MISSOURI DEPARTMENT OF INSURANCE
JOINT COMMITTEE ON THE HEALTHCARE STABILIZATION FUND
INFORMATIONAL SUPPLEMENT
JULY 28, 2005

During the Department's June 30, 2005, testimony before the Joint Committee, several questions were raised regarding Kansas' Health Care Stabilization Fund (the "Fund") and related Missouri data. The following information was gathered in response to the questions raised. *Information regarding the Kansas Fund is based on information provided by the state of Kansas.*

KANSAS FUND HISTORY/MANAGEMENT

1) How was the surcharge assessed in the beginning years of the Fund?

When the Kansas Fund was originally enacted in 1976, Kansas reports there was insufficient experience available to assess the appropriate surcharge. Initially, the Fund surcharge was 45% of the premium rate paid by the provider for the statutorily required basic coverage. For approximately 3 years, the Fund paid few claims and a 0% surcharge was assessed. However, in the late 1980s/early 1990s, the surcharge rate increased and at times exceeded 100% - 135% of the basic coverage premium rate. According to the Fund, it does not currently calculate the surcharge for most providers based on a percentage of premiums; the surcharge statistically averages approximately 30% of the current premium rate for basic coverage.

*See **Exhibit 1** for additional information on Kansas surcharge history.*

2) How stable has the Fund surcharge rate been in the last 10 years?

Although the Fund has experienced years where there has been a marked increase in the surcharge, in most recent years the Fund surcharge has remained relatively stable. Currently, the surcharge is 40-75% lower than in 1996-1997 and was increased for the first time in 5 years for the 2005-2006 year. *See **Exhibit 2** for the surcharge rates assessed by the Fund from 2001-2005.*

3) Who manages the Fund? How is the Fund staffed?

The fund is under the governance of the Board of Governors which is a 9-member board, appointed by the Insurance Commissioner from a list of nominees provided by the Kansas health care community. The Fund is operated as a separate state agency and does not receive any general revenue funds. The Board of Governors appoints an Executive Director who is responsible for the daily management of the Fund.

The Fund is currently staffed by 16 full-time employees that are divided into 3 sections: the Claims and Legal section, Fund Coverage section and Accounting and Data Entry section. The Claims and Legal section consists of 2 attorneys, a claims manager and a legal assistant. *See **Exhibit 1.***

4) How is the Fund regulated for solvency? Is the Kansas Fund solvent?

The Kansas Fund operates as a separate state agency under the direction of the Board of Governors. The Fund conducts an annual independent actuarial review and publishes an annual financial report. Kansas reports the Fund is currently solvent.

KANSAS MALPRACTICE INDUSTRY

5) How stable have Kansas malpractice rates and the malpractice industry been over the last 10 years?

Kansas' malpractice market has reportedly followed the experience of other states. As with other states, Kansas has experienced some significant changes within the last 5 years, including the withdrawal of several insurers from the Kansas markets. Approximately 8 medical malpractice insurers have stopped writing any new or renewal business, restricted policy issuance to only designated specialties or withdrawn from the Kansas market. An additional 3 insurers have gone into receivership, rehabilitation or liquidation.

As identified in ***Exhibit 3***, malpractice costs in both Kansas and Missouri have grown at similar rates, between 1998 and 2004, premiums in Kansas, excluding the Fund, increased by 112 percent, from $44.4 million to $94.0 million, or an average of 14 percent per year. The comparable figures for Missouri are a 153 percent increase, or a 17.7 percent annual average. *For more detailed information, see* ***Exhibit 3.***

6) How many companies are currently writing medical malpractice insurance in Kansas?

As of March 30, 2005, the Fund reported there are approximately 25 companies writing medical malpractice insurance in Kansas. However, several of these insurers have restricted underwriting to designated specialties/providers. Kansas reports there are approximately 4 voluntary carriers insuring the majority of the provider market. Kansas' Health Insurance Availability Plan, which is similar to Missouri's Joint Underwriting Association, currently insures over 20% of the provider market.

7) In light of the Stabilization Fund, what is the basis for competition among insurers?

The Fund reported that insurers still compete primarily on price and service. No negative impact on market competition has been reported and/or observed in Kansas as a result of the Stabilization Fund.

KANSAS RATING

8) Is the Fund surcharge based on a percentage of the provider's premium rate for the required basic insurance coverage?

