
N.D.	79-829-86	S	C	77	79	30-Sep-82					0.00 10,195.71
HOSP	85-213-43	S	C	84	85	28-Apr-89					0.00 2,968.83
N.D.	84-148-25	S	C	82	84	30-Jun-85					0.00 3,631.88
N.D.	85-181-11	S	C	84	85	30-Jun-86					0.00 3,927.75
N.D.	84-145-38C	S	C	81	84	11-Oct-87					0.00 0.00
N.D.	86-328-188	S	C	86	86	18-Feb-89					0.00 3,379.27
N.D.	85-284-34B	S	C	83	85	83-Dec-87					0.00 2,178.00
N.D.	82-868-88	S	C	82	82	30-Jun-84					0.00 9,419.68
HOSP	85-999-863	S	C	85	85	15-May-89					0.00 8,589.58
N.D.	88-831-88	S	C	79	79	30-Sep-81					0.00 6,863.31
N.D.	82-872-12	S	C	88	82	30-Jun-84					0.00 3,158.99
HOSP	81-845-84	S	C	78	81	30-Jun-82					0.00 4,328.00
N.D.	76-881	S	C	76	77	30-Sep-83					0.00 62,367.88
N.D.	82-878-18	S	C	81	82	31-Mar-86					0.00 72.62
N.D.	85-284-34C	S	C	83	85	83-Dec-87					0.00 298.08
HOSP	78-882	S	C	77	78	30-Jun-83					0.00 9,434.36
N.D.	86-289-61	S	C	85	86	83-Jul-86					0.00 0.00
N.D.	85-281-31B	S	C	83	85	30-Oct-88					0.00 4,983.81
HOSP	77-888	S	C	77	77	30-Jun-82					0.00 23,685.65
N.D.	83-892-87	S	C	82	83	30-Sep-84					0.00 6,894.53
N.D.	78-885	S	C	77	78	31-Mar-79					0.00 1,644.96
N.D.	86-233-85B	S	C	84	86	30-Jun-86					0.00 0.00
N.D.	88-837-14	S	C	88	88	30-Jun-82					0.00 3,288.27
N.D.	83-188-15	S	C	83	83	30-Jun-85					0.00 46,458.01
N.D.	85-216-46A	S	C	83	85	22-Jul-87					0.00 1,245.34
N.D.	85-281-31D	S	C	83	85	30-Jun-88					0.00 5,236.76
N.D.	77-811	S	C	77	77	31-Mar-78					0.00 1,558.88
N.D.	81-868-19	S	C	81	81	30-Sep-84					0.00 977.70
HOSP	83-187-22	S	C	81	83	31-Dec-84					0.00 6,393.41
N.D.	87-438-28	S	C	86	87	19-Dec-88					0.00 0.00
N.D.	88-836-13	S	C	79	88	31-Mar-85					0.00 38,282.16
RIF	87-336-146	S	C	86	87	30-Nov-87					0.00 0.00
N.D.	87-469-59	S	C	81	87	12-Aug-88					0.00 228.75
N.D.	86-368-132	S	C	86	86	15-Sep-89					0.00 198.61
HOSP	84-128-85	S	C	82	84	31-Dec-84					0.00 1,312.88
N.D.	86-233-85A	S	C	84	86	30-Jun-86					0.00 121.55
HOSP	84-158-43	S	C	82	84	31-Mar-86					0.00 3,789.17
N.D.	87-557-147	S	C	87	87	30-Jun-88					0.00 1,273.32
HOSP	84-145-38D	S	C	81	84	11-Oct-87					0.00 0.00
N.D.	86-229-81	S	C	85	86	31-Jul-88					0.00 24,479.47
N.D.	87-567-157	S	C	85	87	27-Jun-88					0.00 0.00

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N/W/R	FILE #	SEV.	FILE STATUS	D/O	D/R	DATE OF CLAIM	DATE CLOSED	DATE OF REDPENDING	DATE OF FINAL CLOSURE	S.O.L.	*****TOTAL PAID*****	
											LOGS	LAE
N.D.	85-178-88	S	C	83	85		31-Mar-87				0.00	2,336.75
N.D.	84-136-21	S	C	82	84		13-Dec-88				0.00	186,352.40
N.D.	84-144-29	S	C	81	84		31-Dec-85				0.00	3,997.75
N.D.	84-156-41	S	C	84	84		30-Jun-87				0.00	21,998.00
N.D.	85-182-128	S	C	84	85		83-Jun-88				0.00	552.75
N.D.	85-287-37	S	C	85	85		30-Jun-86				0.00	861.50
N.D.	82-877-17	S	C	81	82		31-Mar-86				0.00	2,417.61
N.D.	78-811	S	C	78	78		30-Sep-82				0.00	61,893.77
N.D.	84-153-38	S	C	83	84		31-Jan-88				0.00	0.00
N.D.	85-225-35	S	C	83	85		31-Dec-86				0.00	2,581.17
HOSP	83-893-88	S	C	82	83		30-Sep-84				0.00	9,681.00
N.D.	85-228-588	S	C	83	85		28-Jul-86				0.00	0.00
HOSP	83-181-16	S	C	82	83		88-May-85				0.00	4,879.48
N.D.	88-829-86	S	C	78	88		30-Sep-85				0.00	32,427.78
N.D.	84-164-49	S	C	82	85		82-May-88				0.00	32,338.38
N.D.	87-444-34	S	C	87	87		18-Feb-88				0.00	0.00
HOSP	81-847-86	S	C	79	81		30-Jun-83				0.00	6,219.16
HOSP	79-823-89	S	C	77	79		30-Sep-83				0.00	4,359.86
HOSP	79-817-83	S	C	78	78		30-Jun-82				0.00	14,777.26
N.D.	83-183-18	S	C	83	83		30-Jun-85				0.00	32,683.12
HOSP	79-819-85	S	C	77	79		30-Sep-82				0.00	2,292.37
HOSP	78-884	S	C	77	78		31-Mar-79				0.00	0.00
HOSP	87-557-147	S	C	87	87		30-Jun-88				0.00	0.00
HOSP	85-999-877	S	C	85	86		15-Apr-89				0.00	997.35
N.D.	86-252-24C	S	C	79	86		29-Dec-88				0.00	0.00
N.D.	88-618-31	S	C	85	88		28-Dec-88				0.00	3,218.69
HOSP	86-374-146	S	C	86	86		16-Dec-88				0.00	0.00
HOSP	76-884	S	C	76	77		14-Dec-77				0.00	0.00
N.D.	83-113-28	S	C	83	83		31-Dec-86				0.00	41,849.61
N.D.	83-895-18	S	C	81	83		30-May-87				0.00	4,448.91
HOSP	84-158-35	S	C	78	84		31-Mar-86				0.00	0.00
N.D.	84-128-13	S	C	83	84		12-Nov-86				0.00	7,696.81
N.D.	82-862-82	S	C	80	82		30-Jun-82				0.00	1,686.28
HOSP	84-135-28	S	C	82	84		15-May-87				0.00	15,559.82
HOSP	85-182-128	S	C	84	85		83-Jun-88				0.00	6,544.74
N.D.	84-119-84	S	C	82	84		30-Sep-84				0.00	2,854.21
N.D.	86-252-24B	S	C	79	86		29-Dec-88				0.00	0.00
N.D.	88-668-81	S	C	86	88		89-Aug-89				0.00	0.00
N.D.	85-183-13	S	C	84	85		30-Jul-88				0.00	18,368.11
HOSP	83-898-85	S	C	82	83		31-Jul-87				0.00	55,774.94
HF	83-896-11	S</										

	0.00	1,064,850.75	100%
TOTAL CLOSED 5'S	15,439,600.02	3,376,300.60	18%

CURRENT AS OF SEPTEMBER 30, 1989

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NICA
FINANCIAL DATABASE SORTFILE

N/W/R	FILE #	SEV.	FILE STATUS	D/O	D/R	DATE OF CLAIM	DATE CLOSED	DATE OF REOPENING	DATE OF FINAL CLOSURE	S.O.L.	***** TOTAL PAID ALL YEARS LOSS LAE	
											LOSS	LAE
HOSP	78-006	4	P	-78	-78	04-Oct-88	30-Sep-78	01-Sep-88		18-May-90	35,426.99	0.00
N.D.	89-786-32	4	P	-89	-89	05-Jun-89				22-Apr-91	5,500.00	1,438.06
N.D.	89-738-56A	4	P	-89	-89					28-Aug-91	2,438.00	0.00
N.D.	89-738-56B	4	P	-89	-89					28-Aug-91	2,438.00	0.00
											45,002.99	1,438.06
N.D.	85-218-48	4	C	-85	-85		24-Dec-86				888,000.00	6,497.73
N.D.	86-244-16	4	C	-86	-86		18-Jun-86				512,750.00	1,639.00
N.D.	84-143-28	4	C	-84	-84		31-Mar-86				312,500.20	12,178.75
N.D.	84-149-34	4	C	-84	-84		31-Dec-86				186,667.00	2,501.02
HOSP	87-424-14	4	C	-86	-87		28-Oct-88				185,000.00	19,133.28
N.D.	86-242-14A	4	C	-86	-86		16-Dec-88				112,500.00	17,565.19
N.D.	83-111-26	4	C	-82	-83		30-Sep-84				112,500.00	11,756.99
N.D.	85-190-20	4	C	-85	-85		31-Dec-85				100,000.00	2,387.18
N.D.	82-075-15	4	C	-82	-82		30-Sep-82				100,000.00	3,935.75
N.D.	88-025-02	4	C	-88	-90		30-Jun-81				50,000.00	3,438.30
N.D.	88-999-096	4	C	-87	-90		18-Sep-89		05-Oct-89		48,003.81	4,758.55
N.D.	85-186-16	4	C	-85	-85		31-Dec-85				45,000.00	1,436.64
N.D.	88-035-12	4	C	-77	-80		30-Jun-81				45,000.00	2,064.85
N.D.	85-180-10	4	C	-84	-85		30-Jun-86				35,000.00	0.00
N.D.	83-088-03	4	C	-82	-82		30-Sep-83				25,000.00	2,273.75
N.D.	85-223-53	4	C	-85	-85		31-Mar-86				20,000.00	0.00
N.D.	84-166-51	4	C	-84	-84		31-Mar-85				20,000.00	0.00
N.D.	87-544-134	4	C	-87	-87		02-Sep-88				15,000.00	2,600.30
N.D.	86-251-23	4	C	-85	-85		30-Oct-87				10,000.00	3,788.16
HOSP/NO	84-155-40	4	C	-82	-84		31-Mar-85				8,317.50	0.00
HOSP	84-142-27	4	C	-82	-84		06-Feb-85				8,174.00	0.00
N.D.	84-118-03	4	C	-83	-84		23-Aug-84				7,883.18	1,110.00
RHF	84-124-09	4	C	-84	-84		26-Nov-85				7,500.00	0.00
N.D.	77-007	4	C	-77	-77		31-Dec-78				7,500.00	1,240.70
N.D.	88-024-01	4	C	-88	-88		30-Sep-81				6,711.10	1,550.00
N.D.	86-246-18	4	C	-86	-86		10-Oct-86				5,995.89	0.00
N.D.	86-236-08	4	C	-86	-86		04-Dec-86				5,000.00	0.00
N.D.	86-241-13	4	C	-85	-86		16-Sep-86				4,786.72	0.00
N.D.	88-644-65	4	C	-88	-90		04-Nov-88				3,000.00	0.00
N.D.	85-175-05	4	C	-84	-85		30-Jun-86				2,529.20	0.00
N.D.	81-054-13	4	C	-80	-81		30-Sep-82				2,500.00	283.90
HOSP	82-063-03	4	C	-82	-82		30-Jun-82				2,445.00	710.45
N.D.	86-258-30	4	C	-86	-86		31-Mar-87				2,285.66	0.00
N.D.	86-235-07	4	C	-85	-86		18-Dec-86				2,007.55	200.00
RHF	83-110-25	4	C	-83	-83		31-Mar-84				2,000.00	570.00
N.D.	87-416-06	4	C	-87	-87		09-Mar-87				1,843.70	0.00
HOSP	83-007-02	4	C	-82	-83		31-Mar-83				1,800.00	406.39
HOSP	85-187-17	4	C	-84	-85		31-Mar-86				848.24	26.45
N.D.	85-211-41	4	C	-84	-84		30-Jun-86				831.00	0.00

CURRENT AS OF SEPTEMBER 30, 1989

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NICA
FINANCIAL DATABASE SORTFILE

N/W/R	FILE #	SEV.	FILE STATUS	D/O	D/R	DATE OF CLAIM	DATE CLOSED	DATE OF REOPENING	DATE OF FINAL CLOSURE	S.O.L.	***** TOTAL PPID ALL YEARS LOBS LAE	
											LOBS	LAE
N.D.	86-256-28	4	C	85	86		31-Mar-87				688.00	0.00
N.D.	86-254-25	4	C	86	86		31-Mar-87				476.38	100.00
HOSP	88-642-63	4	C	88	88		27-Sep-88				318.00	0.00
R/C	87-532-122	4	C	87	87		09-Sep-87				223.61	0.00
											2,828,410.70	103,993.41
N.D.	85-197-278	4	C	83	85		03-Jun-88				0.00	8,486.70
N.D.	88-591-12	4	C	84	88		19-Dec-88				0.00	0.00
N.D.	86-238-228	4	C	86	86		31-Mar-87				0.00	0.00
HOSP	88-839-16	4	C	88	88		31-Dec-81				0.00	1,765.30
N.D.	88-584-85	4	C	88	88		31-Mar-88				0.00	0.00
N.D.	87-425-15A	4	C	86	87		30-Sep-87				0.00	0.00
HOSP	86-238-228	4	C	86	86		31-Mar-87				0.00	0.00
N.D.	85-224-54A	4	C	85	85		16-Sep-87				0.00	0.74
N.D.	85-215-45	4	C	85	85		19-Dec-88				0.00	0.00
N.D.	87-574-164	4	C	87	87		19-Dec-88				0.00	0.00
N.D.	85-176-86	4	C	83	85		31-Dec-85				0.00	319.50
N.D.	87-571-161	4	C	87	87		11-Apr-88			15-Dec-89	0.00	0.00
HOSP	82-864-84	4	C	82	82		30-Jun-83				0.00	5,362.80
N.D.	85-172-82	4	C	84	85		30-Sep-85				0.00	1,158.50
N.D.	85-177-87	4	C	84	85		31-Dec-85				0.00	275.43
N.D.	83-184-19	4	C	82	83		31-Mar-84				0.00	547.56
R/C	81-858-17	4	C	77	81		31-Dec-82				0.00	885.50
N.D.	87-427-17	4	C	86	87		07-Aug-87				0.00	0.00
N.D.	81-853-12	4	C	80	81		30-Jun-82				0.00	0.00
HOSP	85-221-51	4	C	85	85		03-Dec-87				0.00	0.00
N.D.	85-226-568	4	C	85	85		00-Jun-87				0.00	0.00
HOSP	76-882	4	C	76	77		30-Sep-83				0.00	48,352.96
N.D.	85-179-89	4	C	83	85		10-Aug-87				0.00	1,162.00
N.D.	85-173-83	4	C	85	85		30-Jun-85				0.00	0.00
HOSP	83-189-24	4	C	83	83		31-Mar-84				0.00	1,300.62
N.D.	77-882	4	C	77	77		30-Jun-78				0.00	168.45
N.D.	78-883	4	C	77	77		31-Dec-78				0.00	62.50
HOSP/ND	85-999-869	4	C	85	85		16-Jan-88				0.00	857.50
N.D.	83-886-81	4	C	82	83		30-Jun-83				0.00	0.00
N.D.	85-212-42C	4	C	84	85		07-Nov-87				0.00	365.33
HOSP	88-834-11	4	C	88	88		31-Dec-82				0.00	443.65
HOSP	81-857-16	4	C	81	81		31-Mar-83				0.00	9,965.18
N.D.	83-897-12	4	C	82	83		31-Mar-87				0.00	21,654.47
N.D.	85-288-38	4	C	84	85		28-Aug-86				0.00	0.00
N.D.	86-255-27	4	C	86	86		00-Aug-88				0.00	10.00
N.D.	88-598-198	4	C	86	88		25-Aug-88				0.00	0.00
N.D.	88-595-16	4	C	87	88		22-Mar-88				0.00	0.00
N.D.	87-419-89	4	C	86	87		16-Jan-88				0.00	0.00
N.D.	85-226-56A	4	C	85	85		00-Jun-87				0.00	0.00
HOSP	88-598-19A	4	C	86	88		25-Aug-88			31-Jan-90	0.00	0.00

CURRENT AS OF SEPTEMBER 30, 1989

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NICA
FINANCIAL DATABASE SORTFILE

N/W/R	FILE #	SEV.	FILE STATUS	D/O	D/R	DATE OF CLAIM	DATE CLOSED	DATE OF REOPENING	DATE OF FINAL CLOSURE	S.O.L.	***** TOTAL PAID ALL YEARS LOSS LAE	
											LOSS	LAE
HOSP	88-848-17	4	C	79	88		30-Sep-81				0.00	485.00
N.D.	84-157-42	4	C	83	84		30-Jun-85				0.00	0.00
HOSP	81-844-83	4	C	81	81		31-Dec-81				0.00	976.25
N.D.	86-248-12	4	C	86	86		31-May-88				0.00	381.58
HOSP	87-425-158	4	C	86	87		30-Sep-87				0.00	0.00
HOSP	79-816-82	4	C	77	79		83-Apr-79				0.00	1,098.48
HOSP	85-224-54C	4	C	85	85		16-Sep-87				0.00	0.00
N.D.	81-858-89	4	C	78	81		30-Jun-82				0.00	784.34
HOSP	85-185-15	4	C	85	85		31-Dec-85				0.00	1,217.83
N.D.	79-818-84	4	C	78	79		30-Sep-79				0.00	0.00
N.D.	86-259-31	4	C	86	86		28-Oct-87				0.00	0.00
N.D.	85-174-84	4	C	82	85		30-Jun-85				0.00	0.00
RHC	87-489-79	4	C	87	87		19-Dec-88				0.00	2,183.85
N.D.	87-326-116	4	C	87	87		11-Apr-88				0.00	58.00
N.D.	87-435-25	4	C	82	87		24-Aug-87				0.00	1,743.38
N.D.	88-667-88	4	C	88	88						0.00	255.85
HOSP	78-813	4	C	78	78		31-Mar-79				0.00	379.86
N.D.	85-286-36	4	C	85	85		30-Jun-87				0.00	0.00
N.D.	81-855-14	4	C	81	81		30-Jun-82				0.00	1,163.58
HOSP	85-212-428	4	C	84	85		87-Nov-87				0.00	365.33
N.D.	85-224-548	4	C	85	85		16-Sep-87				0.00	0.00
N.D.	86-245-17	4	C	86	86		85-Jan-87				0.00	0.00
N.D.	85-212-428	4	C	84	85		87-Nov-87				0.00	686.33
HOSP	77-884	4	C	77	77		14-Dec-77				0.00	0.00
N.D.	88-688-21	4	C	87	88		19-Dec-88				0.00	0.00
HOSP	79-815-81	4	C	78	78		31-Mar-79				0.00	0.00
N.D.	82-888-28	4	C	82	82		31-Mar-83				0.00	1,814.58
N.D.	86-247-19	4	C	85	86		30-Oct-87				0.00	1,573.38
N.D.	84-151-36	4	C	84	84		31-Mar-85				0.00	1,488.28
N.D.	88-599-288	4	C	87	88		27-Jun-88				0.00	46.00
HOSP	87-572-162	4	C	85	87		12-Sep-88				0.00	268.00
N.D.	87-498-88	4	C	87	87		26-Oct-87				0.00	0.00
											0.00	119,778.49
											2,828,418.70	223,763.98
											19,753,339.21	4,819,965.28

TOTAL CLOSED 4'S

100%

7%

17%

CLAIMS EVALUATION

JOYCE WAINSCOTT

MARCH 28, 1988

CLAIMS EVALUATION

A Study of Verdicts/Settlements

In January 1988 I began a review of a designated portion of the Medical Indemnity Corporation of Alaska (MICA) claims files. This review was initiated in response to a request for information regarding claims settlements and verdicts from the MICA Executive Board and the Alaska State Medical Association. The study was intended to gather information from the designated files and extrapolate potential verdicts/settlements under various tort reform statutes and proposals. The goal was to utilize that information to determine what impact, if any, present tort reform statutes would have on medical malpractice in the state of Alaska. I viewed my role in this project as that of recording information from specific files and projecting the effects of tort reform on damages paid.

EVALUATION CRITERIA AND REPORT FORMAT

To respond to the questions that were posed I determined that I needed to review the files for the following information:

1. Claims Synopsis
2. Damages
3. Attorney Fees and Costs
4. Method of Payment

Specific information in each of these categories would be further broken down as follows:

Claim Synopsis

1. Date of Event
2. Date Suit Filed
3. Date Case Settled/Verdict Received
4. Statute of Limitations (Exception/Basis)
5. Percentage of Comparative Negligence
6. Total Payment
7. Payment by Each Co-Defendant
8. Collateral Source (Amount/Source Available)
9. Collateral Source (Amount/Source Allowed)
10. Case Evaluation (If 100% Liable)

Damages

1. Medical Specials
2. Economic Specials/Income
3. Economic Specials/Out-Going
4. Pain and Suffering
5. Disfigurement
6. Loss of Enjoyment of Life
7. Punitive
8. Loss of Consortium
9. Other (Specify)
10. Prejudgment Interest
11. Postjudgment Interest

Method of Payment

1. Periodic Payment (Specifics)
2. Annuity (Specifics)
3. Lump Sum

Attorney Fees/Costs

1. Contingency Fee/Percentage Plaintiff
2. Rule 82
3. Costs/Plaintiff
4. Defense Costs
5. Defense Fees

My instructions were to evaluate only those files which were reflected as closed on December 31, 1987 and for which a payment of over \$100,000 had been reported.

The study encompassed twenty-eight (28) occurrences and forty-two (42) files with dates of event from August 6, 1976 to April 8, 1986.

Composition of Files

Of the forty-two reviewed, forty (40) were settled prior to trial, two (2) were tried. One case resulted in a defense verdict, the other in a plaintiff verdict. In terms of occurrences twenty-six (26) were settled with two (2) tried.

Ninety-five percent (95%) of the cases reviewed were settled prior to trial. Liability in those cases was determined in the following manner as regards primary liability. Final determination always included medical expert review and may have been a combination of two or more of the following:

Peer Review - 60%

Court Appointed Advisory Panel - 10%

Hospitals/Physicians Admission of Liability - 7.5%

MICA Claims Management* - 22.5%

* MICA Claims Management is defined as the Claims Manager, Claims Committee, Risk Management Committee and defense counsel for the insured.

EVALUATION

Rule 82

Four occurrences reflected payments of Rule 82.

1. \$15,000 payment to MICA as a result of a defense verdict. (13.6% of actual cost to defend).
2. \$40,000 paid by MICA in a plaintiff verdict. (This amount was 18.2% of an ultimate compromise settlement after the verdict. The court actually used its discretion in setting fees in this case and did not use Rule 82 guidelines).
3. \$13,500 paid by MICA in attorney fees as part of a compromise settlement (8.2% of the total settlement paid by MICA).
4. \$12,750 paid by MICA in a compromise settlement (2.4% of total settlement).

NOTE: (While exposure to Rule 82 was documented as being considered in determining settlement values, the above cases are the only payments in the files reviewed.)

Non-Economic Damages

Most of the cases were settled prior to the kind of discovery that would blackboard specials and non-economic damages. These compromise settlement offers were agreed figures between your policy holders, defense counsels for the named insured, MICA claims management, and the MICA claims committee based on their knowledge of verdict ranges under this jurisdiction. Consent to settle was obtained from the insured in accordance with the policy provisions in effect at the time of the loss. That policy provision is as follows:

B. Settlement and Defense:

The Company shall not settle nor compromise any claim or suit against the Insured, without the consent of the Insured, but the Company shall have the sole and exclusive right to control the defense of any claim or suit irrespective of its amount. Should the Insured refuse to consent to any settlement recommended by the Company after an expert advisory panel appointed by the Court or a review by a panel of physicians or consultants appointed by the Company has found that the Insured was negligent or failed to use due care, the policy limits are reduced to the amount of the settlement recommended by the Company. In no event shall the Company be obligated to pay any claim or judgment after the applicable limit of the Company's liability has been exhausted by payment of judgment or settlement.

In cases where the claims files revealed that economic damages were blackboarded by plaintiff counsel, results were as follows:

Economic Damages

\$ 217,685
\$ 250,000-\$350,000
\$ 207,568
\$ 416,843
\$ 500,000
\$ 73,070
\$1,922,103
\$ 432,000
\$1,162,985

Settlement/Verdict

Defense Verdict
\$ 145,000
\$ 250,000
\$ 150,000
\$ 186,667
\$ 200,000
\$1,950,000/(\$550,000 MICA)
\$ 750,000
\$ 800,000

It is important to remember that most of these figures were not supported by an economist's forecast and in many cases they would be actively challenged by defense counsel if litigation had continued in the case.

Punitive Damages

While punitive damages were often enumerated as part of the damages being claimed in the Summons and Complaint, I found no awards or payments for punitive in the files I reviewed.

Collateral Source

Only one of the cases involved in this study involved a judgment where collateral source was considered in reducing a judgment. In that case it was determined that the plaintiff had received \$21,995 from a private medical care provider. The judgment was reduced by the court in that amount.

As with Rule 82, collateral source payments were often discussed in considering settlement offers and in negotiations, but compromise settlements did not reflect a breakdown of the damages being paid.

Statute of Limitations

I found no cases where suit was filed outside the present statute of limitations. In cases involving infants or mental incompetents, suit was brought within two years following the date of event.

Plaintiff Contingency Fees

For files that reflected the contingency fee agreement between the plaintiff and his attorney I have listed the total settlement, the attorney's contingency percent, and MICA's defense costs. In compliance with your original instructions, where contingency fees are unknown I have listed only the settlement/verdict and the defense cost.

Plaintiff Contingency Fees (Continued)

	<u>Payment*</u>	<u>Contingency</u>	<u>Defense Costs</u>
1.	86-230-02A \$ 100,000	Unknown	\$ 25,000.00
	86-230-02B \$ 100,000		\$ 11,024.00
	other defendants \$ <u>50,000</u>		<u>Unknown</u>
	Total \$ 250,000		\$ 16,664.00
2.	85-190-20 \$ 100,000	Unknown	\$ 2,307.00
	85-186-16 \$ 45,000		\$ 1,437.00
	85-185-15 -0-		\$ 1,218.00
	other defendants <u>---</u>		<u>---</u>
	Total \$ 145,000		\$ 4,962.00
3.	84-131-16 \$ 35,000	Unknown	\$ 67,672.00
	84-132-17 \$ 190,000		\$ 36,360.00
	other defendants <u>---</u>		<u>---</u>
	Total \$ 225,000		\$ 104,032.00
4.	84-116-01 \$ 503,625	Unknown	\$ 18,267.00
	other defendants <u>---</u>		<u>---</u>
	Total \$ 503,625		\$ 18,267.00
5.	76-001 -0-	Unknown	\$ 62,367.00
	76-002 -0-		\$ 48,353.00
	(not reviewed - file not located)		
	other defendants <u>---</u>		<u>---</u>
	Total -0-		\$ 110,720.00
6.	80-041-18 \$ 172,500	Unknown	\$ 85,268.00
	(MICA advanced funds to uninsured physician w/promissory note)		
	other defendants \$ <u>47,500</u> -uninsured physician		<u>---</u>
	Total \$ 220,000		\$ 85,268.00
7.	83-089-04 \$ 98,000	Unknown	\$ 44,209.00
	other defendants \$ <u>42,000</u>		<u>---</u>
	Total \$ 140,000		\$ 44,209.00
8.	85-197-27A \$ 400,000	Unknown	\$ 24,179.00
	85-197-27B -0-		\$ 8,487.00
	other defendants \$ <u>107,000</u>		<u>Unknown</u>
	Total \$ 507,000		\$ 32,666.00

9.	84-121-06	\$ 170,000		\$ 14,983.00
	84-121-07	\$ 30,000		\$ 3,696.00
	other defendants	---		---
	Total	\$ 200,000		\$ 18,679.00
10.	82-075-15	\$ 100,000	Unknown	\$ 3,936.00
	*83-088-03	\$ 25,000		\$ 2,274.00
	other defendants	---		---
	Total	\$ 125,000		\$ 6,210.00
11.	84-138-23	\$ 58,800	Unknown	\$ 37,471.00
	84-141-26	\$ 25,200		\$ 7,507.00
	other defendants	\$ 36,000		---
	Total	\$ 120,000		\$ 44,978.00
12.	77-010	\$ 150,000	Unknown	\$ 11,454.00
	other defendants	---		---
	Total	\$ 150,000		\$ 11,454.00
13.	81-060-19	-0-		\$ 978.00
	82-081-21	\$ 229,965		\$ 11,396.00
	other defendants	\$ 15,000		Unknown
	Total	\$ 244,965		\$ 12,374.00
14.	84-149-34	\$ 186,667	33% (Kneeland Taylor)	\$ 2,501.00
	other defendants	pending		---
	Total	\$ 186,667		\$ 2,501.00
15.	82-071-11	\$ 80,000		\$ 9,941.00
	82-072-12	\$ -0-		\$ 3,160.00
	82-073-13	\$ 80,000	Unknown	\$ 4,941.00
	other defendants	\$ 40,000		---
	Total	\$ 200,000		\$ 18,042.00
16.	82-069-09	\$ 50,205		\$ 15,235.00
	82-070-10	\$ 50,205		\$ 15,227.00
	other defendants	\$ 100,000		Unknown
	Total	\$ 200,410		\$ 30,462.00
17.	82-067-7	\$ 150,000	Unknown	\$ 21,933.00
	82-065-5	\$ 150,000		\$ 24,914.00
	other defendants	---		---
	Total	\$ 300,000		\$ 46,847.00

18.	83-098-13	\$ 333,667	Unknown	\$ 25,379.00
	other defendants	\$ <u>166,833</u>		<u>---</u>
	Total	\$ 500,000		\$ 25,379.00
19.	77-012	\$ 200,000		\$ 11,288.00
	78-014	\$ 50,000		\$ 774.00
	other defendants	<u>---</u>		<u>---</u>
	Total	\$ 250,000		\$ 12,062.00
20.	83-091-06	\$ 550,000	Unknown	\$ 32,665.00
	other defendants	<u>\$1,400,000</u>		<u>---</u>
	Total	\$1,950,000		\$ 32,665.00
21.	83-112-27	\$ 750,000		\$ 13,207.00
	other defendants	<u>---</u>	Unknown	<u>---</u>
	Total	\$ 750,000		\$ 13,207.00
22.	84-143-28	\$ 312,500	20% fee (Ames Luce) (would have increased to 40% if tried)	\$ 12,171.00
	other defendants	\$ <u>362,500</u>		<u>Unknown</u>
	Total	\$ 675,000		\$ 12,171.00
23.	85-218-48	\$ 800,000		\$ 6,498.00
	other defendants	<u>---</u>		<u>---</u>
	Total	\$ 800,000		\$ 6,498.00
24.	83-106-21	\$ 99,335		\$ 73,124.00
	other defendants	<u>---</u>		<u>---</u>
	Total	\$ 99,335		\$ 73,124.00
25.	84-134-19	\$ 75,000		\$ 58,321.00
	other defendants	<u>---</u>		<u>---</u>
	Total	\$ 75,000		\$ 58,321.00
26.	85-214-44	\$ 175,000		\$ 10,878.00
	other defendants	<u>---</u>		<u>---</u>
	Total	\$ 175,000		\$ 10,878.00
27.	85-195-25	\$ 163,500	33% (Ray Matthews)	\$ 39,417.00
	other defendants	\$ <u>10,000</u>		<u>---</u>
	Total	\$ 173,500		\$ 39,417.00

28.	86-244-16	\$ 512,750	33% (Bernard Kelly file note 40% if tried)	\$ 1,639.00
	other defendants	---		---
	Total	\$ 512,750		\$ 1,639.00
	Total Payments	\$9,678,252	Total Defense Cost	\$ 893,696.00

* Payments from other defendants is reflected if known and noted in the claim file.

NOTE: In some cases defense costs noted in the file reviews were slightly different than those reflected on MICA financial documents. In these cases I have relied upon figures reflected on the financial documents.

Periodic Payments

I found no court ordered periodic payments evident in the files I reviewed. There was considerable effort shown by MICA claims management in attempting to reduce MICA's payments to the plaintiff by offering structured settlements.

Annuities were quoted and offered as part of the settlement package in nine of the cases I reviewed. Five settlements included annuities. The files reflected that plaintiff counsel was cognizant of the purchase price of the annuity through independent sources. While financial benefit was derived by MICA by utilizing annuities as part of settlement packages, the savings were generally a fraction of the total payments to the plaintiff over the life of the annuity.

SUMMARY

Unless cases are tried and the judgments broken down per section 09.17.040 of the 1986 Tort Reform Act, non-economic damages are going to be difficult to capture.

MICA files reveal continuing legal arguments to attempt to clarify the legislative intent of periodic payments and collateral source statutes in cases where they have been considered. It appears that the effect of the revised statutes on rates will ultimately be determined by Supreme Court interpretation.

RESUME OF JOYCE WAINSCOTT

Joyce Juel Waincott (Bach)
P.O. Box 1589, Eagle River Road
Eagle River, Alaska 99577

(907) 694-2407 (H) (907) 562-3333 (W)

I. EMPLOYMENT:

1/88 to present Professional Adjusters of Alaska Inc.
3900 Arctic Blvd., Suite 104
Anchorage, Alaska 99503

Title: Casualty Insurance Adjuster

Responsibilities: Investigation, negotiation, and settlement of casualty claims.

7/73 to 11/87 CIGNA
2525 C Street, Suite 400
Anchorage, Alaska 99503

Responsibilities: Progressively responsible positions including:

Claims Manager. Duties: Claims severity control, productivity and expense control, allocated/unallocated budget development and administration, and human resource management for CIGNA claims in the State of Alaska. All lines of commercial and personal casualty and property claims.

Served as Alaska Pacific Assurance Company Corporate Secretary.

Claims Operations Manager. Duties: Responsible for management of claims operational staff to include budget development and administration, work flow systems, training and development of staff. Position included facility management for all claims, underwriting, marketing, loss control in Alaska.

Provided support in handling the Alaska Guaranty Association.

Assistant Manager, Field Operations. Duties: Responsible for management of a staff of fifty + operational employees performing support duties in all phases of insurance production and claims administration; financial, claims, policy rating, general clerical, files, personnel, and loss control.

Position included facility management of a 35,000 square foot office building and grounds under a triple net lease, including sub-leases and tenant improvement and management.

Claims Unit Manager - Worker Comp. Duties: Responsible for the management of a unit of 25-30 claims professional and clerical employees processing Alaska Workers Compensation, Longshore, and Jones Act Claims. Job duties included job development, technical training, work flow management, human resource management, development and administration of a budget.

Responsible for direction of subrogation for all worker's comp claims.

Claims Supervisor - Casualty. Duties: Supervision of Anchorage claims professional and clerical department in the adjusting of auto, general liability, inland marine, and cargo commercial losses. Coordinated all litigated cases. Assigned losses, provided technical training, administered salary programs. Developed claims coding training manuals for computerization of claims records.

Responsible for reinsurance reporting for claims for Alaska Pacific Assurance Company in ten offices nationwide.

Claims Adjuster. Duties: Responsible for the investigation, negotiation and settlement of auto, G.L., and I.M. claims.

Directed defense counsel in litigated cases and provided clerical direction for specific lawsuits.

II. EDUCATION:

<u>School and Location</u>	<u>Curriculum or Major</u>	<u>Date</u>	<u>Degree</u>
Montana State Univ.	History/Education	1966-1969	No
University of Alaska	History/Education	1969-1971	Bachelors
Graduate School University of Alaska	Education Classes	1972	No

DEVELOPMENT PROGRAMS

<u>Development Program</u>	<u>Subjects Covered</u>	<u>Date Completed</u>
Legal Principles	Basic Tort Law	1976
Tort Law - Univ. of Alaska	Tort Law	1977
College of W/C (San Fran.)	Mgmt. of Industrial Claims	1977
ICA - Defending the Modern W/C Claim (San Fran.)	Creative Defenses to W/C Claims	1977
Front Line Management	Management Skills	1977
Defense Institute Claims (San Francisco)	Legal Mgmt. of Claims	1978
Law for the Claimsman	Liability Law/Defenses	1978
11A - Part II - Univ. of Alaska	Property Coverages	1978
The Woman Manager	Achieving Success as a Manager	1978
USLH Coverages	Jurisdiction Clarification	1979
I CARE Seminar	Improving Business Relationships	1979
Advanced Negotiations	Improving Negotiation Skills	1979
Jones Act Coverages	Jones Act Coverages /Defense	1980

IST - Train the Trainer	Supervisory Skills Certified to Teach Front Line Supervisors	1981
Targeted Selection	Interviewing Skills and Techniques	1981
Problem Solving/Decision Making	Cause Analysis, Decision Making, Problem Solving	1985
Product Liability	Investigation/Settlement of claims arising out of product liability	1986

III. PERSONAL INFORMATION

Height: 5' 10"
 Weight: 155
 Date of Birth: 6/13/48
 Marital Status: Married
 Hobbies: Fishing, Reading, Scuba Diving, and Travel.

IV. PROFESSIONAL MEMBERSHIP

Soroptomist's International of Anchorage.

V. REFERENCES

Available upon request.

ADDENDUM 1

COMMENTS ON COMPUTER DATA BASE/CODING

Explanation of columns

Column 1.

Coding indicates whether the claim is a physician claim, hospital claim or a related health care facility claim.

Column 2.

The file number shown is MICA's claim file number.

Column 3.

Severity code 5 indicates a matter in suit.

Severity code 4 indicates a matter in which a formal claim has been asserted against the insured's policy but which has not progressed to litigation.

Column 4.

P = Pending

C = Closed

In our operation at MICA we keep a file open until all financial transactions are complete. In the case of subrogation, pursuit of reinsurance contribution, or other salvage operations this may appear to skew our data. Frequently settlement or conclusion of the liability aspects of the file occur significantly earlier than actual file closure. At the present time our data base does not differentiate between conclusions of liability issues and closure of the file with finalization of all financial transactions.

Column 5.

D/O refers to the date of occurrence or the date on which the care in question took place. The date of occurrence is represented in full on our computer base but I have irradiated the day and the month leaving only the year in which the medical care was rendered for the sake of confidentiality.

Column 6.

D/R refers to the date the insured reports the matter to MICA. This is not necessarily the date on which a claim is made or suit is filed. In earlier years that was frequently the case since our insured physicians and hospitals did not notify the company of problems in their practice until and unless a formal claim was asserted or they received service of a summons and complaint. In recent years insureds have become more sophisticated on the value of early reporting of high risk occurrences. So you should see a shortening of the gap between date of occurrence and date of report in recent years and you can assume that many things are being reported prior to a formal claim being asserted or a law suit being filed. Our computer base gives this date including the day and the month. I have irradiated that information leaving only the year of the report.

Column 7.

Date of Claim: Again, I would point out that we have only recently begun to emphasize the necessity of early reporting of high risk occurrences. We are now seeing enough of that that we feel a need to begin to differentiate between the date the doctor or hospital actually reported the matter to MICA and the date on which a formal claim was asserted or a law suit filed. This is a new informational column on our data base and while we are tracking it from the present day forward you will see that it has not been tracked in the past in most instances.

Column 8.

The date of closure is the date the file was actually closed in the MICA office.

Column 9.

Date of reopening: On rare occasions a closed file is reopened. This column captures any such reopenings.

Column 10.

Date of final closure: In the event a closed file is reopened this column is designed to capture the last closing date.

Column 11.

S.O.L.: This column is another new column in our data base. We are tracking this information from the present into the future but you will not find it on all past entries. The column is meant to capture the date on which the statute of limitations runs. It is not designed to capture any information about the use of a statute of limitations defense.

Column 12.

Total paid all years.

1. Loss - This is the monetary amount that was spent as the indemnity payment on the file.
2. LAE (Loss Adjustment Expense) - This is the amount of money expended in the defense of this case.

Our LAE figure reflects not only defense attorney costs and fees but a variety of other expenses in the defense of a file including preliminary medical reviewers, medical experts, depositions, etc. Every penny spent on preparation of the defense of this case is accounted for in this one column. I would caution you against assuming that the total figure reflects defense attorney fees.

Keep in mind that on files coded as "C" (closed) the figures for both indemnity and expense are final.

In files coded as "P" you can assume that the indemnity figure if it changes at all will diminish due to reinsurance contribution, recovery from subrogation, etc. Conversely cost of defense, if they change at all, would likely increase.

Addendum 2

	Number	Total Average Cost	Average Indemnity	Average Expense	c/\$ Defense
<u>Claims (Severity Code 4)</u>					
Pending With Indemnity Paid	4	\$11,810.25	\$11,450.74	\$359.51	3c
Closed With Indemnity Paid	43 (37%)	\$68,009.39	\$65,590.00	\$2,418.45	4c
Closed Without Indemnity Paid	72 (63%)	\$1,663.47	0	\$1,663.47	100c

<u>Suits (Severity Code 5)</u>					
Pending With Indemnity Paid	6	\$310,868.67	\$241,239.58	\$69,629.09	22c
Closed With Indemnity Paid *	68 (40%)	\$261,068.02	\$227,054.23	\$34,013.79	13c
Closed Without Indemnity Paid	100 (60%)	\$10,640.50	0	\$10,640.50	100c

*66 settled
2 tried and lost

Addendum 3

Liability Survey

Claim Synopsis

1. Date of event: See Column 5 of computer data base.
2. Date suit filed: Not captured on MICA's data base. (In earlier years the date on which suit was filed and the date on which the matter was reported to MICA tended to be very close to one another. In later years the date of report to MICA may frequently antedate the date on which suit is filed.)
3. Date case settled/verdict received: Not available from data base. (Date of file closure reflects date of conclusion of all financial transactions which may be some time after the settlement of a case or a verdict.)
4. Statute of Limitations: The data base does not track this. Joyce Wainscott, in her 1988 study, found no cases where suit was filed outside the present statute of limitations. Since that time we have had two suits filed outside the statute of limitations. In one instance the plaintiff is alleged to be mentally incompetent and that is the reason for the tolling of the statute. In the other instance we successfully used a statute of limitations defense and the court disposed of the case on our motion for summary judgment.
5. Percentage of comparative negligence: Case evaluation also includes analysis of allocation of responsibility as between plaintiff and defendant(s). In cases concluded by settlement this is an obvious negotiating issue. In cases tried it is an obvious issue. One concern: In the spirit of true assessment of contribution it would be desirable to have all parties who contributed to the outcome in the case.

In Justice v. Humana subsequent health care providers in another state had settled but for a relatively modest amount and with a kick back provision designed to reimburse approximately 50% of their settlement from proceeds of the Alaskan lawsuit. The Alaska jury, wishing to assign the majority of responsibility to the out-of-state providers, asked the judge to whom they could assign comparative. They were instructed that 100% of the negligence had to be divided between Mr. Justice and Humana Hospital. Three attempts by defendant to have the out-of-state hospital named as a party in interest to this suit had been unsuccessful. Consequently the Alaskan hospital paid approximately six times what the California hospital paid.

6. Total payment: Reference columns 8 and 9 of the computer data base for total loss and LAE payments.
7. Payment by each co-defendant: Please reference Joyce Wainscott's report which tracked this information, insofar as it was available in MICA files, through the Spring of 1986. I have not gone through files closed from April of 1986 to the present time to extract this information by hand. Our closed files are on microfilm and this would be a very time consuming process which would create quite a burden on our existing staff resources. Since MICA insureds the majority of both physicians and hospitals in the state of Alaska it is not uncommon that we will insure more than one defendant in a law suit. When and if that is true we know with certainty what was paid by a co-defendant. If that is not the case we are apt not to know what is paid by a co-defendant, particularly when that payment comes at a point in time after the termination of our involvement in the case.
8. Collateral source: Ms. Wainscott cited one case involved in her study that involved a judgment where collateral source was considered in reducing the judgment. Since that time there has been one other case when the court offset collateral payments in rendering judgement.

I would say that the statement made by Ms. Wainscott as regards consideration of collateral source payments in consideration of settlement offers and negotiations is as true today as when she wrote it. Collateral sources are very much considered in case evaluation and settlement negotiations but they are not always or usually broken out in our file and are frequently used as bargaining issues. As I am sure you are aware jury awards are frequently not itemized either.

9. Same answer as number 8.
10. Case evaluation (If 100% liable): I am not entirely clear as to your request here. You could be requesting information on the indemnity reserve that we put on a case if we think we are 100% liable. I am assuming, however, that you mean how many cases do we feel that our insured is totally responsible for. Or put in another way, how frequently do we admit liability and simply work on evaluating the damages. This is not data captured on the data base. I have been with MICA for a long time and I think I am fairly knowledgeable about cases since the company's inception as well as those that I have managed. To the best of my knowledge we have never gone into court and simply admitted liability and tried a case on damages alone. A very small minority of our cases are cases where I feel that we are dead in the water on issues of liability and are 100% liable.

There are certainly cases where we feel our insured is liable but, most often, there is also liability on the part of other health care providers or contributory negligence on the part of the patient.

Damages

1. Medical Specials: Our data base does not reflect this information. In evaluating a case where settlement or in preparing a case for trial we do assess the medical specials as well as collateral sources of payment.

2. Economic Specials/Income: Again, this information is not available through the data base but is collected in the process of evaluating a case for settlement or preparing a case for trial.
3. Economic Specials/Outgoing: I do not know what you mean here.
4. Pain and Suffering: The information is not available on the data base. We have had only one case tried to a plaintiff verdict since Ms. Wainscott's study was completed. All of the figures for that are appended. We do consider pain and suffering in reserving our cases.
5. Disfigurement: See the explanation for 4. above.
6. Loss of Enjoyment of Life: See 4. above.
7. Punitive Damages: To my knowledge punitive damages have never been awarded against a MICA defendant.
8. Loss of Consortium: Again, very few MICA cases have been tried to a plaintiff verdict and I do not know of any loss of consortium award.
9. Other: I have nothing further to specify.
10. Prejudgment Interest: In addition to the information presented in Ms. Wainscott's report we have only the one case tried to a plaintiff verdict and the information is appended.
11. Post Judgment Interest: See the appended sheet where the one case tried to a plaintiff verdict since Ms. Wainscott's report.

Method of Payment

I have little to add to Ms. Wainscott's report. There have been no court ordered periodic payments evident in the MICA files.

The MICA Claims Management continues to offer and utilize structured settlements whenever they are acceptable to plaintiffs.

Attorney Fees/Costs

1. Contingency Fee/Percentage Plaintiff: I would refer you to Ms. Wainscott's report. Since that time one case has been tried to a plaintiff verdict and a variety of cases have settled. In settlement it is not necessarily evident to the defendant what the contingent fee arrangement is between plaintiff and his or her legal counsel. The statistics on the one case tried to a plaintiff verdict are attached.
2. Rule 82: I have little to add to Ms. Wainscott's evaluation of last year. The one case tried to a plaintiff verdict resulted in payment of Rule 82 attorney fees and that information is appended. Rule 82 attorney fees are a matter for consideration in policy limit settlements. MICA policy language has changed somewhat in the last three years to protect against payment of Rule 82 attorney fees on the projected value of the case were it taken through trial.
3. Cost/Plaintiff: Again, we have only had one case tried to a plaintiff verdict in the last two years. The costs in that case are in the appended information. As I am sure you know court awarded costs are not reflective of the real costs.

