

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672
1726 SCOMM 69: HOUSE LIABILITY INSURANCE TASK FORCE, 1989-1990 294

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

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ANCHORAGE, ALASKA 99503
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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.

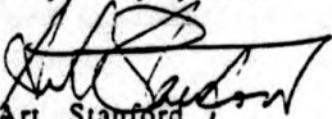
As I indicated in our telephone conversation, MICA has only recently computerized its policyholder data and also as a result of changing specialty designations, it is virtually impossible to accurately pick up prior year figures on the number of insureds actually doing obstetrics except by manually going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

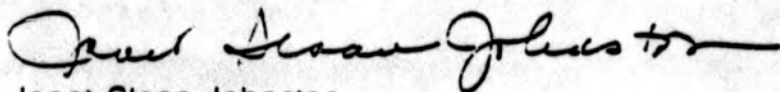
Medical Indemnity Corporation of Alaska

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/NR	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	5,935.09	0.00	5,935.09	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

3^{OB.} pending - not on printout

all MDs - all OB/gyns.

N/N/R	CLAIM #	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	03-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	2,479.60	49,357.50	2,479.60
N.D.	5	C		08-Feb-85	02-Mar-87	30-Oct-89	49,357.50	2,177.01	49,357.50	2,177.01
							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

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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.

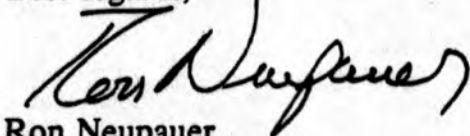
When volatile and catastrophic claims costs must be spread across a very limited number of health care providers, as in Alaska, the resultant premiums needed to fund the predicted costs of this year's claims, which probably won't be settled until well into the 1990's, are of course 1) difficult to determine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

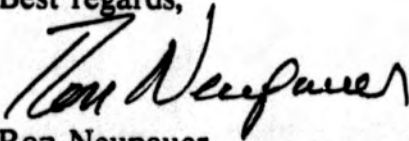
Attached is the claims information that is easily available, expressed on a policy year basis. Our policy years run from each August 1 to the following July 31. The claims statistics are for claims reported within the subject policy years, valued as of November 20, 1989. The claims statistics include 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
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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
						\$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
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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	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

PROCEDURE: ALASKA
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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
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	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

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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