Generally, no. The Fund surcharge is calculated annually by the Board of Governors based on an annual actuarial review. In Kansas, providers are grouped into 21 classifications based on specialty and area of practice. *See* ***Exhibit 4*** *for Classification Chart.* A provider's basic primary insurer is responsible for correctly assigning a fund classification to each provider based on the Fund's guidelines. The Fund does <u>not</u> calculate the surcharge for providers in classes 1-14 based on a percentage of the underlying basic insurance premium. Instead, all providers in classes 1-14 are assessed the same fee regardless of the charge for their basic insurance coverage.

Information regarding the Kansas Fund is based on information provided by the state of Kansas.

The surcharge for providers insured under the Kansas Health Insurance Availability Plan as well as designated hospitals/health care facilities in the higher risk classifications is based on a percentage of the provider's/hospital's premium rate for the basic $ 200,000/$ 600,000 coverage limits. As shown in the following chart, the surcharge for providers/hospitals in classifications 15-16 may vary annually and, as with other classifications, is based on the level of Fund coverage selected:

Kansas Surcharge Rates for Classes 15-16

Fund Coverage Limit	Fiscal Year		
	2003	2004	2005
$100,000/$300,0000	22%	20%	20%
$300,000/$900,000	33%	30%	26%
$800,000/$2,400,0000	38.5%	35%	32%

Once again, this surcharge is based on a percentage of the provider's basic coverage premium costs.

9) Does the Fund adjust the surcharge rate based on experience? Is there an experience rating modification?

No, the Fund does not adjust the surcharge rate based upon the health care providers' experience. Provider surcharges are based on practice area, the number of years of fund compliance and the amount of excess coverage selected. Surcharge rates are not increased/decreased based on individual provider experience.

However, providers insured under Kansas' Health Insurance Availability Plan may be indirectly assessed a higher Fund surcharge based on experience. Under Kansas law, the Health Insurance Availability Plan is authorized to modify a provider's basic insurance rate up to 300% based on experience. Since Fund surcharges for these providers are assessed based on a percentage of the provider's underlying basic premium rate, as explained in question # 8, a provider may subsequently pay a higher Fund surcharge due to claims experience.

KANSAS PRIOR ACTS / TAIL COVERAGE

10) Are Kansas insurers required to provide prior acts coverage?

Yes. By statute, all medical malpractice insurers are required to offer prior acts coverage in addition to the basic required primary coverage of $ 200,000/$ 600,000. Insurers may assess an additional fee for prior acts coverage and may follow traditional underwriting guidelines which may include a rating modification based on experience.

11) Who is eligible for tail coverage from the Fund?

The Fund's "tail" coverage is available for inactive physicians only and would cover an inactive provider for future claims or suits made while the health care provider was in compliance with the Fund.

12) How expensive is tail coverage from the Fund?

Inactive providers that have more than 5 years of fund compliance are not charged an additional fee for tail coverage. Inactive providers with less than five years of compliance may

purchase tail coverage from the Fund for an additional surcharge. See ***Exhibit 5*** for complete chart of tail coverage rates.

13) Does a retired doctor who previously qualified for free tail coverage from the fund have to purchase tail coverage again if the doctor returns to active practice?

An inactive provider who maintains Fund compliance for five or more years is entitled to free tail coverage from the Fund. If the doctor returns to active practice, the doctor will still be entitled to free tail coverage but will also be assessed the traditional Fund surcharge that is applicable to all active providers.

KANSAS FUND/PRIMARY INSURANCE COVERAGE

14) What is the cost in Kansas for the required $ 200,000/$ 600,000 coverage?

Exhibit 6 contains Kansas' data showing Kansas premium rates for the basic $200,000/$ 600,000 coverage.

15) If the judgment is over $200,000 and a portion of the award includes defense costs, who pays the defense costs?

As in most jurisdictions, settlements or judgments in the state of Kansas are usually stated as a lump sum without a separate allocation for defense costs. If a judgment against a qualified provider exceeds $250,000, the primary carrier would pay the initial $200,000 and the Fund would cover the final $50,000.

DEFENSE OF CLAIMS/FUND CLAIMS EXPERIENCE

16) Are the majority of claims against the Fund under $200,000?

Yes. In 2004, 55.6% of all claims filed in Kansas were under the $200,000 threshold. According to Kansas data, out of 178 malpractice claims reported by Kansas in 2004, only 79 claims resulted in payment from the Fund. See ***Exhibit 7*** for additional information and data on Kansas' claims payment history.