So even if we have a variety of cases tried to verdict with award of costs to the prevailing party it would be difficult to ascertain another party's costs.

4. Defense Costs:
5. Defense Fees: This information is available in the far right hand column of the data base. Again, I would caution you that this lump sum includes not only defense attorney costs and fees but all of the costs of the defense of the case including medical experts, depositions, computer research, etc.

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

August 31, 1989

DIVISION OF POLICY

STEVE COWPER, GOVERNOR

P.O. BOX AD RECEIVED
JUNEAU, ALASKA 99811-0199
PHONE: (907) 465-3568

MICA

Mary Pierce, Executive Director
Medical Indemnity Corporation of Alaska
4000 Old Seward Highway, Suite 203
Anchorage, Alaska 99503

Dear Ms. Pierce:

As discussed earlier this week, I am providing you with a list of questions concerning medical malpractice claims in Alaska that I hope you can help us answer. We are interested in obtaining basic historical information on claims in Alaska, in order to place the upcoming discussion on the Governor's Claims Board legislation in context.

Specifically, we would like to know, for the years 1984 through 1988:

- 1) the number of incidents reported to MICA against health care providers each year (by type of error, if possible: surgical, diagnostic, treatment, obstetrical, other);
- 2) the number of claims filed with MICA against health care providers each year (by type of error, if possible);
- 3) the number of claims closed each year, with indemnity payments and without, and the reasons for those closed without payment;
- 4) the average and the median amount of indemnity payment by MICA each year;
- 5) the total indemnity payments paid out by MICA each year, in the following categories: less than \$1000; \$1000 - \$4999; \$5000 - \$9999; \$10000 - \$24999; \$25000 - \$49999; \$50000 - \$99999; \$100000 - \$249999; \$250000 - \$999999; and \$1 million or more;

6) the severity of the injuries for which claims were filed, for the five year period, according to the following categories: emotional; insignificant; temporary disability - minor; temporary disability - major; permanent partial disability - minor; permanent partial disability - major; permanent total disability - major; permanent total disability - grave; and death.

✓ 7) the number of claims by type of facility where injury occurred (hospital, physician's office, and other) each year; and

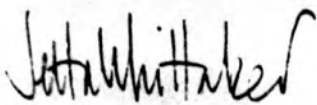
8) the average and median number of health care providers involved in claims, for the five year period.

I hope that answers to these questions are not difficult to generate. You mentioned during our conversation that you had prepared some documents for Representative Donley of the House Labor and Commerce Committee last session. If any of that existing information comes close to answering the above questions, and thus would save you additional work, we would be satisfied with those reports. If some of this is easier to answer than other parts, please send us data as it comes available.

At this point, we are not looking for information or projections on how the Governor's proposal might affect the medical malpractice market. We anticipate such need in the future, however, and look forward to working with you on developing projections.

Thank you for your cooperation and assistance. Please feel free to call me if you have any questions about this request.

Cordially,



Jetta Whittaker

MICA Medical Indemnity
Corporation of Alaska

ALEUT PLAZA
4000 OLD SEWARD HWY., SUITE 203
ANCHORAGE, ALASKA 99503
(907) 563-3414

Jetta Whittaker
State of Alaska, Office of the Governor
P.O. Box AD
Juneau, Alaska 99811-0199

Dear Ms. Whittaker,

I received your letter on September 5th outlining the information you felt you needed immediately on MICA claims history. We have provided that information here as best we possible could in a short time frame. I've incorporated narrative support explanation to the attached data below.

- 1.) We are in the process of imputing "type of error" information on all previous claims. This is a large task and has yet to be completed. We should be able to do that sort for you in about a month. What is included here is the number of incidents reported.
- 2.) We have done the same for claims/suits, as we've shown for incidents in #1. We designate occurrences by a severity level code 1-5. Code 1, 2, and 3 are reported incidents. Code 4's are claims which we distinguish from an incident because a formal written demand has been made. Code 5's are lawsuits. This coding is in compliance with our insurance policy contract wording and our reinsurance contract, and has nothing to do with the severity of the incident.
- 3.) To answer this question we have had to provide you with a matrix. Malpractice by its nature is what we term in the industry "long tail" business. It is extremely unusual to open a claim and close it out all in the same year. For instance you will note that in 1984 only one 1984 claim was closed in that same year (with indemnity paid). In 1985 we closed on a 1978 case.

I have no way short of looking at every file to tell you why a claim closed with no indemnity payment. We can do that but it will mean we have to pull every file and it was too time consuming to accomplish quickly. If you do want this done please let me know. In general no indemnity payment is made because the plaintiff recognizes that there is no liability.

- 4 & 5) I've combined the answer to 4 and 5 into one table. The average and median amount of indemnity payment by MICA each year is not a statistically creditable piece of information. One reason is we are paying out previous year's claims (as I explained in number 3 above) and secondly we don't have enough claims to generate meaningful data on an annual basis. I've stratified our payments since inception and included average claim and average claim where we paid indemnity for all our history.

Medical Indemnity Corporation of Alaska

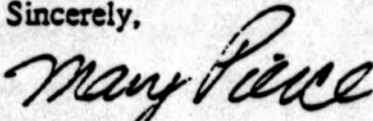
5.) We do not categorize our claims by the severity of injuries you've requested and I'm not able to answer this question.

7 & 8) I've combined the answer to 7 and 8 by breaking down claims between types of providers; physicians, hospitals and related healthcare facilities. The average and median number is displayed for each provider group and the total average and median for all providers. I wouldn't rely on the statistical credibility of these figures because we have so few providers.

I'm also sending you a copy of a letter we received earlier this year from the Department of Health and Social Services requesting historical obstetrical claims experience. Since this is an area of concern for us as well as most providers I thought you might find our answers helpful.

We have answered your questions as best we could in a short time frame. We remain willing to provide more complete information as you request it and time allows.

Sincerely,



Mary Pierce
Executive Director

MP/sm

1

MEDICAL INDEMNITY CORPORATION OF ALASKA**NUMBER OF INCIDENTS REPORTED WITH SEVERITY CODE 1,2,3**

<u>YEAR OF OCCURRENCE</u>	<u>NUMBER OF INCIDENTS</u>
1984	30
1985	76
1986	151
1987	127
1988	69
	453

2

MEDICAL INDEMNITY CORPORATION OF ALASKA**NUMBER OF INCIDENTS REPORTED WITH SEVERITY CODE 4,5**

<u>YEAR OF OCCURRENCE</u>	<u>NUMBER OF CLAIMS/SUITS</u>
1984	41
1985	43
1986	43
1987	34
1988	17
	178

#3A

MEDICAL INDEMNITY CORPORATION OF ALASKA

CLAIMS CLOSED WITH NO INDEMNITY PAYMENT (SEVERITY CODE 4,5)

CLAIM MADE	CLAIM CLOSED				
	1984	1985	1986	1987	1988
1976					
1977					
1978		1			
1979					1
1980	1	1			
1981	1	1			
1982	5	1	3	3	
1983	4	3	2	3	
1984	1	4	3	4	4
1985		6	7	18	8
1986			2	5	7
1987				6	13
1988					7

#3B

MEDICAL INDEMNITY CORPORATION OF ALASKA

CLAIMS CLOSED WITH INDEMNITY PAYMENT (SEVERITY CODE 4,5)

CLAIM MADE	CLAIM CLOSED				
	1984	1985	1986	1987	1988
1976					
1977					
1978		1			
1979					
1980		1		1	
1981	1				
1982	5	2	3	2	1
1983	4	3	1	1	
1984	1	5	7	5	1
1985		2	6	5	7
1986			4	6	3
1987				2	3
1988					2

#4 & 5

MEDICAL INDEMNITY CORPORATION OF ALASKA ALL CLAIMS - INCEPTION THROUGH 1988 BY PAYMENT SIZE

INDEMNITY PAYMENT	# OF SUITS/CLAIMS	PERCENTAGE
0	165	62
1-1,000	6	2
1,001-5,000	14	5
5,001-10,000	12	4
10,001-25,000	14	5
25,001-50,000	17	6
50,001-75,000	7	3
75,001-100,000	10	4
100,001-150,000	6	2
150,001-200,000	8	3
200,001-500,000	4	1
500,001-750,000	4	1
750,001-2,000,000	2	1
2,000,001-3,000,000	2	1
	271	100

Average Claim - \$48,731

Average Claim where
indemnity payment was
made - \$124,353

MEDICAL INDEMNITY CORPORATION OF ALASKA

NUMBER OF CLAIMS BY TYPE

#7 & 8

PHYSICIAN CLAIMS

<u>CLAIM YEAR</u>	<u>PHYSICIAN CLAIMS</u>	<u>PHYSICIANS NAMED*</u>	<u># OF PHYSICIANS INSURED</u>
1984	29	39	297
1985	43	63	362
1986	35	67	336
1987	27	29	312
1988	20	21	306

* A single claim may have multiple defendants

Average # Physicians involved in claims: 43.8
Median # Physicians involved in claims: 39

HOSPITAL CLAIMS

<u>CLAIM YEAR</u>	<u>HOSPITAL CLAIMS</u>	<u># OF HOSPITALS INSURED</u>
1984	6	12
1985	13	12
1986	6	11
1987	8	10
1988	6	13

Average # Hospitals involved in claims: 7.8
Median # Hospitals involved in claims: 6

**CLAIMS ON
RELATED HEALTH CARE FACILITIES**

<u>CLAIM YEAR</u>	<u>RHC CLAIMS</u>	<u># OF RHC FACILITIES INSURED</u>
1984	1	10
1985	0	12
1986	1	14
1987	4	17
1988	0	16

Average # RHC Facilities involved in claims: 1.2
Median # RHC Facilities involved in claims: 1

Total Providers 1984:	46		
Total Providers 1985:	76	Average All Providers:	52.8
Total Providers 1986:	74		
Total Providers 1987:	41	Median All Providers:	46
Total Providers 1988:	27		

April 19, 1989

Mary Pierce, Executive Director
Medical Indemnity Corporation of Alaska
Aleut Plaza Office Building
4000 Old Seward Highway, Suite 203
Anchorage, Alaska 99503

Dear Ms. Pierce:

The State of Alaska Division of Public Health recently conducted a survey of the OB-GYN's and family practice physicians in Alaska in order to determine the effects of the current medical malpractice atmosphere on their decision whether to continue practicing obstetrics. In compiling a report on the survey results, I would very much like to include information from your organization concerning actual claims. I feel this information would contribute greatly to a balanced analysis of the medical malpractice situation in Alaska.

I have spoken with Jan Johnston, who gave me background information on MICA and helped me to refine my data request. My hope is that this information can be accessed relatively easily via computer. Please disregard any parts of this request that would require a major effort on the part of your staff. If a substantial amount of this information already exists in the form of an annual report or other prepared report, I will gladly accept a copy of these documents in lieu of a special computer run. Ideally, I'd like to complete my report by the end of April.

My questions are the following:

1. How many obstetrics-related claims has your agency processed each year from 1980 through 1988? Include both formal claims and filed suits in this total. I am interested in the year the incident was reported rather than the year of its occurrence, and would like to know what percentage of each year's claims resulted in a settlement with the claimant (do not include those which were successfully defended).
2. What is MICA's average settlement cost (as well as the median and the mode, if available) for obstetrics claims for each year from 1980 through 1988? If possible, I would like averages for both the amount paid to the claimant and the total expenses of the agency, including those cases in which the claimant receives nothing. If you normally categorize obstetrics claims in some way (such as by diagnostic categories), I am interested in knowing the average settlement amount for each type of claim.
3. How many physicians are insured by MICA for obstetrics practice in 1989, and how many of those currently insured have ever had a claim filed against them during the time they were insured by your agency?

4. For the years 1980 through 1988, what percentage of the physicians you insured each year had claims filed against them during that year?

Thank you very much for your assistance. If you have questions about this request or about the survey, please call me at 465-3100. I will be sure to send you a copy of the report on the medical malpractice survey as soon as it is completed.

Sincerely,

MaryAnn VandeCastle

MaryAnn VandeCastle
Health Planner

State of Alaska Dept. of Health & Social Services
Division of Public Health
Section of Maternal, Child, and Family Health
Box H-06B
Juneau, AK 99811

FAX #: 586-1877

MICA Medical Indemnity
Corporation of Alaska

ALEUT PLAZA
4000 OLD SEWARD HWY., SUITE 203
ANCHORAGE, ALASKA 99503
(907) 563-3414

May 3, 1989

State of Alaska Department of
Health & Social Services
Division of Public Health
Section of Maternal, Child, and Family Health
Box H-06B
Juneau, Alaska 99811

ATTN: Mary Ann VandeCastle
Health Planner

RE: Survey of OB/GYN's and Family Practitioners doing O.B.

Dear Ms. VandeCastle:

This will serve as a response to your letter of 4/19/89.

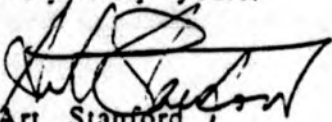
As I indicated in our telephone conversation, MICA has only recently computerized its policyholder data and also as a result of changing specialty designations, it is virtually impossible to accurately pick up prior year figures on the number of insureds actually doing obstetrics except by manually going through each policy file.

However, in 1988 MICA insured 15 OB/GYN's and 53 Family Practitioners doing obstetrics but in 1989, about one third of the OB/GYN's dropped their insurance and are now going "bare".

I understand that our Claims Manager, Jan Johnston, has responded under separate cover to the remainder of your inquiry regarding obstetrically related claims or suits filed against these specialties.

Please let me know if MICA can be of further assistance.

Very truly yours,


Art Stanford
Underwriting Manager

AS/tmb/SADHS.5/3

MICA Medical Indemnity
Corporation of Alaska

ALBANY PLAZA
400 OLD SEWARD HWY., SUITE 203
ANCHORAGE, ALASKA 99503
(907) 863-4114

April 27, 1989

MaryAnn VandeCastle
Health Planner
State of Alaska Department of Health and Social Services
Division of Public Health
Section and Maternal, Child, and Family Health
Box H-06B
Juneau, AK. 99811

Dear Ms. VandeCastle:

Mary Pierce has asked me to respond to your letter of April 19th. I am the Claims Manager at MICA and am the individual you spoke with at some length prior to submitting your written request to Ms. Pierce.

Items number three and four are presently being addressed by our Underwriting Department. Underwriting Manager, Art Stanford will probably send you a separate letter. Alternatively he may give his information to me and I will send it to you in a follow-up letter. At any rate, I have some information pulled together for you and didn't want to delay in getting it off since I realize you're working under some deadlines.

Attached, you will find a computer summary of all obstetrical claims "processed" between 1/1/80 and 12/31/88. For purposes of this study I presumed that any file closed prior to 1/1/80 was something not processed in the time frame in which you expressed an interest.

The computer sort provided lists only closed obstetrical files.

Column One: Indicates whether the claim is against a physician or hospital insured by MICA.

Column Two: I have obliterated the claim numbers for our own security purposes and because I don't think that you need them for purposes of your analysis.

Medical Indemnity Corporation of Alaska

MaryAnn VandeCastle
April 27, 1989
Page 2 of 4

- Column Three: Severity Code. 5 = case in litigation 4 = formal claim against the insureds' policy.
- Column Four: C = closed files and P = pending files.
- Column Five: Date of occurrence is the date on which the care in question was rendered.
- Column Six: Date of report is the date our insured reported the situation to MICA.
- Column Seven: Date closed equals the date our file was closed in this office.
- Column Eight: Indicates the total reserve change for indemnity over the life of the file.
- Column Nine: Indicates the total reserve change for loss adjustment expense over the life of the file.
- Column Ten: Indicates the actual indemnity payment to the patient, if any.
- Column Eleven: Indicates the final LAE (Loss Adjustment Expense) over the life of the file.

As you can see, referencing formal suits only, seven of the seventeen closed files resulted in no payment to the patient. Ten of the seventeen did result in an indemnity payment to the patient. Since you did not ask me to separate out whether the indemnity payment was a result of a voluntary settlement or a court judgment, I have not done so. You did not ask, but I thought you might be interested in knowing, that out of those seventeen closed lawsuits three involved Board Certified OB/GYN specialists; nine involved family practitioners doing obstetrics; and five involved hospitals. In every instance where a hospital was a co-defendant in an obstetrical suit there was also a physician co-defendant. The physicians were not always insured by MICA and sometimes were not insured at all.

MaryAnn VandeCastle
April 27, 1989
Page 3 of 4

Turning to the formal claims (severity code four) you will note that six of the fourteen concluded with no payment to the patient while eight resulted in an indemnity payment to the patient. You can assume that every case of payment was a voluntary settlement since the case was not in suit. One case involved the hospital; the other thirteen involved physicians. The thirteen physician claims were broken down as follows. Five were against OB/GYN specialists. Six were against family practitioners doing obstetrics. One was against an emergency room physician. One was against an Anesthesiologist.

There are three formal claims pending involving obstetrical matters that are not on the printout. These are all physician directed claims and all involve OB/GYN specialists.

After reviewing the information that you have requested in item one and two of your letter, I have decided it might be both easier and faster to provide you with the raw data and allow you to rearrange the numbers to suit your needs. I hope that meets with your approval.

You will note that I have not provided you with statistical data regarding the mean, mode, or average. The reason for this is twofold. First, the data base is not large enough to be creditable. Second, this information has to be compared with some separate parameters on long tail liability coverages like medical malpractice. You are free to extract those measurements from this raw data but I really don't think it has much statistical significance due to the small data base and the kind of business that we're talking about.

Another point of information. As I looked through our cases to extract obstetrically related ones, I made the decision to focus only on claims that really related to the later stages of pregnancy and labor and immediate post partum/neonatal period. There are a number of claims not included here against both obstetrical specialists and family practitioners doing obstetrics that derive from abortions, fertility care, ectopic pregnancies, etc. These are all situations that physicians who include obstetrics in their practice get into but I have not counted them as obstetrical claims. Likewise, on the other end of the conception-to-birth continuum I have excluded the number of claims against neonatologists and pediatricians who took care of babies who perhaps were born too early. No claim may have resulted for obstetrical management or, if a claim did involve the physician handling the obstetrical care, it is counted in the statistics I'm submitting to you. But some physician who ultimately took care of the baby may have been included in that claim and I have not included those files.

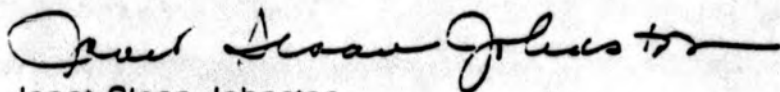
Medical Indemnity Corporation of Alaska

MaryAnn VandeCastle
April 27, 1989
Page 4 of 4

I guess the point I'm trying to make here is that the whole issue of reproduction is a very broad one and I have tried to limit my study to those case in which I thought you were most interested. But it doesn't really address the entire liability exposure that attends obstetrical and neonatal care.

I hope this information is of some help to you and invite you to contact me if I can clarify it in anyway.

Sincerely,

A handwritten signature in cursive script, appearing to read "Janet Sloan Johnston".

Janet Sloan Johnston,
Claims Manager

JSJ/nib

Enclosure

P/N/R	CLAIM #	SEV.	STAT	D/O	D/R	ENR (10510)	TOTAL RESERVE CHANGE		TOTAL PAID	
							ALL YEARS	1AE	ALL YEARS	1AE
R.D.	1	4	C	22-Jun-80	07-Apr-81	30-Jun-82	0.00	0.00	0.00	0.00
R.D.		4	C	23-Mar-82	08-Sep-82	30-Sep-83	100,000.00	3,935.75	100,000.00	3,935.75
R.D.		4	C	23-Mar-82	08-Sep-82	30-Sep-83	25,000.00	2,273.75	25,000.00	2,273.75
R.D.		4	C	07-Oct-83	01-Feb-84	23-Aug-84	7,003.10	1,110.00	7,003.10	1,110.00
R.D.		4	C	20-Nov-84	31-Jan-85	30-Jun-86	2,529.20	0.00	2,529.20	0.00
R.D.		4	C	00-Jun-84	05-Aug-84	30-Jun-86	831.00	0.00	831.00	0.00
T.L.		4	C	01-Sep-85	05-Dec-85	31-Mar-86	20,000.00	0.00	20,000.00	0.00
T.L.		4	C	30-Jul-85	25-Nov-85	16-Sep-87	0.00	0.00	0.00	0.00
T.L.		4	C	30-Jul-85	25-Nov-85	16-Sep-87	0.00	0.00	0.00	0.00
WSP		4	C	30-Jul-85	25-Nov-85	16-Sep-87	0.00	0.00	0.00	0.00
R.D.		4	C	05-Jun-86	01-Jul-86	16-Dec-88	112,500.00	17,545.19	112,500.00	17,545.19
R.D.		4	C	17-Jul-86	05-Aug-86	10-Oct-86	5,935.03	0.00	5,935.03	0.00
T.L.		4	C	06-Nov-87	29-Dec-87	19-Dec-88	0.00	0.00	0.00	0.00
R.D.		4	C	21-Sep-84	14-Dec-87	19-Dec-88	0.00	0.00	0.00	0.00
							274,664.15	24,004.63	274,664.15	24,004.63

14 closed 6 w/out payment to pt.
 8 with payment to pt.

Wsp=1
 OB/gyn 5
 FP/OB 6
 Other-ER=1
 Amer. 1

OB.
 3 pending - not on printout

all MDs - all OB/gyns.

N/N/R	CLAIM	O	REV.	STAT	D/O	D/R	DATE CLOSED	TOTAL RESERVE CHANGE		TOTAL PAID	
								ALL YEARS LOSS	INF	ALL YEARS LOSS	INF
N.D.	5		C		25-Jul-78	11-Feb-80	01-Aug-85	43,750.30	19,234.27	43,750.30	19,234.27
N.D.	5		C		01-Jul-79	26-Feb-80	30-Jun-87	75,000.00	4,056.74	75,000.00	4,056.74
N.D.	5		C		01-Jun-79	23-Feb-81	31-Mar-82	142,500.00	35,100.10	142,500.00	35,100.10
HEP	5		C		16-Apr-82	16-Apr-82	20-May-87	150,000.00	24,913.07	150,000.00	24,913.07
HEP	5		C		01-Sep-81	14-Apr-82	31-Dec-84	0.00	4,310.13	0.00	4,310.10
N.D.	5		C		16-Apr-82	16-Apr-82	20-May-87	150,000.00	21,711.11	150,000.00	21,711.11
HEP	5		C		19-Oct-81	23-Nov-83	31-Dec-84	0.00	6,393.41	0.00	6,393.41
N.D.	5		C		19-Dec-83	01-Mar-84	31-Dec-86	170,000.00	14,702.06	170,000.00	14,702.06
HEP	5		C		19-Dec-83	01-Mar-84	31-Dec-86	30,000.00	3,675.53	30,000.00	3,675.53
N.D.	5		C		07-Jul-83	01-Apr-84	12-Mar-86	0.00	7,676.01	0.00	7,676.01
N.D.	5		C		15-Feb-83	10-Feb-85	31-Mar-87	0.00	2,136.75	0.00	2,136.75
HEP	5		C		01-Sep-84	10-Mar-85	01-Jun-88	0.00	6,544.74	0.00	6,544.74
N.D.	5		C		01-Sep-84	10-Mar-85	30-Jul-88	0.00	10,360.11	0.00	10,360.11
N.D.	5		C		19-Dec-84	31-Jul-85	30-Jun-88	2,200,000.00	13,046.04	2,200,000.00	13,046.04
N.D.	5		C		06-Jan-86	05-Feb-86	24-Mar-88	0.00	17,671.05	0.00	17,671.05
N.D.	5		C		29-Dec-82	02-Mar-87	30-Oct-89	49,357.50	2,477.60	49,357.50	2,477.60
N.D.	5		C		08-Feb-85	02-Mar-87	30-Oct-89	49,357.50	2,177.07	49,357.50	2,177.07
								3,059,965.30	197,511.06	3,059,965.30	197,511.06

17 Closed 7 w/out payment to pt.
 10 with payment to pt

Heap: 5
 OB.947 = 3
 FP/06 = 9

5 OB files pending - not on printout

Heap: 2
 FP/06 = 2
 Gen'l Aug: 1

MICA Medical Indemnity Corporation of Alaska

ALEUT PLAZA
4000 OLD SEWARD HWY., SUITE 203
ANCHORAGE, ALASKA 99503

(907) 563-3414

TO: Mary Pierce, Executive Director

FROM: Pennie Chmielewski, R.N., Risk Management Coordinator

RE: Summary of MICA Risk Management Activities

DATE: November 21, 1989

MICA has been involved in providing formal risk management activities since 1980. The major efforts in risk management had been directed towards the MICA insured hospitals. At that time a safety consultant from Marsh McLennen Protection Consultants in Chicago, visited MICA insured hospitals and medical staffs on an annual basis. He contributed toward the reduction of risk through staff education.

In an effort to be more responsive to expressed needs of individual physicians and recognizing that professional practice issues needed addressing the MICA Board of Governors shifted the risk management focus more directly to physicians.

In December 1983 an additional professional staff person, Jan Johnstone, was hired and charged with the responsibility of implementing an active and broader based risk management program. Additionally, MICA contracted with Robert Brittain, M.D., national risk management expert, to provide consultation services to the MICA Risk Management program. The contract provided for periodic visits to Alaska for lecture tours, the creation of audio-visual materials and telephonic consultation to MICA staff and insureds.

The Risk Management Committee (composed of ten physicians) was formed in 1984 to provide risk management education to MICA policyholders. The committee used a variety of written materials, video tapes and educational seminar approaches to share risk management education with MICA policyholders.

In 1985 MICA Ms. Johnstone, risk management staff: Bob Brittain, M.D. risk management consultant; Ames Luse Esq. plaintiff attorney; and Roger Holmes, Esq. defense attorney, conducted a major seminar on Risk Management 101, the content of which addressed "why patients sue" and what physicians could do to reduce their risk exposure. After the success of the first program a second seminar entitled "The Anatomy of a Lawsuit" was presented throughout the state.

Following the seminars in Anchorage, Fairbanks and Juneau staff and committee members began to travel and speak on risk management issues to physicians in rural communities. As a result of the risk management activities by staff and committee members a video tape library was established. It is in the continuous process of being expanded and updated. The following tapes are available to all Alaskan physicians.

Audio-Visual Library

- Advanced Medical Systems Presentation
- Anatomy of a Lawsuit
- Beyond Bedside Manners

- Billing
- Cancer
- Consent Form
- Defense Attorney's View of Medical Malpractice
- Emergency Room
- Incident Reporting
- Jousting
- Medical Legal Aspects of E.R.
- Medical Professional Liability Crisis
- Medical Record Keeping
- An Obstetrical Dilemma
- Obstetrics
- Patient Safety Program - Anesthesiologists
- Perinatal Symposium
- Physician's View of Medical Malpractice
- Plaintiff's Attorney View of Medical Malpractice
- Quality of Medical Care
- Risk Management Seminar - 12/85
- Risk Management Seminar - 5/85
- Time of Trial

In 1986 Bob Brittain, M.D., Frederick Hood, M.D., and Janet Johnston, Risk Management staff, along with the Risk Management Committee support spent one year creating and educating MICA insureds about the Participatory Risk Management Program (PRMP). The PRMP program went into effect in 1987.

The PRMP consists of six criteria which MICA insureds agree to as part of their malpractice policy. The criteria are:

1. Occurrence Reporting

MICA policyholders are required to report to the MICA Claims Department any occurrence within a reasonable time after the event is known or should have been known by the physician or hospital. Usually this is within 24 to 72 hours.

The following criteria are used as the standard for Occurrence Reporting.

- All negligent acts which adversely affect the patient, i.e. 1) anticipated foreign bodies left within the patient, 2) wrong medication, 3) wrong dosage with adverse sequelae, 4) operation on the wrong side or at the wrong level.
- Major unexpected injury occurring to a patient under the physician's care resulting from an aspect of that care, i.e. 1) unanticipated fetal damage or unanticipated death, 2) unanticipated major surgical complication such as brain damage, quadriplegia or injury to sexual organs, 3) failure to diagnose, this would include a serious condition such as failure to diagnose carcinoma, 4) fall in hospital or office which results in injury that extends patient's disability, 5) an attorney request for information or records.

2. Consent Forms

The doctrine of informed consent is generally understood by most physicians. In its simplest terms it affirms that the patient has the sole ability to determine what medical treatment, if any, he or she will be allowed to perform upon his or her

body. The process of informed consent takes place between the physician and the patient. The consent form is a document which indicates that the informed consent has taken place. An appropriate consent form includes the following information:

- **Date**
- Written in a language generally understandable by lay people
- Signed by the patient or appropriate guardian
- Contains reference to a few general complications that may occur with any procedure
- Contains reference to the specific serious complication that may occur with the procedure or operation
- Explains all the risks, benefits, and alternatives to the procedure or treatment.

3. Altered Medical Records

The medical record is critical to the defense of nearly every medical liability claim. Any portion of record which is or appears to be altered may decrease the validity of that record.

MICA recognized that clarification of the medical record may be necessary. Therefore an addendum may be added for clarification but in no way alter the record.

4. Diagnosis of Breast Cancer

MICA and other medical liability insurance carriers see most cases of failure to diagnose a carcinoma as a failure to diagnose carcinoma of the breast. This is probably the most commonly litigated failure to diagnose because of society's focus upon the disease. MICA has identified several situations which repeatedly cause high exposure involving the diagnosis of breast carcinoma. Therefore, records kept by physicians treating patients are required to reflect that certain nationally accepted standards of care have been adhered to.

5. Anesthesia Monitoring

Failure to adequately monitor anesthesia patients has accounted for a large percentage of anesthesia dollar losses. Therefore, MICA's Anesthesia Monitoring criteria are outlined and in accordance with recommendations from the National Anesthesia Society.

6. Obstetrics

Obstetrical claims are the singularly most expensive medical malpractice claims today. As a result the physician who delivers babies is a primary target. There are several areas of obstetrical care and record keeping that give rise to most claims. Therefore, the Obstetrical criteria address the areas of high risk pregnancy, problems with identification of gestational age, fetal size and presentation, fetal monitoring, and transfer issues.

In 1987 MICA sponsored a major seminar on Medical Malpractice and Loss Prevention for physicians and office staff personnel. The seminar was held in both Anchorage and Juneau.

In 1988 MICA, Providence Hospital and Lutheran Hospitals and Homes Society jointly sponsored an InterQual Seminar aimed at physicians, Board members, and hospital

Administrators. All of the hospitals in the state had one or more attendees at the presentation. The focus of the seminar was to address quality assurance and risk management issues.

In 1988 the MICA Risk Management Coordinator, Penne Chmielewski, R.N. spoke at the Nursing and the Law Seminar presented by Professional Education Systems, Inc. on Legal Aspects of Medical Records. The material covered common causes of nursing negligence in various practice areas and decreasing the nurses liability.

Also, in 1988 MICA sponsored speaker Terri Aagaard, M.D., at the Alaska State Medical Association's Annual Conference in Fairbanks. She presented a workshop on physician/patient communication. In addition to the Fairbanks community, Dr. Aagaard presented her material to four other medical staffs throughout the state of Alaska.

MICA Physicians Committees Addressing Risk Management Issues

In the past MICA had a Risk Management Committee comprised of ten physicians. They addressed general risk management issues. In addition, an Obstetrical Subcommittee addressed those issues relating to labor and delivery. Currently, the Risk Management Committee is comprised of four physician Board members and a hospital administrator board member. Task Forces are formed to address specific risk management issues. Those Task Forces have been the Hospital Task Force, the Anesthesia Task Force and the OB Task Force.

Office Practice Surveys

MICA has conducted risk management surveys in each one of its insured hospitals. In addition, MICA has also provided Office Practice Surveys to those physicians who request them and also to those physicians who MICA feels could benefit by additional risk management support.

Educational Presentations

MICA has a broad selection of risk management educational programs.

Nursing Malpractice Risk Prevention Seminar (CEARP 6.4 Contact Hours)

This seminar is a day long seminar for licensed professionals and has been given at MICA insured hospitals and is available and updated upon request. The following is an outline of the program:

Overview of Malpractice Trends and Legal Issues

- Sociological factors leading to claims and suits
- Malpractice defined
- Informed Consent
- Intentional TORTS

Professional Self Awareness

- Myers Briggs Type Indicator
- The purpose is to provide information about personality types in order to help the individual better understand self and interaction with others.

How to Decrease Your Chance of Being Sued

- Techno-error
- Good PR and communication skills

- Confidentiality

Legal Aspects of Medical Records

- Alteration of record
- Common weakness in record documentation
- Charting Do's
- Verbal/telephone orders
- Nursing role in patient education and discharge instructions
- Jousting

Common Causes of Nursing Negligence

- Liability of:
OR, OB, Med/Surg, Ortho, nurse
- Treatment and medication errors
- Burns to patients
- Defective equipment

Current Nursing Liability Concerns

- Incident Reports
- Restraints
- Abandonment
- Standing orders, No Code - Slow Code
- Patients who sign out AMA

Malpractice Prevention Medical Assistants Seminar

This seminar has been presented to Medical Assistants several times and will continue to be available upon request.

Risk Prevention Office Assistants Seminar

This seminar has been done in both large and small group practices. (Includes appropriate selections from above outline).

Breast Cancer Symposium

The Risk Management Coordinator presented a program on Therapeutic Alliance for clinicians and communication and listening skills.

Mini Workshops

Risk Management presentations made for small and large groups at the request of insured hospitals or physicians are:

- Communicating after a medical complication
- Pregnancy loss/fetal demise
- Communicating the bad result

Professional Self Awareness Workshop

The workshop makes use of the the Myers Briggs Personality Inventory to enhance professional self awareness and patient rapport. This mini seminar has been given to physician groups, medical office personnel , nursing staffs and potential medical office assistants in the UAA program. There is a continuous request from physicians and other related health care staff on programs to enhance communication skills. MICA is continuing to update the program and meet those requests.

Prenatal Care System

In June, 1989, Arnold Greensher, M.D., Advanced Medical Systems, Inc traveled to Alaska to present to Alaskan physicians the Prenatal Care System . The system was enthusiastically endorsed by both OB/GYN and Family Practice Physicians doing obstetricst. Also the public health division of nursing is currently looking into utilization of the system. In addition to promoting quality care the system is aimed at reducing liability exposure. Nationally over the past nine years 55,000 pregnancies have been managed on the system with no claims filed.

Currently all MICA insureds have been provided with the system to implement in their OB practices. Additionally, non-insureds were able to purchase the system through MICA at a percentage discount.

Trustee Development Program

MICA has developed a Trustee Development Program for Boards of Governors of hospitals. The program was designed to educate board members on their responsibilities as part of the healthcare system. The program is being presented to both MICA and non-MICA insured hospitals.

Individual Physician Counselling

MICA's Risk Management Department continues to provide individual risk management advice and counselling to MICA insureds.

November 3, 1989

Representative Sam Cotten
Chairman, House Liability Task Force
Alaska State Legislature
P.O. Box V
State Capitol
Juneau, AK 99811

Dear Representative Cotten:

This is in response to your letter of October 20, 1989, which we received October 27, 1989.

A quick review of the claims data elements you requested tells me that it will be logistically impossible to provide this information by November 15. Some of it is speculative, and some available only from plaintiffs (e.g. the amount of the contingent fee).

Much of the information will have to be abstracted by physically reviewing each claim file (and we have a total of 359 claim files since 1979, 187 of which remain open and pending), talking to attorneys, insureds and getting old court documents.

I have highlighted that data which could be provided fairly easily. If you wish, we will forward it to you.

If the remaining information is to be developed, will your Task Force provide funding? We would have to train at least one file abstractor to accomplish the task within a reasonable length of time, six months. Subject to approval by our Board of Governors, I would have no objection to providing this information on closed claim files, which number 172, provided we can get assurance that no information to identify individual physician defendants will be abstracted or included in any report. A budget of \$5,000 should be adequate.

In answer to question 3 of the attachment to your letter, I can say that malpractice claims statistics generally confirm that a small number of claims account for a high percentage of total payouts. Various national studies are reflective of our own limited experience: about 3% of the claims account for over 70% of the loss costs.

Predicting which doctors will experience the jumbo claims is another matter entirely. While a few doctors do accumulate unusually large numbers of claims these are normally not the catastrophic variety. In our experience, less than 3% of our Alaska insureds had even two paid claims in the past five years, and none had as many as three paid claims. Furthermore, it is usually the highly trained, well regarded doctor who gets

the jumbo case, often because medically complex cases are referred to such a doctor, and the chances of a poor outcome, despite best efforts, are high. Once a severe injury occurs, and the medical/surgical treatment was complicated, an expert can readily be found to critique what happened from the vantage point of retrospection, and the litigation process is set in motion. That's when the high expenses come in. With the added burdens of prejudgment interest running from date of occurrence on some of our older Alaska cases, and at over 10% on all cases, plus the unique impositions brought on by Rule 82, it is easy to fathom why plaintiffs have almost a vested interest in delaying a case, and in demanding settlement sums far in excess of actual damages.

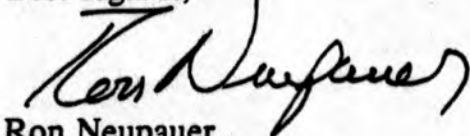
When volatile and catastrophic claims costs must be spread across a very limited number of health care providers, as in Alaska, the resultant premiums needed to fund the predicted costs of this year's claims, which probably won't be settled until well into the 1990's, are of course 1) difficult to determine with any real confidence and 2) high.

Question 4: MIEC is a not for profit physician owned company which writes no other lines of insurance.

Question 5: A current premium schedule was sent to Mr. Rogers on October 16.

Question 6: At present, at least two companies offer medical professional liability coverage to all physician specialties and locales in Alaska, subject to individual underwriting review. With the exception of those whose individual claims record or practice peculiarities would preclude them from qualifying for coverage, I don't believe there is an availability problem. There is most certainly an affordability problem.

Best regards,



Ron Neupauer
Underwriting Manager

RN/31oct25.hs

cc: Douglas Smith, M.D.
Ray Schalow
Stephen D. Stimel
William K. Scheuber
Brad Cohn, M.D.
David Rogers

STATE OF ALASKA

LIABILITY SURVEY

1. For each group, the total amount of premiums you have collected in Alaska for the last fifteen years which relate to liability insurance policies.
2. Claims information for the fifteen year period as follows:

Claim Synopsis

1. Date of event
2. Date suit filed (*CLAIM REPORTED*)
3. Date case settled/verdict received (*file closed*)
4. Statute of limitations (exception/basis)
5. Percentage of comparative negligence
6. Total payment
7. Payment by each co-defendant *insured by MISC*
8. Collateral source (amount/source available)
9. Collateral source (amount/source allowed)
10. Case evaluation (if 100% liable)

Damages

1. Medical specials
2. Economic specials/income
3. Economic specials/out-going
4. Pain and suffering
5. Disfigurement
6. Loss of enjoyment of life
7. Punitive
8. Loss of consortium
9. Other (specify)
10. Prejudgment interest
11. Postjudgment interest

Method of Payment

1. Periodic payment (specifics)
2. Annuity (specifics)
3. Lump sum

Attorney Fees/Costs

1. Contingency fee/percentage plaintiff
2. Rule 82
3. Costs/plaintiff
4. Defense costs
5. Defense fees

3. From your experience, do you agree with this statement: "a small percentage of professionals in each group are responsible for a large percentage of the claims?" Do you have statistics to support your answer?

State of Alaska
Liability Survey
Page Two

4. If you carry other lines of liability insurance, please answer the above questions for each of those groups.
5. What is your current rate structure?
6. Are you aware of any availability problem in connection with any lines of liability insurance you carry?

November 22, 1989

David E. Rogers, Esq.
P.O. Box 33932
Juneau, Alaska 99803

Dear David:

Please forgive my delay in responding to your letter of November 7. It arrived in our office on November 13, but I just returned from an out-of-town trip on November 20.

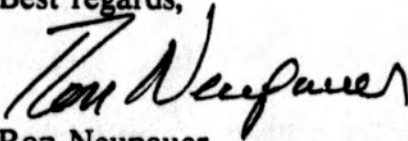
Attached is the claims information that is easily available, expressed on a policy year basis. Our policy years run from each August 1 to the following July 31. The claims statistics are for claims reported within the subject policy years, valued as of November 20, 1989. The claims statistics include only reported claims and actual reserves on open claims or payments on closed claims for the subject policy years. I have omitted the names of claimants or defendant physicians, but have included claim numbers and the specialties of the defendant physicians involved. Individual case reserves are not disclosed, but I have included a total for each report year.

The premiums, rounded to the nearest thousand collected from Alaska policyholders in corresponding years, prior to deductions for premium taxes, underwriting, and unallocated claims expenses, legal, actuarial, accounting and general expenses and the costs of reinsurance, are as follows: 1980: \$266,000; 1981: \$360,000; 1982: \$496,000; 1983: \$571,000; 1984: \$730,000; 1985: \$1,420,000; 1986: \$2,867,000; 1987: \$4,629,000; 1988: \$5,026,000.

"Practice peculiarities" that may create availability problems on an individual basis, in Alaska, as in any other jurisdiction, may include licenses which were revoked, suspended or placed on probation in the past, criminal convictions, hospital staff privilege suspensions or curtailments and highly risky, experimental or generally unaccepted

procedures, treatments, therapies, or surgery. Any one or any combination of these factors may make it difficult for a particular individual to obtain professional liability coverage through standard markets.

Best regards,



Ron Neupauer
Underwriting Manager

RN/21nov01.tam

Att.

cc: Douglas Smith, M.D.
Ray Schalow
Stephen D. Stimel
Bill Scheuber
Brad Cohn, M.D.