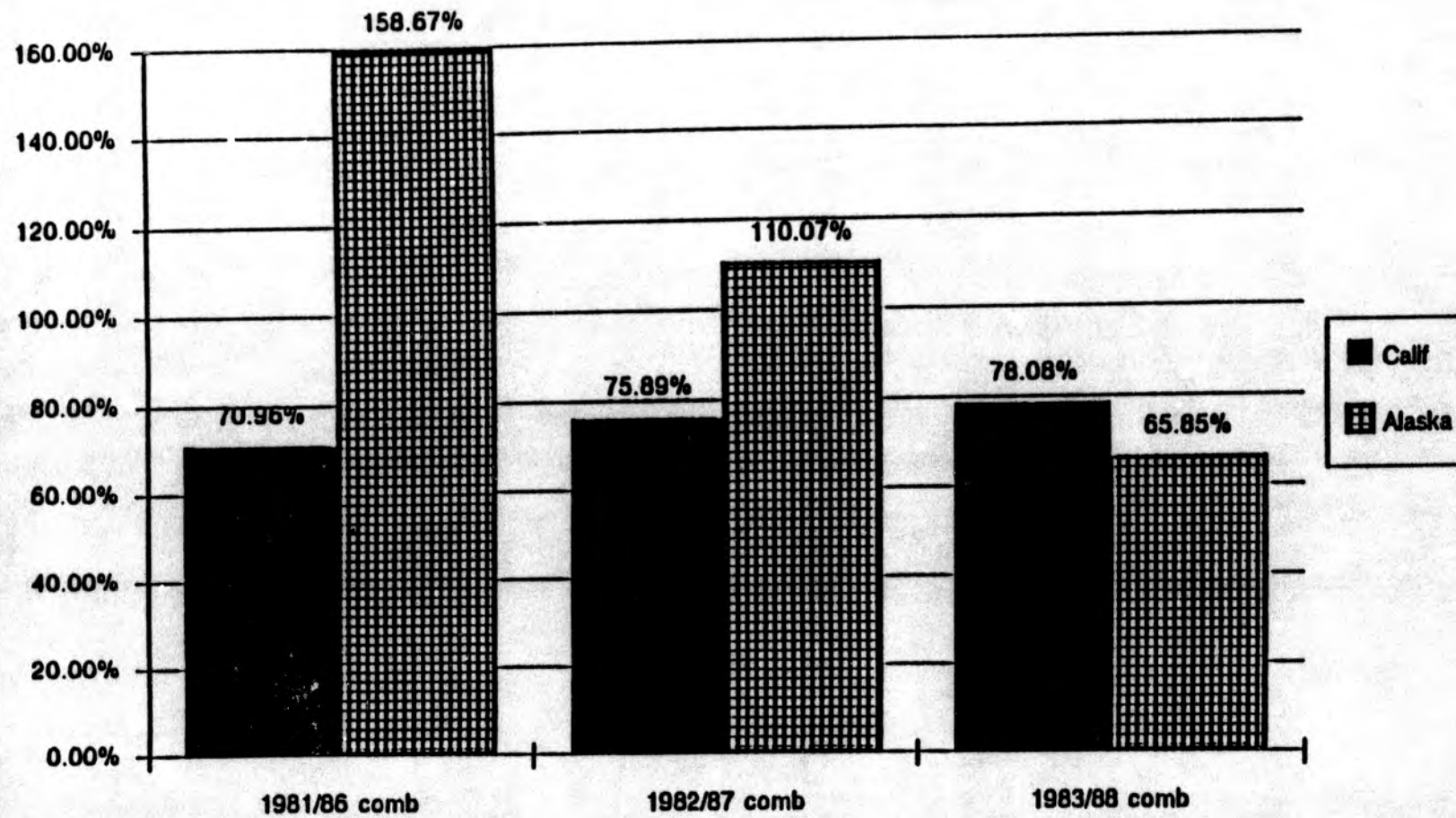
The MICRA reforms, particularly the limitation on noneconomic damages, and the reduced plaintiff contingency structure reduces severity in California.

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.