17) Does a physician have the right to consent to a settlement by the Fund?

Although the fund attempts to involve the provider and primary insurer in settlement negotiations, Kansas law specifically provides the Fund may settle a claim without the provider's consent. A provider may still have the right to consent to settlement under the underlying basic policy; however, this is not binding on the Fund.

18) Who defends a claim in Kansas?

Insurers are required to notify the Fund of any claim that may impact the Fund. The Fund monitors all medical malpractice claims brought against health care providers. The primary insurer will traditionally appoint an attorney to defend the claim. However, if the primary insurer determines the claim may exceed the insured's policy limits, the primary insurer may tender policy limits to the Fund at which time the Fund will provide any further defense of the claim. According to the Fund, in most cases (approximately 99%) the Fund will retain the same attorney as hired by the insurer.

MISSOURI SPECIFIC QUESTIONS

19) What is the Department going to do with the JUA?

The Missouri Joint Underwriting Association was established as an insurer of last resort for those providers unable to procure coverage in the voluntary market. Recently, several areas of concern have been raised regarding the scope of the JUA's authority as it relates to policy issuance and premium collection. As a statutorily created entity, any changes to the JUA's authority would have to be accomplished via legislative action.

20) What is the average premium rate for a $200,000/$600,000 policy in Missouri?

As with most lines of insurance, medical malpractice insurers are required to file rates with the Department and not the actual premium charged. The rate filed with the Department is a general base rate that may be adjusted according to various rating factors that are also filed with the Department. These rating factors may include loss history, geographic rating territory, scope of practice, expertise/experience and other underwriting factors. The actual premium charged to the provider is based on the various rating factors and, unlike the base rate, is not required to be filed with the Department. Additionally, the companies are not required to report to the Department information on the actual number of insured providers. Therefore, without information on each individual provider that may affect the premium actually charged, the Department is unable to determine the average Missouri premium for a $200,000/$600,000 policy.

Any breakdown of premium information by provider type, geographic region, policy limits or other case characteristic would require the department to issue a special data call. Please note, however, that any individual insurer should be able to provide this type of information on their company.

Medical malpractice insurers are required to report direct written premium on their annual financial statement. Information on the total amount of Missouri direct written premium is contained in ***Exhibit 3, Table 3.***

The National Association of Insurance Commissioners (NAIC) is working in cooperation with all the state departments of insurance to evaluate the need for a standardized data reporting format for companies to use in reporting medical malpractice insurance information and to evaluate the components of data needed in medical malpractice data reporting. The Missouri Department of Insurance is participating in this effort.

21) How has the number of physicians in Missouri been impacted by the medical malpractice market?

While the Missouri Department of Insurance does collect certain medical malpractice data, the Department does not have any means to determine whether there has been an influx or decline in the rate of physicians currently practicing within the state particularly in specialty fields such as OB/GYN, neurosurgeons, etc. Ms. Adriane Crouse from Senate Research indicated they would research this topic with the Board of Healing Arts.

22) How do the loss histories from insurance companies to patients compare between Missouri and Kansas? (Information requested by Senate Research)

The Department of Insurance collects information regarding loss histories for insurance companies, refer to **Exhibit 3**. Malpractice costs in both Kansas and Missouri have generally grown at similar rates. Between 1998 and 2004, premiums in Kansas, excluding the Fund, increased by 112 percent, from $44.4 million to $94.0 million, or an average of 14 percent per year. The comparable figures for Missouri are a 153 percent increase, or a 17.7 percent annual average (*Exhibit 3 - Table 1 and 3*). Premiums for the Fund are not available. See ***Exhibit 3*** for more detailed information on loss histories on Missouri and Kansas.

Readers should keep in mind, however, that the Fund data is not an "apples to apples" comparison to the Missouri financial statement data, so that the relatively small difference may be due to accounting methodologies.

23) Is there loss data/claims history data comparing urban areas such as Greene, Boone, Jackson, Clay, and St. Louis to the rest of the state? (Information requested by Senate Research)

The Department of Insurance collects claims history data for all areas in Missouri. We have provided this information by county in relation to the court of jurisdiction. Please refer to ***Exhibit 8*** for detailed information.

24) What is the loss history of Kansas City compared to Johnson County, Kansas? (Information requested by Senate Research)

The Missouri Department of Insurance does not collect information on Kansas data and does not have the requested data at this time. The Department has received Kansas statewide data on loss history which has been included in ***Exhibit 3***. This information may, however, be available from the Kansas Fund. We are continuing to work with the Fund to receive a county-by-county break down of Kansas' loss history.