MIEC - CLAIMS
LISTING OF ALASKA CLAIMS BY POLICY YEAR ACCORDING TO REPORT DATE

						CLOSED CLAIMS		OPEN CLAIMS		
REPORT YEAR	REPORT DATE	DATE OF INCIDENT	CLOSE DATE	INSURED CLAIM NUMBER	SPECIALTY	INDEMNITY PAID	EXPENSE PAID	INDEMNITY RESERVE	EXPENSE RESERVE	CLAIM STATUS
1980	12/01/80	12/04/78	03/23/82	7001561-M	GENERAL SURGERY	\$0	\$1,150	\$0	\$0	CLOSED
	05/26/81	05/01/81	10/17/86	7001781-M	NEUROLOGICAL SURGERY	\$0	\$0	\$0	\$0	CLOSED
	06/08/81	01/20/81	03/08/83	7001786-M	OPHTHALMOLOGY	\$0	\$0	\$0	\$0	CLOSED
						\$0	\$1,150	\$0	\$0	
1981	11/17/81	03/01/80	06/11/85	7002031-M	NEUROLOGICAL SURGERY	\$125,000	\$14,479	\$0	\$0	CLOSED
	11/17/81	03/01/80	06/11/85	7002219-X	ORTHOPEDICS	\$0	\$0	\$0	\$0	CLOSED
	11/17/81	03/01/80	06/11/85	7002220-X	PART/CORP/MANUALS	\$0	\$0	\$0	\$0	CLOSED
	03/18/82	02/19/82	10/20/86	7002218-M	PEDIATRICS	\$0	\$0	\$0	\$0	CLOSED
	05/07/82	07/21/81	10/17/86	7002305-M	GENERAL SURGERY	\$0	\$0	\$0	\$0	CLOSED
	07/27/82	07/08/82	10/21/86	7002432-M	ORTHOPEDICS	\$0	\$0	\$0	\$0	CLOSED
						\$125,000	\$14,479	\$0	\$0	
1982	08/23/82	08/19/82	02/16/89	7002509-M	ANESTHESIOLOGY	\$885,575	\$52,973	\$0	\$0	CLOSED
	08/23/82	08/19/82	02/16/89	7002510-X	PART/CORP/MANUALS	\$885,575	\$41,975	\$0	\$0	CLOSED
	09/01/82	11/06/80	04/22/83	7002811-M	ORTHOPEDICS	\$0	\$1,437	\$0	\$0	CLOSED
	11/30/82	04/25/81	02/12/87	7002672-M	OTOLARYNGOLOGY	\$446,165	\$66,997	\$0	\$0	CLOSED
	03/01/83	01/20/83	10/29/85	7003833-X	CARDIOLOGY	\$34,838	\$14,077	\$0	\$0	CLOSED
	03/01/83	01/21/83	10/29/85	7003094-M	INTERNAL MEDICINE	\$104,013	\$8,453	\$0	\$0	CLOSED
	03/01/83	01/21/83	10/29/85	7003095-X	GENERAL SURGERY	\$0	\$0	\$0	\$0	CLOSED
	05/04/83	05/04/83	10/20/86	7002924-M	ORTHOPEDICS	\$0	\$0	\$0	\$0	CLOSED
	06/14/83	11/17/82	10/06/86	7003079-M	UROLOGY	\$0	\$1,346	\$0	\$0	CLOSED
	07/19/83	01/14/82	09/14/87	7003128-M	ORTHOPEDICS	\$755,747	\$40,929	\$0	\$0	CLOSED
	07/19/83	01/14/82	09/14/87	7003767-X	PART/CORP/MANUALS	\$0	\$686	\$0	\$0	CLOSED
						\$3,111,914	\$228,873	\$0	\$0	
1983	09/27/83	08/12/83	03/09/89	7004808-M	ORTHOPEDICS	\$0	\$16,033			CLOSED
	10/07/83	09/25/81	03/18/86	7004465-M	NEUROLOGY	\$6,500	\$11,946			CLOSED
	11/10/83	11/01/83	N/A	7004647-M	PEDIATRIC CARDIOLOGY	\$0	\$0			OPEN
	11/16/83	07/26/83	N/A	7004337-M	GENERAL SURGERY	\$0	\$0			OPEN
	12/27/83	11/16/83	04/10/84	7003349-M	OTOLARYNGOLOGY	\$1,000	\$0			CLOSED
	02/22/84	02/25/82	07/28/86	7003823-M	INTERNAL MEDICINE	\$0	\$1,765			CLOSED
	05/01/84	05/09/82	07/21/89	7003557-M	NEUROLOGICAL SURGERY	\$0	\$355,090			CLOSED
	05/01/84	05/09/82	07/21/89	7003558-X	NEUROLOGY	\$0	\$2,962			CLOSED
	05/31/84	05/17/84	10/06/86	7004504-M	ORTHOPEDICS	\$0	\$590			CLOSED
	06/01/84	08/08/83	03/03/86	7003923-M	ORTHOPEDICS	\$0	\$0			CLOSED

PROCEDURE: ALASKA
PREPARED: NOVEMBER 21, 1989
USERID: BILLIE

MIEC - CLAIMS
LISTING OF ALASKA CLAIMS BY POLICY YEAR ACCORDING TO REPORT DATE

REPORT YEAR	REPORT DATE	DATE OF INCIDENT	CLOSE DATE	INSURED CLAIM NUMBER	SPECIALTY	INDEMNITY PAID	EXPENSE PAID	INDEMNITY RESERVE	EXPENSE RESERVE	CLAIM STATUS
						\$7,500	\$388,386	\$155,000	\$120,000	
1984	10/03/84	08/19/82	04/07/88	7003935-M	ANESTHESIOLOGY	\$0	\$122,945	\$0	\$0	CLOSED
	12/03/84	12/17/82	03/29/88	7003925-M	ORTHOPEDICS	\$275,000	\$33,693	--		CLOSED
	12/03/84	12/17/82	03/29/88	7003926-X	PART/CORP/MANUALS	\$0	\$18,359			CLOSED
	12/07/84	11/19/84	08/29/88	7004903-M	ORTHOPEDICS	\$0	\$0			CLOSED
	12/20/84	05/21/84	11/17/86	7003996-M	NEUROLOGICAL SURGERY	\$0	\$0			CLOSED
	12/20/84	05/21/84	11/17/86	7003997-X	NEUROLOGY	\$0	\$0			CLOSED
	01/04/85	06/28/84	12/01/88	7004792-M	INTERNAL MEDICINE	\$0	\$5,601			CLOSED
	01/31/85	10/22/84	12/16/85	7003999-M	RADIOL, DIAG ONLY	\$7,500	\$3,725			CLOSED
	02/12/85	02/15/83	10/01/86	7004062-M	PEDIATRICS	\$0	\$1,213			CLOSED
	04/10/85	05/16/83	N/A	7004354-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	04/16/85	10/29/84	03/04/86	7004421-M	ORTHOPEDICS	\$848	\$147			CLOSED
	05/24/85	04/30/84	10/26/87	7004420-M	RADIOL, DIAG ONLY	\$250,000	\$29,232			CLOSED
	05/24/85	04/30/84	10/26/87	7005166-X	PART/CORP/MANUALS	\$0	\$11,111			CLOSED
	07/08/85	02/25/85	N/A	7004874-M	NEUROLOGICAL SURGERY	\$0	\$0			OPEN
	07/08/85	02/25/85	N/A	7004875-X	INTERNAL MEDICINE	\$0	\$0			OPEN
	07/08/85	05/07/85	N/A	7005045-X	NEUROLOGICAL SURGERY	\$0	\$0			OPEN
	07/08/85	05/20/85	N/A	7005046-X	INTERNAL MEDICINE	\$0	\$0			OPEN
	07/30/85	06/20/85	10/08/87	7004417-M	PLASTIC SURGERY	\$0	\$367			CLOSED
						\$533,348	\$226,392	\$120,000	\$145,000	
1985	08/02/85	07/06/84	02/06/87	7004429-M	ORTHOPEDICS	\$0	\$0			CLOSED
	08/26/85	04/27/83	09/23/87	7004464-M	CARDIOVASCULAR SURG	\$0	\$0			CLOSED
	09/19/85	03/21/85	12/07/88	7004714-M	GENERAL SURGERY	\$0	\$718			CLOSED
	10/02/85	09/26/85	12/09/87	7004540-M	ORTHOPEDICS	\$0	\$0			CLOSED
	10/03/85	10/02/85	04/25/89	7004787-M	INTERNAL MEDICINE	\$0	\$3,682			CLOSED
	10/23/85	08/21/85	12/16/87	7004721-M	DERMATOLOGY	\$0	\$0			CLOSED
	10/31/85	10/15/85	04/26/88	7005284-M	OB - GYN	\$0	\$0			CLOSED
	11/13/85	11/05/85	N/A	7005028-X	INTERNAL MEDICINE	\$0	\$0			OPEN
	11/13/85	11/12/85	N/A	7004649-M	ORTHOPEDICS	\$0	\$0			OPEN
	11/13/85	11/12/85	N/A	7004650-X	ORTHOPEDICS	\$0	\$0			OPEN
	11/25/85	09/25/85	07/24/89	7004872-M	PEDIATRICS	\$0	\$2,113			CLOSED
	11/27/85	08/21/85	05/17/88	7004978-M	ORTHOPEDICS	\$0	\$352			CLOSED
	12/09/85	09/01/85	11/07/89	7004695-M	INTERNAL MEDICINE	\$0	\$48			CLOSED
	12/09/85	09/03/85	11/07/89	7004698-X	CARDIOLOGY	\$0	\$0			CLOSED
	12/09/85	09/04/85	11/07/89	7004696-X	OTOLARYNGOLOGY	\$0	\$0			CLOSED
	12/09/85	09/04/85	11/07/89	7004697-X	CARDIOVASCULAR SURG	\$0	\$0			CLOSED

PROCEDURE: ALASKA
PREPARED: NOVEMBER 21, 1989
USERID: BILLIE

MIEC - CLAIMS
LISTING OF ALASKA CLAIMS BY POLICY YEAR ACCORDING TO REPORT DATE

REPORT YEAR	REPORT DATE	DATE OF INCIDENT	CLOSE DATE	INSURED CLAIM NUMBER	SPECIALTY	INDEMNITY PAID	EXPENSE PAID	INDEMNITY RESERVE	EXPENSE RESERVE	CLAIM STATUS
1985	12/09/85	09/07/85	11/07/89	7004699-X	INTERNAL MEDICINE	\$0	\$0			CLOSED
	12/09/85	11/14/85	01/04/88	7004715-M	GASTROENTEROLOGY	\$0	\$0			CLOSED
	12/13/85	12/11/85	04/27/88	7004912-M	GENERAL SURGERY	\$0	\$0			CLOSED
	12/13/85	12/11/85	04/27/88	7004913-X	INTERNAL MEDICINE	\$0	\$0			CLOSED
	12/18/85	10/13/85	11/13/87	7004747-M	FAMILY PRACTICE	\$3,070	\$135			CLOSED
	12/18/85	12/09/85	02/12/88	7004880-M	PART/CORP/MANUALS	\$0	\$0			CLOSED
	12/26/85	01/01/85	06/12/87	7004873-M	NEUROLOGICAL SURGERY	\$0	\$0			CLOSED
	01/22/86	01/25/84	06/03/86	7004769-M	UROLOGY	\$0	\$1,300			CLOSED
	01/30/86	01/24/86	04/26/88	7004899-M	INTERNAL MEDICINE	\$0	\$0			CLOSED
	01/31/86	08/22/85	09/23/88	7004789-M	INTERNAL MEDICINE	\$0	\$0			CLOSED
	02/03/86	01/02/85	10/10/88	7004895-M	CARDIOVASCULAR SURG	\$0	\$14,056			CLOSED
	02/03/86	01/02/85	10/10/88	7004896-X	GENERAL SURGERY	\$0	\$16,101			CLOSED
	02/04/86	07/24/85	08/17/87	7004902-X	GASTROENTEROLOGY	\$0	\$0			CLOSED
	02/04/86	11/12/85	08/17/87	7004901-M	ANESTHESIOLOGY	\$349	\$400			CLOSED
	02/06/86	12/01/85	N/A	7006047-X	CARDIOLOGY	\$0	\$0			OPEN
	02/06/86	12/02/85	N/A	7005195-M	CARDIOVASCULAR SURG	\$0	\$0			OPEN
	02/06/86	12/02/85	N/A	7005196-X	CARDIOVASCULAR SURG	\$0	\$0			OPEN
	02/06/86	02/03/86	06/23/88	7004924-M	PEDIATRIC CARDIOLOGY	\$0	\$121			CLOSED
	02/06/86	02/03/86	06/23/88	7004925-X	PEDIATRIC CARDIOLOGY	\$0	\$121			CLOSED
	02/07/86	04/02/85	07/25/88	7004879-M	ORTHOPEDICS	\$0	\$0			CLOSED
	02/12/86	11/27/85	04/26/88	7004915-M	INTERNAL MEDICINE	\$0	\$0			CLOSED
	02/25/86	01/08/86	07/06/88	7005074-M	ANESTHESIOLOGY	\$0	\$0			CLOSED
	03/04/86	02/28/86	04/22/88	7004979-M	CARDIOLOGY	\$0	\$0			CLOSED
	03/06/86	12/21/85	06/14/88	7004961-M	ORTHOPEDICS	\$0	\$0			CLOSED
	03/11/86	03/30/84	06/08/89	7004919-M	NEUROLOGY	\$173,076	\$54,516			CLOSED
	03/12/86	05/28/84	04/26/88	7004957-M	INTERNAL MEDICINE	\$0	\$0			CLOSED
	03/14/86	02/13/86	N/A	7004959-M	ANESTHESIOLOGY	\$0	\$0			OPEN
	03/18/86	12/03/84	07/29/87	7005002-M	OPHTHALMOLOGY	\$0	\$0			CLOSED
	03/19/86	02/27/86	04/27/88	7004960-M	ORTHOPEDICS	\$0	\$0			CLOSED
	03/21/86	03/25/85	01/21/88	7005003-M	PSYCHIATRY	\$0	\$0			CLOSED
	03/21/86	01/21/86	08/10/89	7004956-M	ORTHOPEDICS	\$0	\$3			CLOSED
	04/02/86	01/22/85	06/14/88	7005073-M	INTERNAL MEDICINE	\$0	\$0			CLOSED
	04/02/86	03/22/86	N/A	7005476-M	ORTHOPEDICS	\$0	\$0			OPEN
	04/02/86	03/22/86	N/A	7005477-X	ORTHOPEDICS	\$0	\$0			OPEN
	04/04/86	03/30/86	08/14/89	7005037-M	ORTHOPEDICS	\$0	\$19,343			CLOSED
	04/04/86	03/30/86	08/14/89	7005038-X	ORTHOPEDICS	\$0	\$502			CLOSED
	04/08/86	04/08/86	08/03/88	7005040-M	EMERGENCY MEDICINE	\$0	\$0			CLOSED
	04/18/86	04/15/86	05/11/88	7005016-M	PEDIATRICS	\$0	\$0			CLOSED
	05/09/86	03/26/86	04/28/87	7005103-M	RADIOL, DIAG ONLY	\$0	\$278			CLOSED
	05/16/86	09/24/85	12/01/88	7005097-M	OTOLARYNGOLOGY	\$0	\$243			CLOSED

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MIEC - CLAIMS
LISTING OF ALASKA CLAIMS BY POLICY YEAR ACCORDING TO REPORT DATE

REPORT YEAR	REPORT DATE	DATE OF INCIDENT	CLOSE DATE	INSURED CLAIM NUMBER	SPECIALTY	INDEMNITY PAID	EXPENSE PAID	INDEMNITY RESERVE	EXPENSE RESERVE	CLAIM STATUS
1985	05/16/86	03/25/86	05/05/88	7005098-M	DERMATOLOGY	\$0	\$0			CLOSED
	06/10/86	04/29/85	N/A	7005185-M	ORTHOPEDICS	\$0	\$0			OPEN
	06/10/86	03/05/86	07/14/88	7005267-M	GENERAL SURGERY	\$0	\$0			CLOSED
	06/18/86	10/18/85	N/A	7005184-M	OTOLARYNGOLOGY	\$0	\$0			OPEN
	06/18/86	10/18/85	N/A	7005185-X	INTERNAL MEDICINE	\$0	\$0			OPEN
	06/18/86	06/16/86	09/15/88	7005504-M	CARDIOLOGY	\$0	\$0			CLOSED
	06/23/86	04/24/85	N/A	7005246-M	PLASTIC SURGERY	\$0	\$0			OPEN
	06/23/86	02/24/86	07/05/89	7005241-M	PLASTIC SURGERY	\$0	\$0			CLOSED
	06/30/86	04/24/86	08/11/88	7005268-M	CARDIOLOGY	\$0	\$0			CLOSED
	07/09/86	05/20/86	04/05/89	7005273-M	OB - GYN	\$0	\$750			CLOSED
	07/10/86	12/19/85	01/04/88	7005351-M	OB - GYN	\$0	\$0			CLOSED
	07/23/86	07/21/86	02/13/89	7005274-M	INTERNAL MEDICINE	\$0	\$892			CLOSED
	07/28/86	06/21/85	02/01/88	7005308-M	FAMILY PRACTICE	\$0	\$0			CLOSED
	07/28/86	01/24/86	09/08/88	7005306-M	FAMILY PRACTICE	\$0	\$0			CLOSED
	07/28/86	02/21/86	07/14/88	7005305-M	FAMILY PRACTICE	\$0	\$0			CLOSED
	07/28/86	07/23/86	10/05/89	7005266-M	RADIOL, DIAG ONLY	\$0	\$0			CLOSED
	07/31/86	07/16/86	01/05/89	7005309-M	GENERAL SURGERY	\$0	\$0			CLOSED
						\$176,495	\$115,653	\$1,256,000	\$645,000	
1986	08/08/86	08/05/86	02/13/89	7005338-M	ANESTHESIOLOGY	\$0	\$0			CLOSED
	08/13/86	12/17/85	12/06/88	7005339-M	ORTHOPEDICS	\$0	\$0			CLOSED
	08/21/86	06/29/85	07/13/88	7005358-M	ORTHOPEDICS	\$0	\$0			CLOSED
	08/21/86	01/22/86	03/02/89	7005359-M	PEDIATRICS	\$0	\$0			CLOSED
	09/11/86	02/18/86	12/01/88	7005408-M	PLASTIC SURGERY	\$0	\$0			CLOSED
	09/23/86	09/03/86	12/06/88	7005551-M	INTERNAL MEDICINE	\$0	\$0			CLOSED
	09/23/86	09/03/86	12/06/88	7005552-X	ORTHOPEDICS	\$0	\$0			CLOSED
	10/07/86	05/31/85	04/06/88	7006299-M	ANESTHESIOLOGY	\$0	\$11,080			CLOSED
	10/14/86	11/12/85	01/20/88	7005503-M	OB - GYN	\$0	\$0			CLOSED
	11/04/86	10/27/86	04/05/89	7005553-M	INTERNAL MEDICINE	\$0	\$0			CLOSED
	11/17/86	01/16/86	N/A	7005598-M	ORTHOPEDICS	\$0	\$0			OPEN
	11/25/86	02/27/86	03/01/89	7005571-M	ORTHOPEDICS	\$0	\$0			CLOSED
	12/01/86	12/03/84	N/A	7005597-M	PEDIATRICS	\$0	\$0			OPEN
	12/02/86	08/13/84	N/A	7005578-M	PLASTIC SURGERY	\$0	\$0			OPEN
	12/03/86	11/04/86	02/07/89	7005569-M	DERMATOLOGY	\$0	\$1,290			CLOSED
	12/10/86	11/14/86	04/04/89	7005594-M	ORTHOPEDICS	\$0	\$0			CLOSED
	12/19/86	07/19/85	N/A	7005619-M	PHYSICAL MED & REHAB	\$0	\$0			OPEN
	01/05/87	03/21/86	06/23/89	7005654-M	ORTHOPEDICS	\$0	\$1,180			CLOSED
	01/05/87	09/09/86	06/23/89	7005655-X	ANESTHESIOLOGY	\$0	\$0			CLOSED
	01/08/87	12/03/81	02/23/89	7005689-M	INTERNAL MEDICINE	\$0	\$9,135			CLOSED

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MIEC - CLAIMS
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REPORT YEAR	REPORT DATE	DATE OF INCIDENT	CLOSE DATE	INSURED CLAIM NUMBER	SPECIALTY	INDEMNITY PAID	EXPENSE PAID	INDEMNITY RESERVE	EXPENSE RESERVE	CLAIM STATUS
1986	01/13/87	05/04/84	01/05/89	7005658-M	NEUROLOGICAL SURGERY	\$0	\$385			CLOSED
	01/13/87	12/24/86	04/20/89	7005927-M	PHYSICAL MED & REHAB	\$0	\$0			CLOSED
	01/15/87	01/14/87	03/09/89	7005864-M	ANESTHESIOLOGY	\$0	\$0			CLOSED
	01/20/87	09/03/86	12/06/88	7005926-M	PLASTIC SURGERY	\$0	\$1,991			CLOSED
	01/26/87	01/06/87	05/17/89	7005709-M	GENERAL SURGERY	\$0	\$0			CLOSED
	02/06/87	10/19/86	06/23/89	7005856-M	OPHTHALMOLOGY	\$0	\$0			CLOSED
	02/06/87	10/19/86	06/23/89	7005857-X	ANESTHESIOLOGY	\$0	\$0			CLOSED
	02/06/87	10/19/86	06/23/89	7005858-X	INTERNAL MEDICINE	\$0	\$0			CLOSED
	02/06/87	01/07/87	02/07/89	7005745-M	DERMATOLOGY	\$0	\$0			CLOSED
	02/06/87	01/28/87	04/05/89	7005795-M	ORTHOPEDICS	\$0	\$0			CLOSED
	02/06/87	01/28/87	04/05/89	7005796-X	INTERNAL MEDICINE	\$0	\$0			CLOSED
	02/06/87	01/28/87	04/05/89	7005797-X	INTERNAL MEDICINE	\$0	\$0			CLOSED
	02/06/87	02/05/87	N/A	7005862-M	ORTHOPEDICS	\$0	\$0			OPEN
	02/06/87	02/06/87	N/A	7005883-X	EMERGENCY MEDICINE	\$0	\$0			OPEN
	02/11/87	08/28/85	07/05/89	7005792-M	ORTHOPEDICS	\$0	\$0			CLOSED
	02/11/87	04/12/86	07/06/88	7005868-M	OB - GYN	\$0	\$0			CLOSED
	02/13/87	01/22/87	03/24/89	7005865-M	INTERNAL MEDICINE	\$0	\$0			CLOSED
	02/18/87	10/13/86	04/03/89	7005866-M	GENERAL SURGERY	\$0	\$0			CLOSED
	02/20/87	10/27/81	10/02/89	7005854-M	OTOLARYNGOLOGY	\$380,316	\$145,664			CLOSED
	02/26/87	07/29/86	N/A	7005953-M	ORTHOPEDICS	\$0	\$0			OPEN
	02/27/87	10/21/86	05/17/89	7005937-M	ORTHOPEDICS	\$0	\$579			CLOSED
	03/05/87	02/03/86	N/A	7006064-M	ORTHOPEDICS	\$0	\$0			OPEN
	03/12/87	03/21/85	04/03/89	7005855-M	CARDIOVASCULAR SURG	\$0	\$2,016			CLOSED
	03/24/87	03/23/87	05/17/89	7005935-M	RADIOL, DIAG ONLY	\$0	\$0			CLOSED
	03/25/87	03/19/87	N/A	7005946-M	ORTHOPEDICS	\$0	\$0			OPEN
	03/25/87	03/19/87	N/A	7005947-X	HAND SURGERY	\$0	\$0			OPEN
	03/31/87	06/23/86	06/23/89	7005936-M	UROLOGY	\$0	\$0			CLOSED
	04/02/87	11/19/84	08/29/88	7005938-X	NEUROLOGICAL SURGERY	\$0	\$924			CLOSED
	04/09/87	09/04/86	12/01/88	7005950-M	GENERAL SURGERY	\$0	\$0			CLOSED
	04/09/87	09/05/86	12/01/88	7005951-X	ORTHOPEDICS	\$0	\$0			CLOSED
	04/09/87	03/10/87	07/11/89	7005949-X	ORTHOPEDICS	\$0	\$0			CLOSED
	04/09/87	03/11/87	07/11/89	7005948-M	INTERNAL MEDICINE	\$0	\$0			CLOSED
	04/16/87	01/26/87	10/26/89	7006078-M	GENERAL SURGERY	\$0	\$0			CLOSED
	04/22/87	10/26/81	N/A	7005968-M	GENERAL SURGERY	\$0	\$0			OPEN
	04/24/87	03/18/87	06/23/89	7006056-M	GENERAL SURGERY	\$0	\$3			CLOSED
	04/24/87	04/11/87	10/06/89	7006079-M	ORTHOPEDICS	\$0	\$0			CLOSED
	04/24/87	04/11/87	10/06/89	7006080-X	EMERGENCY MEDICINE	\$0	\$0			CLOSED
	04/30/87	04/28/87	10/06/89	7006077-M	ORTHOPEDICS	\$0	\$0			CLOSED
	05/06/87	08/13/85	08/01/88	7006060-M	INTERNAL MEDICINE	\$0	\$0			CLOSED
	05/06/87	10/24/85	07/11/89	7006055-M	PEDIATRIC CARDIOLOGY	\$0	\$0			CLOSED

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MIEC - CLAIMS
LISTING OF ALASKA CLAIMS BY POLICY YEAR ACCORDING TO REPORT DATE

REPORT YEAR	REPORT DATE	DATE OF INCIDENT	CLOSE DATE	INSURED CLAIM NUMBER	SPECIALTY	INDEMNITY PAID	EXPENSE PAID	INDEMNITY RESERVE	EXPENSE RESERVE	CLAIM STATUS
1986	05/08/87	01/07/87	07/12/89	7006076-M	ORTHOPEDICS	\$0	\$0			CLOSED
	05/08/87	03/10/87	06/05/89	7006109-M	GENERAL SURGERY	\$0	\$0			CLOSED
	05/08/87	05/07/87	N/A	7006181-M	ANESTHESIOLOGY	\$0	\$0			OPEN
	05/08/87	05/07/87	N/A	7006182-X	CARDIOVASCULAR SURG	\$0	\$0			OPEN
	05/13/87	03/18/87	N/A	7006063-M	OTOLARYNGOLOGY	\$0	\$0			OPEN
	05/19/87	03/06/85	N/A	7006061-M	GENERAL SURGERY	\$0	\$0			OPEN
	05/19/87	03/06/85	N/A	7006062-X	NEUROLOGICAL SURGERY	\$0	\$0			OPEN
	05/19/87	03/06/85	N/A	7007092-X	NEUROLOGICAL SURGERY	\$0	\$0			OPEN
	05/19/87	01/24/86	01/05/89	7006058-M	NEUROLOGICAL SURGERY	\$0	\$912			CLOSED
	06/15/87	05/20/87	10/26/89	7006107-M	GENERAL SURGERY	\$0	\$0			CLOSED
	06/15/87	06/01/87	07/11/89	7006108-M	GENERAL SURGERY	\$0	\$0			CLOSED
	06/19/87	05/10/87	N/A	7006437-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	06/25/87	08/27/86	12/06/88	7006183-M	ORTHOPEDICS	\$0	\$0			CLOSED
	07/01/87	07/01/85	N/A	7006188-M	RADIOL, DIAG ONLY	\$0	\$0			OPEN
	07/06/87	06/05/87	08/02/89	7006255-M	OB - GYN	\$0	\$119			CLOSED
	07/21/87	07/12/87	09/12/89	7006257-M	FAMILY PRACTICE	\$0	\$3			CLOSED
	07/22/87	08/22/85	01/05/89	7006356-M	ORTHOPEDICS	\$88,375	\$601			CLOSED
	07/27/87	04/21/85	10/26/89	7006313-M	INTERNAL MEDICINE	\$0	\$12			CLOSED
	07/27/87	04/27/85	10/26/89	7006314-X	INTERNAL MEDICINE	\$0	\$0			CLOSED
	07/28/87	09/25/85	N/A	7006308-M	ORTHOPEDICS	\$0	\$0			OPEN
						\$468,691	\$175,896	\$560,000	\$260,000	
1987	08/06/87	03/26/87	07/24/89	7006301-M	PEDIATRIC CARDIOLOGY	\$0	\$3			CLOSED
	08/06/87	08/05/87	N/A	7006307-M	ORTHOPEDICS	\$0	\$0			OPEN
	08/18/87	06/27/85	N/A	7006335-M	OTOLARYNGOLOGY	\$0	\$0			OPEN
	08/25/87	08/17/87	10/26/89	7006382-M	ANESTHESIOLOGY	\$0	\$0			CLOSED
	09/08/87	05/22/87	11/07/89	7006373-M	GASTROENTEROLOGY	\$0	\$0			CLOSED
	09/10/87	07/01/87	11/07/89	7006381-M	ORTHOPEDICS	\$0	\$3			CLOSED
	09/23/87	04/18/86	08/21/89	7006392-M	ORTHOPEDICS	\$0	\$4			CLOSED
	09/24/87	07/09/87	N/A	7006468-M	GENERAL SURGERY	\$0	\$0			OPEN
	09/25/87	06/16/86	05/17/89	7006435-M	RADIOL, DIAG ONLY	\$0	\$0			CLOSED
	09/28/87	06/24/85	12/06/88	7006418-M	PART/CORP/MANUALS	\$0	\$13,987			CLOSED
	09/28/87	09/13/87	11/01/89	7006414-M	OB - GYN	\$0	\$0			CLOSED
	09/30/87	09/04/87	N/A	7006401-M	PEDIATRIC SURGERY	\$0	\$0			OPEN
	09/30/87	09/29/87	11/01/89	7006467-M	EMERGENCY MEDICINE	\$0	\$3			CLOSED
	10/15/87	09/28/87	N/A	7006502-M	RADIOL, DIAG ONLY	\$0	\$0			OPEN
	10/28/87	10/28/85	N/A	7006566-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	11/16/87	06/12/86	N/A	7006661-M	PART/CORP/MANUALS	\$0	\$0			OPEN
	12/01/87	07/08/87	09/26/89	7006596-M	INTERNAL MEDICINE	\$0	\$3			CLOSED

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REPORT YEAR	REPORT DATE	DATE OF INCIDENT	CLOSE DATE	INSURED CLAIM NUMBER	SPECIALTY	INDEMNITY PAID	EXPENSE PAID	INDEMNITY RESERVE	EXPENSE RESERVE	CLAIM STATUS
1987	12/02/87	11/19/87	N/A	7006620-M	OPHTHALMOLOGY	\$0	\$0			OPEN
	12/03/87	12/01/87	N/A	7006731-M	OB - GYN	\$0	\$0			OPEN
	12/07/87	03/20/87	N/A	7006664-M	RADIOL, DIAG ONLY	\$0	\$0			OPEN
	12/07/87	03/20/87	N/A	7006665-X	RADIOL, DIAG ONLY	\$0	\$0			OPEN
	12/07/87	10/08/87	N/A	7007409-X	INTERNAL MEDICINE	\$0	\$0			OPEN
	12/22/87	07/31/87	N/A	7006728-M	DERMATOLOGY	\$0	\$0			OPEN
	12/31/87	07/09/87	07/19/89	7006726-M	GENERAL SURGERY	\$0	\$2,610			CLOSED
	01/06/88	11/13/87	N/A	7006837-M	ORTHOPEDICS	\$0	\$0			OPEN
	01/06/88	12/22/87	N/A	7006711-M	OB - GYN	\$0	\$0			OPEN
	01/12/88	12/23/86	N/A	7006730-M	GASTROENTEROLOGY	\$0	\$0			OPEN
	01/14/88	12/08/87	N/A	7006727-M	DERMATOLOGY	\$0	\$0			OPEN
	01/21/88	05/26/87	N/A	7006695-M	ORTHOPEDICS	\$0	\$0			OPEN
	01/29/88	01/22/88	N/A	7006729-M	ANESTHESIOLOGY	\$0	\$0			OPEN
	02/02/88	12/01/87	N/A	7006741-M	PEDIATRICS	\$0	\$0			OPEN
	02/05/88	06/14/86	07/13/89	7006885-M	GENERAL SURGERY	\$425,000	\$8,509			CLOSED
	02/05/88	06/14/86	07/13/89	7006886-X	NEUROLOGICAL SURGERY	\$0	\$2,813			CLOSED
	02/05/88	06/14/86	07/13/89	7006887-X	EMERGENCY MEDICINE	\$0	\$3,001			CLOSED
	02/08/88	06/14/86	07/13/89	7007186-X	ORTHOPEDICS	\$0	\$2,967			CLOSED
	02/08/88	01/12/88	N/A	7006838-M	OB - GYN	\$0	\$0			OPEN
	02/10/88	01/31/86	N/A	7006814-M	ORTHOPEDICS	\$0	\$0			OPEN
	02/10/88	01/31/86	N/A	7006815-X	ORTHOPEDICS	\$0	\$0			OPEN
	02/11/88	07/07/87	N/A	7006860-M	DERMATOLOGY	\$0	\$0			OPEN
	02/17/88	02/14/88	N/A	7007135-M	CARDIOLOGY	\$0	\$0			OPEN
	03/10/88	01/11/88	N/A	7006849-M	OB - GYN	\$0	\$0			OPEN
	03/10/88	01/11/88	N/A	7006850-X	PART/CORP/MANUALS	\$0	\$0			OPEN
	03/14/88	03/11/88	N/A	7006851-M	ANESTHESIOLOGY	\$0	\$0			OPEN
	03/23/88	02/13/88	N/A	7006906-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	03/30/88	02/28/88	N/A	7007136-M	EMERGENCY MEDICINE	\$0	\$0			OPEN
	04/14/88	04/14/88	N/A	7007952-M	CARDIOLOGY	\$0	\$0			OPEN
	04/19/88	12/02/87	N/A	7007017-M	EMERGENCY MEDICINE	\$0	\$0			OPEN
	04/27/88	04/04/88	N/A	7007745-M	PEDIATRICS	\$0	\$0			OPEN
	05/02/88	02/20/88	N/A	7007060-M	ORTHOPEDICS	\$0	\$0			OPEN
	05/04/88	04/29/88	N/A	7007041-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	05/06/88	04/01/87	N/A	7007059-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	05/16/88	04/30/88	N/A	7007040-M	ORTHOPEDICS	\$0	\$0			OPEN
	05/16/88	05/05/88	04/20/89	7007107-M	ANESTHESIOLOGY	\$1,350	\$0			CLOSED
	05/31/88	05/25/88	N/A	7007112-M	ORTHOPEDICS	\$0	\$0			OPEN
	06/01/88	05/27/88	N/A	7007111-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	06/06/88	11/24/86	N/A	7007410-M	GASTROENTEROLOGY	\$0	\$0			OPEN
	06/14/88	03/07/84	N/A	7007399-M	NEUROLOGICAL SURGERY	\$0	\$0			OPEN

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1987	06/30/88	10/26/87	N/A	7007263-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	06/30/88	06/06/88	N/A	7007113-M	PEDIATRICS	\$0	\$0			OPEN
	07/01/88	06/06/88	N/A	7007210-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	07/12/88	11/24/87	N/A	7007209-M	ORTHOPEDICS	\$0	\$0			OPEN
	07/14/88	02/23/87	06/23/89	7007191-M	OPHTHALMOLOGY	\$0	\$285			CLOSED
	07/14/88	07/12/88	N/A	7007223-M	OB - GYN	\$0	\$0			OPEN
	07/14/88	07/12/88	N/A	7007224-X	OB - GYN	\$0	\$0			OPEN
	07/14/88	07/12/88	N/A	7007225-X	OB - GYN	\$0	\$0			OPEN
	07/21/88	04/18/88	N/A	7007215-M	ORTHOPEDICS	\$0	\$0			OPEN
						\$426,350	\$34,281	\$165,000	\$310,000	
1988	08/01/88	06/04/87	N/A	7007235-M	OB - GYN	\$0	\$0			OPEN
	08/03/88	08/19/86	N/A	7008034-M	OB - GYN	\$0	\$0			OPEN
	08/03/88	07/15/88	N/A	7007984-M	OTOLARYNGOLOGY	\$0	\$0			OPEN
	08/15/88	05/14/88	N/A	7008035-M	OB - GYN	\$0	\$0			OPEN
	09/09/88	11/15/87	N/A	7007324-M	ORTHOPEDICS	\$0	\$0			OPEN
	09/20/88	09/16/88	N/A	7007325-M	PEDIATRICS	\$0	\$0			OPEN
	09/23/88	08/01/86	N/A	7007354-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	09/23/88	08/01/86	N/A	7007477-X	INTERNAL MEDICINE	\$0	\$0			OPEN
	09/23/88	05/04/88	N/A	7007363-M	RADIOL, DIAG ONLY	\$0	\$0			OPEN
	09/27/88	07/22/88	N/A	7007413-M	PEDIATRICS	\$0	\$0			OPEN
	10/05/88	03/24/88	N/A	7007728-M	ORTHOPEDICS	\$0	\$0			OPEN
	10/07/88	08/31/88	N/A	7007387-M	ORTHOPEDICS	\$0	\$0			OPEN
	10/14/88	09/28/86	N/A	7007867-M	GENERAL SURGERY	\$0	\$0			OPEN
	10/17/88	12/21/86	02/07/89	7007398-M	ORTHOPEDICS	\$0	\$1,046			CLOSED
	10/17/88	06/08/88	N/A	7007411-M	PEDIATRICS	\$0	\$0			OPEN
	11/03/88	11/01/88	N/A	7007820-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	11/14/88	10/22/88	N/A	7007517-M	EMERGENCY MEDICINE	\$0	\$0			OPEN
	11/14/88	11/11/88	N/A	7007659-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	11/22/88	10/25/88	N/A	7007518-M	ORTHOPEDICS	\$0	\$0			OPEN
	11/28/88	11/20/88	N/A	7007519-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	12/13/88	11/09/88	N/A	7007593-M	ANESTHESIOLOGY	\$0	\$0			OPEN
	12/15/88	08/04/88	N/A	7007982-M	PEDIATRIC CARDIOLOGY	\$0	\$0			OPEN
	12/16/88	12/16/88	N/A	7007955-M	ORTHOPEDICS	\$0	\$0			OPEN
	12/21/88	12/05/88	N/A	7007856-M	EMERGENCY MEDICINE	\$0	\$0			OPEN
	12/21/88	12/06/88	N/A	7007954-M	UROLOGY	\$0	\$0			OPEN
	01/04/89	12/07/88	N/A	7007594-M	PART/CORP/MANUALS	\$0	\$0			OPEN
	01/06/89	01/27/87	N/A	7008130-M	OTOLARYNGOLOGY	\$0	\$0			OPEN
	01/06/89	12/22/88	N/A	7007875-M	ANESTHESIOLOGY	\$0	\$0			OPEN

PROCEDURE: ALASKA
PREPARED: NOVEMBER 21, 1989
USERID: BILLIE

MIEC - CLAIMS
LISTING OF ALASKA CLAIMS BY POLICY YEAR ACCORDING TO REPORT DATE

REPORT YEAR	REPORT DATE	DATE OF INCIDENT	CLOSE DATE	INSURED CLAIM NUMBER	SPECIALTY	INDEMNITY PAID	EXPENSE PAID	INDEMNITY RESERVE	EXPENSE RESERVE	CLAIM STATUS
1988	01/12/89	05/01/85	10/26/89	7007935-X	ANESTHESIOLOGY	\$0	\$602	--		CLOSED
	01/13/89	12/07/88	N/A	7007729-M	OB - GYN	\$0	\$0			OPEN
	01/24/89	12/20/88	N/A	7007653-M	PART/CORP/MANUALS	\$0	\$0			OPEN
	01/26/89	01/03/88	N/A	7007652-M	GENERAL SURGERY	\$0	\$0			OPEN
	01/27/89	01/17/83	N/A	7007727-M	OB - GYN	\$0	\$0			OPEN
	02/03/89	07/26/88	N/A	7007709-M	ORTHOPEDICS	\$0	\$0			OPEN
	02/07/89	11/16/88	N/A	7007874-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	02/14/89	01/15/85	N/A	7007706-M	PSYCHIATRY	\$0	\$0			OPEN
	02/15/89	02/14/89	N/A	7007871-M	CARDIOVASCULAR SURG	\$0	\$0			OPEN
	02/15/89	02/14/89	N/A	7007872-X	PEDIATRIC CARDIOLOGY	\$0	\$0			OPEN
	02/22/89	11/22/88	N/A	7007870-M	OTOLARYNGOLOGY	\$0	\$0			OPEN
	02/24/89	02/18/89	N/A	7007788-M	PHYSICAL MED & REHAB	\$0	\$0			OPEN
	02/27/89	07/28/87	N/A	7008085-M	OPHTHALMOLOGY	\$0	\$0			OPEN
	02/27/89	06/07/88	N/A	7007829-M	GENERAL SURGERY	\$0	\$0			OPEN
	02/27/89	11/02/88	N/A	7007822-M	GASTROENTEROLOGY	\$0	\$0			OPEN
	02/27/89	02/08/89	N/A	7007931-M	GENERAL SURGERY	\$0	\$0			OPEN
	02/27/89	02/24/89	N/A	7007780-M	OB - GYN	\$0	\$0			OPEN
	03/01/89	02/28/89	N/A	7007840-M	ORTHOPEDICS	\$0	\$0			OPEN
	03/01/89	02/28/89	N/A	7007841-X	ANESTHESIOLOGY	\$0	\$0			OPEN
	03/09/89	09/02/87	N/A	7007783-M	NEUROLOGICAL SURGERY	\$0	\$0			OPEN
	03/09/89	11/29/88	N/A	7007789-X	NEUROLOGICAL SURGERY	\$0	\$0			OPEN
	03/15/89	07/08/87	N/A	7007824-M	GENERAL SURGERY	\$0	\$0			OPEN
	03/22/89	02/05/89	N/A	7007857-M	ANESTHESIOLOGY	\$0	\$0			OPEN
	03/27/89	06/08/88	N/A	7007821-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	04/10/89	01/19/89	N/A	7007925-M	OPHTHALMOLOGY	\$0	\$0			OPEN
	04/13/89	05/04/87	N/A	7007873-M	OPHTHALMOLOGY	\$0	\$0			OPEN
	04/17/89	02/16/88	N/A	7008125-M	PLASTIC SURGERY	\$0	\$0			OPEN
	04/19/89	01/21/89	N/A	7007966-M	NEUROLOGICAL SURGERY	\$0	\$0			OPEN
	04/19/89	02/20/89	N/A	7007967-X	NEUROLOGICAL SURGERY	\$0	\$0			OPEN
	04/25/89	05/27/88	N/A	7007934-M	OTOLARYNGOLOGY	\$0	\$0			OPEN
	04/25/89	02/03/89	N/A	7007930-M	ORTHOPEDICS	\$0	\$0			OPEN
	05/02/89	01/12/89	N/A	7007919-M	PART/CORP/MANUALS	\$0	\$0			OPEN
	05/05/89	01/19/89	N/A	7007928-X	OPHTHALMOLOGY	\$0	\$0			OPEN
	05/05/89	03/17/89	N/A	7007946-M	ORTHOPEDICS	\$0	\$0			OPEN
	05/09/89	03/17/89	N/A	7007947-X	ANESTHESIOLOGY	\$0	\$0			OPEN
	05/15/89	07/17/88	N/A	7007983-M	ORTHOPEDICS	\$0	\$0			OPEN
	05/20/89	04/14/88	N/A	7007953-X	CARDIOLOGY	\$0	\$0			OPEN
	05/22/89	05/13/89	N/A	7008032-M	PEDIATRICS	\$0	\$0			OPEN
	05/23/89	12/16/88	N/A	7008030-M	ORTHOPEDICS	\$0	\$0			OPEN
	05/23/89	03/29/89	N/A	7008031-M	ORTHOPEDICS	\$0	\$0			OPEN

PROCEDURE: ALASKA
PREPARED: NOVEMBER 21, 1989
USERID: BILLIE

MIEC - CLAIMS
LISTING OF ALASKA CLAIMS BY POLICY YEAR ACCORDING TO REPORT DATE

REPORT YEAR	REPORT DATE	DATE OF INCIDENT	CLOSE DATE	INSURED CLAIM NUMBER	SPECIALTY	INDEMNITY PAID	EXPENSE PAID	INDEMNITY RESERVE	EXPENSE RESERVE	CLAIM STATUS
1988	05/24/89	04/24/89	N/A	7008225-M	OR/HOPEIDICS	\$0	\$0			OPEN
	05/30/89	04/18/88	N/A	7008107-M	P/RT/CORP/MANUALS	\$0	\$0			OPEN
	05/30/89	04/18/88	N/A	7008108-X	PHYSICAL MED & REHAB	\$0	\$0			OPEN
	05/30/89	04/28/88	10/26/89	7008008-M	OB - GYN	\$5,000	\$1,919			CLOSED
	05/30/89	05/30/89	N/A	7008106-M	PHYSICAL MED & REHAB	\$0	\$0			OPEN
	06/09/89	06/04/87	N/A	7008057-M	GENERAL SURGERY	\$0	\$0			OPEN
	06/09/89	01/11/89	N/A	7008033-M	PART/CORP/MANUALS	\$0	\$0			OPEN
	06/19/89	01/26/89	N/A	7008359-M	CARDIOLOGY	\$0	\$0			OPEN
	06/20/89	11/02/83	N/A	7008184-M	ANESTHESIOLOGY	\$0	\$0			OPEN
	06/20/89	06/08/87	N/A	7008109-M	PLASTIC SURGERY	\$0	\$0			OPEN
	07/10/89	06/17/89	N/A	7008237-M	GENERAL SURGERY	\$0	\$0			OPEN
	07/19/89	07/18/89	N/A	7008183-M	ANESTHESIOLOGY	\$0	\$0			OPEN
	07/21/89	03/16/89	N/A	7008190-M	GENERAL SURGERY	\$0	\$0			OPEN
	07/25/89	06/30/87	N/A	7008351-M	PEDIATRICS	\$0	\$0			OPEN
	07/27/89	06/03/88	N/A	7008242-M	GENERAL SURGERY	\$0	\$0			OPEN
						\$5,000	\$3,567	\$1,136,000	\$660,000	
1989	08/03/89	07/10/89	N/A	7008343-X	ORTHOPEDICS	\$0	\$0			OPEN
	08/22/89	08/18/89	N/A	7008324-X	OB - GYN	\$0	\$0			OPEN
	08/22/89	08/21/89	N/A	7008323-M	OB - GYN	\$0	\$0			OPEN
	08/25/89	05/26/88	N/A	7008238-M	INTERNAL MEDICINE	\$0	\$0			OPEN
	09/05/89	05/14/89	N/A	7008276-M	OB - GYN	\$0	\$0			OPEN
	09/06/89	09/03/87	N/A	7008254-M	PHYSICAL MED & REHAB	\$0	\$0			OPEN
	09/06/89	09/03/87	N/A	7008255-X	PART/CORP/MANUALS	\$0	\$0			OPEN
	09/08/89	11/01/88	N/A	7008286-M	EMERGENCY MEDICINE	\$0	\$0			OPEN
	09/08/89	12/02/88	N/A	8008287-X	HAND SURGERY	\$0	\$0			OPEN
	09/29/89	06/22/87	N/A	7008307-M	PLASTIC SURGERY	\$0	\$0			OPEN
	10/10/89	10/09/89	N/A	7008321-M	EMERGENCY MEDICINE	\$0	\$0			OPEN
	10/10/89	10/09/89	N/A	7008322-X	EMERGENCY MEDICINE	\$0	\$0			OPEN
	10/16/89	11/24/87	N/A	7008360-M	RADIOL, DIAG ONLY	\$0	\$0			OPEN
	11/01/89	02/05/89	N/A	7008367-X	GENERAL SURGERY	\$0	\$0			OPEN
	11/06/89	02/22/89	N/A	7008368-X	ORTHOPEDICS	\$0	\$0			OPEN
						\$0	\$0	\$190,000	\$145,000	
						\$4,854,298	\$1,188,677	\$4,082,000	\$2,285,000	

PROCEDURE: ALASKA
PREPARED: NOVEMBER 21, 1989
USERID: BILLIE

MEMORANDUM

October 2, 1989

TO: Douglas Smith, M.D.
Ray Schalow

FROM: Ron Neupauer 

RE: Alaska/California Claims Statistics

Attached are five graphs which illustrate the differences between MIEC's California and Alaska claims patterns. I prepared these last week when Bill Scheuber was planning to possibly meet with Alaska legislative representatives on tort reform issues, and thought you might find them of interest.

The first compares six-year blocks of loss ratios. "Loss ratio" means incurred loss and allocated loss expense divided by written premium for six policy years combined as indicated.

Recent rate increases in Alaska have reduced the loss ratio for the most recent six-year block to an amount lower than California's. However we should exercise great caution in drawing any conclusions because the most recent six-year block includes the very immature 1987 and 1988 years where claim reserves are not yet at a level which reflects ultimate liability. It is encouraging however to see the improvement. Unfortunately it results mostly from rate increases not from any moderation of claims costs.

The second graph reflects the differences and claim frequency per 100 insureds per year. Alaska has claim frequencies 50% higher than California throughout this period and the difference seems to be increasing. Part of this is due to differences in specialty mix of Alaska insureds, which is more heavily weighted toward the surgical end.

The third graph illustrates average loss cost. The earliest six-year block includes one extremely large settlement which drove up the average. However the most recent six-year block also indicates Alaska's average incurred loss costs to be higher than California's.

The fourth graph further illustrates the severity of Alaska's claims. The most representative six year block is probably the middle (1982/1987). Alaska claims costs in excess of \$250,000.00 accounted for 25.5% of the total, compared to 10% in California.

MEMORANDUM

Alaska/California Claims Statistics

Page 2

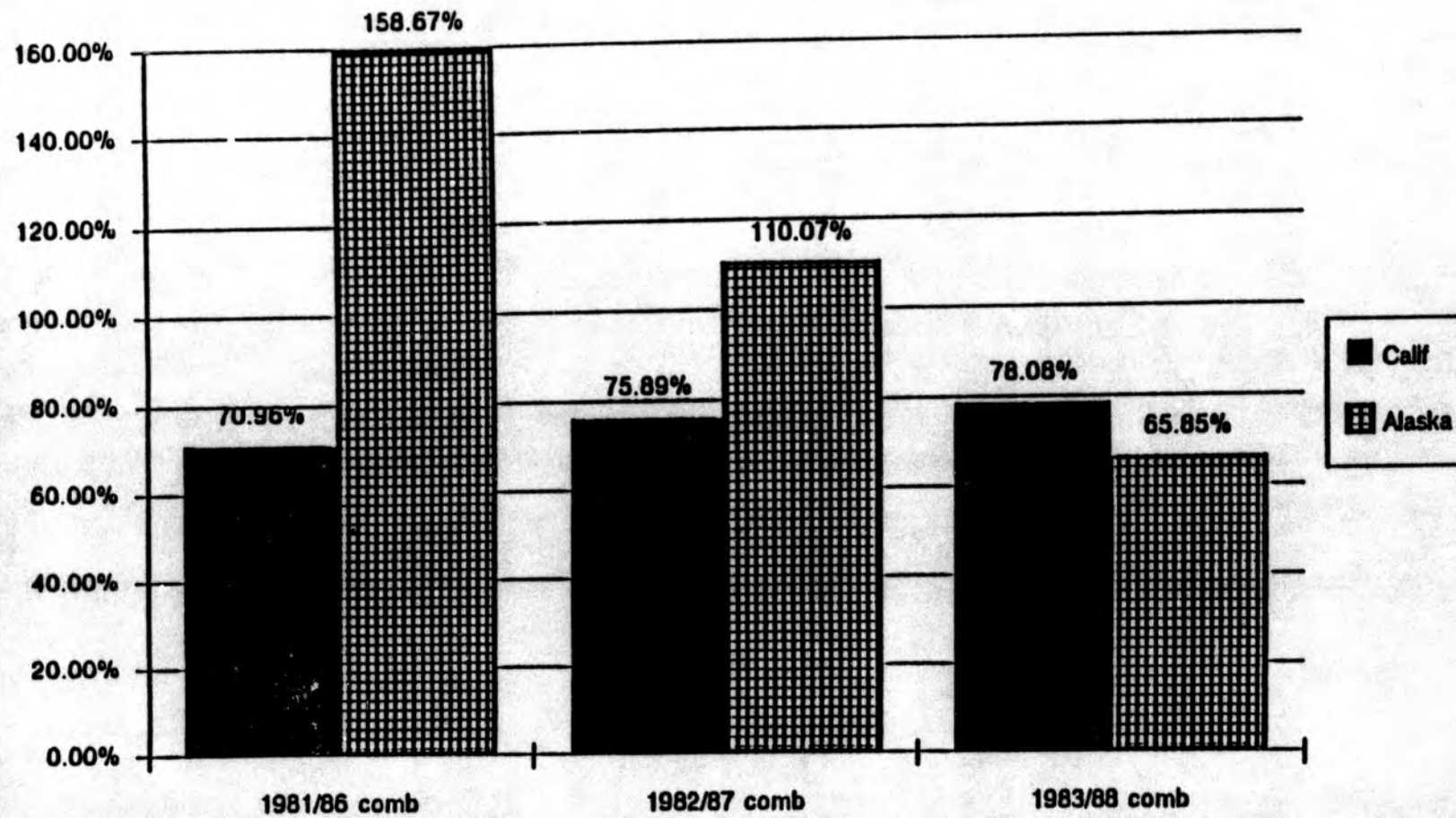
The MICRA reforms, particularly the limitation on noneconomic damages, and the reduced plaintiff contingency structure reduces severity in California.