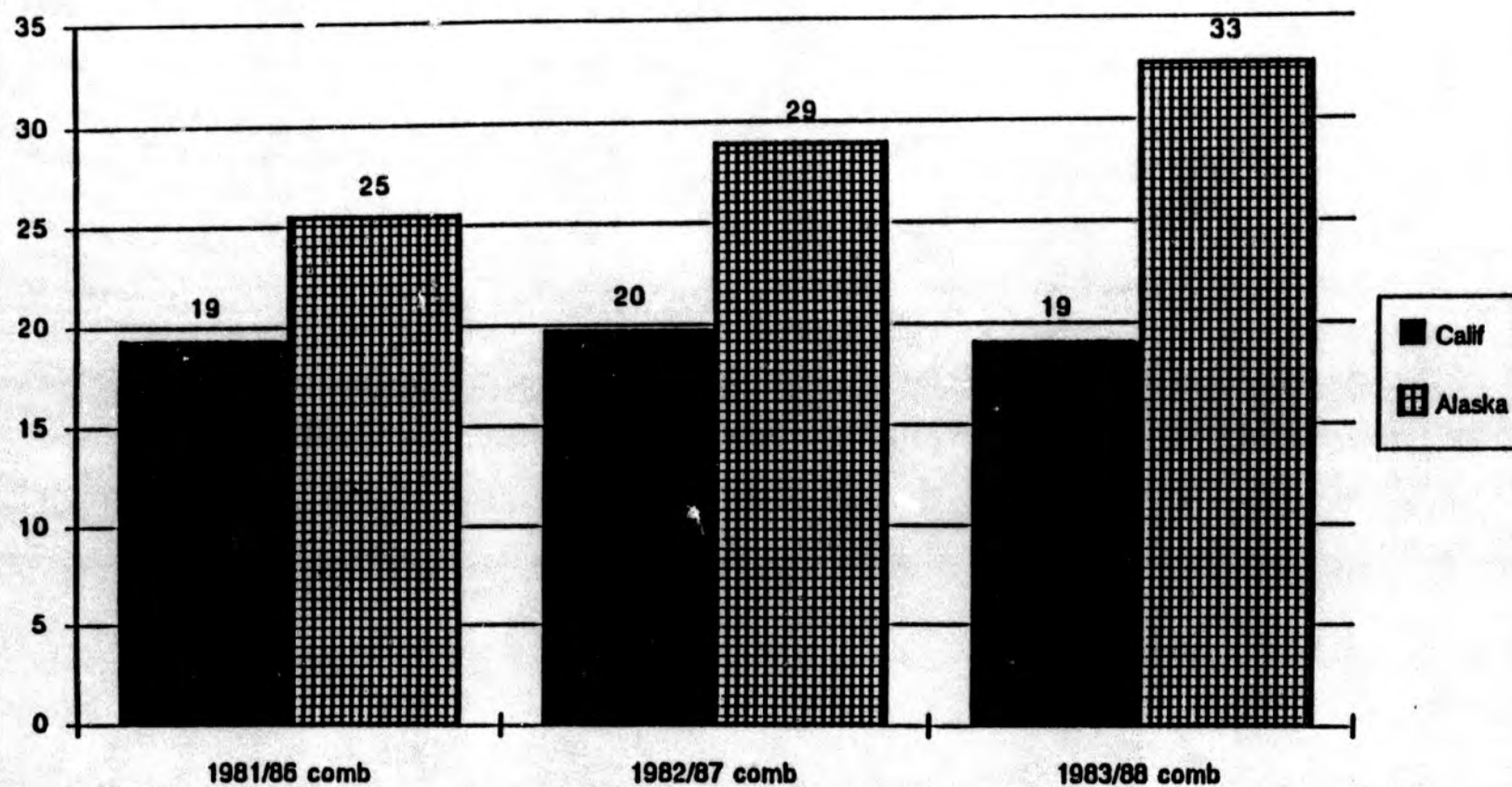
If you have any questions about this please give me a call.