Overview of office operations at the Health Care Stabilization Fund

The Fund Office

The Board of Governors has authorized sixteen full-time employee positions. There are also two part-time or temporary positions, which are used as needed.

One supervisor position is presently vacant. That position's assignments are related to basic coverage documentation and surcharge payment processing activities. While this position is vacant the Executive Director provides supervision of these activities and the employees who are assigned to the Coverage Section.

The Executive Director, appointed by the Board of Governors, directs the daily office management and administrative activities on behalf of the Board. The Chief Attorney of the Fund is responsible for Fund activities related to claims involving eligible health care providers or the Fund itself.

In addition to the Executive Director and the Chief Attorney, there are two other supervisory positions in the Fund: the Coverage Section Supervisor (the position that is currently vacant) is responsible for maintaining the individual health care provider compliance records; and the Accounting Section Supervisor is responsible for the accounting records.

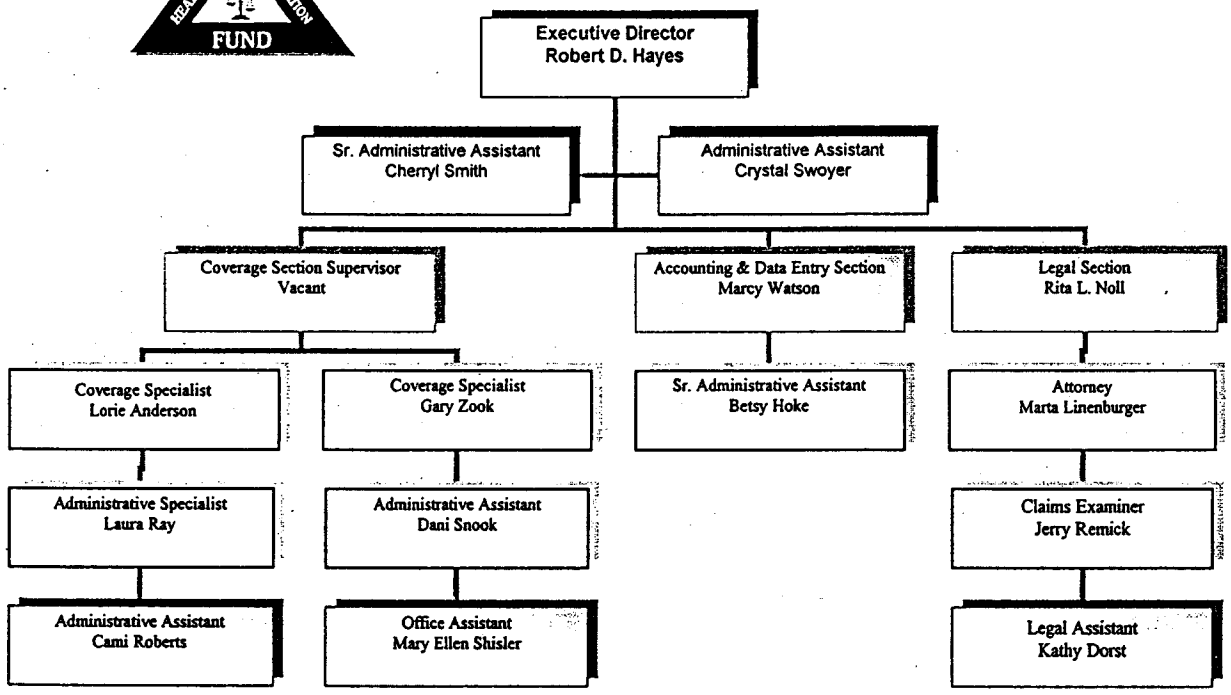
The remaining eleven employees are assigned as follows:

- one employee assigned to the Executive Director;
- four employees assigned to the Legal Section;
- five employees assigned to the Coverage Section; and
- one employee assigned to the Accounting Section.

The Fund is a State Agency, Number 270, and must comply with all of the general administrative rules & regulations: personnel, purchasing, budgeting and other applicable governmental standards and procedures in carrying out its daily activities.

Office Organization Chart

Health Care Stabilization Fund
Board of Governors



Summary of Authorized Employee Positions

Type of Position	Authorized	Filled
Unclassified	8 Positions	7 Positions
Classified	8 Positions	8 Positions

See pages 3, 4 and 5 of the Budget (Appendix IX) for a description of the activities of operating sections of the Health Care Stabilization Fund.