The last graph illustrates that the percentage of claims closed with no indemnity payment and shows almost identical percentages for both states for the earlier two six year time blocks where substantial numbers of claims are closed. This illustrates that claims filed in Alaska are no more meritorious than those in California.

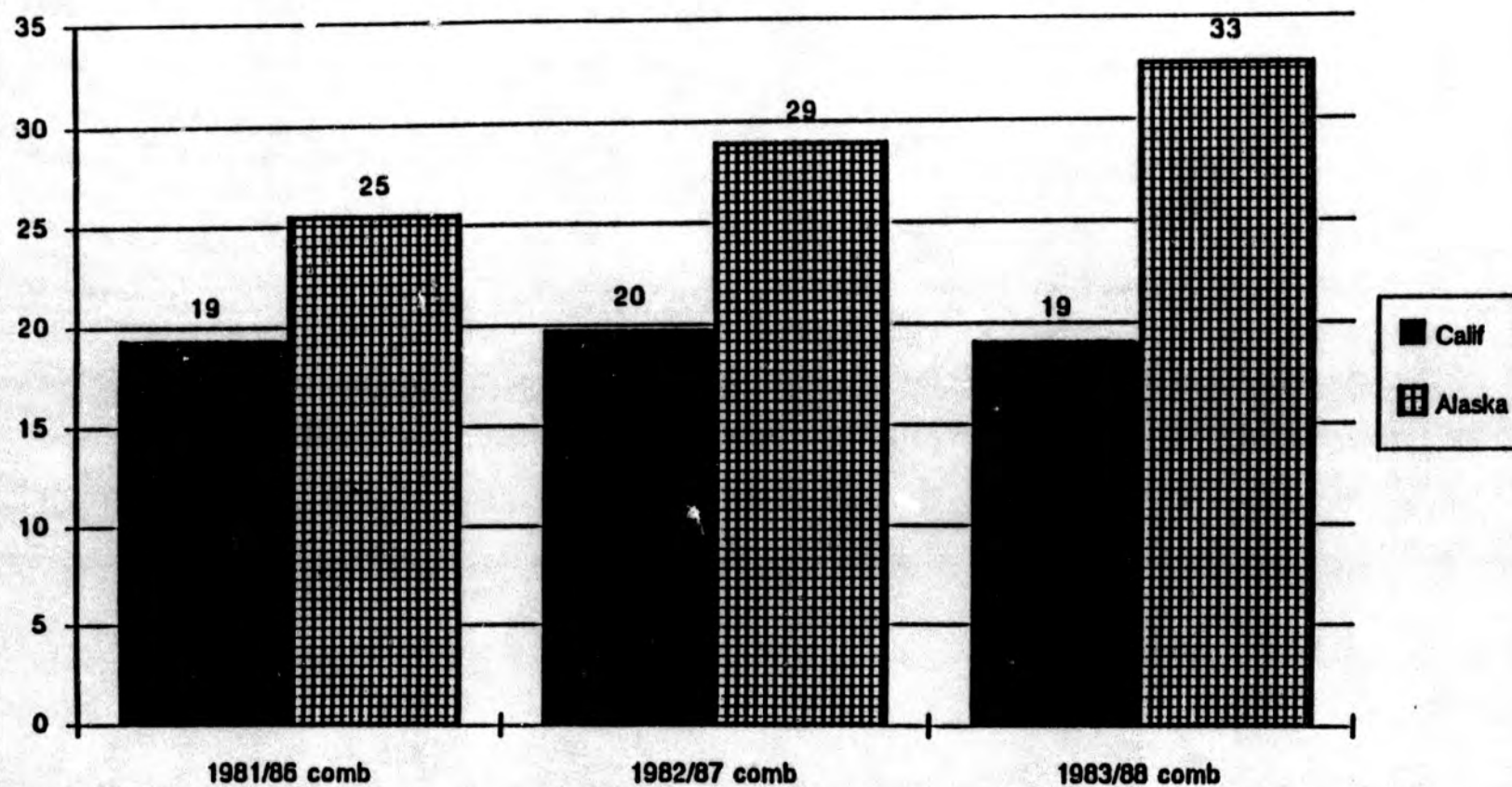
If you have any questions about this please give me a call.

RN/28sep02.era

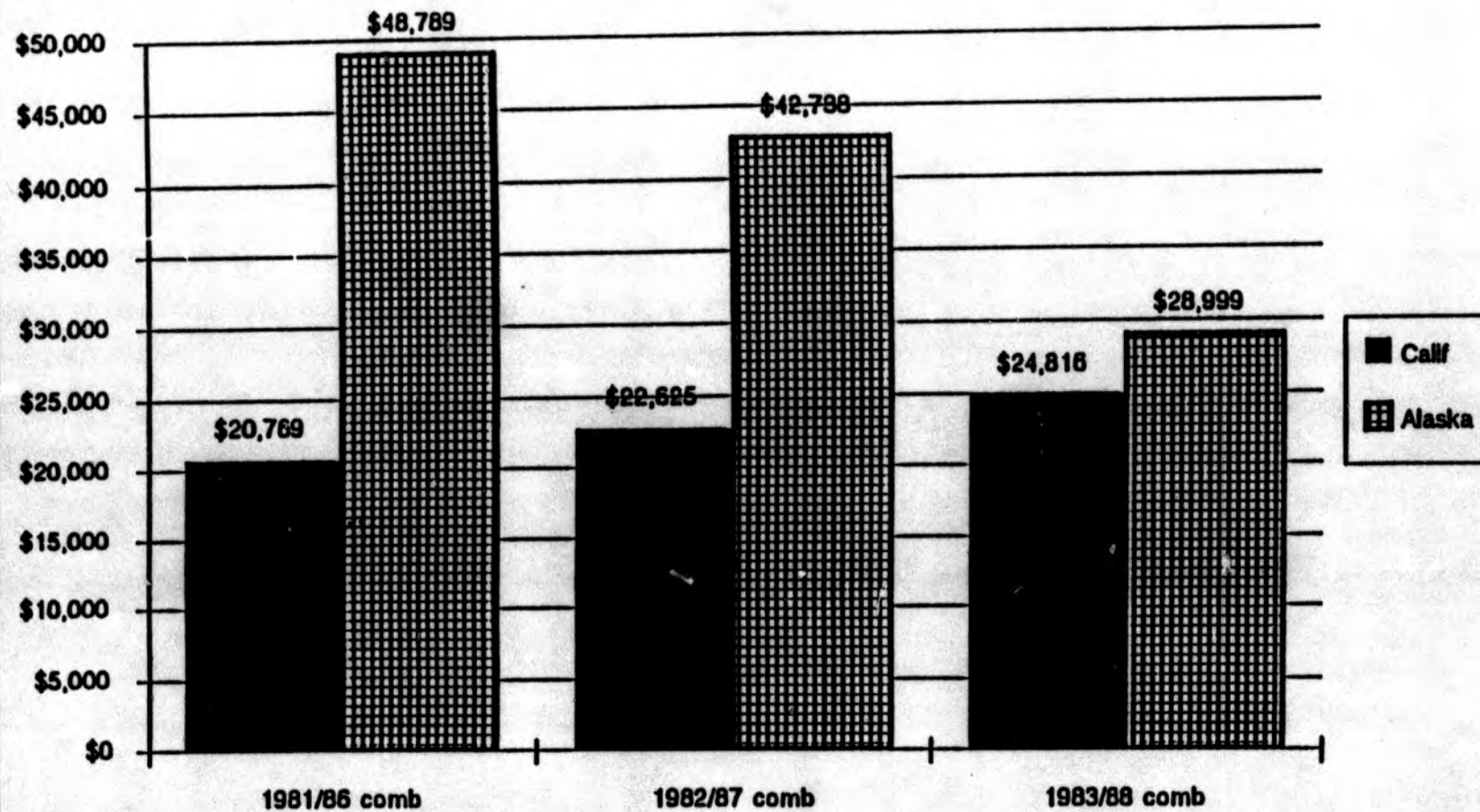
MIEC Incurred loss ratios -Alaska and California compared/ six year blocks combined



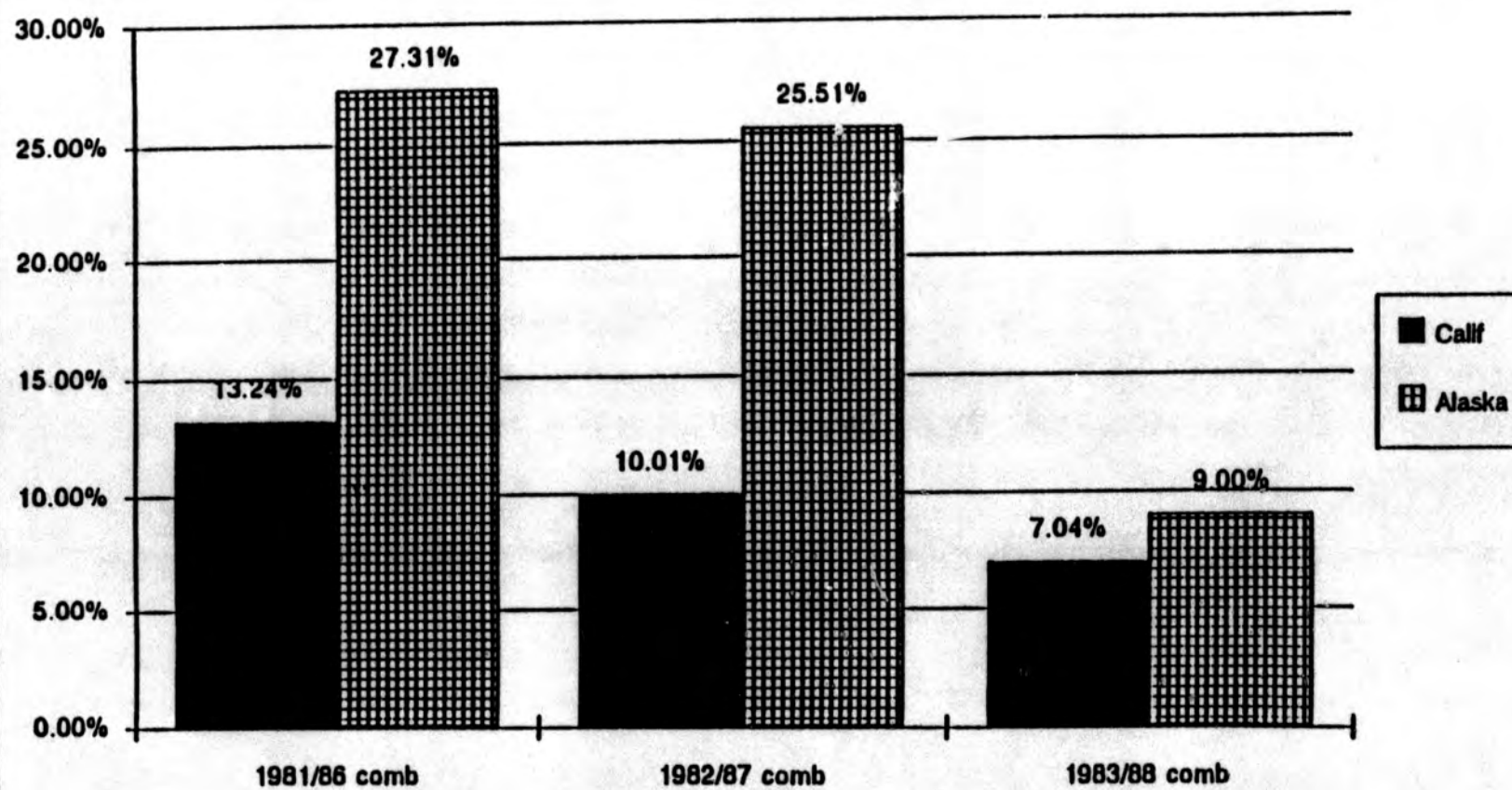
MIEC Frequency of claims reported per 100 doctors insured per year -Alaska and California compared/ six year blocks combined



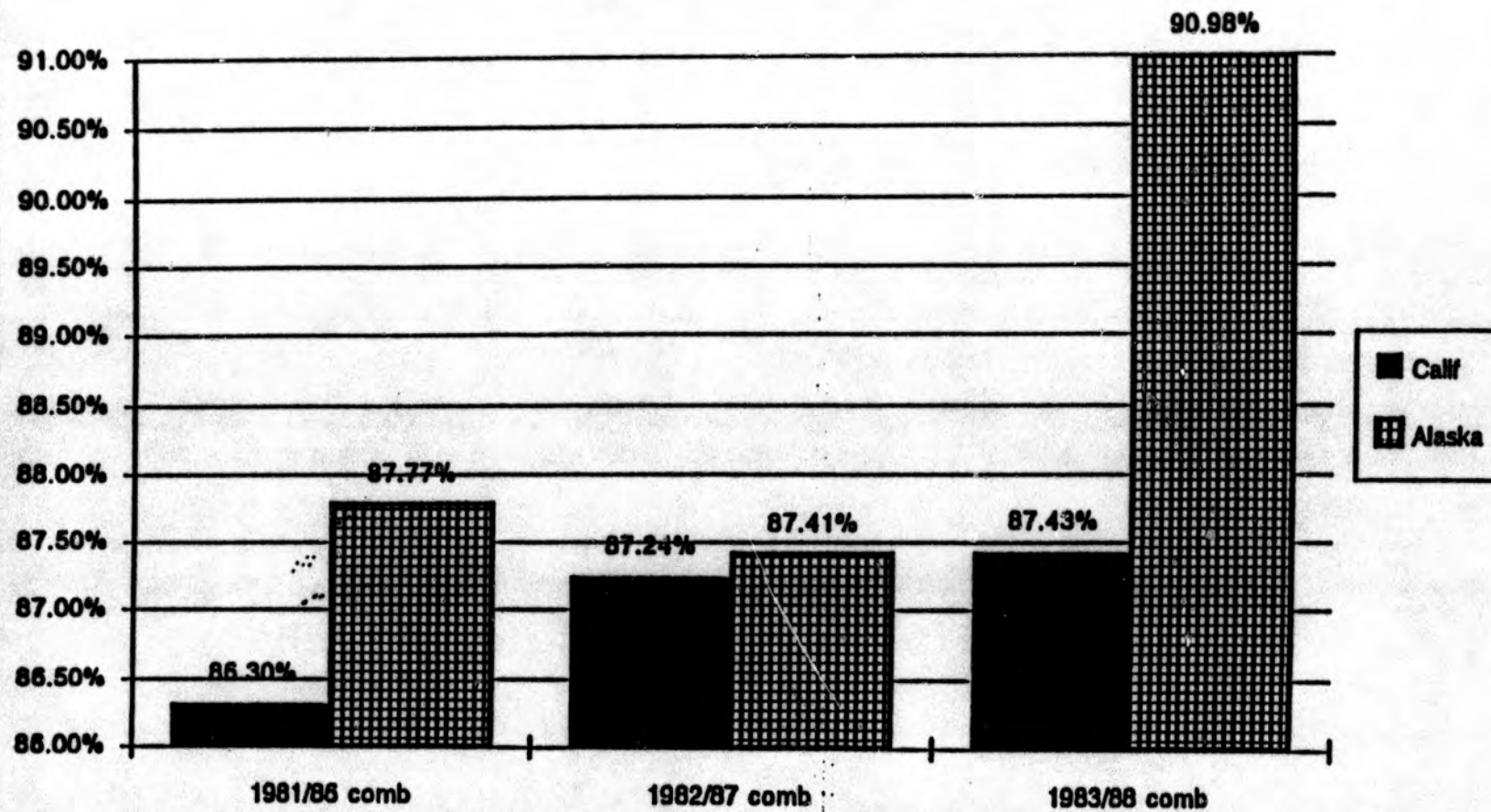
MIEC Average incurred loss costs -Alaska and California compared/ six year blocks combined

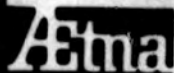


MIEC Percentage of total incurred claims costs which are in excess of \$250,000 -Alaska and California compared/six year blocks combined



MIEC Percentage of claims closed without indemnity payments -Alaska and California compared/ closed claims only/ six year blocks combined





Commercial Insurance Division
Century Square
1501 Fourth Avenue, Suite 1000
Seattle, WA 98101-1603
(206) 467-2640

November 20, 1989

Mr. David Rogers
Box 33932
Juneau, AK 99801

RE: Professional Liability Survey

Dear Mr. Rogers:

We acknowledge receipt of Mr. Sam Cotten's letter of October 30, 1989 which we received on November 13, 1989.

The requested data is unavailable in our Seattle office. We have inquired of our Home Office in Hartford, CT to determine whether or not such statistical information is available. We will inform you of the results of that inquiry shortly.

Sincerely,

Patrick Hughes
Assistant Claim Manager
Aetna Casualty & Surety

/mls



Commercial Insurance Division

151 Farmington Avenue
Hartford, Connecticut 06156

Frederic C. Ives, CPCU

Manager
Standard Markets Department
(203) 273-4736

January 8, 1989

Mr. David Rogers
Box 33932
Juneau, AK 99801

Dear Mr. Rogers:

RE: PROFESSIONAL LIABILITY SURVEY

This is in response to Representative Sam Cotten's request of October 30, 1989, for professional liability insurance data.

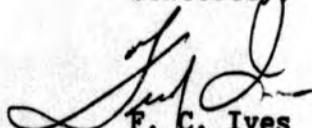
While we have not been able to access information as far back or in as much detail as you requested, enclosed is the following information:

- . Premiums and losses from 1983 through June, 1989.
- . Individual loss information since 1983.

Virtually all of this information pertains to hospitals.

I hope this information will be of assistance to you.

Sincerely,



F. C. Ives
Manager

eb

Enclosure

cc: Patrick Hughes, Assistant Claim Manager, Seattle
Kirk McDuffie, CID Claim, TN10

**ALASKA PROFESSIONAL LIABILITY
EARNED PREMIUMS AND INCURRED LOSSES AS OF JUNE, 1989**

MEDICAL PROFESSIONAL

	<u>EARNED PREMIUM</u>	<u>INCURRED LOSSES</u>	<u>PAID LOSSES</u>	<u>OUTSTANDING LOSSES</u>
1983	25,975	803,654	744,412	59,241
1984	27,941	170,725	65,277	105,448
1985	34,536	25,109	2,119	22,990
1986	43,184	752,926	0	752,926
1987	40,026	94,633	0	94,633
1988	93,661	255,000	0	255,000
thru 6/89	28,043	17,500	0	17,500

Premiums - Calendar Year

**Losses - Accident Year
Evaluated as of 6/30/89**

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 DH		0001005 54		82164	82181	83334	.00	.00	.00
081 DH		000011555 SCA							
081 DH		0002690 54		82188	82225	83059	220.00-	.00	.00
081 DH		000011555 SCA							
081 DH		0002690 54		82188	82225	83059	220.00	.00	.00
081 DH		000011555 SCA							
081 DH		0005460 54		81192	82298	83059	.00	.00	.00
081 DH		000011554 SCA							
081 DH		0005950 54		82261	82313	83151	.00	.00	.00
081 DH		000011555 SCA							
081 DH		0006430 54		82274	82328	87293	500,000.00-	.00	.00
081 DH		000011555 SCA							
081 DH		0006430 54		82274	82328	87293	1,000,000.00	.00	132,736.50
081 DH		000011555 SCA							
081 DH		0006435 54		82284	82328	83090	.00	.00	.00
081 DH		000011555 SCA							
081 DH		0007020 54		82114	82347	86272	15,000.00-	.00	1,466.33-
081 DH		000011555 SCA							
081 DH		0007020 54		82114	82347	86272	15,000.00	.00	1,466.33
081 DH		000011555 SCA							

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 DH		0007595 54		82300	82364	84152	3,300.00-	.00	5,185.66-
081 DH		000011555 SCA							
081 DH		0007595 54		82300	82364	84152	6,600.00	.00	5,185.66
081 DH		000011555 SCA							
081 DH		0007595 54		82300	82364	84152	3,300.00-	.00	.00
081 DH		000011555 SCA							
081 DH		0007750 54		77158	83006	83059	1,300.00-	.00	.00
081 DH		000010955 SCA							
081 DH		0007750 54		77158	83006	83059	1,300.00	.00	.00
081 DH		000010955 SCA							
081 DH		0007755 54		77158	83006	83151	.00	.00	.00
081 DH		000010955 SCA							
081 DH		0007760 54		78068	83006	83059	410.00-	.00	.00
081 DH		000010955 SCA							
081 DH		0007760 54		78068	83006	83059	410.00	.00	.00
081 DH		000010955 SCA							
081 DH		0012060 54		83150	85276	88203	163,000.00-	.00	69,185.24-
081 DH		000011556 SCA							
081 DH		0012060 54		83150	85276	88203	163,000.00	.00	69,185.24
081 DH		000011556 SCA							

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 DH	0012630	54	83123	83179	83243	.00	.00	.00	
081 DH	000011556	SCA							
081 DH	0012945	54	81122	83188	86329	.00	.00	938.92-	
081 DH	000011554	SCA							
081 DH	0012945	54	81122	83188	86329	.00	.00	938.92	
081 DH	000011554	SCA							
081 DH	0014090	54	82201	83220	83273	1,500.00-	.00	.00	
081 DH	000011555	SCA							
081 DH	0014090	54	82201	83220	83273	1,500.00	.00	.00	
081 DH	000011555	SCA							
081 DH	0016155	54	83007	83269	86031	.00	.00	7,294.70-	
081 DH	000011555	SCA							
081 DH	0016155	54	83007	83269	86031	.00	.00	7,294.70	
081 DH	000011555	SCA							
081 DH	0016460	54	83263	83278	85365	50,645.00-	.00	2,192.58-	
081 DH	000011556	SCA							
081 DH	0016460	54	83263	83278	85365	50,645.00	.00	2,192.58	
081 DH	000011556	SCA							
081 DH	0016585	54	81294	83279	86059	.00	.00	25,865.53-	
081 DH	000011554	SCA							

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 DH		0016585 54		81294	83279	86059	.00	.00	25,865.53
081 DH		000011554 SCA							
081 DH		0017330 54		83286	83299	88265	500,000.00-	.00	.00
081 DH		000011556 SCA							
081 DH		0017330 54		83286	83299	88265	912,878.36	.00	216,630.32
081 DH		000011556 SCA							
081 DH		0018570 54		83195	83320	84121	.00	.00	.00
081 DH		000011556 SCA							
081 DH		0018575 54		83256	83320	84335	.00	.00	300.00-
081 DH		000011556 SCA							
081 DH		0018575 54		83256	83320	84335	.00	.00	300.00
081 DH		000011556 SCA							
081 DC		0020545 54		83364	84009	85365	.00	.00	.00
081 DH		000011556 SCA							
081 DH		0021685 54		83022	84033	86031	.00	.00	2,651.69-
081 DH		000011555 SCA							
081 DH		0021685 54		83022	84033	86031	.00	.00	2,651.69
081 DH		000011555 SCA							
081 DH		0022270 54		80183	84046	85031	.00	.00	300.00-
081 DH		000011553 SCA							

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 DH		0022270 54		90183	84046	85031	.00	.00	300.00
081 DH		000011553 SCA							
081 DH		0022990 54		84061	84062	84121	.00	.00	.00
081 DH		000011556 SCA							
081 DH		0025490 54		84054	84123	85031	.00	.00	.00
081 DH		000011556 SCA							
081 DH		0028225 54		84076	84173	84305	.00	.00	.00
081 DH		000011556 SCA							
081 DH		0028425 54		81201	84178	87230	.00	.00	42,937.47-
081 DH		000011554 SCA							
081 DH		0028425 54		81201	84178	87230	.00	.00	42,937.47
081 DH		000011554 SCA							
081 DH		0028750 54		82171	84181	86031	.00	.00	1,444.89-
081 DH		000011555 SCA							
081 DH		0028750 54		82171	84181	86031	.00	.00	1,444.89
081 DH		000011555 SCA							
081 DH		0029545 54		82014	84198	86225	.00	.00	1,595.21-
081 DH		000011554 SCA							
081 DH		0029545 54		82014	84198	86225	.00	.00	1,595.21
081 DH		000011554 SCA							

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 DH		0029555 54		83168	84198	88131	10,000.00-	.00	39,897.02-
081 DH		000011556 SCA							
081 DH		0029555 54		83168	84198	88131	10,000.00	.00	39,897.02
081 DH		000011556 SCA							
081 DH		0034815 54		84185	84278	84335	362.84-	.00	.00
081 DH		000011558 SCA							
081 DH		0034815 54		84185	84278	84335	362.84	.00	.00
081 DH		000011558 SCA							
081 DH		0038170 54		84305	84325	85031	.00	.00	.00
081 DH		000011558 SCA							
081 DH		0042030 54		84335	85021	85031	.00	.00	141.00-
081 DH		000011558 SCA							
081 DH		0042030 54		84335	85021	85031	.00	.00	141.00
081 DH		000011558 SCA							
081 DH		0042035 54		84145	85021	85031	.00	.00	.00
081 DH		000011558 SCA							
081 DH		0044060 54		84333	85050	85120	.00	.00	.00
081 DH		000011558 SCA							
081 DH		0047825 54		8232J	85105	88288	.00	.00	7,114.00-
081 DH		000011555 SCA							

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 DH 081 DH		0047825 54 000011555 SCA		82323	85105	88288	.00	.00	7,114.00
081 DM 051 DZ		0049150 54 000251406 CWS		84318	85127	86031	65,177.08	.00	100.00
081 DH 081 DH		0049730 54 000011556 SCA		83136	85137	89051	500,000.00-	.00	.00
081 DH 081 DH		0049730 54 000011556 SCA		83136	85137	89051	500,000.00	.00	114,903.61
081 DH 081 DH		0050200 54 000011560 SCA		85130	87208	89174	.00	.00	12,448.15-
081 DH 081 DH		0050200 54 000011560 SCA		85130	87208	89174	.00	.00	12,148.15
081 DH 081 DH		0052425 54 000011556 SCA		83116	85184	88131	.00	.00	6,013.03-
081 DH 081 DH		0052425 54 000011556 SCA		83116	85184	88131	.00	.00	6,013.03
081 DH 081 DH		0054300 54 000011558 SCA		84135	85214	87238	107,000.00-	.00	106,660.23-
081 DH 081 DH		0054300 54 000011558 SCA		84135	85214	87238	107,000.00	.00	106,660.23

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR	POL	POLICY	POL						
OFF	SYM	NUMBER	NUM						
KEY			SUF						
081	DH	0054930 54		84284	85226	88273	.00	.00	23,900.99-
081	DH	000011558 SCA							
081	DH	0054930 54		84284	85226	88273	.00	.00	23,900.99
081	DH	000011558 SCA							
081	DH	0054935 54		85058	85226	85304	.00	.00	.00
081	DH	000011558 SCA							
081	DH	0058955 54		85291	85297	87043	.00	.00	1,905.84-
081	DH	000011560 SCA							
081	DH	0058955 54		85291	85297	87043	.00	.00	1,905.84
081	DH	000011560 SCA							
081	DH	0061195 54		85221	85337	86223	.00	.00	2,180.25-
081	DH	000011560 SCA							
081	DH	0061195 54		85221	85337	86223	.00	.00	2,180.25
081	DH	000011560 SCA							
081	DH	0061200 54		85316	85337	89152	500,000.00-	.00	26,518.27-
081	DH	000011560 SCA							
081	DH	0061200 54		85316	85337	89152	500,000.00	.00	26,518.27
081	DH	000011560 SCA							
081	DH	0061710 54		85243	85345	86223	.00	.00	344.40-
081	DH	000011560 SCA							

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 081	DH DH	0061710 000011560	54 SCA	85243	85345	86223	.00	.00	344.40
081 081	DH DH	0065980 000011555	54 SCA	82221	86049	88137	.00	.00	10,407.26-
081 081	DH DH	0065980 000011555	54 SCA	82221	86049	88137	.00	.00	10,407.26
081 081	DH DH	0067560 000011560	54 SCA	85156	86078	86233	.00	.00	311.75-
081 081	DH DH	0067560 000011560	54 SCA	85156	86078	86233	.00	.00	311.75
081 081	DH DH	0068060 000011556	54 SCA	84082	86085	89152	173,075.50-	.00	59,336.00-
081 081	DH DH	0068060 000011556	54 SCA	84082	86085	89152	173,075.50	.00	59,336.00
081 081	DH DH	0069690 000011560	54 SCA	85335	86113	86163	.00	.00	1,263.75-
081 081	DH DH	0069690 000011560	54 SCA	85335	86113	86163	.00	.00	1,263.75
081 081	DH DH	0070045 000011560	54 SCA	85361	86121	86196	3,000.00-	.00	580.75-

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 081	DH DH	0070045 000011560	54 SCA	85361	86121	86196	3,000.00	.00	580.75
081 081	DH DH	0075935 000011562	54 SCA	86219	86240	86268	.00	.00	.00
081 081	DH DH	0076245 000011560	54 SCA	85181	86247	87217	.00	.00	805.12-
081 081	DH DH	0076245 000011560	54 SCA	85181	86247	87217	.00	.00	805.12
081 081	DH DH	0078655 000011560	54 SCA	85316	86294	86346	.00	.00	2,799.29-
081 081	DH DH	0078655 000011560	54 SCA	85316	86294	86346	.00	.00	2,799.29
081 081	DH DH	0079305 000011555	54 SCA	82091	86308	86349	1,352.00-	.00	.00
081 081	DH DH	0079305 000011555	54 SCA	82091	86308	86349	1,352.00	.00	.00
081 081	DH DH	0081545 000011562	54 SCA	86252	86352	87218	.00	.00	4,295.57-
081 081	DH DH	0081545 000011562	54 SCA	86252	86352	87218	.00	.00	4,295.57

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STAT# COD	JATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 DH		0082100 54		86059	87006	87162	.00	.00	143.25-
081 DH		000011560 SCA							
081 DH		0082100 54		86059	87006	87162	.00	.00	143.25
081 DH		000011560 SCA							
081 DH		0082340 54		85338	87008	89152	315,603.00-	.00	53,110.67-
081 DH		000011560 SCA							
081 DH		0082340 54		85338	87008	89152	315,603.00	.00	53,110.67
081 DH		000011560 SCA							
081 DH		0083475 54		85336	87030	89039	.00	.00	45,658.16-
081 DH		000011560 SCA							
081 DH		0083475 54		85336	87030	89039	.00	.00	45,658.16
081 DH		000011560 SCA							
081 DH		0086080 54		87029	87092	87274	.00	.00	123.75-
081 DH		000011562 SCA							
081 DH		0086080 54		87029	87092	87274	.00	.00	123.75
081 DH		000011562 SCA							
081 DH		0087915 54		87127	87135	88152	200,000.00-	.00	4,416.83-
081 DH		000011564 SCA							
081 DH		0087915 54		87127	87135	88152	200,000.00	.00	4,416.83
081 DH		000011564 SCA							

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 DH		0088855 54		85073	87161	88110	.00	.00	2,119.04-
081 DH		000011560 SCA							
081 DH		0088855 54		85073	87161	88110	.00	.00	2,119.04
081 DH		000011560 SCA							
081 DH		0090205 54		86210	87197	87209	.00	.00	210.75-
081 DH		000011562 SCA							
081 DH		0090205 54		86210	87197	87209	.00	.00	210.75
081 DH		000011562 SCA							
081 DH		0093370 54		85255	87282	88194	.00	.00	8,157.03-
081 DH		000011560 SCA							
081 DH		0093370 54		85255	87282	88194	.00	.00	8,157.03
081 DH		000011560 SCA							
081 DH		0093375 54		87248	87282	88046	2,000.00-	.00	.00
081 DH		000011564 SCA							
081 DH		0093375 54		87248	87282	88046	2,000.00	.00	.00
081 DH		000011564 SCA							
081 DH		0093380 54		84196	87282	88278	.00	.00	5,677.90-
081 DH		000011558 SCA							
081 DH		0093380 54		84196	87282	88278	.00	.00	5,677.90
081 DH		000011558 SCA							

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR	POL	POLICY	POL						
OFF	SYM	NUMBER	NUM						
KEY			SUF						
081	DH	0098030 54		86165	88020	89038	75,000.00-	.00	2,679.60-
081	DH	000011562 SCA							
081	DH	0098030 54		86165	88020	89038	75,000.00	.00	2,679.60
081	DH	000011562 SCA							
081	DH	0098400 54		86021	88028	88166	.00	.00	.00
081	DH	000011560 SCA							
081	DH	0111185 54		86349	88295	89138	.00	.00	1,059.02-
081	DH	000011562 SCA							
081	DH	0111185 54		86349	88295	89138	.00	.00	1,059.02
081	DH	000011562 SCA							
081	DH	0112475 54		86262	88314	89209	.00	.00	223.90-
081	DH	000011562 SCA							
081	DH	0112475 54		86262	88314	89209	.00	.00	223.90
081	DH	000011562 SCA							
081	DH	0112705 54		88296	88319	89194	.00	.00	160.80-
081	DH	000011565 SCA							
081	DH	0112705 54		88296	88319	89194	.00	.00	160.80
081	DH	000011565 SCA							
081	DH	0115380 54		83076	89005	89044	.00	.00	.00
081	DH	000011555 SCA							

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 DR 081 DH		0119175 54 000011565 SCA		89058	89072	89194	.00	.00	.00
081 DH 081 DH		0260879 54 000010955 SCA		77279	81020	83304	.00	.00	19,418.83-
081 DH 081 DH		0260879 54 000010955 SCA		77279	81020	83304	.00	.00	19,418.83
081 DH 081 DH		0284826 54 000011552 SCA		79264	81327	83365	.00	.00	3,165.19-
081 DH 081 DH		0284826 54 000011552 SCA		79264	81327	83365	.00	.00	3,165.19
081 DH 081 DH		0286312 54 000011554 SCA		81127	83040	83273	614.36-	.00	.00
081 DH 081 DH		0286312 54 000011554 SCA		81127	83040	83273	614.36	.00	.00
081 DH 081 DH		0287678 54 000011553 SCA		81003	83025	84244	.00	.00	10,696.70-
081 DH 081 DH		0287678 54 000011553 SCA		81003	83025	84244	.00	.00	10,696.70
081 DH 081 DH		0288006 54 000011554 SCA		81255	82354	85304	74,787.48-	.00	58,246.34-

CLM KEY	CLM CLS LET	CLAIM SERIAL NUMBER	STATE CODE	DATE OF LOSS	ARISING DATE	DATE CLAIM CLOSED	INDEMNITY PAID AMOUNT	MEDICAL PAID AMOUNT	EXPENSE PAID AMOUNT
PRIOR OFF KEY	POL SYM	POLICY NUMBER	POL NUM SUF						
081 081	DH DH	0288006 000011554	54 SCA	81255	82354	85304	74,787.48	.00	58,246.34
081 081	DH DH	0289624 000011554	54 SCA	82028	82042	87197	10,369.43-	.00	25.00-
081 081	DH DH	0289624 000011554	54 SCA	82028	82042	87197	10,369.43	.00	25.00
081 081	DH DH	0290157 000011554	54 SCA	81362	82106	87313	1,200.00	.00	48,618.53-
081 081	DH DH	0290157 000011554	54 SCA	81362	82106	87313	.00	.00	48,618.53
081 081	DH DH	0290157 000011554	54 SCA	81362	82106	87313	1,200.00-	.00	.00
081 081	DH DH	0290366 000011552	54 SCA	80085	82111	84366	.00	.00	3,701.59-
081 081	DH DH	0290366 000011552	54 SCA	80085	82111	84366	.00	.00	3,701.59

TOTAL NUMBER OF ITEMS RETRIEVED 148

ATTORNEYS LIABILITY PROTECTION SOCIETY, INC.
A Risk Retention Group



EXECUTIVE OFFICES
SUITE 303, GLACIER BUILDING
P.O. BOX 9169
MISSOULA, MT 59807-9169
PHONE (406) 728-3113
FAX (406) 728-7416

A MULTI-STATE BAR RELATED PROFESSIONAL LIABILITY INSURANCE COMPANY

November 3, 1989

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Mike Thompson
Alaska

CLAIMS HOT LINE

800-367-4366

**Mr. David Rogers
Attorney at Law
Box 33932
Juneau, Alaska 99801**

Re: State of Alaska - Liability Survey

Dear Mr. Rogers:

As requested by Representative Sam Cotten, enclosed is our response to your Liability Survey.

ALPS has only been writing professional liability coverage for lawyers since March of 1988. Because we are such a young Company, we have very little loss experience information to offer.

To date, we have only 3 closed claims: an over-bid on a foreclosure that was settled prior to litigation, a Malicious Prosecution cross-Complaint that the Court dismissed and a Motion for Rule 11 Sanctions that was successfully defeated.

We wish you luck with your survey. If we can provide any additional information, please don't hesitate to call.

Sincerely,

ATTORNEYS LIABILITY PROTECTION SOCIETY, INC.

A handwritten signature in dark ink, reading "Bonnie Henkel". The signature is fluid and cursive, with the first name "Bonnie" and last name "Henkel" clearly distinguishable.

**BONNIE HENKEL
Claims Manager**

**cc: Representative Sam Cotten
Chairman, House Liability Task Force**

Robert W. Minto, Jr., President

STATE OF ALASKA
LIABILITY SURVEY

1. For each group, the total amount of premiums you have collected in Alaska for the last fifteen years which relate to liability insurance policies. \$728,325
03-01-88 to 09-30-89
2. Claims information for the fifteen year period as follows:

(1) Claim Synopsis

1. Date of event 04-29-88
2. Date suit filed N/A
3. Date case settled/verdict received 09-27-88
4. Statute of limitations (exception/basis) N/A
5. Percentage of comparative negligence N/A
6. Total payment \$11,359.99
7. Payment by each co-defendant none
8. Collateral source (amount/source available) N/A
9. Collateral source (amount/source allowed) N/A
10. Case evaluation (if 100% liable) \$11,359.99

Damages

1. Medical specials 0
2. Economic specials/income 0
3. Economic specials/out-going \$11,359.99
4. Pain and suffering 0
5. Disfigurement 0
6. Loss of enjoyment of life 0
7. Punitive 0
8. Loss of consortium 0
9. Other (specify) none
10. Prejudgment interest 0
11. Postjudgment interest 0

Method of Payment

1. Periodic payment (specifics)
2. Annuity (specifics)
3. Lump sum

Attorney Fees/Costs

1. Contingency fee/percentage plaintiff N/A
2. Rule 82 N/A
3. Costs/plaintiff N/A
4. Defense costs 36.80
5. Defense fees 693.75

3. From your experience, do you agree with this statement:
"a small percentage of professionals in each group are responsible for a large percentage of the claims?" Do you have statistics to support your answer?

STATE OF ALASKA

LIABILITY SURVEY

1. For each group, the total amount of premiums you have collected in Alaska for the last fifteen years which relate to liability insurance policies.
Lawyers' Professional Liability 03/01/68 to 04/30/84 = \$728,325
2. Claims information for the fifteen year period as follows:

(2) Claim Synopsis

1. Date of event *10-24-88*
2. Date suit filed *03-09-89*
3. Date case settled/verdict received *05-23-89*
4. Statute of limitations (exception/basis) *N/A*
5. Percentage of comparative negligence *N/A*
6. Total payment *0*
7. Payment by each co-defendant *none*
8. Collateral source (amount/source available) *n/a*
9. Collateral source (amount/source allowed) *n/a*
10. Case evaluation (if 100% liable) *defensible*

Damages

1. Medical specials *0*
2. Economic specials/income *0*
3. Economic specials/out-going *4,853.21*
4. Pain and suffering *0*
5. Disfigurement *0* *N/A*
6. Loss of enjoyment of life *0*
7. Punitive *0*
8. Loss of consortium *0*
9. Other (specify) *0*
10. Prejudgment interest *0*
11. Postjudgment interest *0*

Method of Payment

1. Periodic payment (specifics) *None*
2. Annuity (specifics)
3. Lump sum

Attorney Fees/Costs

1. Contingency fee/percentage plaintiff *n/a*
2. Rule 82 awarded *360.00*
3. Costs/plaintiff
4. Defense costs *0*
5. Defense fees *0*

3. From your experience, do you agree with this statement:
"a small percentage of professionals in each group are responsible for a large percentage of the claims?" Do you have statistics to support your answer? *-no*

STATE OF ALASKA

LIABILITY SURVEY

1. For each group, the total amount of premiums you have collected in Alaska for the last fifteen years which relate to liability insurance policies.
2. Claims information for the fifteen year period as follows:

3) Claim Synopsis

1. Date of event 10-13-88
2. Date suit filed 11-18-88
3. Date case settled/verdict received 05-09-89
4. Statute of limitations (exception/basis) n/a
5. Percentage of comparative negligence n/a
6. Total payment 0
7. Payment by each co-defendant none
8. Collateral source (amount/source available) n/a
9. Collateral source (amount/source allowed) n/a
10. Case evaluation (if 100% liable) defensible

Damages

1. Medical specials 0
2. Economic specials/income 0
3. Economic specials/out-going
4. Pain and suffering unk
5. Disfigurement 0
6. Loss of enjoyment of life 0
7. Punitive unk
8. Loss of consortium 0
9. Other (specify) 0
10. Prejudgment interest 0
11. Postjudgment interest 0

Method of Payment

1. Periodic payment (specifics) None
2. Annuity (specifics)
3. Lump sum

Attorney Fees/Costs

1. Contingency fee/percentage plaintiff n/a
2. Rule 82
3. Costs/plaintiff
4. Defense costs 0
5. Defense fees 0

3. From your experience, do you agree with this statement: "a small percentage of professionals in each group are responsible for a large percentage of the claims?" Do you have statistics to support your answer?

State of Alaska
Liability Survey
Page Two

4. If you carry other lines of liability insurance, please answer the above questions for each of those groups. *n/a*
5. What is your current rate structure? *See attached*
6. Are you aware of any availability problem in connection with any lines of liability insurance you carry? *No*



**RLI
INSURANCE
COMPANY**

9025 NORTH LINDBERGH DRIVE / PEORIA, ILLINOIS 61615 / TELEPHONE 309-692-1000

November 2, 1989

David Rogers
P.O. Box 33932
Juneau, AK 99801

RE: House Liability Task Force
Survey

Dear Mr. Rogers:

Please be informed that our Company, RLI Insurance Company, does not write any liability coverages in the State of Alaska, therefore, we are unable to complete the survey as directed to our attention by Representative Sam Cotton.

Very truly yours,

Gary P. Bonham, CPCU
Vice-President, Claims Department

GPB/sh

Victor O.

Schinnerer
& Company, Inc.

Two Wisconsin Circle, Chevy Chase, Maryland 20815-7003 • 301/961-9800 • Fax 301/951-5444 • Telex 261829

Thomas H. Porterfield, Jr.
Vice President

January 8, 1990

Representative Sam Cotten
Chairman, House Liability Task Force
Alaska State Legislature
PO BOX V
State Capitol
Juneau, AK 99811

COPY

Dear Representative Cotten:

Upon further consideration of your letter of October 20, 1989 we have concluded there is little that we can add to our response of November 6, regarding your liability survey.

While CNA/Schinnerer had been offering architects and engineers professional liability insurance in Alaska for the past 32 years this has, historically, been an extremely limited market for us. Our book of business has increased in the last three years, however, the experience is so undeveloped as to make it meaningless for any study purposes.

What we have in the way of claim information is also extremely limited and would be of little value. First, much of the information you have requested is subjective in nature and is not in the CNA files. Second, and perhaps of more importance, the survey appears to focus on bodily injury and medical malpractice claims. The typical claim against design professionals involve property damage or economic loss.

I have enclosed a recent American Institute of Architects insurance survey of the major insurers currently offering professional liability coverage to their members. You will note that only four of the eleven markets are currently writing in Alaska, and that the CNA/Schinnerer program is the only one writing on an admitted basis.

We are sorry that we cannot provide you with the information that you have asked for. If there is another way we can help, please let me know.

Cordially,


Thomas H. Porterfield, Jr.
Vice President

THP\enr

cc:

BOX 33932
Juneau, AK 99814

Vince Haneman
Dean of Engineering
University of Alaska at Fairbanks
Fairbanks, AK 99775



RECEIVED

FEB 27 1986

270 Insurance
ENGINEERING
GROUP

Peat, Marwick, Mitchell & Co.
Certified Public Accountants
Alaska Mutual Bank Building
601 West Fifth Avenue, Suite 700
Anchorage, Alaska 99501
907-276-7401

January 23, 1986

Dear Participants:

Attached are the results of the November, 1985 Errors and Omissions Insurance Survey conducted by the American Institute of Architects, Alaska Chapter, and the Alaskan Society of Professional Engineers. Fifty-five companies responded to the survey; however, only 43 companies provided information that could be utilized to compare changes from 1984 to 1985.

Exhibit I lists the individual responses of the 43 companies used in the survey. In addition, companies were categorized into six groups, based upon their 1984 revenue, and averages have been provided for each group. No significant changes in classification would have occurred if the companies had been categorized based upon their 1985 revenues.

Exhibit II provides a summary of comments made by respondents.

Several companies did not indicate whether their 1985 data was actual or quoted amounts; as such, the data for 1985 may not be the actual coverage, deductible and premium selected by a company.

If you have any questions please feel free to call me.

Very truly yours,

PEAT, MARWICK, MITCHELL & CO.