RN/28sep02.era

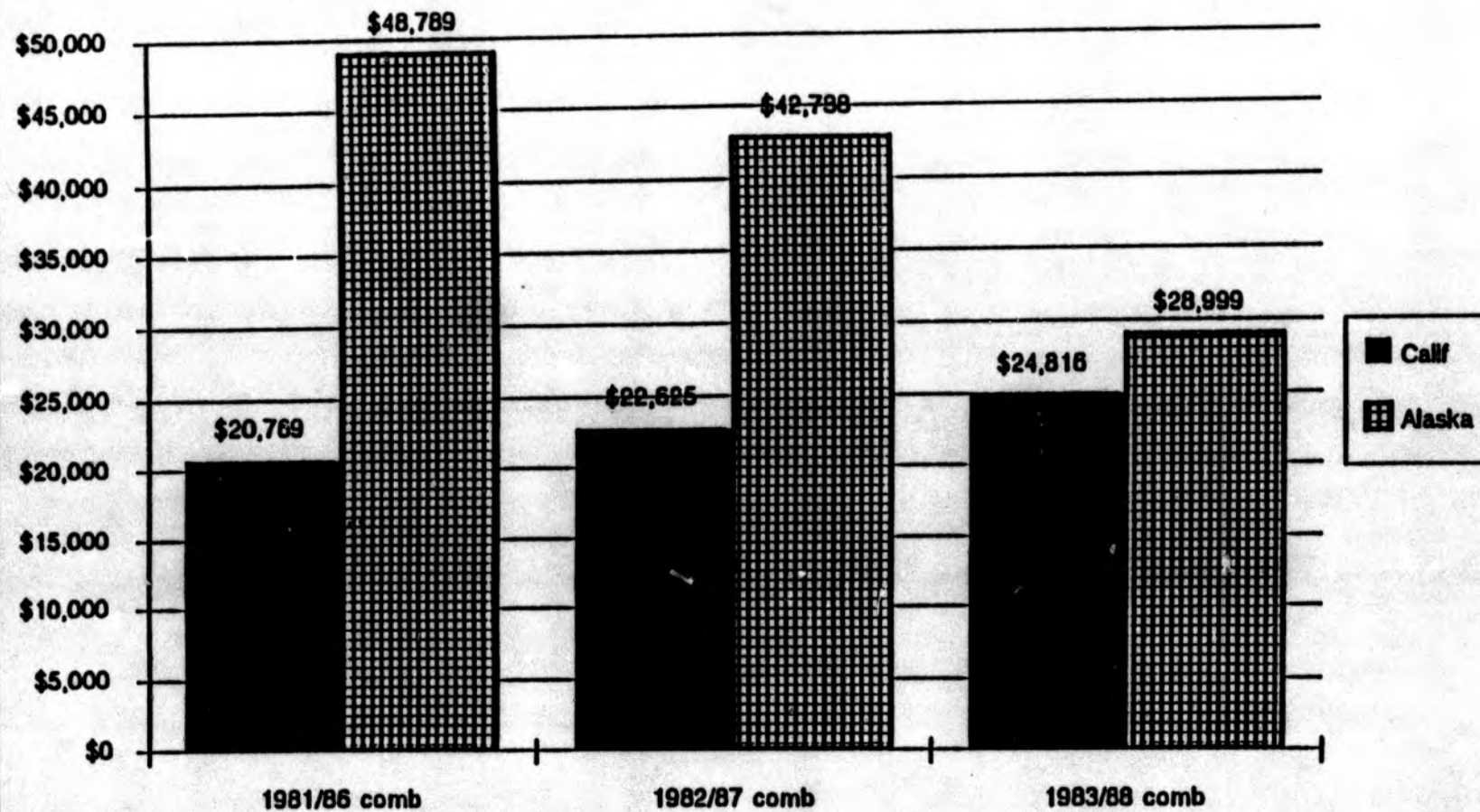
MIEC Incurred loss ratios -Alaska and California compared/ six year blocks combined