Larry L. Laughman

Larry L. Laughman
Senior Manager

LL:EM
Enclosure

**AMERICAN INSTITUTE OF ARCHITECTS, ALASKA CHAPTER
and the
ALASKA SOCIETY OF PROFESSIONAL ENGINEERS**

Errors and Omissions Insurance Survey

November 1985

Exhibit 1

AMERICAN INSTITUTE OF ARCHITECTS, ALASKA CHAPTER
and the
ALASKA SOCIETY OF PROFESSIONAL ENGINEERS

Errors and Omissions Insurance Survey

November 1985

1984 Revenue	Contract	Coverage		Responsible		Premium		Multiplier
		1984	1985	1984	1985	1984	1985	
Less than \$200,000	1	\$ 1,000,000	1,000,000	5,000	5,000	3,000	13,104	4.37
	2	100,000	100,000	5,000	5,000	8,300	7,172	8.07
	3	100,000	250,000*	5,000	5,000	1,500	8,500	5.67
	4	500,000	500,000	5,000	5,000	4,800	13,700	2.85
	5	1,000,000	1,000,000	2,500	10,000*	3,000	36,900	12.17
	6	250,000	150,000*	5,000	5,000	8,000	21,000	5.29
	7	500,000	500,000	5,000	5,000	3,973	17,272	4.35
	8	500,000	500,000	5,000	5,000	8,500	10,387	1.51
Average	8	493,750	550,000	4,587	5,625	3,708	15,954	4.31
\$200,001 to \$499,999	9	\$ 1,000,000	1,000,000	5,000	5,000	7,600	21,800	2.85
	10	1,000,000	1,000,000	5,000	10,000	7,900	33,154	4.20
	11	---"Not Provided"---	---	5,000	5,000	6,500	31,000	4.77
	12	1,000,000	500,000*	10,000	15,000*	8,425	30,000	3.56
	13	1,000,000	1,000,000	10,000	10,000	26,000	130,000	5.00
	14	500,000	500,000	5,000	5,000	5,000	17,000	3.40
	15	---"Not Provided"---	---	5,000	5,000	7,700	19,995	2.57
	16	1,000,000	1,000,000	5,000	10,000*	11,050	37,844	3.82
	17	500,000	500,000*	40,000	40,000	17,952	11,500	.64
	18	100,000	100,000	10,000	10,000	8,714	66,750	7.66
Average	9	752,800	700,000	10,000	11,300	10,703	39,920	3.73
\$500,000 to \$999,999	19	\$ 1,000,000	1,000,000	25,000	25,000	18,000	54,000	3.00
	20	1,000,000	1,000,000	10,000	10,000	19,000	29,000	1.53
	21	500,000	1,000,000*	10,000	10,000	23,600	40,000	1.69
	22	1,000,000	1,000,000	7,500	10,000*	6,500	96,000	14.77
	23	1,000,000	1,000,000	15,000	15,000	26,100	29,736	1.10
	24	1,000,000	1,000,000	15,000	15,000	7,400	23,500	2.80
	25	100,000	100,000	10,000	10,000	12,000	16,000	1.33
	26	1,000,000	250,000*	15,000	15,000	39,000	63,147	1.62
	27	1,000,000	1,000,000	20,000	20,000	21,244	74,401	3.47
	Average	844,444	816,666	16,167	14,444	19,289	47,099	2.44
\$1,000,000 to \$1,999,999	28	\$ 500,000	500,000	10,000	20,000*	15,500	44,500	2.87
	29	1,000,000	1,000,000	25,000	25,000	24,000	139,000	5.82
	30	---"Not Provided"---	---	10,000	20,000*	17,000	44,000	2.59
	31	500,000	500,000	5,000	10,000*	11,800	46,972	3.99
	32	---"Not Provided"---	---	10,000	20,000*	12,931	79,374	2.20
Average	30	656,666	666,666	12,000	19,000	20,666	68,969	3.14
\$2,000,000 to \$5,000,000	33	\$ 1,000,000	1,000,000	40,000	50,000*	30,000	130,000	4.33
	34	1,000,000	1,000,000	50,000	50,000	44,937	127,000	2.83
	35	1,000,000	1,000,000	25,000	50,000*	27,934	110,012	3.94
	36	2,000,000	2,000,000	50,000	50,000	70,000	114,000	1.63
	37	2,000,000	2,000,000	100,000	100,000	45,392	66,952	1.47
	38	1,000,000	1,000,000	10,000	25,000*	66,809	147,475	2.24
	39	2,000,000	2,000,000	50,000	75,000*	123,228	119,544	.90
	Average	1,428,571	1,428,571	46,429	57,143	59,697	116,426	1.95
Over \$5,000,000	40	\$ 1,500,000	1,500,000	100,000	100,000	95,000	220,000	4.00
	41	2,000,000	2,000,000	50,000	75,000*	190,000	365,000	1.92
	42	---"Not Provided"---	---	25,000	25,000	30,000	35,000	1.17
	43	---"Not Provided"---	---	50,000	250,000*	50,000	150,000	3.00
Average	40	1,750,000	1,750,000	58,250	112,500	81,250	192,500	2.37

* Quote at 1984 level not provided.

* Actual or quoted.

Exhibit 2

AMERICAN INSTITUTE OF ARCHITECTS, ALASKA CHAPTER
and the
ALASKA SOCIETY OF PROFESSIONAL ENGINEERS

Errors and Omissions Insurance Survey

November 1985

The following is a summary of comments by respondents:

- The triple cost of premiums made it unfeasible for a small firm, such as ours, to continue to carry this coverage.
- New policy with new carrier - they would not cover prior acts, so the retroactive date became the date of the new policy. I am still trying to find insurance for my prior acts.
- Coverage was not renewed for 1985 due to an increase in premiums of over 400%.
- We are doing without errors and omissions insurance. In ten years of practice, we have never litigated a claim. In view of our reduced practice and low-risk projects, the premium increase is unconscionable. The insurance industry has a problem, not us, but they want us to pay for it.
- Applications were submitted to five firms. So far, two have declined, one pulled out of Alaska, one said its gross income was too small and still no response from the fifth. Did offer suggestions of a higher deductible and instead of the \$500,000 limit, suggested even \$250,000, but so far no response.
- The firm is now, in essence, uninsurable as the project insurance contract was canceled. The current practice of the insurance industry is an apparent deliberate method of putting the small businesses in this country either out of business entirely or at an uncompetitive disadvantage for lack of ability to obtain required insurance coverage.
- My old insurance broker sold the company to another broker who in turn sold to an Eastern company this year. At the same time, our insurance was due for renewal and the old insurance underwriter would not renew A&E liability insurance in Alaska. We had to find a new broker who filed applications with three companies but was having trouble getting quotations. In the meantime, the State DOT&PF terminated a contract we were working on for some time due to the fact that we did not have insurance coverage for a short period of time.

AMERICAN INSTITUTE OF ARCHITECTS, ALASKA CHAPTER
and the
ALASKA SOCIETY OF PROFESSIONAL ENGINEERS

Errors and Omissions Insurance Survey

- Errors and omissions insurance may not be affordable for us next year.
- Did not renew because of the cost. One of my clients is requiring \$500,000 in errors and omissions insurance. I am trying to get a new quote without prior acts coverage.
- Half the coverage for almost four times the premium -- that is an 800% increase. The carrier already told us we can expect a 20% to 30% increase for next year. This may tap us to the limit, that is, fold our doors. It is about time the federal government and the Alaska State legislature did something positive to keep small business firms in business. It is getting extremely difficult to compete with the big boys, especially with these dramatic insurance increases!
- In 1985, dropped coverage from \$1,000,000 with \$7,500 deductible to \$500,000 with \$10,000 deductible and the premium paid was \$34,000. Don't remember the May 24, 1985 questionnaire. Since my coverage runs from August 31 to August 31, it was easier to give you the actual amounts as they appear on my application for errors and omissions insurance. Basically, when considering we are paying five times the premiums for half the coverage, that represents a 1000% increase!



Peat, Marwick, Mitchell & Co.
Certified Public Accountants
Alaska Mutual Bank Building
601 West 5th Avenue, Suite 700
Anchorage, Alaska 99501

July 29, 1985

To the Participants:

Enclosed are the results of the survey covering errors and omissions insurance for the past five years. If you have any questions, please call me.

Yours very truly,

PEAT, MARWICK, MITCHELL & CO.

Larry L. Laughman
Larry L. Laughman
Senior Manager

LLL:EM

Enclosures

RECEIVED
Jul 31 1985
ENGINEERING
GROUP

Errors & Omissions Insurance Questionnaire

Firms With Gross Receipts of \$1,000,000 or Less

0431001240 0401 34118751937 67:01 68, 07 100

**THE AMERICAN INSTITUTE OF ARCHITECTS
ALASKA CHAPTER**

Errors & Omissions Insurance Questionnaire

Firms With Gross Receipts of \$1,000,001 to \$2,000,000

	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>
Errors & Omissions Premiums					
Low	14,183	7,100	9,154	7,000	15,015
Average	26,654	16,822	20,168	13,042	19,238
High	40,000	25,000	31,741	21,000	23,461
Gross Receipts					
Low	1,091,779	1,100,000	1,139,059	1,200,000	1,318,669
Average	1,533,955	1,548,958	1,601,728	1,525,000	1,506,834
High	2,000,000	1,994,793	1,900,000	1,700,000	1,695,000
Policy Limits:					
Coverage					
Low	100,000	100,000	100,000	500,000	500,000
Average	820,000	820,000	835,714	875,000	500,000
High	1,000,000	1,000,000	1,000,000	1,000,000	500,000
Deductible					
Low	7,500	5,000	5,000	5,000	15,000
Average	23,500	16,500	35,357	12,500	20,000
High	40,000	30,000	100,000	25,000	25,000
Defense					
Low	-0-	-0-	-0-	-0-	-0-
Average	-0-	-0-	15,000	10,000	-0-
High	-0-	-0-	15,000	10,000	-0-
Claims					
Low	-0-	-0-	-0-	-0-	-0-
Average	-0-	-0-	-0-	-0-	-0-
High	-0-	-0-	-0-	-0-	-0-
Unsettled					
Low	-0-				
Average	7,500				
High	15,000				

THE AMERICAN INSTITUTE OF ARCHITECTS
ALASKA CHAPTER

Errors & Omissions Insurance Questionnaire

Firms With Gross Receipts of \$2,000,001 to \$3,000,000

	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>
Errors & Omissions Premiums					
Low	4,200	17,000	15,000	21,035	21,508
Average	37,502	31,195	34,065	25,171	24,175
High	70,805	47,889	45,000	29,308	25,679
Gross Receipts					
Low	2,240,000	2,100,000	2,725,491	2,546,240	2,020,000
Average	2,420,000	2,509,421	2,841,830	2,636,784	2,182,063
High	2,600,000	2,970,661	2,900,000	2,727,328	2,337,782
Policy Limits:					
Coverage					
Low	500,000	1,000,000	1,000,000	1,000,000	1,000,000
Average	1,250,000	1,250,000	1,000,000	1,000,000	1,000,000
High	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000
Deductible					
Low	5,000	10,000	10,000	10,000	10,000
Average	12,500	25,000	25,000	30,000	25,000
High	20,000	50,000	40,000	50,000	50,000
Defense					
Low	-0-	-0-	-0-	-0-	-0-
Average	-0-	15,000	25,000	15,000	15,000
High	-0-	15,000	25,000	15,000	15,000
Claims					
Low	-0-	-0-	-0-	-0-	-0-
Average	-0-	-0-	-0-	-0-	-0-
High	-0-	-0-	-0-	-0-	-0-
Unsettled					
Low	7,000				
Average	7,000				
High	7,000				

**THE AMERICAN INSTITUTE OF ARCHITECTS
ALASKA CHAPTER**

Errors & Omissions Insurance Questionnaire

Firms With Gross Receipts Over \$3,000,000

	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>
Errors & Omissions Premiums					
Low	50,000	35,598	22,698	16,820	26,108
Average	102,681	76,219	57,757	39,121	36,857
High	159,978	217,872	129,321	71,200	50,000
Gross Receipts					
Low	3,300,000	3,146,000	3,375,776	3,427,738	3,028,000
Average	5,360,459	5,790,533	6,218,572	5,058,125	4,372,250
High	8,000,000	13,660,674	10,948,700	7,000,000	7,000,000
Policy Limits:					
Coverage					
Low	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Average	1,142,857	1,750,000	2,125,000	1,780,000	1,000,000
High	2,000,000	5,000,000	5,000,000	5,000,000	1,000,000
Deductible					
Low	25,000	20,000	-0-	-0-	-0-
Average	123,571	81,000	85,000	63,571	36,666
High	250,000	250,000	250,000	250,000	50,000
Defense					
Low	-0-	-0-	-0-	-0-	-0-
Average	25,000	37,500	50,000	50,000	-0-
High	25,000	50,000	50,000	50,000	-0-
Claims					
Low	-0-	-0-	-0-	-0-	25,000
Average	-0-	505,000	162,500	10,000	250,000
High	-0-	1,000,000	315,000	10,000	250,000
Unsettled					
Low	-0-				
Average	3,600,000				
High	3,600,000				

FRANKLIN & ALLEN, INC.
Consulting Engineers1813 East First Avenue
Suite 207
Anchorage, Alaska 99501
(907) 577-1831

May 8, 1983

To: Alaska Professional Design Council
Subcommittee on Liability Insurance**The Situation**

The insurance industry throughout the United States has recently suffered severe losses through poor management and through an unanticipated generous award philosophy within the court systems. This has caused the industry to re-evaluate its financial position resulting in large increases in insurance premiums or total withdrawal from certain high risk markets. This disruption within the insurance industry has created an unusual situation for the Alaskan professional design community. During this period of increasing rates the public agencies are continuing to ask for additional and increased amounts of coverage in all facets of insurability. This has caused increased concern within an insurance industry that already considers the Alaska design professional a high risk. Upon alerting agency risk management personnel of the increasing problem their response has not been encouraging. It is evident that without a change in this very conservative attitude the agency insurance requirements are affecting many areas of the profession. Problems which have been discussed include the following:

The Problem

1. The Insurance Industry considers Alaska a high risk area.
2. The public agencies assume a no risk position with respect to construction contracts.
3. The typical design professional does not understand the risk he assumes when signing a current agency contract.
4. Insurance rates in general have shown a marked increase creating an unknown future cost for the typical business. Errors and Omissions Liability Insurance rates have typically increased 300% to 400% with some firms reporting increases as high as 1,000%. This makes E & O Liability Insurance uneconomical for the small Alaska owned design firm.
5. The statute of limitations is not well defined. The statute has come under question in the Alaska Court System. The insurance requirement with respect to the statute is not defined.

6. The agency is not getting the risk protection that it has assumed. With increased cost of insurance some design professionals have E & O Policies which have the following limits:
 - a. No past acts coverage.
 - b. Very high deductibles.
 - c. Insurance covers defense costs only.
7. Increasing numbers of design professionals are electing to continue business without insurance. Since agency work requires insurance this invites out of state firms which may normally operate in a low risk area and pay low rates for insurance to market design services in Alaska.
8. Project management service contracts have tended to increase the amount of litigation with respect to construction contracts therefore increasing the risk to the designer.
9. The legal climate within the state tends to encourage law suits with very high awards for punitive damages.

All of the problems stated above have negative effects on the design profession and have significantly increased the cost of construction in Alaska. These costs have been carried by the general public and have been used to develop expanded legal and insurance industries. In the interest of the general public and the professional design community the APDC would like to support the following actions and encourage all professional societies to do the same.

Actions

1. Provide direction to remove uninsurable clauses from agency contracts.
2. Define a level of insurability that is economical.
3. Define standard terms:
 - a. Negligence
 - b. Omissions
 - c. Errors
 - d. Statute of limitations
4. Reduce liability through legislative action.
 - a. Do not allow punitive damages
 - b. Limit liability to some function of fee.
 - c. Limit liability to extent of involvement.

5. Education of general public. Especially:

- a. Project Manager**
- b. Owners**
- c. AGC**
- d. Agencies**

6. Inform Insurance Companies of resulting lower risk.

The intention of the foregoing discussion is to provide a level of protection to the general public which is economical while still building on the technical expertise of the design community in Alaska. If steps are not taken to protect these issues the level of technical expertise in the community as a whole will suffer through the closing of Alaskan owned firms and the exporting of design services to out of state firms.

DPIC COMPANIES



November 8, 1989

Representative Sam Cotten
Chairman, House Liability Task Force
ALASKA STATE LEGISLATURE
P. O. Box V
State Capitol
Juneau AK 99811

Dear Representative Cotten:

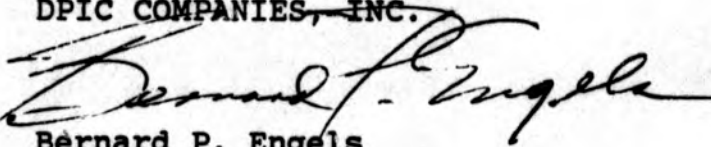
I am in receipt of your letter dated October 20, 1989.

We insure architects and engineers in all states, except Alaska, for their professional liability insurance coverage only. Therefore, we have very little experience in your state. To answer your questionnaire would undoubtedly skew your survey.

If you still desire this information from us, please advise.

Very truly yours,

DPIC COMPANIES, INC.



Bernard P. Engels
Senior Vice President

BPE:cb



Shand Morahan

Shand Morahan & Company, Inc.
Shand Morahan Plaza
Evanston, Illinois 60201
708/866-2800

November 13, 1989

**Mr. David Rogers
Box 33932
Juneau, AK 99801**

Dear Mr. Rogers:

We have received the enclosed correspondence addressed to Humana.

Sincerely,



Michael G. Welbel

**Assistant Vice President
Architects & Engineers
Underwriting Department**

**MGW/rap
Enclosure**

Industrial Indemnity
a Crum and Forster organization

Home Office
255 California Street
San Francisco, California 94111
Mailing Address: P.O. Box 7468
San Francisco, California 94120
Direct Dial (415) 627-5467
Main Number (415) 627-5000

Lawrence O. Monin
Senior Vice President
and General Counsel

November 6, 1989

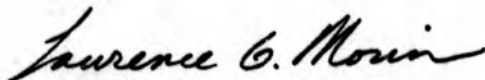
The Hon. David Rogers
Alaska State Legislature
Box 33932
Juneau, AK 99801

Dear Mr. Rogers:

Representative Cotten's letter to the Industrial Indemnity Company of Alaska dated October 20, 1989 has been forwarded to me for my attention. In it, Representative Cotten requested information relating to our writings of professional liability insurance in Alaska. Since we have no such writings, Industrial Indemnity of Alaska has nothing to report.

Thank you, however, for your courtesy in writing. Best wishes on your endeavor.

Sincerely,



Lawrence O. Monin
Senior Vice President & General Counsel
INDUSTRIAL INDEMNITY COMPANY

CLAIMS INFORMATION
OTHER



Alaska National

INSURANCE COMPANY

A policy of service and protection

November 9, 1989

The Honorable Sam Cotten
Chairman, House Liability Task Force
Alaska State Legislature - House
P.O. Box V
Juneau, Alaska 99811

Dear Representative Cotten:

Thank you for your letter dated October 20, 1989, requesting information regarding liability insurance and civil justice in Alaska.

While your letter refers to non-professional liability, it is my understanding that the availability and affordability issues being considered by your Task Force relate principally to professional liability. Alaska National does not write professional liability insurance.

We do write commercial auto and general liability insurance. Since inception of the company in October, 1980, we have received notice of approximately 2,750 liability claims. Of that amount, approximately 240 claims have progressed to some stage of litigation. Of these 240 claims, 130 have been settled and/or closed without proceeding to trial. Five claims have actually gone to trial with a decision rendered by the court. The remaining 105 are still open and are in various stages of litigation. Based upon past experience, only a handful of these cases are likely to go to trial.

As to those claims where the final decision was reached in court, we would be willing to provide information which already is available as public information. To the extent we do not breach any confidentiality requirements, we also would be willing to provide additional information on those specific cases which may be in our internal files. Even so, I am not sure that all of the detailed information which you requested would be known to us.

As to cases which are currently in some stage of litigation, it would be detrimental to our insured's (and our) interest to divulge confidential data. If and when these cases are decided by the court system, we would be willing to provide the data.

As to cases which have been settled short of the litigation process, we are not in a position to disclose the details of these claim settlements. To do so would place our claims management and adjusting personnel at an unfair disadvantage in negotiating current and future settlements, and would therefore be a disservice to our

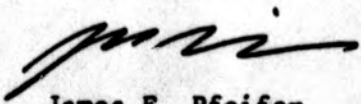
The Honorable Sam Cotten
November 9, 1989
Page 2

company and our insureds. I can say that, in negotiating claim settlements, we are guided by our insurance policy language, Alaska statutes, court determined law and basic considerations of fairness and equity.

We see no evidence that an availability problem exists for the liability lines which we write.

Because we do not write professional liability insurance and because the number of actual cases concluded in court for the lines we do write is so small, I am not sure that our data would be helpful. However, if you deem otherwise, let me know and we will provide as much as we can.

Yours truly,



James E. Pfeifer
President

JEP:lw

**CLAIMS INFORMATION
SELF-INSURED**

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RISK MANAGEMENT

STEVE COWPER, GOVERNOR

P.O. BOX C
JUNEAU, ALASKA 99811-0218
PHONE: (907) 465-2180

November 7, 1989

David Rogers
House Liability Task Force
P.O. Box 33932
Juneau, AK 99801

Re: Liability Survey

Dear David:

I am responding to Representative Sam Cotton's October 20 letter addressed to this office requesting we respond to the committee's survey questionnaire.

As I mentioned to you on the phone, the requested information is really not possible to provide. While we do compile individual claims information in our risk management information system, we do not capture anywhere near the detail that your questionnaire calls for.

In an initial effort to respond to your search I am enclosing our most recent annual and actuarial reports that will provide background information as to our self-insured program as well as the projected ultimate loss and allocated loss expense of claims filed against the state.

Once you've had a chance to digest this material I suggest we sit down and discuss the details of the claims information available in our data system. Perhaps a demonstration would be the most efficient method of displaying what data we are capable of producing.

In the interim, if you have any questions with the attached reports, do not hesitate to give us a call.

Sincerely,


Brad Thompson
Deputy Director

w/enc.

cc: Don Hitchcock, Director

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RISK MANAGEMENT

STEVE COWPER, GOVERNOR

P.O. BOX C
JUNEAU, ALASKA 99811-0218
PHONE: (907) 465-2180

December 28, 1989

David Rogers
House Liability Task Force
P.O. Box 33932
Juneau, AK 99801

Re: State Liability Claims Experience

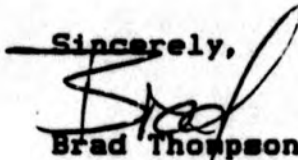
Dear David:

You have asked for any additional claims exhibits evidencing the state's experience in liability claims.

Attached is an exhibit we have on file that shows the loss stratification on general liability claims filed against the state. This exhibit does not include medical malpractice claims experience.

If you have any additional questions, do not hesitate to give me a call.

Sincerely,


Brad Thompson
Deputy Director

v/enc.

cc: Don Hitchcock, Director

GENERAL LIABILITY - RANGE TABLE - 12/28/89

CLAIMS MADE ANALYSIS

FREQUENCY, SEVERITY, & AVERAGE

FOR TOTAL INCURRED CLAIMS W/IN SPECIFIED RANGES

FISCAL YEAR	0 - 50,000	50,001 - 75,000	75,001 - 100,000	101,000 - 125,000	125,001 - 150,000	150,001 - 175,000	175,001 - 200,000	200,001 - 250,000	250,001 - 300,000	OVER 300,001	TOTALS
81											
TOTAL \$	505,299	183,023	89,887	0	0	0	0	233,235	549,328	5,300,812	6,961,575
FREQ	223	3	1	0	0	0	0	1	2	1	231
AVG LOSS	2,714	61,000	89,887	0	0	0	0	233,235	274,660	5,300,812	30,137
82											
TOTAL \$	674,080	347,837	0	0	0	153,367	192,487	248,419	0	2,294,281	3,910,471
FREQ	207	6	0	0	0	1	1	1	0	6	222
AVG LOSS	3,256	57,973	0	0	0	153,367	192,487	248,419	0	382,380	17,615
83											
TOTAL \$	725,175	52,655	166,378	326,956	427,348	0	0	202,672	293,731	1,059,271	3,234,186
FREQ	307	1	2	3	3	0	0	1	1	1	319
AVG LOSS	2,297	52,655	83,189	108,985	142,449	0	0	202,672	293,731	1,059,271	10,139
84											
TOTAL \$	650,812	254,195	260,151	106,508	139,518	325,525	199,026	654,843	0	0	2,609,779
FREQ	341	4	3	1	1	2	1	3	0	0	356
AVG LOSS	1,936	66,049	86,717	106,508	139,518	162,763	199,026	218,281	0	0	7,331
85											
TOTAL \$	1,115,152	188,421	291,580	338,738	126,732	174,734	0	212,277	0	1,023,104	3,470,738
FREQ	501	3	3	3	1	1	0	1	0	1	514
AVG LOSS	2,226	62,807	97,193	112,913	126,732	174,734	0	212,277	0	1,023,104	6,752
86											
TOTAL \$	987,237	324,505	359,290	0	150,000	168,766	0	226,966	534,561	1,668,782	4,420,187
FREQ	487	5	4	0	1	1	0	1	2	2	503
AVG LOSS	2,027	64,901	89,823	0	150,000	168,766	0	226,966	267,281	834,391	8,787
87											
TOTAL \$	646,482	482,000	0	106,441	0	0	0	250,000	560,000	4,123,654	6,168,557
FREQ	314	7	0	1	0	0	0	1	2	5	329
AVG LOSS	2,059	68,869	0	106,441	0	0	0	250,000	280,000	824,731	18,693
88											
TOTAL \$	988,180	370,472	289,552	108,631	450,000	155,000	0	210,000	280,000	4,377,730	7,229,565
FREQ	286	6	3	1	3	1	0	1	1	5	307
AVG LOSS	3,455	61,745	96,517	108,631	150,000	155,000	0	210,000	280,000	875,546	23,549
89											
TOTAL \$	1,352,685	0	195,000	0	435,000	170,076	0	0	0	0	2,152,761
FREQ	304	0	2	0	3	1	0	0	0	0	310
AVG LOSS	4,450	0	97,500	0	145,000	170,076	0	0	0	0	6,944
TOTALS											
TOTAL \$	7,734,382	2,213,187	1,651,838	987,274	1,720,598	1,147,467	391,513	2,238,412	2,217,612	19,847,634	40,157,656
FREQ	2,970	35	19	9	12	7	2	10	8	21	3,052
AVG LOSS	2,584	63,234	91,769	109,697	144,050	163,924	195,757	223,841	277,282	945,125	12,968

AUTO LIABILITY - RANGE TABLE - 12/28/89
CLAIMS MADE ANALYSIS
FREQUENCY, SEVERITY, & AVERAGE
FOR TOTAL INCURRED CLAIMS W/IN SPECIFIED RANGES

FISCAL YEAR	0 - 50,000	50,001 - 75,000	75,001 - 100,000	101,000 - 125,000	125,001 - 150,000	150,001 - 175,000	175,001 - 200,000	200,001 - 250,000	250,001 - 300,000	OVER 300,001	TOTALS
81											
TOTAL \$	351,100	0	0	0	0	0	0	0	0	0	351,100
FREQ	427	0	0	0	0	0	0	0	0	0	427
AVG LOSS	822	0	0	0	0	0	0	0	0	0	822
82											
TOTAL \$	523,321	50,021	0	0	0	0	0	0	0	0	573,342
FREQ	578	1	0	0	0	0	0	0	0	0	579
AVG LOSS	905	50,021	0	0	0	0	0	0	0	0	990
83											
TOTAL \$	503,065	72,000	0	0	134,197	0	0	0	0	0	709,262
FREQ	623	1	0	0	1	0	0	0	0	0	625
AVG LOSS	807	72,000	0	0	134,197	0	0	0	0	0	1,135
84											
TOTAL \$	297,943	114,584	0	0	0	0	0	0	0	0	412,527
FREQ	340	2	0	0	0	0	0	0	0	0	342
AVG LOSS	876	57,292	0	0	0	0	0	0	0	0	1,206
85											
TOTAL \$	329,809	0	0	0	0	0	0	201,668	0	462,671	994,228
FREQ	327	0	0	0	0	0	0	1	0	1	329
AVG LOSS	1,009	0	0	0	0	0	0	201,668	0	462,671	3,022
86											
TOTAL \$	217,120	0	0	0	0	0	0	0	0	0	217,120
FREQ	255	0	0	0	0	0	0	0	0	0	255
AVG LOSS	851	0	0	0	0	0	0	0	0	0	851
87											
TOTAL \$	491,969	187,740	0	0	0	0	0	0	0	0	679,717
FREQ	233	3	0	0	0	0	0	0	0	0	236
AVG LOSS	2,111	62,503	0	0	0	0	0	0	0	0	2,800
88											
TOTAL \$	249,252	0	0	0	0	0	0	0	0	0	249,252
FREQ	252	0	0	0	0	0	0	0	0	0	252
AVG LOSS	989	0	0	0	0	0	0	0	0	0	989
89											
TOTAL \$	281,200	0	0	114,000	150,000	0	0	0	260,000	0	805,200
FREQ	300	0	0	1	1	0	0	0	1	0	311
AVG LOSS	913	0	0	114,000	150,000	0	0	0	260,000	0	2,509
TOTALS											
TOTAL \$	3,244,947	424,353	0	114,000	284,197	0	0	201,668	260,000	462,671	4,991,836
FREQ	3,343	7	0	1	2	0	0	1	1	1	3,356
AVG LOSS	971	60,622	0	114,000	142,099	0	0	201,668	260,000	462,671	1,407

DIVISION OF RISK MANAGEMENT

Annual Report

Fiscal Year 2000



**State of Alaska
Department of Administration**

RUN 9.07.50 01/18/89
PERIOD- 7/01/88 TO 6/30/89

STATE OF ALASKA
LOSS REPORT AS OF 1/18/89

CL- 100-89 PACCASSO-PCR400
PAGE 1

POLICY - SMU AV 89
L.O.B. - AV AVIATION
Division - 12 PUBLIC SAFETY
Location - 3 FISH & WILDLIFE

					DATE OF				OUTSTANDING RESERVES				TOTAL INCURRED/ PAID
					ACCIDENT				PAID-TO-DATE				
CLAIM #	CLAIMANT'S NAME	PRODUCT ID	LINE	ST	/REPORT								
SUF	DESCRIPTION OF ACCIDENT OR INJURY				STAT				BODILY-INJ	PROP-DAMG	OTHER	EXPENSE	
10	890027 FISH & WILDLIFE PROTECT.	N70712		HL	AK	8/25/88			.00	2000.00	.00	.00	2000.00
001	POWER LOSS CAUSED LANDING				OPEN	8/31/88			.00	.00	.00	.00	.00
10	890028 FISH & WILDLIFE PROTECT.	N9452N		HL	AK	8/27/88			.00	10000.00	.00	.00	10000.00
001	FLOATPLANE FLIPPED DURING TAKE OFF.				OPEN	8/31/88			.00	.00	.00	.00	.00
** TOTALS FOR Location									.00	12000.00	.00	.00	12000.00
									.00	.00	.00	.00	.00

STATUS OF CLAIMS COUNT
2 OPEN 0 CLOSED 0 SUIT 0 REOPEN 2 TOTAL CLAIMS

MINOR LINE-OF-BUSINESS SUMMARY							TOTAL CLAIMS
MINOR LINE-OF-BUSINESS	BODILY-INJ	PROP-DAMG	OTHER	EXPENSE	PROP-DAMG ONLY		
HL AIRCRAFT - HULL	0	2	0	0	2		2

RUN 9.07.50 01/18/89
PERIOD- 7/01/88 TO 6/30/89

STATE OF ALASKA
LOSS REPORT AS OF 1/18/89

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PAGE 6

POLICY - SMU AV 89
L.O.B. - AV AVIATION
Division - ***** ALL *****
Location - ***** ALL *****

**** TOTALS FOR AVIATION

OUTSTANDING RESERVES				TOTAL INCURRED/ PAID
PAID-TO-DATE				
BODILY-INJ	PROP-DAMG	OTHER	EXPENSE	
.00	24000.00	.00	.00	24739.00
739.00	.00	.00	.00	739.00

STATUS OF CLAIMS COUNT
3 OPEN 1 CLOSED 0 SUIT 0 REOPEN 4 TOTAL CLAIMS

MINOR LINE-OF-BUSINESS SUMMARY							TOTAL CLAIMS
MINOR LINE-OF-BUSINESS	BODILY-INJ	PROP-DAMG	OTHER	EXPENSE	PROP-DAMG ONLY		
AP AIRPORT LIABILITY	1	1	0	0	0		1
GL AIRCRAFT - LIABILITY	0	0	0	0	0		0
HL AIRCRAFT - HULL	0	3	0	0	3		3

RUN 16.17.04 01/17/89
PERIOD- 7/01/88 TO 6/30/89
POS- 3 ANALYSIS BY BODY PART

STATE OF ALASKA
CLAIMS STATISTICS AS OF 1/17/89

CL- 100-89 PACCASSO-PCR300
PAGE 9

L.O.B. - MC WORKER'S COMPENSATION
POLICY - SOR/MAR-89
Division - 25 TRANSPORTATION
Location - 46 NATANUSKA

CODE	CODE DESCRIPTION	# OF CLAIMS	% OF CLAIMS	TOTAL PAID	% OF PAID	TOTAL INCURRED	% OF INCUR	AVG INCURRED PER CLAIM
100	HEAD	1	7.14	.00	.00	.00	.00	.00
330	HAND	3	21.43	296.00	6.85	296.00	3.73	98.67
400	TRUNK	2	14.29	.00	.00	.00	.00	.00
420	BACK	4	28.57	2,969.94	68.69	6,506.79	82.95	1,646.70
510	LEG(S)	2	14.29	637.00	14.73	637.00	8.02	318.50
520	ANKLE	1	7.14	355.84	8.23	355.84	4.48	355.84
700	MULTIPLE PARTS	1	7.14	65.00	1.50	65.00	.82	65.00
TOTALS		14	100.00	4,323.78	100.00	7,940.63	100.00	567.19

INSURANCE COST ALLOCATION

Risk Management's Budget is funded almost entirely through a premium allocation system. This is a system for distributing the State's insurance costs among the various departments. It is designed to achieve an equitable distribution of costs that reflect exposure to loss (items subject to loss) as well as past loss experience for each department.

The Premium Allocation System depends on two sources for collection of funding from State agencies. One is through Inter-Agency Reimbursable Services Agreements (RSA). All lines of insurance other than Workers' Compensation and liability are paid through RSA's. The second source is Payroll Deduction, which is based on an agency's Workers' Compensation, General Liability and Auto Liability allocation of premium.

Costs for each agency are developed through a formula which includes units of exposure, claims history, special hazards such as medical malpractice and other measurable risk components.

For example, the Department of Transportation and Public Facilities (DOT&PF) with its large number of employees, as well as responsibility for the State's road system, bridges, ferries, buildings and airports (exposure units) will experience more losses in terms of total number of claims and total costs, than other agencies. This is reflected in DOT&PF's premium charges.

To illustrate how an agency's insurance costs are developed, the Workers' Compensation charge for the Department of Administration (DOA) will be examined.

The State's Workers' Compensation FY 88 costs was \$4,911,000. Eighty percent or \$3,928,800 of the charges is based on the State's limited loss experience for a three-year period and is known as the experience premium. Limited Loss Experience means for any claim, an agency will only be charged for an established maximum cost limit. As an example, if a DOA employee has an individual Workers' Compensation claim with an estimated incurred loss of \$120,000, a maximum of only \$100,000 (DOA's loss limit for a single claim) is added to the statistical information for the department's and the State's limited loss total.

Loss limits are equal to approximately 10% of an agency's prior year Risk Management budget. As mentioned in the previous paragraph, DOA's limit is \$100,000. By contrast, the Department of Law has a limit of \$10,000 per claim.

The loss experience for FY 88 was developed from FY 84 - FY 86 inclusive. Three years of experience is necessary in order to include a mixture of seasoned claims and relatively recent claims. It also minimizes the effect a catastrophe loss will have on an agency's insurance costs by spreading a claim over a three-year period.

The Department of Administration's share of the State's three-year limited losses is about 16.35%. This percentage multiplied by the State's experience premium (\$3,928,800) determined the department's share of the

State FY 88 experience premium (\$642,308).

The final 20% of the Workers' Compensation insurance cost is based on the department's share of the State's anticipated fiscal year payroll and termed the exposure premium. For FY 88, the State's exposure premium was \$982,200. Administration's percentage of the State's anticipated FY88 payroll (about 7.17%) is multiplied by the exposure premium to determine the department's share (\$70,453). The formula used to compute these costs is about as close to "self-rating" as possible. In other words the State is not only self-insured, we are also "self-rated" to preserve the integrity as well as the credibility of the program.

The most critical part of an agency's Workers' Compensation charge is loss experience. If costs are controlled (either through a reduction in numbers or severity of claims) then both the worker and agency will benefit. An effective loss control program will pay off in insurance cost reductions as well as improved efficiency for the agency.

For FY 90 Risk Management was able to materially reduce the cost of risk budget by 1.8 million which, of course, is passed on to the agencies. However, since virtually the entire savings was due to reductions in Property, Aviation and Marine premiums, agencies like DOT&PF will receive a larger percentage of the savings---while other departments with less high risk exposures will receive a comparatively smaller portion of the cost reduction.

STATE OF ALASKA FY 88 INSURANCE PROGRAM

The following is a brief recap of the FY 89 insurance program for the State. Self-insured retentions (SIR's) and the amount of excess insurance purchased for each line of exposure depend to a large extent on cost and availability. Estimated savings are based on the actual costs of FY 89 programs. Of course, as retentions (deductibles) are increased, the State self-insured obligations are also substantially increased.

Risk Management also provides certain protections within our self-insured program which are not presently available in the insurance marketplace. These can include discrimination, asbestosis or pollution claims which may involve considerable litigation expense regardless of the circumstances or merits of the claim.

This recap is intended only to provide the reader with a quick understanding of the present program. There are, of course, a number of sublimits and special provisions which are not outlined in this document. Incidentally, the State's insurance for FY 89 is placed with over 60 insurance companies and Lloyds syndicates.

Property

The State Property Insurance Program is written on an all-risk form which includes the perils of earthquake and flood. The SIR is \$1,000,000 per occurrence (5% of values for earthquake and flood) with \$100,000,000 of excess insurance. The University of Alaska also shares this policy which benefits both entities from a cost standpoint. The coverage includes Extra Expense insurance for loss of State computer systems as well as special coverage for State-owned museum artifacts. By combining these several property coverages three years ago, we were able to reduce premiums by over \$175,000. The policy also includes limited coverage on 22 of the State's major highway bridges. When the State's Catastrophe Insurance Reserve is fully funded in the amount of \$5,000,000, we should be able to again increase self-insurance on State properties if justified through cost and exposure comparisons.

Casualty

The State Liability Program is also shared with the University and is written with a \$100,000,000 limit of liability and an SIR of \$5,000,000. Through long-term contacts in the London market, we have been able to retain professional medical malpractice liability, errors and omissions, as well as directors and officers and police liability in the State's excess liability form. We also were able to include some limited pollution protection for FY 89.

Presently, 90% of the State's liability coverage, i.e., \$90,000,000, excess of \$10,000,000, is placed throughout London marine underwriters. We will continue to place these nonmarine exposures with Marine underwriters primarily because the Marine markets are anxious to write the business at reasonable rates. This is an example of current markets influencing placement decisions. We continue to have to rely almost entirely on London markets to retain certain major coverages at reasonable costs. The only

form available for the State's excess liability coverage continues to be "claims made." However, we have negotiated a seven year "reporting" period--in other words we have seven years to assert a claim after expiration of the policy.

The State Workers' Compensation Program is also written with a \$5,000,000 SIR. We will continue to purchase catastrophe statutory excess of State retention as long as costs remain reasonable. Also the Department of Labor is very reluctant to let the State go "bare" as long as we have large identifiable future claims payment liabilities.

By increasing the State's level of self-insurance for Liability and Workers' Compensation from \$1,500,000 to \$5,000,000 in FY 87, premium costs were reduced by approximately \$2,000,000. While this savings may be somewhat modified in the present insurance marketplace, it remains substantial and therefore we plan to continue at these retention levels.

Marine

The State marine Insurance Program provides protection for the Marine Highway System as well as a multitude of other Marine exposures. FY 89 retentions remain at \$1,000,000 for P&I (liabilities and workers' compensation federal acts) and hull claims. Because of catastrophe ferry exposures, we carry liability limits of \$200,000,000. Marine hulls are covered for specified amounts which approach estimated replacement costs.

Most of the State ferry terminals (18) are protected under a special marine form with a \$250,000 deductible and a maximum \$5,000,000 of insurance. The inclusion of the terminals as part of our Marine placement has also saved the State considerable in premium costs. In addition to which we were able to include coverage required by contract for the Prince Rupert, British Columbia, terminal which had previously been placed separately because it is a foreign port and could not be included in domestic policies.

Aviation

In view of poor world-wide aviation experience during calendar year 1986, we were fortunate to be able to retain our aviation program for FY 87 even at considerable cost increase. For FY 88 we increased the State aviation self-insurance level to \$1,000,000 with an approximate savings of \$300,000 in premiums. The State has a relatively small fleet of owned aircraft but operation and ownership of international terminals such as Anchorage (sixth in the nation) and Fairbanks, plus, almost 275 smaller airports and airstrips represents tremendous exposures. The State presently carries a \$300,000,000 insurance limit with \$1,000,000 deductible, per occurrence for airport liabilities as well as owned and/or leased aircraft. This policy includes an annual aggregate deductible of \$2,500,000 which provides an additional level of catastrophe protection.

All aircraft hulls are self-insured, unless specifically provided for such as leased aircraft where we may have a contractual obligation to insure.

The University is also included in the aviation coverage and we provide protection for nonowned (leased) aircraft cover for the Alaska Railroad.

The Railroad has only an occasional need for leased aircraft insurance so it was provided by underwriters at no additional premium cost to the State. This also applies to certain railroad right-of-way exposures due to use and proximity of air strips.

Bonds

We provide statutory bonding for certain of the State's executives plus a Blanket Employee Fidelity Bond with \$20,000,000 limits and a \$250,000 deductible. U.S. Customs and other miscellaneous bonds are provided when necessary.

The State also assists in maintaining a limited fidelity bond market for 15 nonprofit organizations so that they can comply with grant conditions. This program has materially reduced their costs for this coverage.

Aggregate (Property and Marine)

Through the State's Marine insurance markets, we were able to obtain aggregate loss insurance excess of \$5,000,000 of combined Property and Marine SIR losses for FY 89. This provides a safety net of \$5,000,000 of insured SIR loss for Marine and Property should they exceed \$5,000,000 in combined SIR losses during the fiscal year.

Boilers

The State has a Boiler and Machinery policy with limits of \$10,000,000 and a \$10,000 deductible.

Alaska Power Authority

Property insurance is provided Alaska Power Authority (APA) for Swan Lake, Tyee, Solomon Gulch, Terror Lake hydro-electric projects and the Anchorage/Fairbanks Intertie. This policy, which is an all-risk form including earthquake and flood, has a present limit of \$60,000,000 with a \$500,000 (5% for earthquake and flood) deductible. Engineers estimate maximum probable loss (any one occurrence) on these dams of approximately \$45,000,000 which we believe may be overly conservative. We continue to research possible self-insurance alternative for these projects because of the unpredictability of earthquake insurance markets and costs. Earthquake insurance capacity has been somewhat limited throughout the Pacific Rim but this problem has modified substantially during the past year.

Boiler and Machinery coverage on the Four Dam Pool and Anchorage/Fairbanks Intertie substations is maintained with \$15,000,000 limits of liability and a \$25,000 SIR.

We have also provided a small policy for the geothermal wells. The balance of APA insurance requirements are included within regular State insurance programs.

STATE OF ALASKA

FY 89 PROPERTY/CASUALTY PROGRAM

(Includes retention levels (deductibles) and limits)

This list is not detailed and does not include a few small policies for special exposures--there are policy extensions and limitations not included in this statement--additional information concerning specific areas of coverage are available from Risk Management by request.

The State's policies extend to cover all State Agencies and Entities except those specifically excluded such as the Alaska Railroad who administer their own insurance program.

The coverages are, of course, subject to change. There are approximately sixty insurance companies and various Lloyd's syndicates presently represented in the State program.

COVERAGE	SELF-INSURED Retention (per occurrence)	LIABILITY & PROPERTY Limits
PROPERTY (all risk)	\$1,000,000	\$100,000,000
Data Processing	(included)	
Equipment		
Museum Fine Arts	(included)	Approx. \$24,000,000
(EARTHQUAKE & FLOOD)	5% - minimum	in Specified Values
	\$1,000,000	\$100,000,000
BOILER & MACHINERY	\$10,000	\$10,000,000
CASUALTY (Liability)	\$5,000,000	\$100,000,000 (excludes discrim., full pollution, asbestosis, punitive, etc.)
FOREIGN LIABILITY	NONE	\$1,000,000
WORKERS' COMPENSATION	\$5,000,000	Statutory
MARINE LIABILITY	\$1,000,000	\$200,000,000
Marine Vessels	\$1,000,000	Specified Values
FERRY DOCKS	\$25,000	Stated values
		\$5,000,000 Limit
AVIATION LIABILITY		
Airports	\$1,000,000	\$300,000,000
Aircraft	\$1,000,000	\$300,000,000
National Guard	\$1,000,000	\$300,000,000
MULTI-LINE AGGREGATE		
(Property & Marine)	\$5,000,000 SIR	\$5,000,000
(Aviation)	\$2,500,000 SIR	\$300,000,000
EMPLOYEE FIDELITY BOND	\$250,000	\$20,000,000
(We also maintain other statutory and Public Official Bonds)		
FOUR DAM POOL (APA)	\$500,000	\$60,000,000
and Intertie	except quake & flood	
	5% - values at locations	
BOILER & MACHINERY	\$25,000	\$15,000,000

All State owned autos and aircraft are self-insured for physical damage.

BUDGET COMPONENTS AND EXPENDITURES

The "BUDGET COMPONENTS" charts on the following pages provide an analysis of Risk Management expenditures over the past several years.

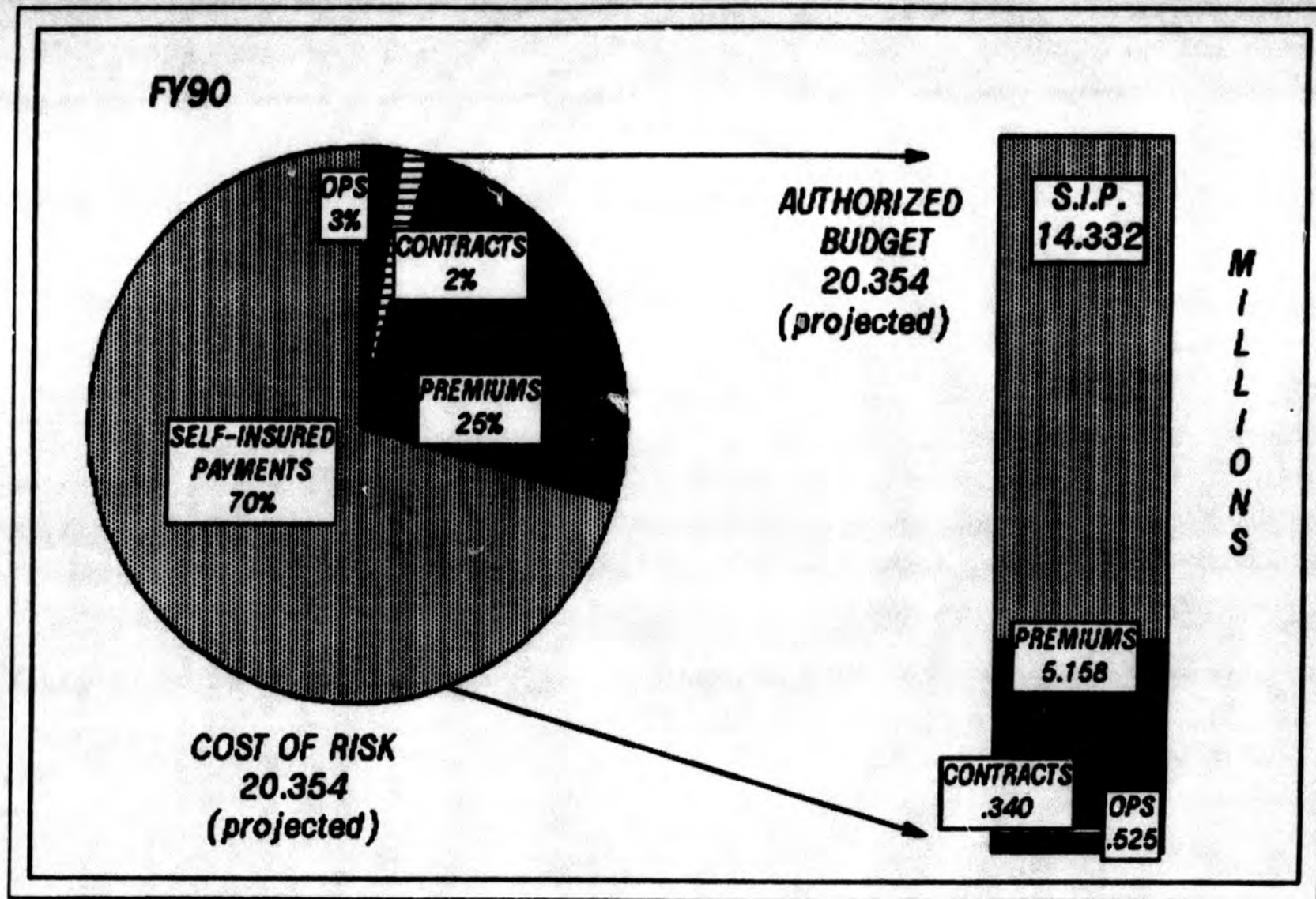
Please note that operating costs and contractual services remain quite stable while premiums and loss payments are much more volatile.