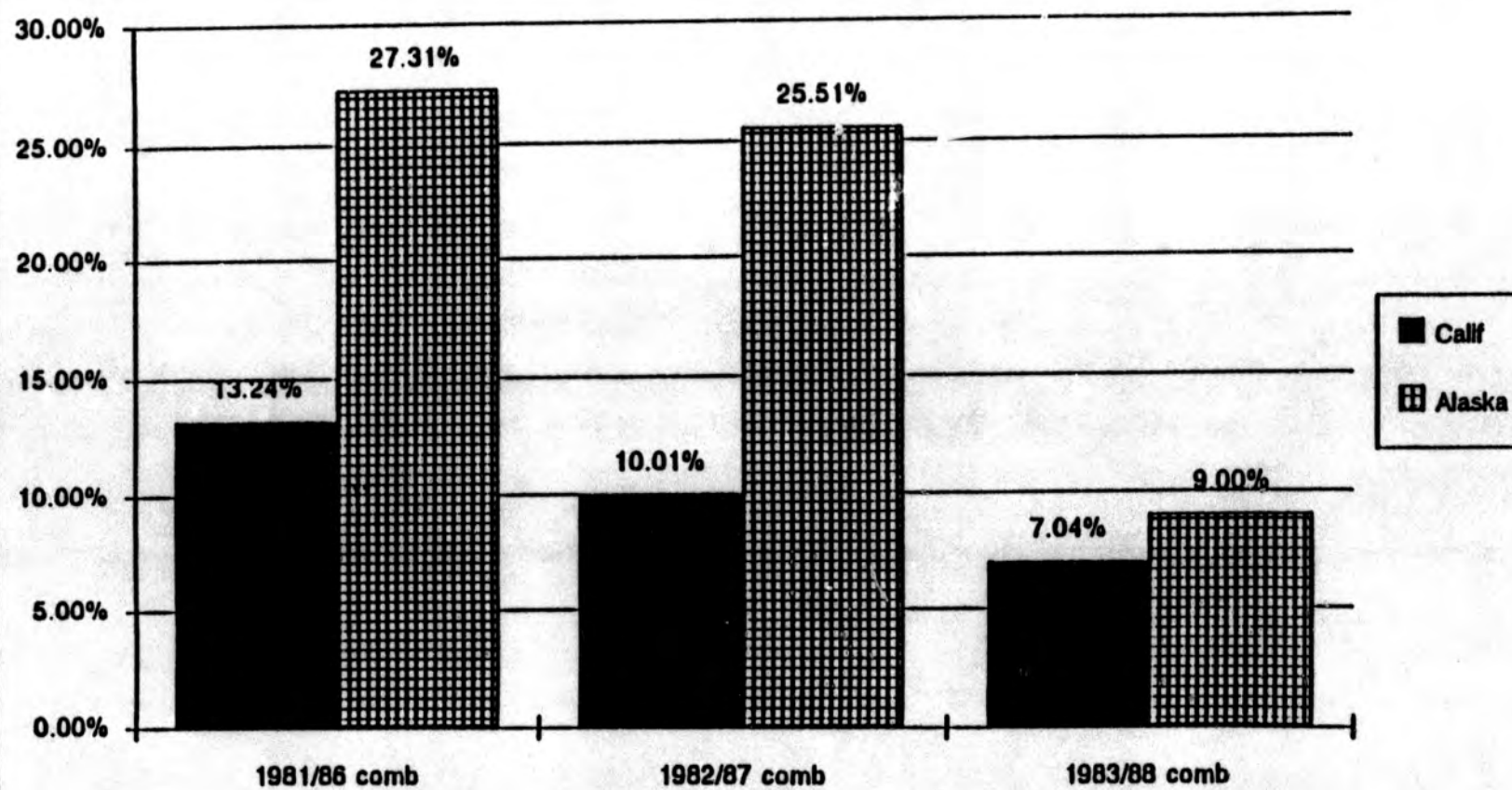
MIEC Frequency of claims reported per 100 doctors insured per year -Alaska and California compared/ six year blocks combined