At the beginning of FY 83 Risk Management had accumulated a loss reserve fund of almost \$20 million. The Legislature determined that a loss reserve fund in such a large amount was not necessary and therefore Risk Management's fiscal year budgets for FY 83 and FY 84 were drastically reduced to force utilization of the loss reserve fund. This had the effect of subsidizing Risk Management costs during these years and is shown in the charts as "shortfall."

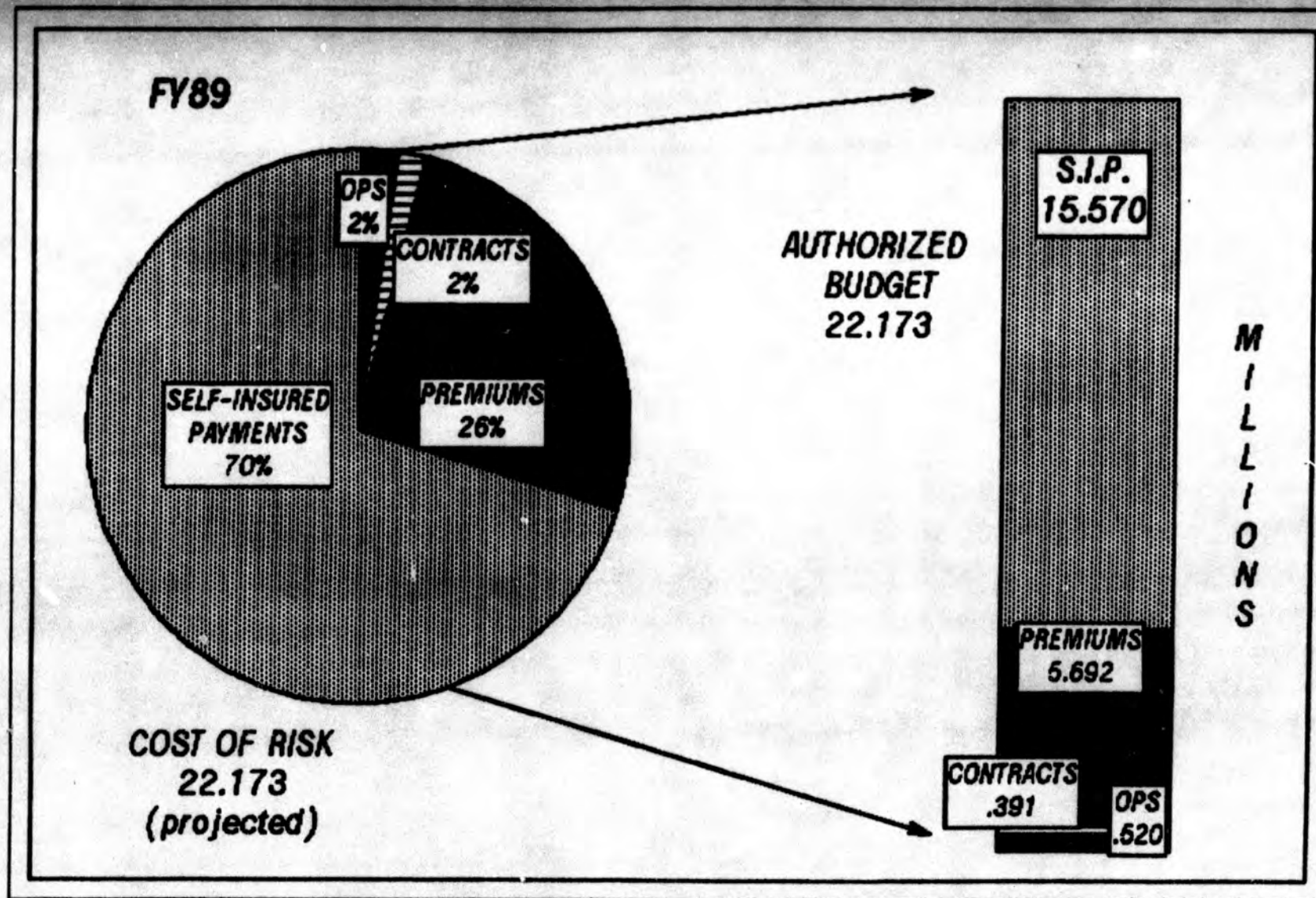
The results for those two years were 1) agency allocations for insurance represented only about 50% of true costs and 2) Risk Management remained underfunded for FY 85 and FY 86 forcing complete exhaustion of the former reserve funds. The result was a sizable increase in the FY 87 budget for all agencies to meet "cash flow" loss payments during the year.

Of course the insurance crisis a couple of years ago added to the expense problem--but the major reason for the necessary budget increase beginning FY 87 was the step from a subsidized budget to a real budget based on actual estimated expenses for the year. The unfortunate circumstance of the insurance crisis and the budget crunch occurring during the same years simply accentuated the problem. This effect is now stabilized and Risk Management has actually reduced the budget appropriation request for FY 90.

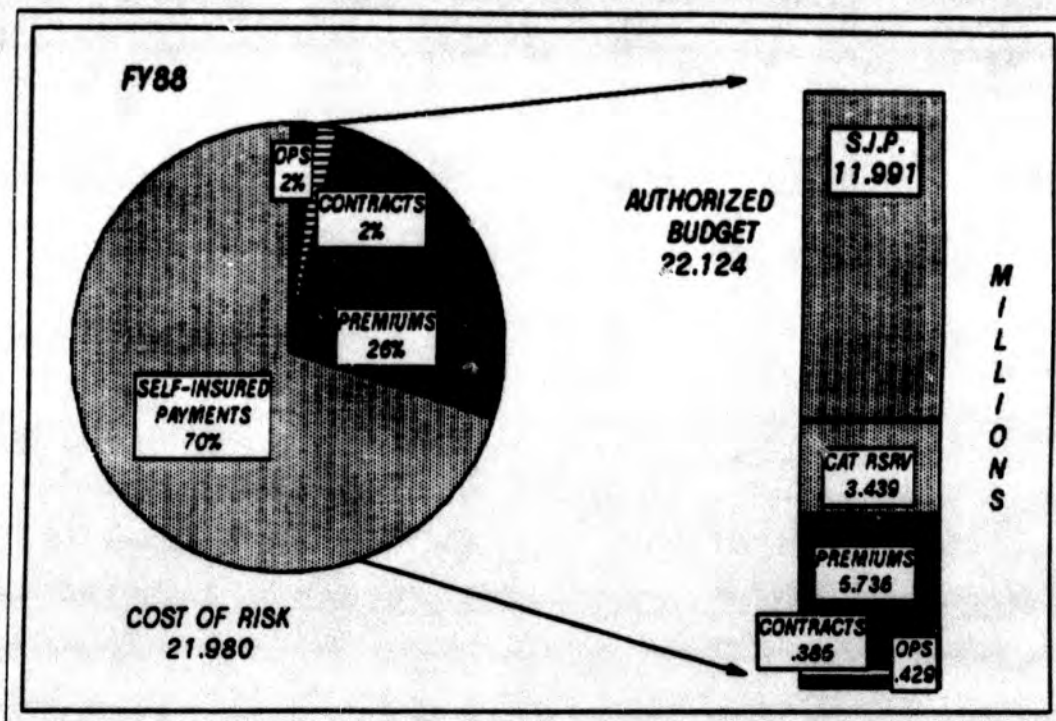
The importance of the last three exhibits, i.e., FY 88, FY 89, FY 90 is the leveling of total insurance costs--and a consistent decrease in premium payments with commensurate increase in self-insurance funds. Note in FY 86, only 51% of Risk Management expenditures went to self-insured payments--for FY 90 this has risen to 70%. The result is that monies are now spent in-state for actual loss payments rather than for insurance company premiums irrespective of loss experience.



It is interesting to note that despite the reduction in appropriation request all expense categories remain about the same percentage points. Actually, we hope to achieve additional reduction in premium costs and commensurate increase in self insurance funds available for actual claims payments.



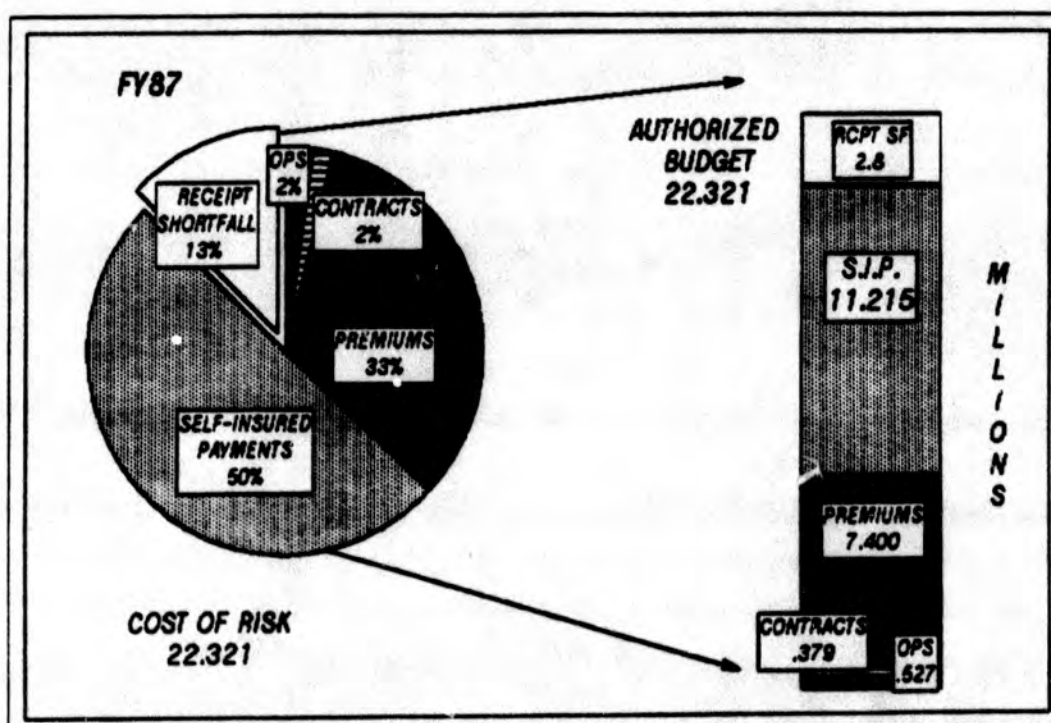
The FY 89 pie chart compared to FY 88 not only illustrates a leveling of the State's insurance costs but also anticipated additional reduction in premiums paid to the insurance companies. Projected loss is an actuarial figure.

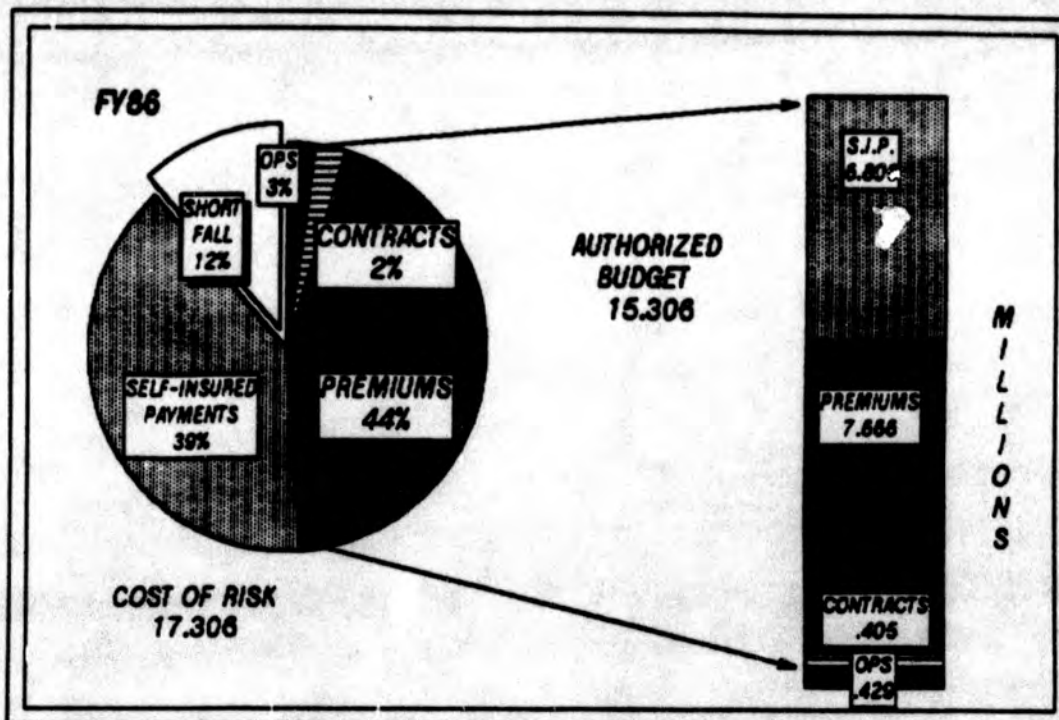


The pie charts shown for each fiscal year provide the percentage of funds expended for each major category of expense. The bar chart for the same year identifies actual amounts spent within the appropriation for that year.

You will note that the administrative (OPS) and contractual costs remain stable. The premium and loss costs are much more volatile.

During FY 87, we experienced a serious payroll receipt shortfall due to the reductions in affected payroll. Possibly caused in part by the RIP program. This problem has been corrected.

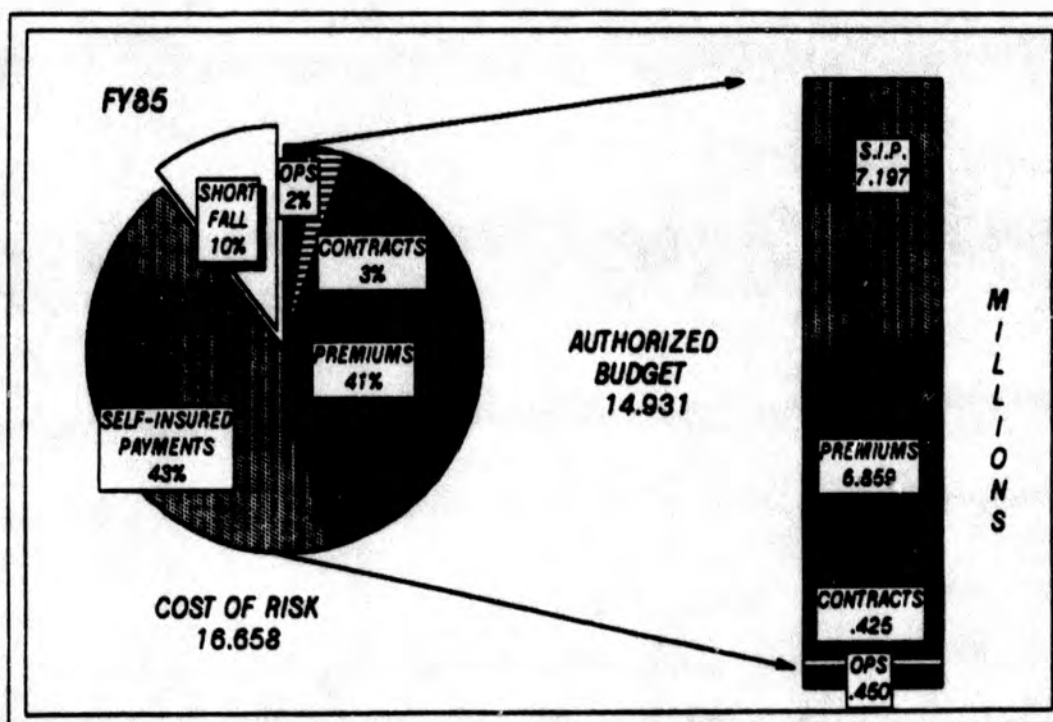


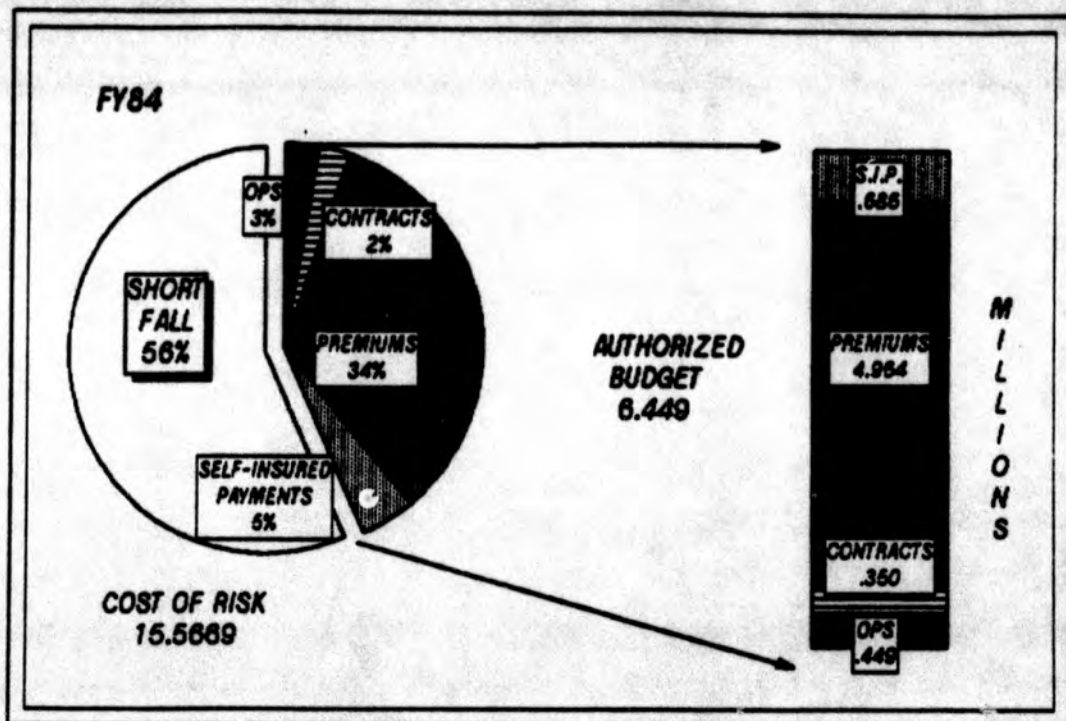


The pie charts shown for each fiscal year provide the percentage of funds expended for each major category of expense. The bar chart for the same year identifies actual amounts spent within the appropriation for that year.

The shortfall identified in the pie illustrates the extent of under funding for that year in comparison to total appropriation. Candidly, Risk Management under estimated needs for FY 85 --- but then suffered a legislative reduction again in FY 86.

You will note that the administrative (OPS) and contractual costs remain stable. The premium and loss costs are much more volatile.

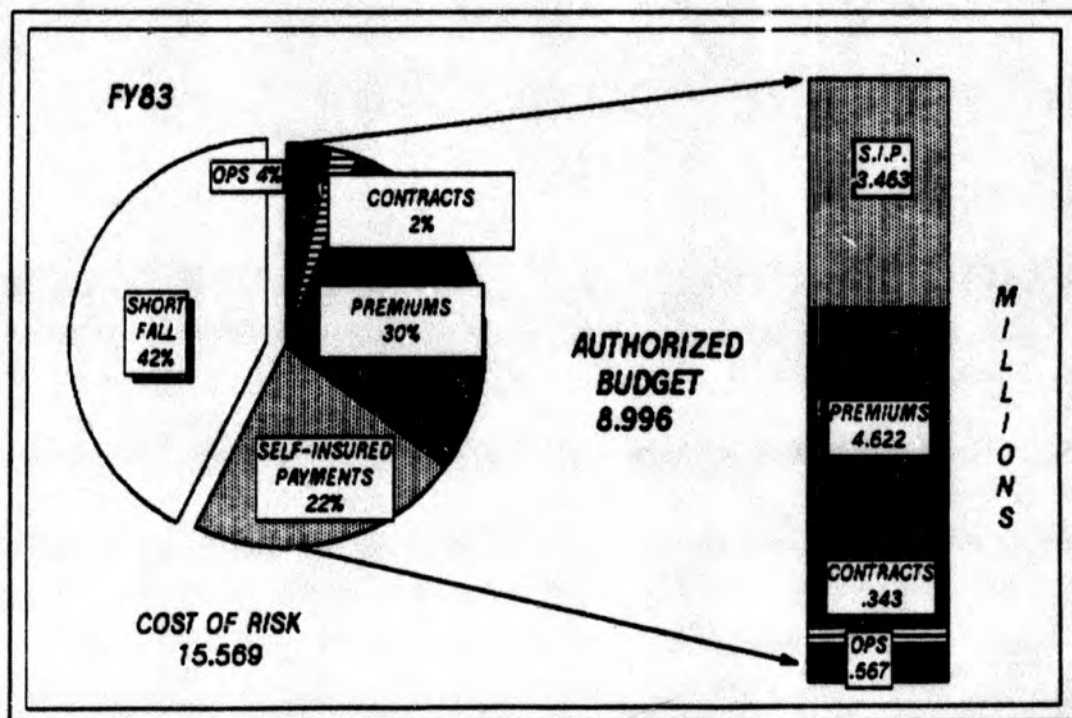


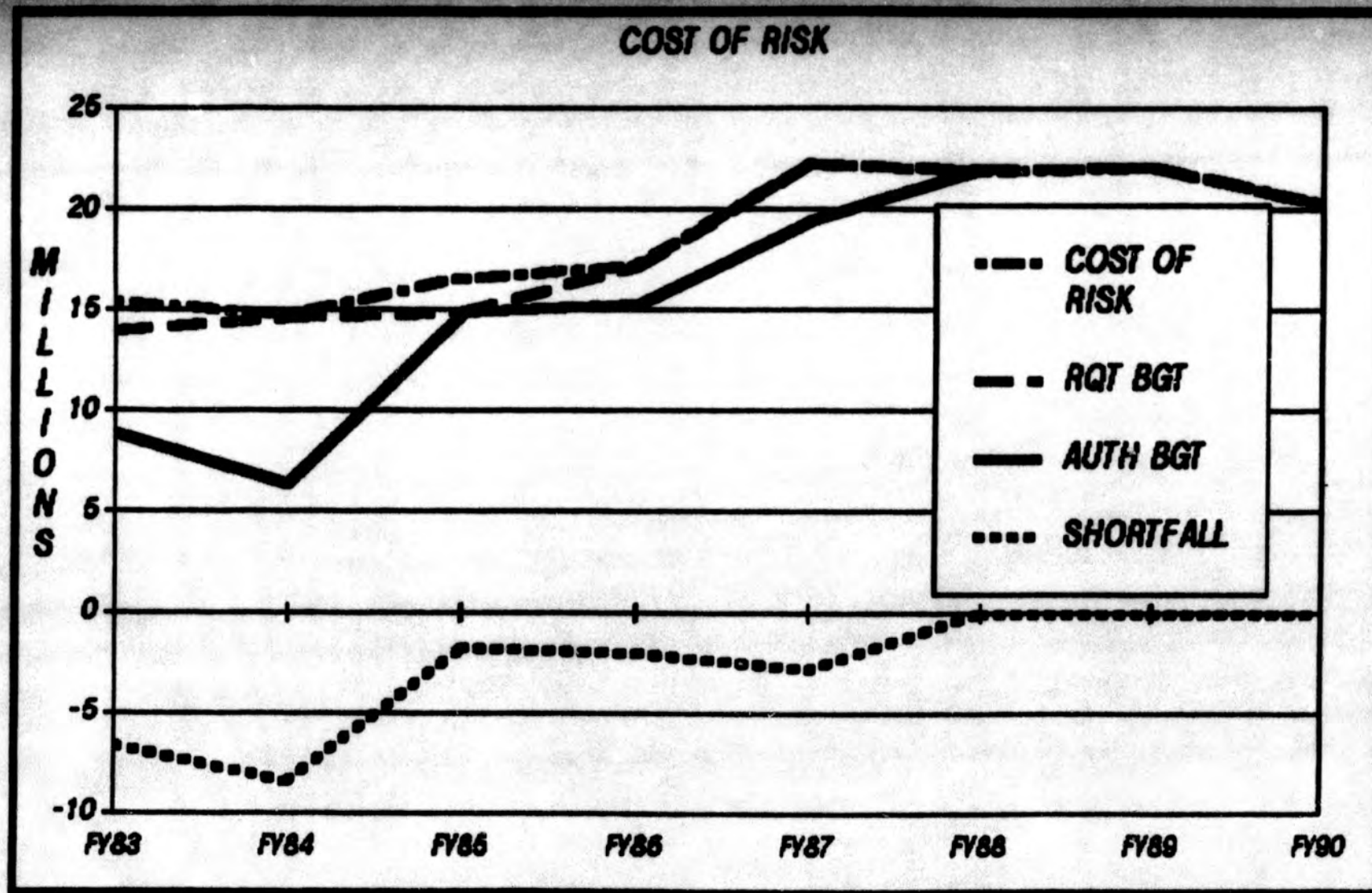


The pie charts shown for each fiscal year provide the percentage of funds expended for each major category of expense. The bar chart for the same year identifies actual amounts spent within the appropriation for that year.

The shortfall identified in the pie illustrates the extent of under funding for that year in comparison to total appropriation. The shortfall obligation was met by utilization of a "then" available loss reserve fund.

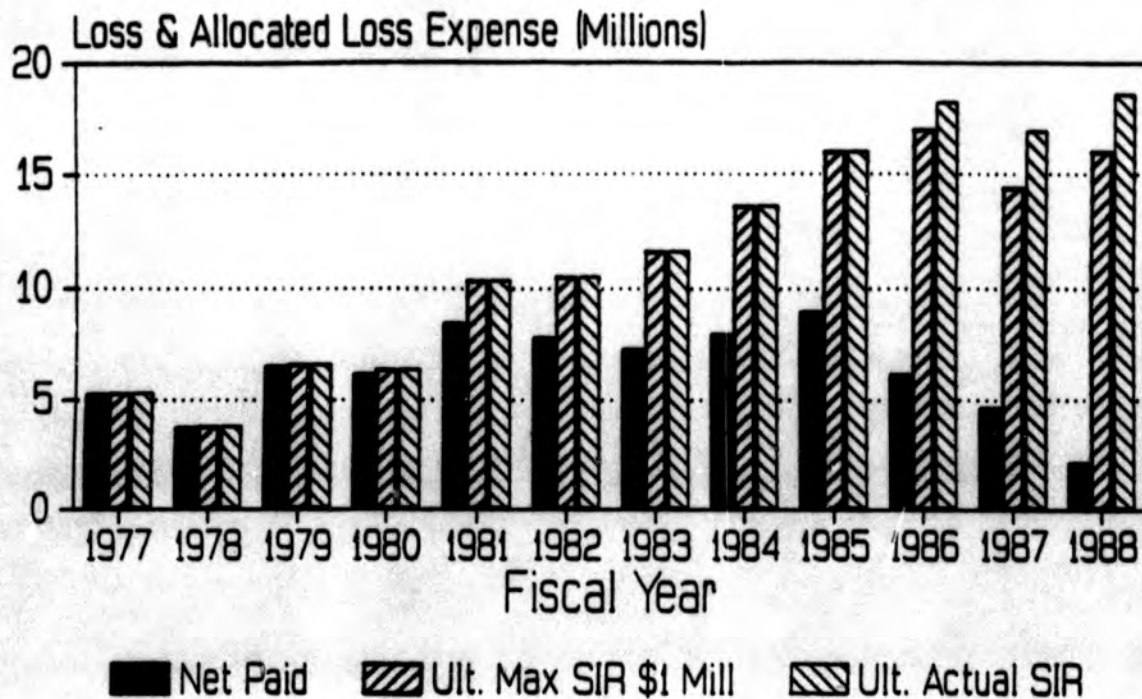
You will note that the administrative (OPS) and contractual costs remain stable. The premium and loss costs are much more volatile.





This exhibit illustrates the accuracy of Risk Management appropriation requests, the FY 90 anticipated reduction and the "shortfall" in previous years. Penalties and interest payments could be very expensive to the State if adequate funds were not available for workers' compensation and liability awards.

State of Alaska Loss Amounts - Combined Lines



STATE OF ALASKA LOSS AMOUNTS - COMBINED LINES COOPERS & LYBRAND, JANUARY 1989 ACTUARIAL REPORT

The Combined Lines chart illustrates the delayed effect of workers' compensation and liability losses on our cash flow budget estimates. Note the graph indicates very little paid out in FY 88 losses in relation to ultimate losses---but there are also outstanding claims that have occurred in prior years that must be budgeted and paid during current years. Most of these workers' compensation payments involving totally disabled workers, widows, or other dependents and are paid out over a period of many years.

This delay in final claims settlement or, in the case of statutory workers' compensation, payout over a long period of time---or delay in loss discovery is referred to in the insurance business as the "claims tail". Insurance companies use statutory reserving methods to protect their ultimate estimated liabilities and include them in their financial statements.

Since the chart graphically illustrates ultimate payout under our self-insured retentions it also illustrates the need for long term planning to fund these continuing liabilities and as self-insured retentions are increased the need for such funding becomes even more critical.

STATE OF ALASKA

ESTIMATED ULTIMATE LOSS AND ALLOCATED LOSS EXPENSE AND RESERVES

\$1.5 Million Self-Insured Retention for 1986
\$5.0 Million Self-Insured Retention for 1987 through 1990

Estimated Ultimate Loss and ALAE:

Fiscal Year	General Liability	Workers' Compensation	Property	Marine	Automobile Liability	Aviation	Total (1)+(2)+(3)+(4)+(5)+(6)	Paid Loss & ALAE as of 10/31/88	Estimated Loss & ALAE Reserves (7)-(8)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1977	\$ 3,730	\$ 1,190	\$ 112	\$ 164	\$ 47	\$ 54	\$ 5,297	\$ 5,230	\$ 67
1978	1,272	1,315	730	283	177	24	3,801	3,742	59
1979	1,905	2,558	1,056	371	608	103	6,601	6,508	93
1980	1,881	1,698	1,196	396	604	604	6,379	6,148	231
1981	5,921	2,200	574	1,031	357	258	10,341	8,446	1,895
1982	5,058	3,219	409	789	578	447	10,500	7,789	2,711
1983	6,263	3,197	319	742	712	379	11,612	7,285	4,327
1984	6,215	5,215	968	156	403	650	13,607	7,956	5,651
1985	7,024	5,897	1,500	450	831	277	15,979	8,983	6,996
1986	10,760	6,493	271	338	246	91	18,199	6,134	12,065
1987	9,419	5,810	1,000	100	494	75	16,898	4,623	12,275
1988	9,699	6,959	900	200	386	430	18,574	2,133	16,441
Total	\$69,147	\$45,751	\$9,035	\$5,020	\$5,443	\$3,392	\$137,788	\$74,977	\$62,811
1989 est.	\$10,000	\$ 6,600	\$ 960	\$ 250	\$ 375	\$ 300	\$ 18,485		
1990 est.	11,000	7,000	1,100	300	400	350	20,150		

Notes: (Actuarial Exhibit - Cooper & Lybrand - 1/17/89)

1. Amounts are in thousands of dollars
2. ALAE is allocated loss expense.
3. Fiscal year 1986 estimates assume a self-insured retention of \$1,500,000 for General Liability, Workers' Compensation and Automobile Liability. Estimates for 1987 and 1988, and projections for 1989 and 1990, assume a self-insured retention of \$5,000,000 for these coverages. Fiscal years 1989 and 1990 estimates for other coverages assume the same retentions as fiscal year 1988.

This State claims activity exhibit illustrates the gradual increase in frequency and severity concentrated in General Liability and Workers' Compensation. It also provides estimates for FY 89-90.

STATE OF ALASKA CLAIMS ACTIVITY BY FISCAL YEAR

ESTIMATED ULTIMATE LOSS, ALLOCATED LOSS EXPENSE & RESERVES

\$1.5 Million Self-Insured Retention for 1986

\$5.0 Million Self-Insured retention for 1987

ESTIMATED ULTIMATE LOSS AND EXPENSE

*****					PAYMENTS	
FY	REPORTED CLAIMS	WORKERS COMPENSATION GENERAL LIABILITY AND AUTO LIABILITY		TOTAL (1+2)	TO	ESTIMATED
		*****			DATE	RESERVE
**	*****	*****		*****	9/30/88	(3)-(4)
		(1)	(2)	(3)	(4)	(5)
79	1,623	5,071	1,530	6,601	6,508	93
80	1,866	4,183	2,196	6,379	6,148	231
81	1,984	8,478	1,862	10,341	8,446	1,895
82	2,318	8,855	1,645	10,500	7,789	2,711
83	2,536	10,172	1,430	11,612	7,285	4,327
84	2,320	11,833	1,774	13,607	7,956	5,651
85	2,546	13,752	2,227	15,979	8,983	6,996
86	2,537	17,499	700	18,199	6,134	12,065
87	2,140	15,723	1,175	16,898	4,623	12,275
88	1,928	17,044	1,530	18,574	2,133	16,441

NOTES:

1. Actuarial Exhibit-Cooper & Lybrand - 1/19/88
2. Amounts are in thousands of dollars.
3. "Other Lines" include only State Property, Marine Hull -Ferry Marine Property - Other, Marine P&I - Ferry Employees and Third Party Liability, Airport Liability, Air Workers' Compensation, General Liability - State Admin., Marine P&I-Other, Aircraft Liability, Auto Physical Damage, Museum Floater, Aircraft Hull, and Dock Damage.
4. These figures are based on various levels of retention by line and by year.

This chart utilizes the same information available on page 20, but adds even more emphasis to the long term general liability and workers' compensation cost of risk.

E. Insurable Loss Payment Obligation:

"The cost of premium and loss payments arising from Workers' Compensation and Third Party Liability claims is charged against agency appropriations when payments are made rather than when the liability is determined. Total payments made for insurance premiums and self-insured claims for FY 88 amounted to \$17,345,841. This amount compares as follows:

FY 87	\$19,233,000
FY 88	\$17,345,841
FY 89	\$19,434,000 (Projected)

The actuarial estimate of total outstanding loss liability arising from self-insured claims made in prior years through June 30, 1988, is \$84,500,000. This amount compares with the actuarial estimates for FY 87 and Fy 89 as follows:

FY 87	\$ 64,310,000
FY 88	\$ 84,500,000
FY 89	\$103,200,000

The portion of the outstanding liability that is estimated to be required to meet payment obligations each year is funded through appropriations made to the Division of Risk Management, Department of Administration.

COMMENT:

The above note in the Alaska Financial Report recognizes the State's unfunded self-insured liabilities actuarially estimated at \$103,200,000.

This figure represents the State's self-insured losses that have already occurred and are either being paid over a period of time such as statutory benefits for Workers' Compensation, or, are in varying stages of resolution such as cases in litigation.

Most of these outstanding claims have occurred during the past ten years (a few are much older) and in terms of dollars, represent about 50% Workers' Compensation payments and 50% estimated liability costs.

The most recent actuarial analysis indicates a leveling off of these outstanding liabilities with the current trend slightly reduced from last year.

GOALS AND SERVICES PERFORMED FY 88 AND PRIOR

Risk Management works closely with DOT/PF and other agencies for revision of contract insurance requirements when necessary or practical. We remain concerned that small and medium Alaska contractors can meet most requirements.

Participate in Airport Leasing Seminars to provide assistance and negotiate adjustments to insurance lease requirements.

Risk Management assisted the Alaska Power Authority (APA) in contracting for a seismic engineering study to determine feasibility of "bond" funding for self-insurance of the Four Dam Pool and other hydroelectric facilities.

Provided Alaska Power Authority estimated insurance costs should the State acquire the Snettisham Power Project.

Risk Management, working with DOT&PF and the Ketchikan Borough was able to reduce insurance costs to Ketchikan Airport by over 33% (\$100,000) during 1987. This will help to control escalating airport costs and may benefit passenger fares through assisting in stabilizing landing fees.

Total State premiums for FY 89 were approximately 15% lower than FY 88. Budgets remained the same due to self-insurance increases but the cash flow remained with the State.

Senate Bill 152, State Catastrophe Fund, was passed at the end of FY 87, which will ultimately provide a \$5,000,000 catastrophe fund--and will increase availability of excess insurance markets as well as help reduce costs.

The Court Building fire loss at Valdez in FY 87 was slightly in excess of \$1,200,000. The State's share of this loss was \$500,000 with the balance paid or reimbursed from insurance companies.

Risk Management assisted the Alaska Schools Insurance Company to expedite insurance paper work necessary for rebuilding of the school at Shageluk which was destroyed by fire in March of 1987.

Risk Management reached an agreement with MICA concerning medical treatment of inmates in State penal institutions. The State has agreed to protect medical contractors from "frivolous" lawsuits by prisoners--and MICA agreed to continue to provide medical malpractice coverage to contract doctors.

Risk Management assisted the Department of Commerce and Economic Development, Division of Collections, in negotiation of a new insurance program for repossessed boats as well as those used as collateral for State loans.

We have revised Appendix B insurance requirements for Professional Service Contracts to minimum levels to ease qualifications primarily for Alaska-based contractors.

Changed Risk Management operational style to establish better communications with all agencies. We are here to serve the agencies in answer to their insurance needs--this approach has been very effective and our rapport with most agencies is excellent. We have increased Risk Management visibility as an insurance consulting resource to all State agencies.

Converted the primary State insurance program to one of primary "self-insurance" in order to stabilize and control escalating insurance costs. We continue to purchase excess or catastrophe insurance where needed.

Claims reporting procedures continue to be updated and distributed to agencies.

Assisted St. Paul Island to retain federal funds for a docking facility by timely guarantee of a loan for repair of their new breakwater. The loan has been completely repaid through insurance funds and adjudication is in progress with construction contractors for reimbursement of our self-insured retention (\$600,000).

Completion of Tyee wrap-up contract and return of approximately \$600,000 to Alaska Power Authority control.

Bradley Lake Hydro Project insurance requirements completed and agreement reached with contractors.

Red Dog Project insurance agreement with contractors for both construction and operational phase.

Spring Creek Correctional Facility Project Insurance Program established with contractors to completion. This is now under the regular State insurance program.

Equitable distribution to agencies of State property/casualty insurance costs based on agency exposures and loss experience.

Provide improved accident experience exhibits to agencies along with safety consulting services.

Assisted in revision of Anchorage International Airport use agreements with airlines and other tenants.

Continued to assist APA in revision of operator contract insurance requirements to reduce the effect of increased insurance costs on electrical rates.

During FY 88 Risk Management successfully completed an RFP which has allowed us to develop a list of attorneys prequalified for seventeen specific areas of specialized law.

Risk Management has completed installation of our own data system and has transferred the entire insurance data base inhouse. This will ultimately reduce costs of obtaining data services as well as provide a more responsive system to our needs.

THE 1985-87 INSURANCE CRISIS AND ITS EFFECTS

Beginning late in 1984, the property/casualty insurance industry began to face huge underwriting losses--which could no longer be offset by investment income. This developed into a very serious financial crisis for many insurance companies and continues to influence the markets.

The result was a nationwide (and worldwide) curtailment in insurance market capacity and coverages plus sharply increased premium costs which continued into FY 87 but virtually disappeared during the past year.

However, municipalities and state governments continue to be seriously affected because they represent "deep pocket" targets and because overall public entity insurance experience has not improved.

Premiums being charged the State of Alaska for FY 89 liability coverages probably relate very well to State exposures but have very little relationship to actual loss experience because they are catastrophe covers. Also, the number of companies offering public entities insurance remains reduced with little competition to force prices down. Premiums for high risk exposures remain at relatively high levels with coverages and limits of liability only slightly improved over last year.

Generally, liability policy forms presently available to municipalities are on a "claims made" basis and exclude medical malpractice, errors and omissions, directors and officers liability, police liability, pollution, discrimination, asbestosis, etc. A few of these excluded "catastrophe exposures" can be purchased at additional cost. The state has been able to alleviate at least part of this coverage problem through negotiation and long-term relationship with the Weavers Syndicate in London who have continued to provide virtually all professional exposures including directors and officers liability and errors and omissions coverages. Asbestosis and discrimination are virtually unavailable and the State's pollution coverage is extremely limited.

SUMMARY

Risk Management's FY 88 year was reasonably successful in terms of "cost of risk". This experience has so far continued in FY 89 and has resulted in a reduction in our appropriation request for FY 90 of approximately 8.2% (1,833,200) from the FY 88-89 levels.

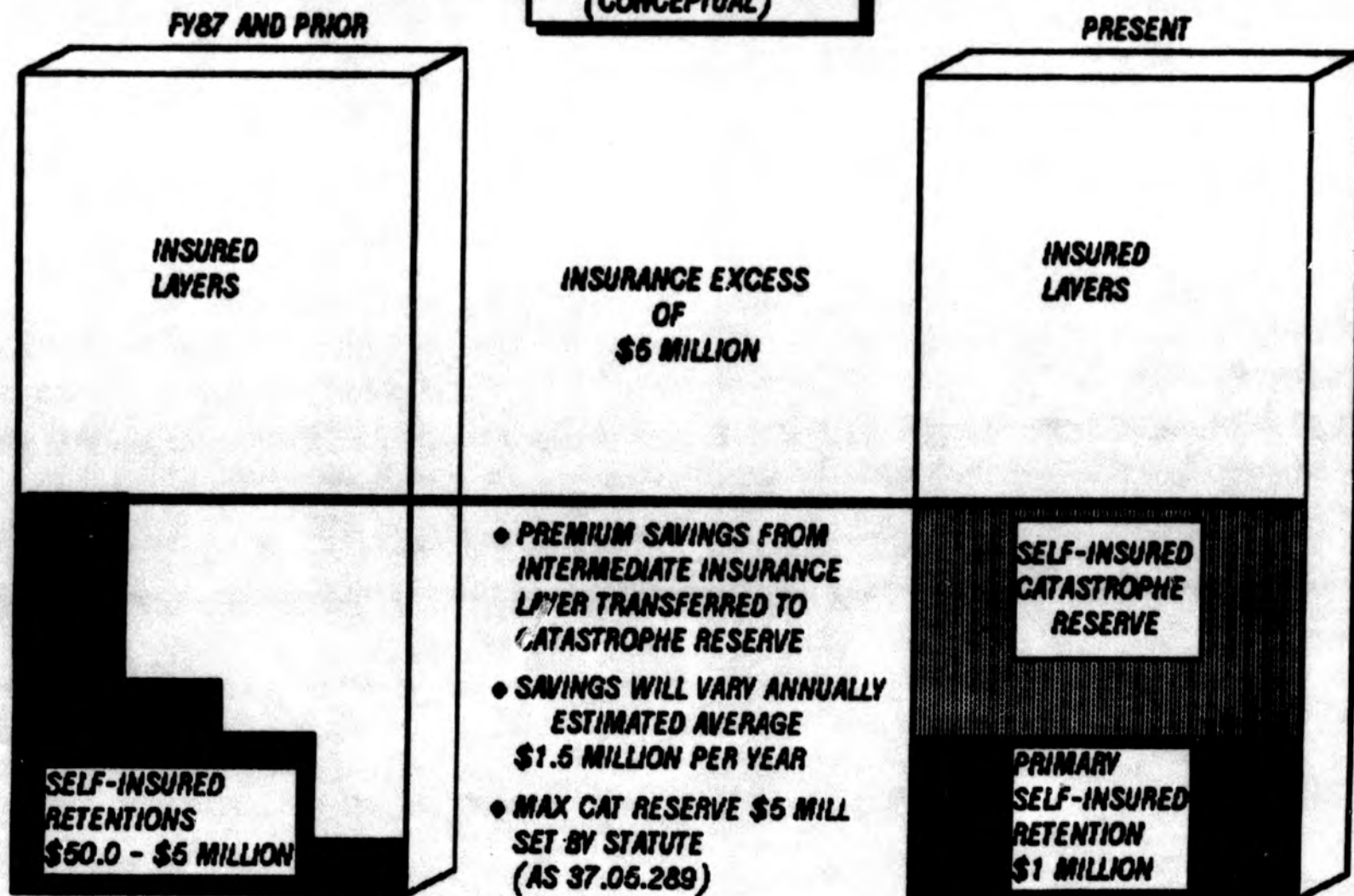
During the past several years Risk Management has adopted alternate methods of programming and marketing in order to stabilize the fiscal impact of rising insurance costs. Our present high level of self-insurance has not only given us improved control of claims costs but it has also materially reduced the cost of excess and catastrophe coverages. The present soft insurance market has combined with our program adjustments to reduce bottom line payout.

While we are quite pleased with the State insurance experience for FY 88 it is imperative to be reminded of the State's catastrophe loss exposures which are \$5,000,000 per occurrence for liability and workers' compensation and \$1,000,000 per occurrence for property, marine and aviation. At these levels of retention the bottom line picture can change quickly.

At the end of FY 88 approximately 3.4 million dollars was available for transfer to the State Catastrophe Insurance Reserve Fund which is limited by statute to 5 million dollars. Hopefully we will be able to complete funding this reserve in FY 89. This very modest catastrophe fund has been extremely important in negotiating rate reductions or coverage improvements with our insurance companies. It also provides solid fiscal support which in turn gives Risk Management the confidence and flexibility to take advantage of insurance market fluctuations in the best interests of the State.

Page 27 illustrates conceptually the State insurance program. In actuality it may vary in terms of retention---but this is an illustration of the flexibility that allows us to take advantage of variations in the insurance market from year to year.

**STATE OF ALASKA
RISK FINANCING PROGRAM
(CONCEPTUAL)**



RISK MANAGEMENT STAFF

Donald J. Hitchcock
Division Director

William E. Chisham
Claims Manager

J. Brad Thompson, ARM
Division Deputy Director

Louis L. Edwards
Claims Examiner

James E. Curtain, AIC, ALCM
Systems Operator

Vicki Bender
Fiscal

Coleen E. Hamrick
Secretary

Municipality of Anchorage



P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 343-4201

TOM FINK,
MAYOR

DEPARTMENT OF FINANCE

Risk Management Section

October 30, 1989

Mr. David Rogers
Box 33932
Juneau, Alaska 99801

Re: State of Alaska Liability Survey

Dear Mr. Rogers:

Attached is information relative to tort claims and suits which was the subject of our phone conversation on 10-30-89.

The destruction date on our liability cases is 3 years so the long history you are looking for we do not have. The City has been self-insured since 1976 when the City and Borough merged. We have used the same contractor to handle tort claims so do we have what we need on a number of loss runs, a few of which are attached.

The largest judgment the City has had was in the \$475,000 area. It involved a property damage suit in the slide area of Anchorage with allegations against Anchorage Public Works Department. I don't believe we've had any other settlements or judgments over \$200,000 for the past 10 years.