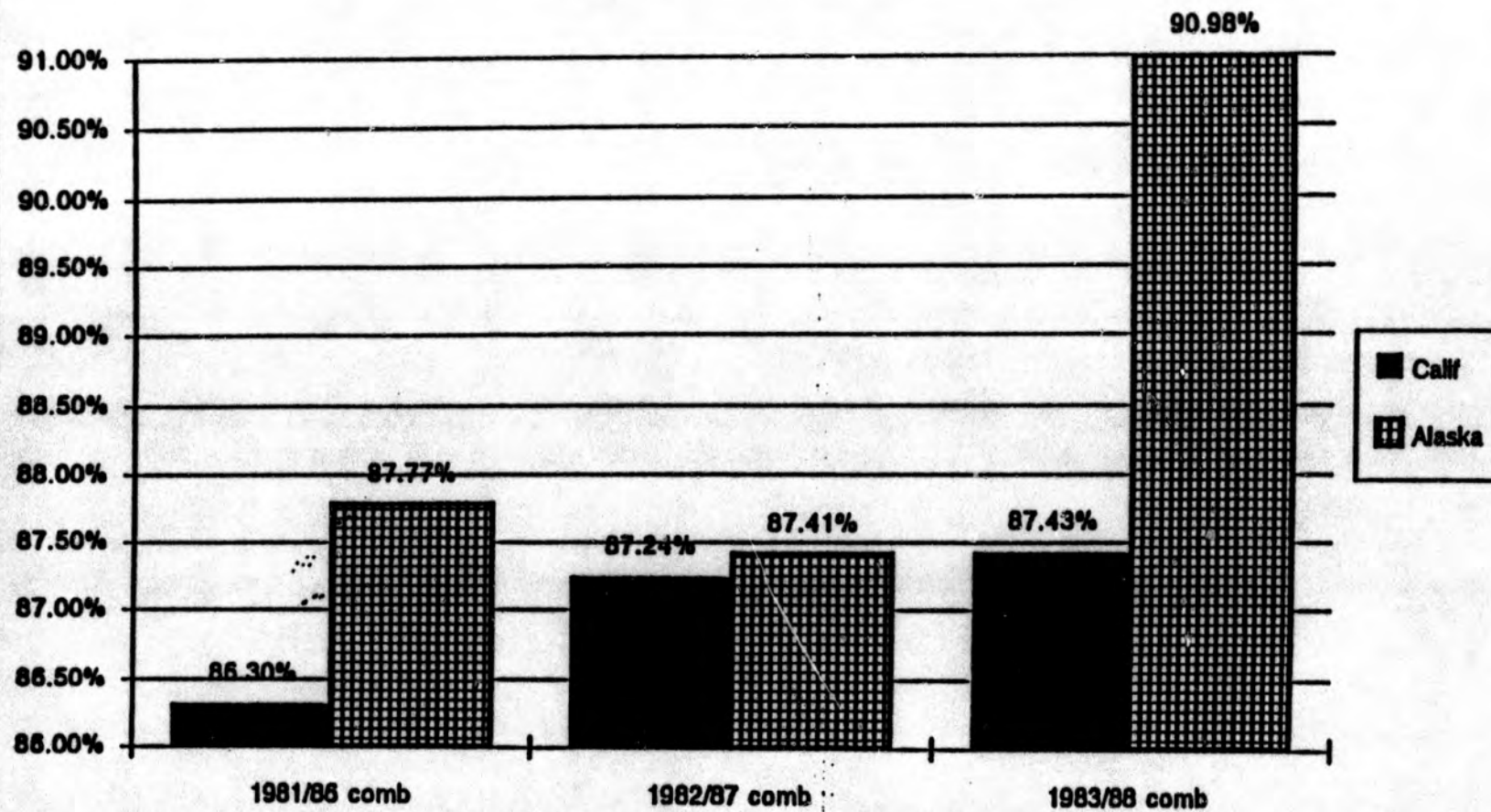
MIEC Average incurred loss costs -Alaska and California compared/ six year blocks combined

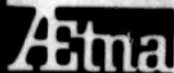


MIEC Percentage of total incurred claims costs which are in excess of \$250,000 -Alaska and California
compared/six year blocks combined



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.

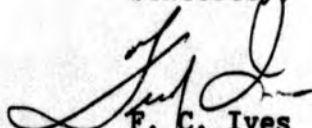
While we have not been able to access information as far back or in as much detail as you requested, enclosed is the following information:

- . 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						
081 081	DH DH	0007595 54 000011555 SCA		82300	82364	84152	3,300.00-	.00	5,185.66-
081 081	DH DH	0007595 54 000011555 SCA		82300	82364	84152	6,600.00	.00	5,185.66
081 081	DH DH	0007595 54 000011555 SCA		82300	82364	84152	3,300.00-	.00	.00
081 081	DH DH	0007750 54 000010955 SCA		77158	83006	83059	1,300.00-	.00	.00
081 081	DH DH	0007750 54 000010955 SCA		77158	83006	83059	1,300.00	.00	.00
081 081	DH DH	0007755 54 000010955 SCA		77158	83006	83151	.00	.00	.00
081 081	DH DH	0007760 54 000010955 SCA		78068	83006	83059	410.00-	.00	.00
081 081	DH DH	0007760 54 000010955 SCA		78068	83006	83059	410.00	.00	.00
081 081	DH DH	0012060 54 000011556 SCA		83150	85276	88203	163,000.00-	.00	69,185.24-
081 081	DH DH	0012060 54 000011556 SCA		83150	85276	88203	163,000.00	.00	69,185.24