Anchorage pays between \$1,000,000 and \$1,500,000 on general/auto liability claims and suits annually and legal expense is approximately 10% of the total paid. The attached loss information will enlighten you on the total and average paid claims the past four years.

If you have further questions, please give me a call at 343-4207.

Sincerely,

Harry E. Sjoberg
Harry E. Sjoberg
Risk Manager

HES:ps

Attachment •

MO YR

09 89

LOSS EXPERIENCE COMPARISON
MUNICIPALITY OVERALL
GENERAL LIAB/FALSE ARREST

MUNICIPALITY OF ANCHORAGE
TERM 1/01/85 - 12/31/89
VALUED AS OF 9/30/89

CLIENT

0345

PAGE LEC 1

POLICY YEAR 1985			POLICY YEAR 1986			POLICY YEAR 1987			POLICY YEAR 1988			POLICY YEAR 1989		
# OF	TOTAL		# OF	TOTAL		# OF	TOTAL		# OF	TOTAL		# OF	TOTAL	
CLMS	COST		CLMS	COST		CLMS	COST		CLMS	COST		CLMS	COST	
JANUARY	2	1900	11	70967		8	10950		7	9245		2	1601	
FEBRUARY	29	30004	44	102188		21	24500		20	139502		13	40943	
MARCH	60	67899	77	140446		36	47828		59	170483		35	82701	
APRIL	95	87299	120	196607		51	53157		68	225161		61	95862	
MAY	137	108593	150	264253		64	57739		87	237345		77	100005	
JUNE	158	335060	173	289950		84	68772		99	235683		92	102569	
JULY	195	347241	196	302398		112	93808		119	262238		111	94325	
AUGUST	222	365242	228	328935		140	117985		141	268535		146	120825	
SEPTEMBER	286	436195	247	320107		161	154477		154	259323		185	159114	
OCTOBER	323	527954	272	343808		185	171938		180	273292				
NOVEMBER	369	593578	293	378128		212	185893		208	353428				
DECEMBER	402	768133	311	384711		236	197075		234	369821				

POLICY YEAR 1985

POLICY YEAR 1986

POLICY YEAR 1987

POLICY YEAR 1988

POLICY YEAR 1989

VALUED	# OF	TOTAL	% OF	# OF	TOTAL	% OF	# OF	TOTAL	% OF	# OF	TOTAL	% OF	# OF	TOTAL	% OF
AS OF	CLMS	COST	COST	CLMS	COST	COST	CLMS	COST	COST	CLMS	COST	COST	CLMS	COST	COST

END OF

POLICY YR	402	768133	100.0	311	384711	100.0	236	197075	100.0	234	369821	100.0	185	159114	100.0
12 MO FOL	474	1210010	157.5	362	708870	184.2	280	373749	189.6						
24 MO FOL	483	1347512	175.4	383	746470	194.0									
36 MO FOL	485	1188797	154.7												
48 MO FOL															
CURR. MO.	485	1237361	161.0	384	762517	198.2	291	436571	221.5	275	335957	90.8	185	159114	100.0

MO YR
09 89

LOSS EXPERIENCE COMPARISON
MUNICIPALITY OVERALL
AUTO LIABILITY CLAIMS

MUNICIPALITY OF ANCHORAGE
TERM 1/01/85 - 12/31/89
VALUED AS OF 9/30/89

CLIENT
0345

PAGE LEC 2

POLICY YEAR 1985			POLICY YEAR 1986			POLICY YEAR 1987			POLICY YEAR 1988			POLICY YEAR 1989		
# OF	TOTAL		# OF	TOTAL		# OF	TOTAL		# OF	TOTAL		# OF	TOTAL	
CLMS	COST		CLMS	COST		CLMS	COST		CLMS	COST		CLMS	COST	
JANUARY	1	1200	8	10397		8	9901		6	4668		3	3499	
FEBRUARY	33	40164	18	18087		26	23331		18	6142		16	12843	
MARCH	60	73702	40	35430		47	48979		46	17358		38	44248	
APRIL	80	111019	55	47461		63	75281		65	33998		64	69150	
MAY	94	115634	73	84489		71	78393		76	48489		75	80698	
JUNE	114	144034	81	93648		77	76381		89	54874		89	100193	
JULY	133	144948	104	144055		85	77202		107	106795		99	105085	
AUGUST	144	155682	120	210036		94	82093		119	178113		106	118026	
SEPTEMBER	159	174779	132	216867		102	94179		127	184523		115	168896	
OCTOBER	173	207841	141	226381		106	131115		134	188533				
NOVEMBER	192	259810	152	234330		118	145366		142	193955				
DECEMBER	201	286912	157	232009		137	164606		154	151580				

POLICY YEAR 1985				POLICY YEAR 1986				POLICY YEAR 1987				POLICY YEAR 1988				POLICY YEAR 1989			
VALUED	# OF	TOTAL	% OF	# OF	TOTAL	% OF		# OF	TOTAL	% OF		# OF	TOTAL	% OF		# OF	TOTAL	% OF	
AS OF	CLMS	COST	COST	CLMS	COST	COST		CLMS	COST	COST		CLMS	COST	COST		CLMS	COST	COST	

END OF																			
OLICY YR	201	286912	100.0	157	232009	100.0		137	164606	100.0		154	151580	100.0		115	168896	100.0	
2 MO FOL	230	332810	116.0	171	242993	104.7		214	236991	143.9									
4 MO FOL	230	472296	164.6	172	261114	112.5													
6 MO FOL	231	490480	170.9																
8 MO FOL																			
URR. MO.	231	446632	155.6	172	310679	133.9		217	204637	124.3		178	128341	84.6		115	168896	100.0	

NO YR
09 89
ANHO20

LOSS LEVEL EVALUATION
MUNICIPALITY OVERALL
GENERAL LIABILITY CLAIMS

MUNICIPALITY OF ANCHORAGE
TERM 1/01/87 - 12/31/89
VALUED AS OF 9/30/89

CLNT
345
PAGE 1

LOSS LEVEL	TOTAL INCURRED		INCIDENTS *		TOTAL INCURRED		INCIDENTS *		TOTAL INCURRED		INCIDENTS *	
	-----1989-----		-----		-----1988-----		-----		-----1987-----		-----	
	AMT	% TOT	NO	% TOT	AMT	% TOT	NO	% TOT	AMT	% TOT	NO	% TOT
0			28	15.14			95	34.55			136	46.74
1-100	1035	.65	38	20.54	1333	.40	22	8.00	1011	.23	18	6.19
101-250	4443	2.79	24	12.97	8316	2.48	45	16.36	5640	1.29	32	11.00
251-500	12339	7.75	30	16.22	15702	4.67	45	16.36	9674	2.22	27	9.28
501-1000	17070	10.73	23	12.43	21358	6.36	29	10.55	21048	4.82	28	9.62
1001-2500	50943	32.02	30	16.22	27657	8.23	17	6.18	44368	10.16	25	8.59
2501-5000	25536	16.05	7	3.78	40352	12.01	10	3.64	58527	13.41	15	5.15
5001-10000	22500	14.14	3	1.62	52716	15.69	7	2.55	41051	9.40	5	1.72
10001-25000	25248	15.87	2	1.08	43631	12.99	3	1.09	41954	9.61	3	1.03
25001-50000					50000	14.88	1	.36				
50001-100000					74892	22.29	1	.36				
00001-250000									213298	48.86	2	.69
50001-500000												
OVER-500000												
GRAND TOTALS	159114	100.00	185	100.00	335957	100.00	275	100.00	436571	100.00	291	100.00

MO YR
09 89
ANH021

LOSS LEVEL EVALUATION
MUNICIPALITY OVERALL
AUTO LIABILITY CLAIMS

MUNICIPALITY OF ANCHORAGE
TERM 1/01/87 - 12/31/89
VALUED AS OF 9/30/89

CLNT
J45
PAGE 1

LOSS LEVEL	TOTAL INCURRED		INCIDENTS *		TOTAL INCURRED		INCIDENTS *		TOTAL INCURRED		INCIDENTS *	
	-----1989-----		-----1988-----		-----1987-----		-----1987-----		-----1987-----		-----1987-----	
	AMT	% TOT	NO	% TOT	AMT	% TOT	NO	% TOT	AMT	% TOT	NO	% TOT
0			20	17.39			61	34.27			70	32.26
1-100	634	.38	13	11.30	1039	.81	20	11.24	1324	.65	19	8.76
101-250	1820	1.08	10	8.70	4356	3.39	24	13.48	5909	2.89	35	16.13
251-500	5407	3.20	14	12.17	9064	7.06	24	13.48	5268	2.57	15	6.91
501-1000	19567	11.59	26	22.61	19537	15.22	27	15.17	20815	10.17	29	13.36
1001-2500	17748	10.51	10	8.70	26415	20.58	15	8.43	48731	23.81	31	14.29
2501-5000	64043	37.92	16	13.91	7769	6.05	3	1.69	37615	18.38	11	5.07
5001-10000	34677	20.53	5	4.35	7607	5.93	1	.56	19072	9.32	3	1.38
10001-25000	25000	14.80	1	.87	22554	17.57	2	1.12	65903	32.20	4	1.84
25001-50000					30000	23.38	1	.56				
50001-100000												
100001-250000												
250001-500000												
OVER-500000												

GRAND TOTALS 168896 100.00 115 100.00 128341 100.00 178 100.00 204637 100.00 217 100.00

October 30, 1989

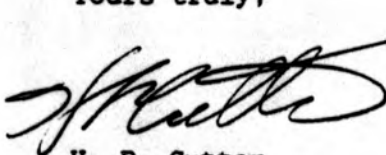
David Rogers
Box 33932
Juneau, Alaska 99801

Re: House Liability Task Force
Representative Sam Cotton's Letter of October 20, 1989

Dear Mr. Rogers:

I have reviewed your request with our Manager, Governmental Relations, and the Alyeska Law Department. Alyeska will not be able to forward the information you requested. Mainly the time restraints on the project is insufficient for us to participate as most all our records are archived and the information difficult to retrieve.

Yours truly,



H. P. Cutter
Risk Manager

rmp

DAVID E. ROGERS
LAWYER

P.O. Box 33932
JUNEAU, AK 99803

907-586-2366
FAX 907-586-6959

November 1, 1989

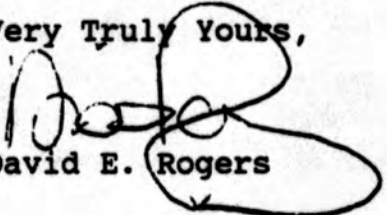
Alyeska pipeline Service Company
1835 South Bragaw Street
Anchorage, Alaska 99512

Attention: H.P. Cutter, Risk Manager

Dear Mr. Cutter:

I just received your letter of October 30, 1989. Would it make any difference if we expanded the time frame for your response to "as soon as possible"? Please let me know and thanks for your prompt reply.

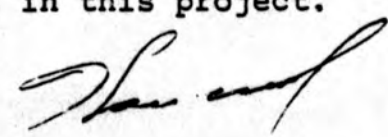
Very Truly Yours,


David E. Rogers

David,

Alyeska is not willing to participate in this project.

11/2/89



HPC	WMR	RMP	GJJ	SDD
CEH	RECEIVED			Info
GCS	NOV 07 1989			Follow Up
MED	INSURANCE & CLAIMS			File
Broker	Alyeska Anchorage			Action



Brian Rogers
Vice President for Finance
(907) 474-7448

University of Alaska
Fairbanks, Alaska 99775-5260

November ¹⁵ 8, 1989

Representative Sam Cotten
Chairman, House Liability Task Force
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Sam:

This letter is in response to your request of October 20, 1989, directed toward Glen Trigiano of the University of Alaska Anchorage. Mr. Trigiano is one of our safety personnel, and he forwarded your letter to our Statewide Office of Risk Management.

The university, since becoming self-insured on March 1, 1979, has used three different claims information systems, two of which were from contractual service agencies from outside the university and the third developed within the Statewide Office of Risk Management. From that third system, we can report some of the information which you have requested in your letter.

I have indicated for you, on the attachment of your liability survey, that information which we have provided from our risk management information system. That information is for the three years ended June 30, 1989, for general liability, auto liability, and Marine Protection and Indemnity. We have had neither errors and omissions' claims, aviation liability, nor medical malpractice claims during that period of time.

To answer the liability survey question three, we have experience with professional liability claims only through our Facilities Planning and Construction department. Our claims through that department against building professionals, architects, engineers, etc., would not support the statement "a small percentage of professionals in each group are responsible for a large percentage of the claims". Your question number five pertains to an insurance company and not to a self-insured. For number six, we are not aware of any availability problems other than being both a public entity and in Alaska, either of which is not looked upon with favor in the current primary insurance market. We feel that insurance is available, but that the price is prohibitive considering the loss record of the university.

UNIVERSITY OF ALASKA

Letter to Representative Cotten

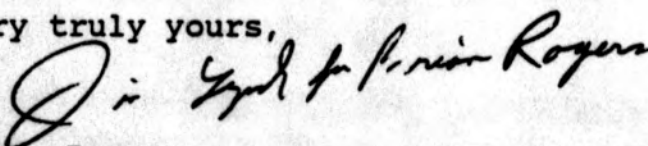
November 6, 1989

Page 2

If you wish us to provide any further information, please let me know.

Thank you for your support for the University of Alaska.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Brian Rogers".

Brian Rogers
Vice President for Finance

xc: Ike Charlton
David Rogers

UNIVERSITY OF ALASKA
STATEWIDE OFFICE OF RISK MANAGEMENT

CODE DEFINITIONS

TYPE CODES:

AL.....AUTO LIABILITY
AV.....AVIATION LIABILITY
GL.....GENERAL LIABILITY
MP.....MEDICAL MALPRACTICE
PI.....MARINE P&I

PAY CODES:

MEDICAL

10 - MEDICAL

EXPENSES

40 - PRIVATE ATTORNEY FEES: EMPLOYER
42 - LITIGATION COSTS
43 - OTHER ALLOCATED EXPENSES

THIRD PARTY CLAIMS

50 - BODILY INJURY
51 - PERSONAL INJURY
52 - ERRORS & OMISSIONS
53 - PROPERTY DAMAGE

STATUS CODES:

O - OPEN
R - RE-OPENED
C - CLOSED

UNIVERSITY OF ALASKA
STATEWIDE OFFICE OF RISK MANAGEMENT
FAIRBANKS, AK 99775-5580

CONFIDENTIAL REPORT OF LIABILITY CLAIM PAYMENTS
FOR THE PERIOD FY 87 THROUGH FY 89 AS OF 11/08/89

DATE	LOSS CLAIM	PAYCODE	PAYMENTS	TOTAL PAID	TYPE	STATUS
07/02/86	86276	53	\$134.00	\$134.00	GL	C
07/09/86	86280	53	\$483.85	\$483.85	AL	C
07/24/86	86293	53	\$303.25	\$303.25	AL	C
07/22/86	86299	50	\$300.00	\$300.00	AL	C
08/27/86	86339	53	\$1,227.31	\$1,227.31	GL	C
09/11/86	86355	-0-	\$0.00	\$0.00	GL	C
09/29/86	86371	53	\$2,221.05	\$44,677.72	AL	O
		10	\$913.00			
		43	\$15.00			
		40	\$41,528.67			
07/01/86	86378	40	\$4,334.22	\$4,334.22	GL	O
10/02/86	86383	-0-	\$0.00	\$0.00	GL	C
09/30/86	86388	-0-	\$0.00	\$0.00	GL	C
07/07/86	86401	-0-	\$0.00	\$0.00	GL	C
10/20/86	86405	-0-	\$0.00	\$0.00	GL	C
10/17/86	86418	-0-	\$0.00	\$0.00	GL	C
10/21/86	86417	53	\$807.00	\$807.00	AL	C
1/25/86	86452	-0-	\$0.00	\$0.00	GL	C
1/26/86	86453	-0-	\$0.00	\$0.00	GL	C
1/12/86	86451	53	\$390.25	\$390.25	GL	C
10/27/86	86460	-0-	\$0.00	\$0.00	AL	C
12/07/86	86467	10	\$214.85	\$214.85	GL	C
12/12/86	86471	-0-	\$0.00	\$0.00	GL	C
12/16/86	86472	50	\$10,000.00	\$10,808.50	GL	C
		40	\$808.50			

CONFIDENTIAL REPORT OF LIABILITY CLAIM PAYMENTS AS OF 11/08/89
PAGE 2 OF 6

DATE	LOSS CLAIM	PAYCODE	PAYMENTS	TOTAL PAID	TYPE	STATUS
12/19/86	86480	43	\$100.00	\$32,300.00	GL	C
		50	\$32,200.00			
12/20/86	87009	-0-	\$0.00	\$0.00	GL	C
01/03/87	87012	53	\$450.12	\$450.12	AL	C
12/17/86	87017	-0-	\$0.00	\$0.00	GL	C
01/27/87	87027	53	\$403.49	\$403.49	AL	C
01/30/87	87044	-0-	\$0.00	\$0.00	AL	C
01/29/87	87031	53	\$62.95	\$62.95	GL	C
02/06/87	87052	53	\$3,820.29	\$3,820.29	AL	C
02/28/87	87075	-0-	\$0.00	\$0.00	GL	C
02/16/87	87098	-0-	\$0.00	\$0.00	GL	C
12/27/86	87068	50	\$10,000.00	\$10,000.00	GL	C
12/20/86	87105	-0-	\$0.00	\$0.00	GL	C
03/20/87	87111	53	\$87.55	\$87.55	PI	C
03/04/87	87114	50	\$7,025.55	\$7,025.55	GL	C
03/02/87	87123	-0-	\$0.00	\$0.00	GL	C
03/02/87	87122	-0-	\$0.00	\$0.00	GL	C
04/01/87	87125	50	\$155.53	\$155.53	GL	C
03/25/87	87130	-0-	\$0.00	\$0.00	GL	C
03/05/87	87145	-0-	\$0.00	\$0.00	GL	C
04/18/87	87143	-0-	\$0.00	\$0.00	GL	C
05/10/87	87160	-0-	\$0.00	\$0.00	GL	C
05/15/87	87169	-0-	\$0.00	\$0.00	GL	C
05/09/87	87168	-0-	\$0.00	\$0.00	AL	C
05/13/87	87171	-0-	\$0.00	\$0.00	GL	C

CONFIDENTIAL REPORT OF LIABILITY CLAIM PAYMENTS AS OF 11/08/89
PAGE 3 OF 6

DATE	LOSS CLAIM	PAYCODE	PAYMENTS	TOTAL PAID	TYPE	STATUS
05/13/87	87196	-0-	\$0.00	\$0.00	PI	C
06/26/87	87205	10	\$312.18	\$312.18	AL	C
07/08/87	87213	53	\$536.04	\$536.04	AL	C
07/07/87	87214	53	\$217.05	\$217.05	AL	C
07/31/87	87252	40	\$5,848.55	\$5,848.55	GL	Q
08/12/87	87254	10	\$7,141.16	\$32,170.35	GL	C
		50	\$25,029.19			
08/14/87	87263	53	\$701.43	\$701.43	AL	C
06/24/87	87269	-0-	\$0.00	\$0.00	GL	C
07/21/87	87270	53	\$192.80	\$192.80	AL	C
10/09/87	87301	-0-	\$0.00	\$0.00	GL	C
10/05/87	87306	-0-	\$0.00	\$0.00	AL	C
10/19/87	87317	53	\$1,095.56	\$1,095.56	AL	C
11/21/86	86449	-0-	\$0.00	\$0.00	GL	C
11/11/87	87352	53	\$560.51	\$560.51	AL	C
11/23/87	87350	53	\$4,071.58	\$4,078.78	AL	C
		43	\$7.20			
11/20/87	87349	53	\$120.22	\$120.22	AL	C
09/28/87	87356	53	\$1,838.72	\$1,838.72	GL	C
11/30/87	87363	53	\$614.20	\$614.20	AL	C
12/21/87	87367	-0-	\$0.00	\$0.00	GL	C
12/17/87	87368	43	\$25,507.50	\$30,681.57	GL	R
		40	\$5,174.07			
01/12/88	88011	10	\$273.50	\$273.50	GL	C
01/16/88	88019	-0-	\$0.00	\$0.00	GL	R
02/03/88	88036	53	\$581.00	\$581.00	AL	C

CONFIDENTIAL REPORT OF LIABILITY CLAIM PAYMENTS AS OF 11/08/89
PAGE 4 OF 6

DATE	LOSS CLAIM	PAYCODE	PAYMENTS	TOTAL PAID	TYPE	STATUS
02/11/88	88042	53	\$866.31	\$866.31	AL	C
02/19/88	88046	-0-	\$0.00	\$0.00	GL	C
02/21/88	88045	53	\$423.28	\$423.28	AL	C
01/15/88	88057	53	\$1,075.35	\$1,075.35	AL	C
02/18/88	88051	53	\$722.53	\$724.03	AL	C
		43	\$1.50			
03/06/88	88079	10	\$1,656.80	\$1,656.80	GL	C
03/16/88	88081	50	\$237.89	\$1,086.91	GL	O
		10	\$840.00			
		43	\$9.02			
01/26/88	88088	10	\$12.50	\$957.90	GL	C
		50	\$945.40			
03/28/88	88091	53	\$306.28	\$306.28	GL	C
10/29/87	88094	50	\$303.90	\$0.00	GL	C
		50	-\$303.90			
04/14/87	88125	40	\$51,105.04	\$51,105.04	GL	O
04/18/88	88121	53	\$1,380.00	\$1,380.00	AL	C
03/17/88	88131	10	\$149.00	\$149.00	GL	C
04/24/87	87147	-0-	\$0.00	\$0.00	GL	C
04/19/88	88135	-0-	\$0.00	\$0.00	GL	C
05/13/88	88157	43	\$567.99	\$2,525.36	AL	C
		53	\$1,957.37			
06/10/88	88181	43	\$0.98	\$535.51	AL	C
		53	\$534.53			
4/07/88	88183	40	\$14,604.53	\$14,604.53	GL	O
6/23/88	88190	53	\$2,332.40	\$2,332.40	AL	O
6/23/88	88191	-0-	\$0.00	\$0.00	GL	C
6/17/88	88185	53	\$1,982.05	\$1,983.05	AL	C
		43	\$1.00			

CONFIDENTIAL REPORT OF LIABILITY CLAIM PAYMENTS AS OF 11/08/89
PAGE 5 OF 6

DATE	LOSS CLAIM	PAYCODE	PAYMENTS	TOTAL PAID	TYPE	STATUS
05/23/88	88206	53	\$1,602.87	\$1,602.87	GL	C
07/11/88	86216	53	\$568.00	\$568.00	AL	C
07/25/88	88222	53	\$529.57	\$529.57	AL	C
09/02/88	88254	53	\$1,424.91	\$1,427.41	AL	C
		43	\$2.50			
09/29/88	88273	43	\$37.50	\$37.50	GL	C
09/29/88	88271	43	\$2.16	\$429.37	AL	C
		53	\$427.21			
09/02/88	88272	53	\$552.27	\$552.27	AL	C
06/08/88	88280	40	\$10,490.90	\$10,490.90	GL	O
00/10/88	88290	-0-	\$0.00	\$0.00	GL	C
00/06/88	88292	43	\$2.70	\$1,351.08	AL	C
		53	\$1,348.38			
00/18/88	88300	-0-	\$0.00	\$0.00	GL	C
00/22/88	88325	-0-	\$0.00	\$0.00	GL	C
00/22/88	88324	-0-	\$0.00	\$0.00	GL	C
00/06/88	88323	-0-	\$0.00	\$0.00	GL	C
09/27/88	88331	10	\$32.50	\$32.50	GL	C
11/19/88	88358	53	\$119.90	\$119.90	GL	C
11/15/88	88357	53	\$136.49	\$136.49	GL	C
12/01/88	88356	-0-	\$0.00	\$0.00	GL	C
12/10/88	88355	53	\$369.75	\$369.75	AL	C
00/25/88	89006	-0-	\$0.00	\$0.00	GL	C
00/30/88	88326	43	\$7.03	\$4,163.28	GL	O
		40	\$4,156.25			
09/27/88	89023	40	\$27,413.93	\$27,413.93	GL	O

CONFIDENTIAL REPORT OF LIABILITY CLAIM PAYMENTS AS OF 11/08/89
PAGE 6 OF 6

DATE	LOSS CLAIM	PAYCODE	PAYMENTS	TOTAL PAID	TYPE	STATUS
01/30/89	89028	-0-	\$0.00	\$0.00	AL	C
01/30/89	89022	53	\$403.93	\$403.93	AL	C
01/26/89	89038	53	\$411.50	\$411.50	AL	C
01/25/89	89037	53	\$1,008.75	\$1,008.75	AL	C
03/06/89	89067	53	\$1,153.05	\$1,153.05	AL	C
01/30/89	89071	-0-	\$0.00	\$0.00	GL	C
11/21/88	89069	-0-	\$0.00	\$0.00	GL	C
03/08/89	89075	53	\$455.46	\$455.46	AL	C
03/01/89	89079	-0-	\$0.00	\$0.00	GL	C
02/26/89	89095	-0-	\$0.00	\$0.00	GL	O
04/06/89	89143	10	\$1,769.60	\$1,769.60	GL	O
01/23/89	89154	-0-	\$0.00	\$0.00	GL	C
03/30/89	89148	53	\$564.03	\$564.03	AL	C
03/06/89	89155	53	\$834.92	\$834.92	AL	O
04/12/89	89162	-0-	\$0.00	\$0.00	GL	O
05/25/89	89197	10	\$1,167.60	\$1,167.60	GL	O
06/14/89	89202	-0-	\$0.00	\$0.00	GL	O
01/26/89	89030	53	\$989.20	\$989.20	AL	C
06/30/89	89241	53	\$695.10	\$695.10	AL	C

STATE OF ALASKA

LIABILITY SURVEY

1. For each group, the total amount of premiums you have collected in Alaska for the last fifteen years which relate to liability insurance policies.
2. Claims information for the fifteen year period as follows:

Claim Synopsis

1. Date of event
2. Date suit filed
3. Date case settled/verdict received
4. Statute of limitations (exception/basis)
5. Percentage of comparative negligence
6. Total payment
7. Payment by each co-defendant
8. Collateral source (amount/source available)
9. Collateral source (amount/source allowed)
10. Case evaluation (if 100% liable)

Damages

1. Medical specials
2. Economic specials/income
3. Economic specials/out-going
4. Pain and suffering
5. Disfigurement
6. Loss of enjoyment of life
7. Punitive
8. Loss of consortium
9. Other (specify)
10. Prejudgment interest
11. Postjudgment interest

we can break out by

BI

PI

PD

E+O

Method of Payment

1. Periodic payment (specifics)
2. Annuity (specifics)
3. Lump sum

Attorney Fees/Costs

1. Contingency fee/percentage plaintiff
2. Rule 82
3. Costs/plaintiff
4. Defense costs
5. Defense fees

3. From your experience, do you agree with this statement: "a small percentage of professionals in each group are responsible for a large percentage of the claims?" Do you have statistics to support your answer?

State of Alaska
Liability Survey
Page Two

4. If you carry other lines of liability insurance, please answer the above questions for each of those groups.
5. What is your current rate structure?

Are you aware of any availability problem in connection with any lines of liability insurance you carry?



ANCHORAGE SCHOOL DISTRICT

4600 DeBarr Avenue
P.O. Box 196614
Anchorage, Alaska 99519-6614
AREA CODE [907] 333-9561

November 17, 1989

SCHOOL BOARD

William Frick
President

Betty Davis
Vice President
Past President
1985-86

Carol Stolpe
Clerk

Darryl Jordan
Treasurer

Betty Bruckman

Jean Buchanan
Past President
1983-84, 1986-87

Sharon Richards

SUPERINTENDENT

William Coats, Ph.D.

David Rogers
Box 33932
Juneau, Alaska 99801

Dear Mr. Rogers:

The following are responses to the questions on the liability survey:

Question #1. Premiums? A computer run for premiums paid for general liability and auto liability excess insurance from July 1, 1979 is enclosed.

Question #2. Claim information? The Anchorage School District became a self-insurer, July 1, 1979. The enclosed loss experience summaries indicate that claims adjusters for the district have processed some 932 general and auto liability claims since the inception of the self-insurance program. In order to respond to Question #2, the District would have to contract for a very time consuming and costly individual claim audit.

Question #3. Small percentage of professionals - large percentage of claims? I do not have any statistics in which to draw any conclusions regarding this question.

Question #4. Any other lines of insurance? None.

Question #5. Current rate structure? Since the District carries a large self-insured retention, the current rate is a percentage of the ISO manual rate.

Question #6. Availability of coverage? The only problem I see in liability coverage relates to pollution insurance.

I hope the information is helpful. If you need anything else, please do not hesitate to call.

Sincerely,

Tom Bibeau
Risk Manager

VZ
R1117D

STATE OF ALASKA

LIABILITY SURVEY

1. For each group, the total amount of premiums you have collected in Alaska for the last fifteen years which relate to liability insurance policies.
2. Claims information for the fifteen year period as follows:

Claim Synopsis

1. Date of event
2. Date suit filed
3. Date case settled/verdict received
4. Statute of limitations (exception/basis)
5. Percentage of comparative negligence
6. Total payment
7. Payment by each co-defendant
8. Collateral source (amount/source available)
9. Collateral source (amount/source allowed)
10. Case evaluation (if 100% liable)

Damages

1. Medical specials
2. Economic specials/income
3. Economic specials/out-going
4. Pain and suffering
5. Disfigurement
6. Loss of enjoyment of life
7. Punitive
8. Loss of consortium
9. Other (specify)
10. Prejudgment interest
11. Postjudgment interest

Method of Payment

1. Periodic payment (specifics)
2. Annuity (specifics)
3. Lump sum

Attorney Fees/Costs

1. Contingency fee/percentage plaintiff
2. Rule 82
3. Costs/plaintiff
4. Defense costs
5. Defense fees

3. From your experience, do you agree with this statement: "a small percentage of professionals in each group are responsible for a large percentage of the claims?" Do you have statistics to support your answer?

State of Alaska
Liability Survey
Page Two

4. If you carry other lines of liability insurance, please answer the above questions for each of those groups.
5. What is your current rate structure?
6. Are you aware of any availability problem in connection with any lines of liability insurance you carry?

Percentage of the 150 manual rate

Question #1

POLICY NUMBER	CARRIER	TYPE	LIMIT	EXPIRES	PREMIUM
836043	MISSION	GL	5MX5M	7/01/78	\$0.00
777-3217002050	ALASKA PACIFIC	GL/AL	P500,000	7/01/78	\$0.00
876-0453	NEW HAMPSHIRE	GL	5M	7/01/78	\$0.00
LE21462	EMPLOYERS REINS	GL	5MX10M	7/01/78	\$0.00
836044	MISSION	GL	5MX15M	7/01/78	\$0.00
LX1203911	NATIONAL SURETY	GL	5MX20M	7/01/78	\$0.00
IE21462	EMPLOYERS REINS	GL AL	5MX10M	7/01/79	\$9,000.00
842254	MISSION	GL AL	5MX5M	7/01/79	\$12,525.00
LX1269378	NATIONAL SURETY	GL AL	5MX20M	7/01/79	\$4,000.00
8785411	GRANIT STATE	GL AL	P5MX25THSIR	7/01/79	\$58,400.00
842255	MISSION	GL AL	5MX15M	7/01/79	\$5,025.00
CC001707	PACIFIC EMP	GL AL	10MX11M	7/01/80	\$11,000.00
MX00184	GIBRALTER	GL AL	4MX21M	7/01/80	\$4,000.00
GL001028	AMBASSADOR	GL AL	P1MX200THSIR	7/01/80	\$82,500.00
LI1514	INSCO	GL AL	10MX1M	7/01/80	\$56,400.00
LI1534	INSCO	GL AL	P1MX200THSIR	7/01/81	\$72,500.00
LI1534	NEW ENGLAND	GL AL	10MX10M	7/01/81	\$11,385.00
LI1535	INSCO	GL AL	9MX1M	7/01/81	\$60,000.00
UL5073611	AMERICAN EXCESS	GL AL	5MX20M	7/01/81	\$3,331.00
88358344	INDUSTRIAL IND	GL AL	20MX10M	7/01/82	\$9,500.00
8C152184	I N A	GL AL	20MX30M	7/01/82	\$9,500.00
LI1558	INSCO	GL AL	P10MX200THSIR	7/01/82	\$66,330.00
XX111504	NUTMEG	GL AL	P10MX200THSIR	7/01/83	\$53,064.00
CP143744	I N A	GL AL	20MX30M	7/01/83	\$6,000.00
88358344	INDUSTRIAL IND	GL AL	20MX10M	7/01/83	\$11,000.00
88358344	INDUSTRIAL IND	GL AL	20MX10M	7/01/84	\$11,000.00
CP144827	I N A	GL AL	20MX30M	7/01/84	\$6,500.00
AI807661	PROTECTIVE NAT	GL AL	P10MX100THSIR	7/01/84	\$66,000.00
NPY223584	I C IRELAND	GL AL	P5MX100THSIR	7/01/85	\$338,333.00
88843059	INDUSTRIAL IND	GL AL	5MX5M	7/01/85	\$20,000.00
LG687	FIRST STATE	GL AL	20MX10M	7/01/85	\$13,750.00
CP144827	I N A	GL AL	20MX30M	7/01/85	\$10,500.00
607394	NATIONAL UNION	GL AL	7MQS25MX25M	8/28/85	\$3,339.00
CP600855947	CIGNA	GL AL	5MQS25MX25M	8/28/85	\$2,266.00
EX008198	CALIFORNIA UNION	GL AL	5MQS25MX25M	8/28/85	\$2,239.00
EX1691019	FIREMANS FUND	GL AL	5MQS25MX25M	8/28/85	\$2,266.00
ELF INSURED	ASD	GL WC	5MX15M	8/28/85	\$0.00
ELF INSURED	ASD	GL WC	3MQS25MX25M	8/28/85	\$0.00
SC637252	SECURITY HARTFORD	GL AL	P5MX200THSIR	7/01/86	\$485,199.00
EX008196	CALIFORNIA UNION	GL AL	5MX10M	7/01/86	\$50,500.00
88950829	INDUSTRIAL IND	GL AL	5MX5M	7/01/86	\$90,900.00
CP600856368	CIGNA	GL AL	5MX20M	7/01/86	\$27,266.00
607394	NATIONAL UNION	GL AL	7MX35M	7/01/86	\$25,415.00
EX1691019	FIREMANS FUND	GL AL	5MQS10MX25M	7/01/86	\$20,000.00
981451	FIRST STATE	GL AL	5MX15M	7/01/86	\$30,300.00
EX008198	CALIFORNIA UNION	GL AL	5MQS10MX25M	7/01/86	\$16,988.00
AA	I N A	GL	2MX1.75M	7/01/87	\$33,318.00
EX422002	SECURITY HARTFORD	GL	P4.25MX750THSIR	7/01/87	\$467,660.00
SC637260	SECURITY HARTFORD	GL AL	P9.25MX750THSIR	7/01/88	\$377,249.00
SC637262	SECURITY HARTFORD	GL AL	P9.25MX750THSIR	7/01/89	\$277,120.00
68506	LEXINGTON INS CO.	GL AL	5MX4.25MX750SIR	7/01/90	\$34,150.52
C446-900	GUARANTY NATIONAL	GL AL	P4.25MX750THSIR	7/01/90	\$184,375.00

NO YR LOSS EXPERIENCE SUMMARY
DISTRICT OVERALL-BY DEPARTMENT
06 85 MAJOR COVERAGE GROUPS

ANCHORAGE SCHOOL DISTRICT
TERM 7/01/79 - 7/01/80
VALUED AS OF 6/30/85

INSD YEAR
330 80
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DEPT	MAJOR COVERAGE GROUP	NO. OF CLAIMS	PAID LOSS	<i>Legal fees</i> EXPENSE	RESERVE	TOTAL	AVG. COST
1	GENERAL LIABILITY	1	244			244	244
	WORKERS' COMPENSATION	159	214554	3318	119426	337298	2121
	TOTALS - ADMIN., PROFESSIONAL, CLER	160	214798	3318	119426	337542	2110
2	WORKERS' COMPENSATION	102	336724	6843	21915	365482	3581
	TOTALS - OPERATIONS (CUSTODIANS)	102	336724	6843	21915	365482	3581
3	AUTO LIABILITY	4	355			355	89
	WORKERS' COMPENSATION	42	10943			10943	261
	TOTALS - MAINTENANCE	46	11298			11298	246
4	WORKERS' COMPENSATION	34	8924			8924	262
	TOTALS - FOOD SERVICE	34	8924			8924	262
5	GENERAL LIABILITY	1	125			125	125
	AUTO LIABILITY	14	5940	50		5990	428
	WORKERS' COMPENSATION	29	51601	205		51806	1786
	TOTALS - TRANSPORTATION	44	57666	255		57921	1316
6	AUTO LIABILITY	2	477			477	239
	WORKERS' COMPENSATION	17	9465		7222	16687	982
	TOTALS - WAREHOUSE	19	9942		7222	17164	901
7	GENERAL LIABILITY	10	1677	1736		3413	341
	TOTALS - MISCELLANEOUS	10	1677	1736		3413	341

MO YR LOSS EXPERIENCE SUMMARY
 DISTRICT OVERALL-BY DEPARTMENT
 06 85 MAJOR COVERAGE GROUPS

ANCHORAGE SCHOOL DISTRICT
 TERM 7/01/79 - 7/01/80
 VALUED AS OF 6/30/85

INSD YEAR
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DEPT	MAJOR COVERAGE GROUP	NO. OF CLAIMS	PAID LOSS	EXPENSE	RESERVE	TOTAL	AVG. COST
RECAP TOTALS - PER MAJOR COVERAGE GROUP							
X	GENERAL LIABILITY	12	2046	1736		3782	315
X	AUTO LIABILITY	20	6772	50		6822	341
	WORKERS' COMPENSATION	383	632211	10366	148563	791140	2060

GRAND TOTALS	415	641029	12152	148563	801744	1937
PREMIUM						176500.00
LOSS RATIO						92

NO YR LOSS EXPERIENCE SUMMARY
DISTRICT OVERALL-BY DEPARTMENT
06 85 MAJOR COVERAGE GROUPS

ANCHORAGE SCHOOL DISTRICT
TERM 7/01/80 - 7/01/81
VALUED AS OF 6/30/85

INSD	YEAR
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DEPT	MAJOR COVERAGE GROUP	NO. OF CLAIMS	PAID LOSS	EXPENSE	RESERVE	TOTAL	AVG. COST
1	WORKERS' COMPENSATION	99	55566	6046		61612	622
	TOTALS - ADMIN., PROFESSIONAL, CLER	99	55566	6046		61612	622
2	WORKERS' COMPENSATION	61	90614	513	34458	125585	2059
	TOTALS - OPERATIONS (CUSTODIANS)	61	90614	513	34458	125585	2059
3	GENERAL LIABILITY	1	110			110	110
	AUTO LIABILITY	7	15921	89		16010	2287
	WORKERS' COMPENSATION	34	67177	2527		69704	2050
	TOTALS - MAINTENANCE	42	83208	2616		85824	2043
4	WORKERS' COMPENSATION	23	49413	17767		67180	2921
	TOTALS - FOOD SERVICE	23	49413	17767		67180	2921
5	AUTO LIABILITY	32	9226	280		9506	297
	WORKERS' COMPENSATION	25	23458	129		23587	941
	TOTALS - TRANSPORTATION	57	32684	409		33093	581
6	AUTO LIABILITY	1	431			431	431
	WORKERS' COMPENSATION	4	12277	3870		16147	4037
	TOTALS - WAREHOUSE	5	12708	3870		16578	3316
7	GENERAL LIABILITY	27	893			893	33
	AUTO LIABILITY	2	4523			4523	2262
	WORKERS' COMPENSATION	2	335			335	168
	TOTALS - MISCELLANEOUS	31	5751			5751	186

MO YR LOSS EXPERIENCE SUMMARY
DISTRICT OVERALL-BY DEPARTMENT
06 85 MAJOR COVERAGE GROUPS

ANCHORAGE SCHOOL DISTRICT
TERM 7/01/80 - 7/01/81
VALUED AS OF 6/30/85

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DEPT	MAJOR COVERAGE GROUP	NO. OF CLAIMS	PAID LOSS	EXPENSE	RESERVE	TOTAL	AVG. COST
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RECAP TOTALS - PER MAJOR COVERAGE GROUP

GENERAL LIABILITY	28	1003				1003	36
AUTO LIABILITY	42	30101	369			30470	72
WORKERS' COMPENSATION	248	298840	30852	34458		364150	1468

GRAND TOTALS	318	329944	31221	34458	395623	1244
PREMIUM					1785000	00
LOSS RATIO						16

NO YR LOSS EXPERIENCE SUMMARY
DISTRICT OVERALL-BY DEPARTMENT
06 85 MAJOR COVERAGE GROUPS

ANCHORAGE SCHOOL DISTRICT
TERM 7/01/81 - 7/01/82
VALUED AS OF 6/30/85

INSD	YEAR
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DEPT	MAJOR COVERAGE GROUP	NO. OF CLAIMS	PAID LOSS	EXPENSE	RESERVE	TOTAL	AVG. COST
1	WORKERS' COMPENSATION	112	75144	1839	287	77270	690
	TOTALS - ADMIN., PROFESSIONAL, CLER	112	75144	1839	287	77270	690
2	WORKERS' COMPENSATION	59	224207	28594	114293	367094	6222
	TOTALS - OPERATIONS (CUSTODIANS)	59	224207	28594	114293	367094	6222
3	GENERAL LIABILITY	1	272			272	272
	WORKERS' COMPENSATION	21	96427	8781	1930	107138	5102
	TOTALS - MAINTENANCE	22	96699	8781	1930	107410	4882
4	WORKERS' COMPENSATION	26	8330	17		8347	321
	TOTALS - FOOD SERVICE	26	8330	17		8347	321
5	GENERAL LIABILITY	3		14189		14189	4730
	AUTO LIABILITY	30	38394	2549		40943	1365
	WORKERS' COMPENSATION	22	56222	3765	24465	84452	3839
	TOTALS - TRANSPORTATION	55	94616	20503	24465	139584	2538
6	WORKERS' COMPENSATION	8	9515	135		9650	1206
	TOTALS - WAREHOUSE	8	9515	135		9650	1206
7	GENERAL LIABILITY	19	4415	4901	22002	31318	1648
	AUTO LIABILITY	6	7882	217		8099	1350
	WORKERS' COMPENSATION	1	40			40	40
	TOTALS - MISCELLANEOUS	26	12337	5118	22002	39457	1518

MO YR LOSS EXPERIENCE SUMMARY
 DISTRICT OVERALL-BY DEPARTMENT
 06 85 MAJOR COVERAGE GROUPS

ANCHORAGE SCHOOL DISTRICT
 TERM 7/01/81 - 7/01/82
 VALUED AS OF 6/30/85

INSD	YEAR
330	82
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DEPT	MAJOR COVERAGE GROUP	NO. OF CLAIMS	PAID LOSS	EXPENSE	RESERVE	TOTAL	AVG. COST
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RECAP TOTALS - PER MAJOR COVERAGE GROUP

GENERAL LIABILITY	23	4687	19090	22002	45779	1990
AUTO LIABILITY	36	46276	2766		49042	1362
WORKERS' COMPENSATION	249	469885	43131	140975	653991	2626

GRAND TOTALS	308	520848	64987	162977	748812	2431
PREMIUM						2049900.00
LOSS RATIO						53

NO YR LOSS EXPERIENCE SUMMARY
DISTRICT OVERALL-BY DEPARTMENT
06 85 MAJOR COVERAGE GROUPS

ANCHORAGE SCHOOL DISTRICT
TERM 7/01/82 - 7/01/83
VALUED AS OF 6/30/85

INSD	YEAR
330	83
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DEPT	MAJOR COVERAGE GROUP	NO. OF CLAIMS	PAID LOSS	EXPENSE	RESERVE		AVG. COST
1	WORKERS' COMPENSATION	113	114077	16717	9940	140734	124
	TOTALS - ADMIN/PROF/CLERICAL-CLO-77	113	114077	16717	9940	140734	124
2	WORKERS' COMPENSATION	64	57912	1977	232	60121	93
	TOTALS - OPERATIONS (CUSTODIANS)	64	57912	1977	232	60121	93
3	WORKERS' COMPENSATION	38	187683	10449	12347	210479	553
	TOTALS - MAINTENANCE	38	187683	10449	12347	210479	553
4	WORKERS' COMPENSATION	24	184413	4989	89719	279121	1163
	TOTALS - FOOD SERVICE	24	184413	4989	89719	279121	1163
5	GENERAL LIABILITY	2	218			218	10
	AUTO LIABILITY	34	13184	60		13244	39
	WORKERS' COMPENSATION	19	12366	342		12708	66
	TOTALS - TRANSPORTATION	55	25768	402		26170	47
6	WORKERS' COMPENSATION	15	135063	21938	23400	180401	1202
	TOTALS - WAREHOUSE	15	135063	21938	23400	180401	1202
7	GENERAL LIABILITY	42	4396	21257	39022	64675	154
	AUTO LIABILITY	2	1449			1449	72
	WORKERS' COMPENSATION	3	252			252	8
	TOTALS - MISCELLANEOUS	47	6097	21257	39022	66376	141

MO YR LOSS EXPERIENCE SUMMARY
DISTRICT OVERALL-BY DEPARTMENT
06 85 MAJOR COVERAGE GROUPS

ANCHORAGE SCHOOL DISTRICT
TERM 7/01/82 - 7/01/83
VALUED AS OF 6/30/85

INSD	YEAR
330	83
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DEPT	MAJOR COVERAGE	NO. OF CLAIMS	PAID LOSS	EXPENSE	RESERVE	AMG. COST
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RECAP TOTALS - PER MAJOR COVERAGE GROUP

GENERAL LIABILITY	44	4614	21257	39022	64893	1475
AUTO LIABILITY	36	14633	60		14693	408
WORKERS' COMPENSATION	276	691766	56412	135638	883816	3202

GRAND TOTALS	356	711015	77729	174660	963402	2206
PREMIUM					204000	00
LOSS RATIO						001

MO YR LOSS EXPERIENCE SUMMARY
DISTRICT OVERALL-BY DEPARTMENT
06 85 MAJOR COVERAGE GROUPS

ANCHORAGE SCHOOL DISTRICT
TERM 7/01/83 - 7/01/84
VALUED AS OF 6/30/85

INSD YEAR
330 84
PAGE LES 9

DEPT	MAJOR COVERAGE GROUP	NO. OF CLAIMS	PAID LOSS	EXPENSE	RESERVE	TOTAL	AVG. COST
2	WORKERS' COMPENSATION	68	73364	1265	4491	79120	1164
	TOTALS - OPERATIONS (CUSTODIANS)	68	73364	1265	4491	79120	1164
3	WORKERS' COMPENSATION	43	59079	2535	3419	65033	1512
	TOTALS - MAINTENANCE	43	59079	2535	3419	65033	1512
4	WORKERS' COMPENSATION	28	7999	33		8032	287
	TOTALS - FOOD SERVICE	28	7999	33		8032	287
5	GENERAL LIABILITY	7	2329	748		3077	440
	AUTO LIABILITY	41	24001	26	2900	26927	657
	WORKERS' COMPENSATION	16	16675	277	1091	18043	1120
	TOTALS - TRANSPORTATION	64	43005	1051	3991	48047	751
6	WORKERS' COMPENSATION	11	9592	413		10005	910
	TOTALS - WAREHOUSE	11	9592	413		10005	910
7	GENERAL LIABILITY	41	8089	14169	102113	124371	3033
	AUTO LIABILITY	1	1309			1309	1309
	TOTALS - MISCELLANEOUS	42	9398	14169	102113	125680	2997
10	WORKERS' COMPENSATION	14	22338	98	3987	26423	1887
	TOTALS - ADMINISTRATION	14	22338	98	3987	26423	1887

MO YR LOSS EXPERIENCE SUMMARY
DISTRICT OVERALL-BY DEPARTMENT
06 85 MAJOR COVERAGE GROUPS

ANCHORAGE SCHOOL DISTRICT
TERM 7/01/83 - 7/01/84
VALUED AS OF 6/30/85

INSD	YEAR
330	84
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DEPT	MAJOR COVERAGE GROUP	NO. OF CLAIMS	PAID LOSS	EXPENSE	RESERVE	TOTAL	AVG. COST
11	WORKERS' COMPENSATION	5	3026	1363	9255	13644	2729
	TOTALS - PRINCIPALS	5	3026	1363	9255	13644	2729
12	WORKERS' COMPENSATION	94	160148	4493	34801	199442	2122
	TOTALS - TEACHERS	94	160148	4493	34801	199442	2122
13	WORKERS' COMPENSATION	17	1581			1581	93
	TOTALS - CLERICAL	17	1581			1581	93

RECAP TOTALS - PER MAJOR COVERAGE GROUP

GENERAL LIABILITY	48	10418	14917	102113	127448	2655
AUTO LIABILITY	42	25310	26	2900	28236	672
WORKERS' COMPENSATION	296	353802	10477	57044	421323	1423

GRAND TOTALS	386	389530	25420	162057	577007	1495
PREMIUM						2849994.00
LOSS RATIO						5%

NO YR LOSS EXPERIENCE SUMMARY
DISTRICT OVERALL-BY DEPARTMENT
06 85 MAJOR COVERAGE GROUPS

ANCHORAGE SCHOOL DISTRICT
TERM 7/01/84 - 7/01/85
VALUED AS OF 6/30/85

INSO	YEAR
330	85
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DEPT	MAJOR COVERAGE GROUP	NO. OF CLAIMS	PAID LOSS	EXPENSE	RESERVE	TOTAL	AVG. COST
2	WORKERS' COMPENSATION	95	113708	1594	40899	156201	1644
	TOTALS - OPERATIONS (CUSTODIANS)	95	113708	1594	40899	156201	1644
3	AUTO LIABILITY	1					
	WORKERS' COMPENSATION	34	22208	529	15128	37865	1114
	TOTALS - MAINTENANCE	35	22208	529	15128	37865	1082
4	WORKERS' COMPENSATION	25	16337	45	14126	30508	1220
	TOTALS - FOOD SERVICE	25	16337	45	14126	30508	1220
5	AUTO LIABILITY	23	19030	76	14513	33619	1462
	WORKERS' COMPENSATION	19	7704	82	6218	14004	737
	TOTALS - TRANSPORTATION	42	26734	158	20731	47623	1134
6	AUTO LIABILITY	3	946			946	315
	WORKERS' COMPENSATION	9	17689	949	2694	21332	2370
	TOTALS - WAREHOUSE	12	18635	949	2694	22278	1857
7	GENERAL LIABILITY	36	2703	2338	60466	65507	1820
	TOTALS - MISCELLANEOUS	36	2703	2338	60466	65507	1820
10	WORKERS' COMPENSATION	5	806		300	1106	221
	TOTALS - ADMINISTRATION	5	806		300	1106	221

MO YR LOSS EXPERIENCE SUMMARY
DISTRICT OVERALL-BY DEPARTMENT
06 85 MAJOR COVERAGE GROUPS

ANCHORAGE SCHOOL DISTRICT
TERM 7/01/84 - 7/01/85
VALUED AS OF 6/30/85

INSD	YEAR
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DEPT	MAJOR COVERAGE GROUP	NO. OF CLAIMS	PAID LOSS	EXPENSE	RESERVE		AVG. ST
11	WORKERS' COMPENSATION	4	211		589	800	200
	TOTALS - PRINCIPALS	4	211		589	800	200
12	WORKERS' COMPENSATION	93	69066	20747	175008	264821	2848
	TOTALS - TEACHERS	93	69066	20747	175008	264821	2848
13	GENERAL LIABILITY	1			1	1	1
	WORKERS' COMPENSATION	27	10680		10015	20695	760
	TOTALS - CLERICAL	28	10680		10016	20696	739

RECAP TOTALS - PER MAJOR COVERAGE GROUP

GENERAL LIABILITY	32	2703	2338	60467	65508	1770
AUTO LIABILITY	27	19976	76	14513	34565	1280
WORKERS' COMPENSATION	311	253409	23946	264977	547332	1760

GRAND TOTALS 375 281088 26360 339957 647405 1720

PREMIUM

2391452.00

LOSS RATIO

22.07

GAB NUMBER - 018031

ANCHORAGE SCHOOL DISTRICT

PAGE 1

CONTRACT YEAR SUMMARY

IBM - 121

RUN DATE - 06/04/89

PERIOD COVERED 10/01/79 THRU 06/30/85

CONTRACT YEAR 01

AS OF 05/31/89

LOSS CATEGORY		PAID THIS MONTH	PAID TO DATE	RESERVE OUTSTANDING	INCURRED AMOUNT	***** FILES ***** REOPENED OPEN CLOSED	TOTAL
GENERAL LIABILITY	LOSSES	.00	117,242.40	.00	117,242.40		
	EXPENSES	.00	194,356.47	.00	194,356.47		
	TOTAL	.00	311,598.87	.00	311,598.87	0 0 41	41
AUTO LIABILITY	LOSSES	.00	7,666.25	6,185.00	13,851.25		
	EXPENSES	.00	6,202.10	3,155.75	9,357.85		
	TOTAL	.00	13,868.35	9,340.75	23,209.10	0 1 6	7
WORKERS COMPENSATION	LOSSES	.00	1,693,199.35	.00	1,693,199.35		
	EXPENSES	.00	214,589.79	.00	214,589.79		
	TOTAL	.00	1,907,789.14	.00	1,907,789.14	0 0 196	196
CONTRACT YEAR 01	LOSSES	.00	1,818,108.00	6,185.00	1,824,293.00		
	EXPENSE	.00	415,148.36	3,155.75	418,304.11		
	TOTAL	.00	2,233,256.36	9,340.75	2,242,597.11	0 1 243	244

RECOVERIES:

GENERAL LIAB.	.00	.00	.00
AUTO LIAB.	.00	.00	.00
WORKERS COMP.	.00	.00	.00
CONTRACT YEAR 01 TOTAL	.00	.00	.00

RISK MGMT.

JUN 22 1989

QAB NUMBER - 018031

ANCHORAGE SCHOOL DISTRICT

PAGE 2

CONTRACT YEAR SUMMARY

IBM - 122

RUN DATE - 06/04/89

PERIOD COVERED 07/01/85 THRU 06/30/86

CONTRACT YEAR 02

AS OF 05/31/89

LOSS CATEGORY		PAID THIS MONTH	PAID TO DATE	RESERVE OUTSTANDING	INCURRED AMOUNT	* * * * *	F I L E S	* * * * *	TOTAL
						REOPENED	OPEN	CLOSED	
GENERAL LIABILITY	LOSSES	.00	297,993.00	.00	297,993.00				
	EXPENSES	.00	140,877.29	.00	140,877.29				
	TOTAL	.00	438,870.29	.00	438,870.29	0	0	41	41
AUTO LIABILITY	LOSSES	.00	30,583.21	.00	30,583.21				
	EXPENSES	.00	6,211.43	.00	6,211.43				
	TOTAL	.00	36,794.64	.00	36,794.64	0	0	22	22
WORKERS COMPENSATION	LOSSES	.00	972,354.27	.00	972,354.27				
	EXPENSES	.00	112,931.46	4,629.95	117,561.41				
	TOTAL	.00	1,085,285.73	4,629.95	1,089,915.68	0	1	331	332
CONTRACT YEAR 02	LOSSES	.00	1,300,930.48	.00	1,300,930.48				
	EXPENSE	.00	260,020.18	4,629.95	264,650.13				
	TOTAL	.00	1,560,950.66	4,629.95	1,565,580.61	0	1	394	395

RECOVERIES:

GENERAL LIAB.	.00	.00	.00
AUTO LIAB.	.00	.00	.00
WORKERS COMP.	.00	.00	.00
CONTRACT YEAR 02 TOTAL	.00	.00	.00

GAB NUMBER - 018031

ANCHORAGE SCHOOL DISTRICT

PAGE 3

CONTRACT YEAR SUMMARY

IBM - 123

RUN DATE - 06/04/89

PERIOD COVERED 07/01/86 THRU 06/30/87

CONTRACT YEAR 03

AS OF 05/31/89

LOSS CATEGORY		PAID THIS MONTH	PAID TO DATE	RESERVE OUTSTANDING	INCURRED * * * * * AMOUNT	* * * * * F I L E S * * * * * REOPENED OPEN CLOSED	TOTAL
GENERAL LIABILITY	LOSSES	.00	1,391.90	.00	1,391.90		
	EXPENSES	.00	28,591.35	1,163.20	29,754.55		
	TOTAL	.00	29,983.25	1,163.20	31,146.45	0 1 48	49
AUTO LIABILITY	LOSSES	.00	13,239.42	.00	13,239.42		
	EXPENSES	.00	.00	.00	.00		
	TOTAL	.00	13,239.42	.00	13,239.42	0 0 15	15
WORKERS COMPENSATION	LOSSES	.00	735,137.52	470.00	735,607.52		
	EXPENSES	.00	13,600.46	.00	13,600.46		
	TOTAL	.00	748,737.98	470.00	749,207.98	0 1 338	339
CONTRACT YEAR 03	LOSSES	.00	749,768.84	470.00	750,238.84		
	EXPENSE	.00	42,191.81	1,163.20	43,355.01		
	TOTAL	.00	791,960.65	1,633.20	793,593.85	0 2 401	403

RECOVERIES:

GENERAL LIAB.	.00	.00	.00
AUTO LIAB.	.00	.00	.00
WORKERS COMP.	.00	.00	.00
CONTRACT YEAR 03 TOTAL	.00	.00	.00

GAB NUMBER - 018031

ANCHORAGE SCHOOL DISTRICT

PAGE 4

CONTRACT YEAR SUMMARY

IBM - 124

RUN DATE - 06/04/89

PERIOD COVERED 07/01/87 THRU 06/30/88

CONTRACT YEAR 04

AS OF 05/31/89 /

LOSS CATEGORY		PAID THIS MONTH	PAID TO DATE	RESERVE OUTSTANDING	INCURRED AMOUNT	* * * * * REOPENED	* * * * * F I L E S OPEN	* * * * * CLOSED	* * * * * TOTAL
GENERAL LIABILITY	LOSSES	.00	7,309.46	.00	7,309.46				
	EXPENSES	.00	1,061.20	.00	1,061.20				
	TOTAL	.00	8,370.66	.00	8,370.66	0	0	46	46
AUTO LIABILITY	LOSSES	.00	3,396.26	.00	3,396.26				
	EXPENSES	.00	.00	.00	.00				
	TOTAL	.00	3,396.26	.00	3,396.26	0	0	8	8
WORKERS COMPENSATION	LOSSES	.00	451,379.15	60,658.81	512,037.96				
	EXPENSES	.00	7,326.75	.00	7,326.75				
	TOTAL	.00	458,705.90	60,658.81	519,364.71	0	2	340	342
CONTRACT YEAR 04	LOSSES	.00	461,084.87	60,658.81	522,743.68				
	EXPENSE	.00	8,387.95	.00	8,387.95				
	TOTAL	.00	470,472.82	60,658.81	531,131.63	0	2	394	396

RECOVERIES:

GENERAL LIAB.	.00	.00	.00
AUTO LIAB.	.00	.00	.00
WORKERS COMP.	.00	.00	.00
CONTRACT YEAR 04 TOTAL	.00	.00	.00

GAB NUMBER - 018031

ANCHORAGE SCHOOL DISTRICT

PAGE 5

RUN DATE - 06/04/89

CONTRACT YEAR SUMMARY

IBM - 125

AS OF 05/31/89

LOSS CATEGORY		PAID THIS MONTH	PAID TO DATE	RESERVE OUTSTANDING	INCURRED * * * * * AMOUNT	REOPENED	F I L E S * * * * * OPEN	CLOSED	TOTAL
CUSTOMER TOTAL	LOSSES	.00	4,330,892.19	67,313.81	4,398,206.00				
	EXPENSES	.00	725,748.30	8,948.90	734,697.20				
	TOTAL	.00	5,056,640.49	76,262.71	5,132,903.20	0	6	1,432	1,438
CUSTOMER TOTAL	RECOVERIES	.00	.00		.00				

NO YR LOSS EXPERIENCE SUMMARY
 DISTRICT OVERALL-PER BARGAINING UNIT
 6 89 LIABILITY CLAIMS
 ANC002

ANCHORAGE SCHOOL DISTRICT
 TERM 7/01/80 - 7/01/81
 VALUED AS OF 6/30/89

333 81
 PAGE LES 1

UNIT	COVERAGE GROUP UNIT TOTALS	OF	*****	PAYMENT TO DATE	LEGAL	*****	*****	*****	*****
9999	GENERAL LIABILITY	1		10353	4343	5000		5304	25000
	ASSUMED CLAIMS	1		10353	4343	5000		5304	25000
RECAP BY MAJOR COVERAGE GROUP									
	GENERAL LIABILITY	1		10353	4343	5000		5304	25000

POLICY YEAR TOTALS 1

5000 5304 25000

NO YR LOSS EXPERIENCE SUMMARY
 DISTRICT OVERALL-PER BARGAINING UNIT
 6 89 LIABILITY CLAIMS
 ANC002

ANCHORAGE SCHOOL DISTRICT
 TERM 7/01/81 - 7/01/82
 VALUED AS OF 6/30/89

333 02
 PAGE LES 2

***** PAYMENT TO DATE *****

UNIT COVERAGE GROUP UNIT TOTALS OF LEGAL

9999	GENERAL LIABILITY	4	80298	39677	119975
	ASSUMED CLAIMS	4	80298	39677	119975

RECAP BY MAJOR COVERAGE GROUP

GENERAL LIABILITY	4	80298	39677	119975
-------------------	---	-------	-------	--------

POLICY YEAR TOTALS

80298

5

NO YR LOSS EXPERIENCE SUMMARY
 6 89 DISTRICT OVERALL-PER BARGAINING UNIT
 ANC002 LIABILITY CLAIMS

ANCHORAGE SCHOOL DISTRICT
 TERM 7/01/82 - 7/01/83
 VALUED AS OF 6/30/89

333 83
 PAGE LES 3

UNIT	COVERAGE GROUP	OF	***** PAYMENT TO DATE *****	LEGAL	*****	*****	*****
UNIT TOTALS							
GENERAL LIABILITY	1	12000				5000	17000
LIABILITY	1	12000				5000	17000
9999 GENERAL LIABILITY	3		1342		17698		19040
ASSUMED CLAIMS	3		1342		17698		19040
RECAP BY MAJOR COVERAGE GROUP							
GENERAL LIABILITY	4	12000	1342		17698	5000	36040

POLICY YEAR TOTALS 4 12000 1342 17698 5000 36040

NO YR LOSS EXPERIENCE SUMMARY
 DISTRICT OVERALL-PER BARGAINING UNIT
 6 89 LIABILITY CLAIMS
 ANC002

ANCHORAGE SCHOOL DISTRICT
 TERM 7/01/83 - 7/01/84
 VALUED AS OF 6/30/89

CLNT
 333 84
 PAGE LES 4

UNIT	COVERAGE GROUP	OF	*****	PAYMENT TO DATE	*****	LEGAL	*****	*****	*****
UNIT TOTALS									
GENERAL LIABILITY	1	7500		22385	13727				43612
LIABILITY	1	7500		22385	13727				43612
9999 GENERAL LIABILITY	12	236493	6819	20423	163225			65812	492772
AUTO LIABILITY	2				4358				4358
ASSUMED CLAIMS	14	236493	6819	20423	167583			65812	497130
RECAP BY MAJOR COVERAGE GROUP									
GENERAL LIABILITY	13	243993	6819	42808	176952			65812	536384
AUTO LIABILITY	2				4358				4358

POLICY YEAR TOTALS 15 243993 6819 42808 176952 4358 65812 536384 4358 2

NO YR LOSS EXPERIENCE SUMMARY
 6 89 DISTRICT OVERALL-PER BARGAINING UNIT
 ANC002 LIABILITY CLAIMS

ANCHORAGE SCHOOL DISTRICT
 TERM 7/01/84 - 7/01/85
 VALUED AS OF 6/30/89

333 85
 PAGE LES 5

UNIT	COVERAGE GROUP	OF	*****	PAYMENT TO DATE	*****	*****
UNIT TOTALS				LEGAL		
GENERAL LIABILITY	1			601	6564	7165
AUTO LIABILITY	3	11092	15000	11254	1844	39190
LIABILITY	4	11092	15000	11855	8408	46355
9999 GENERAL LIABILITY	23	3780	11069		36524	51373
AUTO LIABILITY	3		1574			1574
ASSUMED CLAIMS	26	3780	12643		36524	52947
RECAP BY MAJOR COVERAGE GROUP						
GENERAL LIABILITY	24	3780	11069	601	43088	58538
AUTO LIABILITY	6	11092	16574	11254	1844	40764

POLICY YEAR TOTALS 30 14878 87843

MO YR
6 89
ANC002

LOSS EXPERIENCE SUMMARY
DISTRICT OVERALL-PER BARGAINING UNIT
LIABILITY CLAIMS

ANCHORAGE SCHOOL DISTRICT
TERM 7/01/85 - 7/01/86
VALUED AS OF 6/30/89

333 86
PAGE LES 6

UNIT		COVERAGE GROUP		PAYMENT TO DATE		PAGE 223	
UNIT TOTALS		OF		1968		1969	
GENERAL LIABILITY		5	1968	11302		22616	35886
LIABILITY		5	1968	11302		22616	35886
9999	GENERAL LIABILITY	39	70134	1366	26896	98396	
	AUTO LIABILITY	23		30584	6211	36795	
	ASSUMED CLAIMS	62	70134	31950	33107	135191	
RECAP BY MAJOR COVERAGE GROUP							
GENERAL LIABILITY		44	72102	1366	11302	26896	134282
AUTO LIABILITY		23		30584		6211	36795

POLICY YEAR TOTALS 67 72102 31950

NO YR LOSS EXPERIENCE SUMMARY
 6 89 DISTRICT OVERALL-PER BARGAINING UNIT
 ANC002 LIABILITY CLAIMS

ANCHORAGE SCHOOL DISTRICT
 TERM 7/01/86 - 7/01/87
 VALUED AS OF 6/30/89

333 07
 PAGE LES 7

UNIT	COVERAGE GROUP	UNIT TOTALS	00000	PAYMENT TO DATE	00000	00000	00000	00000
	GENERAL LIABILITY	4	7000	35358	8439	1519	52316	
	LIABILITY	4	7000	35358	8439	1519	52316	
9999	GENERAL LIABILITY	47	11286	606	8638	18453	38983	
	AUTO LIABILITY	17		13240			13240	
	ASSUMED CLAIMS	64	11286	13846	8638	18453	52223	
RECAP BY MAJOR COVERAGE GROUP								
	GENERAL LIABILITY	51	18286	606	43996	26892	1519	91299
	AUTO LIABILITY	17		13240				13240

POLICY YEAR TOTALS 68 18286 13846

MO YR LOSS EXPERIENCE SUMMARY
 DISTRICT OVERALL-PER BARGAINING UNIT
 6 89 LIABILITY CLAIMS
 ANC002

ANCHORAGE SCHOOL DISTRICT
 TERM 7/01/87 - 7/01/88
 VALUED AS OF 6/30/89

333 88
 PAGE LES 8

UNIT	COVERAGE GROUP	OF	***** PAYMENT TO DATE *****		***** LEGAL *****					
			*****	*****	*****	*****				
	UNIT TOTALS									
	GENERAL LIABILITY	15	652	25	3978	15	18601	2475	36507	62253
	AUTO LIABILITY	1								
	LIABILITY	16	652	25	3978	15	18601	2475	36507	62253
9999	GENERAL LIABILITY	42	6080	919		624				7623
	AUTO LIABILITY	8		3396						3396
	ASSUMED CLAIMS	50	6080	4315		624				11019
RECAP BY MAJOR COVERAGE GROUP										
	GENERAL LIABILITY	57	6732	944	3 78	639	18601	2475	36507	69876
	AUTO LIABILITY	9		3396						3396

POLICY YEAR TOTALS 66

NO YR LOSS EXPERIENCE SUMMARY
 6 89 DISTRICT OVERALL-PER BARGAINING UNIT
 ANC002 LIABILITY CLAIMS

ANCHORAGE SCHOOL DISTRICT
 TERM 7/01/88 - 7/01/89
 VALUED AS OF 6/30/89

333 89
 PAGE LES 9

UNIT	COVERAGE GROUP	OF	***** PAYMENT TO DATE *****		***** LEGAL *****		***** OTHER *****		TOTAL
			UNIT TOTALS						
	GENERAL LIABILITY	22	1282	162		1275	1		2720
	AUTO LIABILITY	28	15183	11141	403	13000	8602	1199	49528
	LIABILITY	50	16465	11303	403	14275	8603	1199	52248
1	GENERAL LIABILITY	3		200					200
	EXEMPT	3		200					200

RECAP BY MAJOR COVERAGE GROUP

GENERAL LIABILITY	25	1282	362		1275	1		2920
AUTO LIABILITY	28	15183	11141	403	13000	8602	1199	49528

POLICY YEAR TOTALS 53 16465 11503

NO YR LOSS EXPERIENCE SUMMARY
DISTRICT OVERALL
6 89 LIABILITY CLAIMS
ANC002

ANCHORAGE SCHOOL DISTRICT
VALUED AS OF 6/30/89

333
PAGE LES 10

RECAP BY MAJOR COVERAGE GROUP

GENERAL LIABILITY	223	358175	102806	113038	336185	24876	2476	136758	1074314
AUTO LIABILITY	85	26275	74935	11254	12816	13000	8602	1199	148081

OVERALL TOTALS

308

384458

177741

MEMO
TO: SUSAN
FROM: ~~RON~~
11-OCT-89

RE: ASD JOHNS-MANVILLE CLAIM

BILLED FOR AUGUST, 1989:

FEEES	\$1,806.00 (17.2 HRS FOR SRS AT \$105/HR)
COSTS	\$12.20

TOTAL	\$1,818.20

WORK IN PROGRESS FOR SEPTEMBER, 1989:

FEEES	\$2,803.50 (14.7 HRS FOR SRS AT \$105/HR &
COSTS	\$268.00 31.5 HRS FOR EMF AT \$40/HR)

TOTAL	\$3,071.50

WORK IN PROGRESS THRU OCTOBER 11, 1989:

FEEES	\$6,562.00 (29.2 HRS FOR SRS AT \$105/HR &
COSTS	\$479.70 87.4 PARALEGAL HRS AT \$40/HR)

TOTAL	\$7,041.70

TOTALS THRU OCTOBER 11, 1989:

FEEES	\$11,171.50
COSTS	\$759.90

TOTAL	\$11,931.40

CORDOVA COMMUNITY HOSPITAL



Acute and Longterm Care City-Owned Facility
P.O. Box 160 • Cordova, Alaska 99574 • Phone: (907) 424-8000

November 28, 1989

Mr. David Rogers
House Task Force on Liability Insurance
P.O. Box 33932
Juneau, AK 99803

Dear Mr. Rogers:

The President of the Hospital Association has requested that I relate our facility's Malpractice Insurance experience to you.

Cordova Community Hospital and Long Term Care Facility was covered by MICA until March 20, 1989. I have enclosed a copy of the facility's letter notifying MICA of our self insurance along with a copy of the City Ordinance establishing a self insurance fund.

A great deal of discussion took place prior to the City of Cordova taking this giant step. The reasons we took this action were primarily cost and physician relationship. Cordova is an isolated, rural, 23 bed facility. We have 3 physicians that live and practice in our community with approximately 32 specialized physicians on our consulting staff from Anchorage.

MICA first made a decision that they would not cover any hospital that had uninsured physicians on their staff. Our 3 local physicians had dropped their Malpractice Insurance (MICA) because they could not afford to pay the premium. Our local staff physicians deliver approximately 30 babies a year, and also cover the hospital's emergency room on an on call basis. Their premium for malpractice cost more than one physician's net annual salary, so they had a choice to either stop taking care of the community's mothers and emergency patients or drop the insurance.

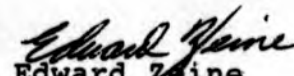
We attempted to obtain "proof" of Malpractice Insurance from our consulting staff and were fairly successful. However, we lost our consulting surgeon, as he refused to show proof of Malpractice Insurance; and other consulting physicians were less than pleased with our request for proof of Liability Insurance. That is not a very good position for a rural hospital to be placed in when you must rely on your consulting staff's good will, since there just is not that many referrals from a rural area to make their time involved in assisting your community's patients financially rewarding.

In addition to the physician malpractice problem (MICA eventually came up with a reduced surcharge; from 75% of a physician's annual premium to 25%) the hospital experienced a continual increase in its premium. Liability coverage for the first claim was \$500,000. The hospital could not afford to buy "tail end" coverage when we dropped MICA, so in essence MICA experienced an actual windfall and the hospital became liable again for all the years it paid premiums to MICA. It is apparently to MICA's financial advantage to either have a hospital drop them after years of paying their premiums as they then claim no financial responsibility for their over rated annual premium, or increase the cost to facilities to meet their underwriting goals of unobligated reserves, which apparently can be adjusted annually along with management fees.

Management decisions by MICA were aberrant. After they notified us of their policy changes, we worked to get their decision modified so rural facilities could participate in their program. Changes were slow in being made, and in the meantime, a facility did not know whether they would be covered by MICA or not.

There must be a way to provide affordable Malpractice Insurance for rural physicians and rural health care facilities, otherwise physicians and communities must stay in a financially risked liability environment, which can prove to be a risk position for patients who are truly harmed and financial resources are not available. This facility has never experienced a malpractice claim.

Sincerely,


Edward Zeine
Administrator

Enclosures

CORDOVA COMMUNITY HOSPITAL



Acute and Longterm Care City-Owned Facility
P.O. Box 160 • Cordova, Alaska 99574 • Phone: (907) 424-8000

Health
Service
Advisory
Board

President
Steve Ujioka

Secretary
Teeny Andersen

City Council
Representative
Meera Kohler

Members
Dr. A. Tilgner
Jon Stavig

April 4, 1989

Mr. Stanford
Medical Indemnity Corporation
of Alaska
Alaska U.S.A. Building
4000 Credit Union Drive, Suite 525
Anchorage, Alaska 99503

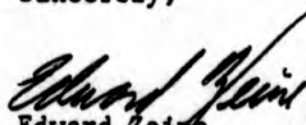
Dear Mr. Stanford:

This letter, with the enclosed copy of the City of Cordova Resolution #89-24, is to officially notify you that Cordova Community Hospital has established its own insurance fund effective March 20, 1989.

The cost for Hospital Malpractice Insurance and the Surcharge for Physician's has increased beyond this institutions ability to pay. The aberent premium jumps over the last three years with ominous threats of non-coverage, etc., combined with the uncertainties of MICA's future corporate policy has apparently caused this action.

As you are aware, this institution has never experienced a malpractice claim. It is the general opinion that the City of Cordova is willing to take the future risk of a possible malpractice claim with an opportunity to build future resources by paying premiums into our self insured account.

Sincerely,


Edward Zeine
Administrator

Enclosure

Administrator
Edward Zeine

CITY OF CORDOVA, ALASKA

RESOLUTION 89-24

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, APPROPRIATING \$500,000 FROM THE UNAPPROPRIATED FUND BALANCE OF THE GENERAL FUND FOR THE PURPOSE OF SETTING ASIDE AN AMOUNT TO BECOME THE CORPUS OF A SELF INSURANCE TRUST FUND.

WHEREAS, the City of Cordova and Cordova Community Hospital is facing exorbitant premiums for liability insurance; and

WHEREAS, the City has never experienced a claim for malpractice in it's operation of Cordova Community Hospital; and

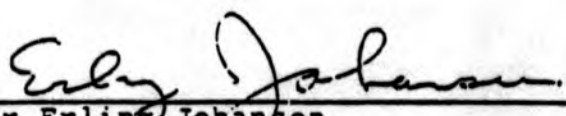
WHEREAS, the appointed Interim Health Advisory Commission has recommended that the City establish a self insurance fund in lieu of purchasing insurance from the only provider available; and

WHEREAS, the City has available reserves to establish a self insurance fund.

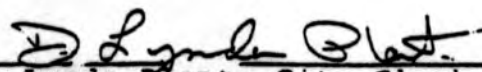
NOW THEREFORE BE IT RESOLVED, that the Mayor and City Council appropriates \$500,000 from the unappropriated fund balance of the general fund for the purpose of setting aside an amount to become the corpus of a self insurance trust fund; and

BE IT FURTHER RESOLVED, that an Ordinance be enacted to establish a self insurance trust fund and it's operational guidelines.

PASSED AND APPROVED THIS 20 DAY OF march, 1989.



Mayor Erling Johansen



D. Lynda Plant, City Clerk

PETERSBURG GENERAL HOSPITAL

and Long Term Care Facility

Phone: (907) 772-4291

P.O. Box 589

Petersburg, Alaska 99833

November 17, 1989

David Rogers
House Task Force on
Liability Insurance
P.O.Box 33932
Juneau, Alaska 99803

Dear Mr. Rogers:

Per a request from Harlan Knutson, Health Association of Alaska, I am writing in regards to our self insured hospital professional liability insurance which was established on May 10, 1987.

Petersburg General Hospital had been insured by Medical Indemnity Corporation of Alaska (MICA) for the previous ten years. However, due to increased premiums by MICA from 1985 to 1987 coupled with decreased coverage and with no end in sight, the administration and hospital board explored other avenues of coverage. The details were as follows:

<u>Year</u>	<u>Premium</u>	<u>Limits</u>	<u>Losses</u>
1985	\$13,828	1,000,000/2,000,000	-0-
1986	28,848	500,000/1,000,000	-0-
1987	41,039	500,000/1,000,000	-0-

During the investigation for an alternative system, the hospital board was having discussions with the Petersburg City Council in regards to \$440,893 of funds in a City account designated for the hospital. At the request of the hospital board, the City adopted an ordinance which established the Hospital Trust Fund for the specific purpose of self insurance for liability claims which may be brought against the hospital (See attached copy, ordinance 595).

Petersburg General Hospital has paid into the trust \$50,000 per year since then. This was to cover the replacement of professional liability insurance costing approximately \$40,000 per year plus Directors' and Officers' Liability which had gone from \$1338 per year in 1985 to \$10,000 per year. Interest from the trust has been donated back to the hospital by the City and has amounted to \$109,373 to date. The Hospital Trust Fund (self insurance fund) has a present balance of \$573,073. This means that the hospital has paid a net of \$22,807 for $2\frac{1}{2}$ years of liability coverage ($\$573,073 - \$440,893 = \$132,180 - \$109,373 = \$22,807$).

David Rogers
Juneau, Alaska
11/17/89

2.

A recent survey indicates we would probably be paying to MICA alone approximately \$70,000 per year plus \$10,000 per year for Directors' and Officers' Insurance.

Small rural hospitals are daily struggling to keep financially sound. To do so, we must find ways to hold down or reduce our costs.

Part of the theory behind self insurance was and is that even under MICA we were not adequately insured at a \$500,000 per claim or occurrence limit. One suit alone could exceed that limit and place the responsibility back on the citizens of Petersburg to pay the balance. There is one insurance company report that the average incurred loss in Alaska is \$55,000. Another insurance company report shows an average indemnity payment of \$107,569 per claim in Alaska. Petersburg General Hospital has had no claims in the past 2½ years under self insurance. Additionally, we had no claims for the prior ten years.

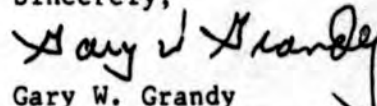
Because of this track record, because of the similarity of the self insurance fund balance versus the insurance per claim limit ratio, because of the already inadequate liability insurance aspect, because of a favorable claims paid versus fund balance and because of a belief or feeling that patients in rural areas are not as anxious to file suits when they have to continue to live in a community and rub shoulders with people who respect the community hospital, the administration, hospital board, and city council jointly chose to pursue the self insurance avenue.

There were other factors, such as having an intense risk management/quality assurance program already in place at the hospital to ascertain a high quality of care for our patients. There was also a theory that the smaller the deep pocket of the hospital, in this case the dollar amount of the fund or insurance limit, the less likely for someone to dip in the pocket. And of course, the desire was there to save dollars and try to retain them in the community and keep the hospital financially sound. All concerned seemed to recognize that insurance is a gamble and so is self insurance. It is a matter of how one desires to gamble.

Our file is full of letters, discussions, and information that we would be pleased to share with you. We will include a few items for your perusal.

This has been a quick summary. Please call or write if I can be of further assistance.

Sincerely,


Gary W. Grandy
Administrator

ORDINANCE NO. 595

AN ORDINANCE CREATING THE HOSPITAL TRUST FUND, TRANSFERRING THE BALANCE FROM THE HOSPITAL CONSTRUCTION FUND TO THE HOSPITAL TRUST FUND AND TERMINATING THE HOSPITAL CONSTRUCTION FUND.

WHEREAS, the Petersburg General Hospital construction has been completed; and

WHEREAS, the total balance remaining in the Hospital Construction Fund is \$569,310.62, of which \$440,892.62 is interest, and \$128,418.00 is principal (from the original grants); and

WHEREAS, the City Council desires that the remaining funds be used for hospital self insurance, for hospital capital improvements and for an operating subsidy for the hospital; and

WHEREAS, the State of Alaska, Department of Administration has required that all the principal of the original hospital construction funds be used for capital improvements or returned to the state; and

WHEREAS, the Petersburg Hospital Board has requested that the City use the original interest from the grants to establish a self insurance account for the purpose of self insuring the Petersburg General Hospital against claims and legal costs arising from the operation of Petersburg General Hospital; and

WHEREAS, The Petersburg Hospital Board has requested that the City use the remainder of the grant principal to fund additional capital improvements as needed by the hospital; and

WHEREAS, the Petersburg Hospital Board has requested that any new interest from this fund be used to finance a subsidy for the operation of Petersburg General Hospital; and

WHEREAS, it is deemed in the best interests of the City of Petersburg to create a Hospital Trust Fund for the purpose of providing self insurance, capital improvements and operating subsidy.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL AS FOLLOWS:

Section 1. Classification. This ordinance is of a general and permanent nature and therefore codified as Chapter 4.30 in the Petersburg Municipal Code.

Section 2. Purpose. The purpose of this Ordinance is to create a Hospital Trust Fund and designate its purpose, to transfer the balance of the Hospital Construction Funds into the Hospital Trust Fund and to terminate the Hospital Construction Fund

Section 3. Substantive Provisions. Chapter 4.30 is hereby adopted to read as follows:

Chapter 4.30

Hospital Trust Fund

Sections:

- 4.30.010 Creation of Hospital Trust
- 4.30.020 Transfer Funds
- 4.30.030 Operation Hospital Trust
- 4.30.040 Termination of the Hospital Construction Fund

Section 4.30.020 Creation of Hospital Trust. There is hereby created a Hospital Trust Fund.

Section 4.30.020 Transfer Funds. The balance of remaining in the Hospital Construction Fund is hereby transferred to the Hospital Trust Fund.

Section 4.30.030 Operation of the Hospital Trust Fund. The Hospital Trust shall operate in the following manner:

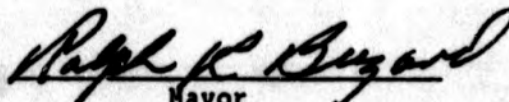
- 1) The original interest of \$440,892.62 shall be retained in the Hospital Trust Fund for the purpose of providing funds for claims brought against the hospital or legal defense of said claims. The Hospital Board shall make an annual contribution to this self insurance account. The amount of annual contribution should be determined by the City Council and the Hospital Board when annual appropriations are made.
- 2) The original principal of \$128,418.00 shall be retained in the Hospital Trust to provide funding for minor capital improvements for the hospital. It shall remain in the fund until exhausted. All capital improvements shall be through the annual appropriation process of the Hospital Board and the City Council.
- 3) All new interest accumulated in the fund shall be used for an operating subsidy for the hospital. This interest shall be disbursed quarterly to the hospital.

Section 4.30.040 Termination of the Hospital Construction Fund. The Hospital Construction Fund is hereby terminated.

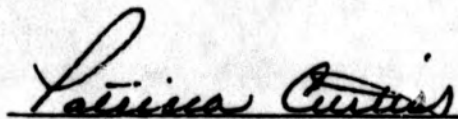
Section 4. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 5. Effective Date. This ordinance shall become effective May 10, 1987.

PASSED and APPROVED by the City Council of the City of Petersburg, Alaska this 20 day of April, 1987.


Mayor

ATTEST:


City Clerk

PETERSBURG GENERAL HOSPITAL
and Long Term Care Facility

Phone: (907) 772-4221

P.O. Box 589

Petersburg, Alaska 99833

November 19, 1986

Ms. Judith Stevens
Vice President
Risk Management Division
Corroon & Black, Inc.
4220 'B' Street
Anchorage, Alaska 99503

Dear Ms. Stevens:

At the request of Edward Zeine, Cordova Hospital,
we submit the following information about our hospital
for your consideration:

Number of Beds:	Acute Care	11
	Long Term Care	14

Physicians:

2 - both Family Practice Physicians.

Hospital Malpractice Premium: \$28,848, Expires 1/1/87.

Physicians Malpractice Premium: \$15,800 each, Expires 1/1/87.

Our records indicate that there have been no major claims
filed against Petersburg General Hospital in the past ten years.
A couple of years ago there was one claim which was dismissed
as having no merit and cost probably less than \$1500 in attorney
fees.

To our knowledge the family practice physicians have had one
nuisance claim each in the past five years. Both of their claims
had no merit and the major cost was attorney fees not amounting
to over \$3000 total.

We find it difficult to understand a projected 25% increase
in premiums by our current insurance carrier in view of the low
number of claims from rural areas of Alaska and the United States.
We strongly believe that we are funding claims from major metro-
politan areas. Patients in rural areas are not as anxious to
file suits when they realize they have to continue to live in a

Ms. Judith Stevens
Corroon & Black, Inc.
November 19, 1986

Page 2

community and rub shoulders with people who respect the physicians and hospital of that community. Peer pressure in rural America is a definite deterrent of malpractice claims.

In addition, there is usually a closer relationship between physicians-hospitals and patients in a rural community. When problems arise, there can be communication between the patient and the medical provider which prevents nuisance malpractice suits. This communication is often lacking in large population areas where people don't know their neighbors.

I have talked with many patients over the years who have been patients in both city hospitals and rural hospitals. They, almost without exception, will tell you they appreciate the more personal attention which they receive in rural hospitals and is lacking in larger facilities. This also prevents malpractice claims as a patient that feels they were "cared about" is a satisfied patient.

Finally, rural hospitals and physicians do not handle the more difficult medical cases. These patients are referred to specialists and major medical centers for treatment and surgery. Most of the malpractice suits come from these more difficult medical cases, such as high risk mothers, which are referred to obstetricians for their care and delivery.

Please consider these items carefully. Please call or write if additional information is needed.

Sincerely,

Gary W. Grandy
Gary W. Grandy
Administrator

Enc: Financial Statement
cc: Edward Zeine, Cordova

PETERSBURG GENERAL HOSPITAL
and Long Term Care Facility

Phone: (907) 772-4291

P.O. Box 509

Petersburg, Alaska 99833

November 19, 1986

Ms. Judith Stevens
Vice President
Risk Management Division
Corroon & Black, Inc.
4220 'B' Street
Anchorage, Alaska 99503

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Sincerely,

Gary W. Grandy
Gary W. Grandy
Administrator

Enc: Financial Statement
cc: Edward Zeine, Cordova

PETERSBURG GENERAL HOSPITAL

MICA Meeting - Anchorage

January 15, 1987

Present: Administrators - Ed Zeine, Cordova; Mike Herring, Homer; Gary Grandy, Petersburg; James Walsh, Palmer; Keith Campbell, Seward; and John Vowell, Wrangell.

MICA Board - David Frazier, Board Chairman; David Grauman, M.D., Fairbanks; Robert Whaley, M.D., Anchorage; Renee Murray and Mary Pierce; MICA Staff - Art Stanford.

Issues: I. MICA requirement that hospitals, in order to be insured by MICA, must require their staff physicians to provide proof of malpractice insurance coverage at a minimum of \$500,000 per occurrence.

II. Increased premiums of 20% to 45% for hospitals and doctors for the past two years needs to be slowed and stopped.

POSITIONS:

Issue #1.

1. This requirement will close seven small, rural hospitals in Alaska. The hospitals have no means to force physicians to comply with the requirement. MICA suggested the possibility of withdrawal of medical staff privileges for any doctors who do not comply. Result, the physicians will practice in their offices and send patients to other hospitals outside the community. In addition, procedure for removal of a physician thru medical staff by-laws is slow, cumbersome, and the steps must be followed precisely in order to prevent legal repercussions.
2. The question of deep pocket theory was presented by MICA as the reason for the requirement. Hospitals question this position. How many settled claims has MICA had that involved deep pocket for hospitals? What is the national trend on this issue?

Alternatives #1.

1. Hospitals could pay the physicians' malpractice coverage. One hospital is doing this for one calendar quarter. As all the hospitals are public, repercussions from citizens have and will be felt for paying expenses of a private individual, the doctors. Finances of the hospitals are not sufficient to do this. (See Issue #2)

2. Hospitals also have an alternative to drop their coverage with MICA. There is no other insurance carrier in Alaska who wants to insure these hospitals, that is why MICA was created by the Alaska legislature in 1976. As a consequence hospitals and City/Borough boards would have to jointly agree to operate the hospital without insurance, thus placing liability claims on the taxpayers of those communities or close the hospitals.

3. MICA board could withdraw the requirement. This is a possibility but would go against the advice of their actuary consultant. Their actuary stands on the deep pocket theory and projects long range financial disaster for MICA without the \$500,000 requirement.

4. Appeal to the governor of the state and/or the state legislature to mandate MICA to drop the requirement or provide legislative means to resolve the issue.

5. Both MICA and the involved hospitals are searching for a solution to the present situation. MICA board chairman has extended the requirement date to February 28, 1987 from January 31, 1987.

Issue #II.

This issue is divided into three areas; the finances & general information (A) of MICA, (B) physicians, and (C) hospitals. Facts and questions were as follows:

A. MICA

1. MICA depends on their actuary to assist them in setting rates.
2. MICA has 117 claims at the end of 1986. There is \$12,000,000 in reserves set aside for these 117 claims or \$102,500 per claim. The amount set aside is the actual amount of the claim filed. What will it really take to settle these 117 claims, \$2,000,000 or \$5,000,000? MICA has closed 189 claims since 1977. How much was paid on how many legitimate claims?
3. MICA board members are appointed by the Governor of the State, who answers to the people of the state.
4. Does Marsh & McLennan, the management firm of MICA, have an incentive to settle claims at the lowest possible cost?

B. Physicians

1. An internist (M.D.) pays \$6,000 for malpractice insurance. A family practice physician, who does obstetrics, pays \$19,700 and \$26,846 for \$200K and 500K malpractice coverage respectively.
2. Most physicians are not as wealthy as people think. They pay 50% of their gross revenues in office expense including insurance, 25% in income taxes, and they net 25%. This means they have to gross \$150,000 in order to take home \$37,500.
3. Physicians in rural Alaska do not normally handle the difficult medical cases as they are immediately referred to larger hospitals and specialists. For example, they determine high risk mothers and refer them to obstetricians for delivery.
4. Physicians in rural Alaska are not as at risk for suits because of the prior statement and also because of public peer pressure on patients who might consider a suit against the only one of two doctors in the community who is loved by half the people in town.
5. There are approximately 700? physicians in Alaska. MICA insures 309 of them. Would the rates be lower if all 700 were insured by MICA or would it just increase the risk of MICA?

6. A report from the American Hospital Association shows that the Alaska medical board took zero actions against physicians in 1985. There were some in 1986, at least three or four. Does MICA place restrictions on physicians with problem suits or drop them from coverage? What is the policy on this? Is the State Board of Medicine screening and disciplining problem physicians?
7. Malpractice insurance has increased 25% for these doctors this year and 30% for the prior year.

C. Hospitals

1. Five of the six hospitals at the meeting pay a total of \$409,000 in premiums for the coming year. None of these hospitals has had a claim in the past five years.
2. Hospital A (one of the six hospitals which we will use as an example) has a malpractice premium payment history as follows:

1985	1986	1987
\$13,828	\$28,848	\$41,039

This is a 42% increase this year and 21% last year when the national economy is only increasing at 3 to 5% per year. One hospital has a malpractice premium notice of \$188,000 compared to \$42,000 in 1985.

3. Insurances in total have doubled in the past two years.

HOSPITAL A

	1985	1986	1987
Workmen's Compensation	\$ 20,611	\$ 22,107	\$ 41,573
Directors & Officers Liability	1,338	1,338	10,000
MICA	13,828	28,848	41,039
Other Insurance - Fire, etc.	<u>11,704</u>	<u>12,658</u>	<u>12,633</u>
TOTAL	\$ 47,481	\$ 64,951	\$105,245

For the fiscal year ended June 30, 1986, Hospital A had a loss of \$231,125. How do we pay increased insurances of \$57,764 when our patient revenue and patient census is declining?

4. The increased malpractice insurance coverage with MICA has gone from \$1 Million/2 Million to \$500/\$1 Million, or half the coverage. This further compounds the percentage of rate increases.
5. Other hospitals in Alaska are insured through management chain groups.

Alternatives #11

1. Hospitals expressed a concern that their problems were not being represented to the MICA board. Also, there was not a physician representative from a rural area. Future changes in these areas need to be considered. However, the hospitals did appreciate the opportunity at this meeting to express their views.

Alternatives #II

2. More facts and figures from both MICA, the physicians, and the hospitals may need to be reviewed to reach an equitable solution to premium increases and not just rely on actuary figures.
3. A public information campaign may need to be developed. Public must stop filing nuisance suits. They must quit blaming doctors, hospitals and everybody but mother nature if a baby is not born perfect. The general public does not take responsibility for their own actions.
4. Also, additional tort reform is necessary to stop windfall settlements so people can sit on their buns the rest of their lives.
5. MICA was established by the legislature, the hospitals were built by state and local funds, and the hospitals receive a substantial amount of their revenues from state funds. Is there a solution of underwriting malpractice insurance claims with state and local backed assets and eliminating insurance premiums or is the mechanism in place with MICA and what is the refinement of the system needed?
6. What is the total amount of premiums paid for insurance in Alaska exclusive of life insurance and health and accident insurance? What are the total claims paid, that these premiums represent? Do we need to consider a total insurance reform?

CONCLUSION:

There were other comments and questions. We have attempted to present the major issues, questions and concerns. MICA and the hospitals are unified in trying to find solutions that keep MICA financially viable, which is their main goal and in keeping seven rural hospitals open, financially sound and able to provide for medical care to the citizens of their communities, which is their main goal.

Comments and solutions are appreciated.

cc: Administrators involved
MICA
Rep. John Sund
Rep. Robin Taylor
Sen. Lloyd Jones