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	POL	POLICY	POL						
OFF	SYM	NUMBER	NUM						
KEY			SUF						
081	DR	0119175 54		89058	89072	89194	.00	.00	.00
081	DH	000011565 SCA							
081	DH	0260879 54		77279	81020	83304	.00	.00	19,418.83-
081	DH	000010955 SCA							
081	DH	0260879 54		77279	81020	83304	.00	.00	19,418.83
081	DH	000010955 SCA							
081	DH	0284826 54		79264	81327	83365	.00	.00	3,165.19-
081	DH	000011552 SCA							
081	DH	0284826 54		79264	81327	83365	.00	.00	3,165.19
081	DH	000011552 SCA							
081	DH	0286312 54		81127	83040	83273	614.36-	.00	.00
081	DH	000011554 SCA							
081	DH	0286312 54		81127	83040	83273	614.36	.00	.00
081	DH	000011554 SCA							
081	DH	0287678 54		81003	83025	84244	.00	.00	10,696.70-
081	DH	000011553 SCA							
081	DH	0287678 54		81003	83025	84244	.00	.00	10,696.70
081	DH	000011553 SCA							
081	DH	0288006 54		81255	82354	85304	74,787.48-	.00	58,246.34-
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						
081 081	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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THE BOARD**

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P.O. Box 432
Richwood, WV 26261
(304) 846-2561

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Missoula, MT 59807-9169
(406) 728-3113

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Montana

George B. (Buck) Smith
Delaware

Glenn E. Smith
Wyoming

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 written in a cursive, flowing style with a large, prominent 'B' and 'H'.

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

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

Enkhs.1

AMERICAN INSTITUTE OF ARCHITECTS, ALABAMA CHAPTER
and the
ALABAMA SOCIETY OF PROFESSIONAL ENGINEERS
Errors and Omissions Insurance Survey

November 1983

1984 Revenue	Summary	Gross		Payable		Premium	
		1983	1984	1983	1984	1983	1984
Less than \$200,000	1	\$ 1,000,000	1,000,000	2,000	9,000	3,000	13,104
	2	700,000	100,000	8,000	8,000	8,200	7,172
	3	100,000	200,000	9,000	9,000	1,500	8,500
	4	900,000	900,000	5,000	5,000	4,800	12,700
	5	1,000,000	1,000,000	2,500	10,000	3,000	10,500
	6	200,000	150,000	9,000	9,000	4,000	21,000
	7	900,000	900,000	9,000	9,000	3,873	17,272
	8	900,000	900,000	9,000	9,000	8,800	10,387
Average		\$ 471,730	\$50,000	4,597	5,600	3,700	15,052
\$200,001 to \$499,999	9	\$ 1,000,000	1,000,000	5,000	9,000	7,600	21,800
	10	1,000,000	1,000,000	5,000	10,000	7,900	23,150
	11	---Not Provided---	---	5,000	5,000	6,900	31,000
	12	1,000,000	900,000	10,000	15,000	8,400	30,000
	13	1,000,000	1,000,000	10,000	10,000	20,000	110,000
	14	900,000	900,000	5,000	5,000	3,000	17,000
	15	---Not Provided---	---	5,000	9,000	7,700	19,900
	16	1,000,000	1,000,000	8,000	10,000	11,000	27,800
	17	900,000	900,000	10,000	10,000	17,950	11,500
	18	100,000	100,000	10,000	10,000	8,710	66,750
Average		\$ 750,000	\$70,000	10,000	11,500	10,700	39,900
\$500,000 to \$999,999	19	\$ 1,000,000	1,000,000	25,000	25,000	10,000	54,000
	20	1,000,000	1,000,000	10,000	10,000	10,000	29,000
	21	500,000	1,000,000	10,000	10,000	23,600	30,000
	22	1,000,000	1,000,000	7,800	10,000	6,500	96,000
	23	1,000,000	1,000,000	15,000	15,000	26,100	20,750
	24	1,000,000	1,000,000	15,000	10,000	7,800	23,800
	25	100,000	100,000	10,000	10,000	12,000	16,000
	26	1,000,000	250,000	15,000	15,000	39,000	63,100
	27	1,000,000	1,000,000	20,000	20,000	21,000	70,000
Average		\$ 825,340	\$16,600	14,107	14,440	19,300	67,000
\$1,000,000 to \$1,999,999	28	\$ 900,000	900,000	10,000	10,000	15,000	40,000
	29	1,000,000	1,000,000	25,000	25,000	20,000	130,000
	30	---Not Provided---	---	10,000	10,000	17,000	40,000
	31	900,000	900,000	5,000	10,000	11,800	46,970
	32	---Not Provided---	---	10,000	20,000	10,000	70,000
Average		\$ 666,666	\$66,666	12,000	19,000	20,000	68,000
\$2,000,000 to \$9,999,999	33	\$ 1,000,000	1,30,000	10,000	50,000	30,000	130,000
	34	1,000,000	1,000,000	50,000	50,000	44,937	127,000
	35	1,000,000	1,000,000	25,000	50,000	27,930	110,012
	36	2,000,000	2,000,000	50,000	50,000	70,000	114,000
	37	2,000,000	2,000,000	100,000	100,000	45,300	66,950
	38	1,000,000	1,000,000	10,000	25,000	44,000	147,470
	39	2,000,000	2,000,000	50,000	75,000	153,000	119,500
Average		\$ 1,428,571	\$,428,571	46,429	57,153	59,007	116,400
over \$5,000,000	40	\$ 1,500,000	1,500,000	100,000	100,000	95,000	220,000
	41	2,000,000	2,000,000	50,000	75,000	190,000	365,000
	42	---Not Provided---	---	25,000	25,000	30,000	15,000
	43	---Not Provided---	---	50,000	250,000	50,000	150,000
Average		\$ 1,750,000	\$,750,000	96,250	113,500	81,250	192,500

* Quote as 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
AUG 21 1985
JUL 31 1985
ENGINEERING
GROUP

Errors & Omissions Insurance Questionnaire

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

	<u>1981</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>
Errors & Omissions Premiums					
Low	3,000	1,152	1,250	80	1,400
Average	15,290	7,735	6,829	6,352	6,333
High	38,833	27,300	23,600	18,956	17,360
Gross Receipts					
Low	65,000	50,000	15,000	65,000	65,000
Average	407,250	359,199	386,660	358,128	368,233
High	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Policy Limits:					
Coverage					
Low	100,000	100,000	100,000	-0-	100,000
Average	668,750	603,125	635,416	522,222	485,714
High	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Deductible					
Low	2,500	2,000	2,000	-0-	2,000
Average	10,000	7,656	7,250	7,472	7,642
High	40,000	40,000	25,000	20,000	20,000
Defense					
Low	-0-	-0-	-0-	-0-	-0-
Average	20,000	15,000	10,000	10,000	10,000
High	20,000	20,000	10,000	10,000	10,000
Claims					
Low	-0-	-0-	-0-	-0-	-0-
Average	-0-	17,936	-0-	-0-	-0-
High	-0-	39,000	-0-	-0-	-0-
Unsettled					
Low	-0-				
Average	57,000				
High	57,000				

**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:

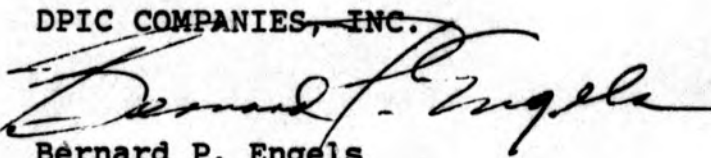
I am in receipt of your letter dated October 20, 1989.

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**