History of the Health Care Stabilization Fund

This section is intended to provide an abbreviated "time-line" of the important events and experiences of the Health Care Stabilization Fund. A number of liberties have been taken in simplifying this review; however, past documentation is available for each of these simplifications.

1974 through July of 1976

Kansas doctors were being confronted with escalating premium costs. Many of the insurers offering the professional liability coverage at this time were only making the coverage available on an "accommodation" basis, making it easy for those insurers to simply leave the market place. As insurers left the market, their insured health care providers scrambled to locate replacement professional liability insurance coverage from the insurers which remained. By early 1975, most of the remaining insurers had reached their capacity to take on new professional liability insurance policyholders. Many Kansas health care providers who were not insured with one of the traditional companies were confronted with one of three choices, either insure with an unregulated insurer (e.g., Lloyds of London), continue to practice without professional liability insurance, or attempt to limit their professional services to avoid the greater risk of liability suits. Some doctors, and at least one hospital, curtailed any further surgical procedures because they could not locate adequate professional liability insurance.

Medical societies and associations, the Insurance Commissioner's office and Kansas legislative members began to study and evaluate possible solutions to the growing medical malpractice insurance crisis. The Kansas medical community did not have sufficient premium volume to keep insurers interested in providing a solution to the Kansas problem. The Insurance Commissioner lacked authority to compel the insurance companies to write medical professional liability coverage if the insurer chose to not write that type of business.

The Kansas legislature and other groups reviewed the "patient compensation funds" being established in Indiana and Nebraska. Other states were also reviewing and developing tort reform measures that were included in the Kansas reviews of possible actions which might be of assistance in resolving the availability problems for our health care providers. The Kansas medical communities and the Insurance Commissioner joined with the legislature in conducting a study to evaluate possible alternatives and prepare specific recommendations to the 1976 Kansas Legislature.

The result was the 1976 Senate Bill No. 646. The final adopted version of this Senate Bill was different from the original bill. Provisions requiring health care providers to carry professional liability insurance; non-resident health care providers, professional corporations of health care providers and the

availability plan were some of the new provisions added during the legislative process.

Implementation of the enacted law immediately resolved the availability problems related to the Kansas health care provider primary and excess professional liability insurance market place. The new Fund law and related legislation did not, however, address or resolve the affordability problems related to this line of insurance business.

The main features of the 1976 Fund law were:

- mandatory professional liability coverage limits of at least $100,000/$300,000;
- include provisions for prior acts and "tail" coverage
- unlimited Fund coverage;
- Fund coverage available to Kansas resident health care providers for their Kansas professional services and their professional services rendered outside of Kansas; and
- the establishment of the availability plan for those health care providers who could not locate the mandatory basic professional liability coverage in the normal insurance market.

July 1976 through FY 1982

The operational year of the Health Care Stabilization Fund appeared to be without major problems. The Fund's balance attained its statutory target of $10,000,000 in 1979-80. The Fund's surcharge rate was reduced to 15% for Fiscal Year 1980 and legislation was passed to require a minimum surcharge rate for new health care providers complying with the Fund for the first-time. On July 1, 1980 the Fund balance was $12.3 million and for the next three Fiscal Years, the Fund's surcharge was reduced to zero.

Loss payments from the Fund during this period were also very low. From Fiscal Year 1976 to the end of Fiscal Year 1980, only $341,101 in loss and loss expenses were paid. The number of new claims filed in Kansas trickled in during the first several years of the Fund's operation. Then, in 1980 there were 87 new cases filed and new case filings continued to increase in 1981 (98 new cases) and 1982 (124 new cases). By the end of Fiscal Year 1982, nearly $5.2 million in losses were paid since 1976.

The increase in the Fund's loss payments combined with the number of new cases being filed indicated that the Fund could be in serious difficulty.

FY 1983 to FY 1986

Reforming the Fund law to increase the required basic professional liability insurance coverage limit to $200,000/$600,000 and to include a coverage limit

was made in 1984. The new $3,000,000/$6,000,000 provided only a margin of safety for the Fund and the health care providers who were required to participate in the Fund. The continuing difficulty with the new coverage limits were that these limits were to be applied on a per claim/per provider basis. Those claims filed against the Fund where more than one health care provider was named, presented the Fund with *multiple* $3 million coverage limit loss exposures.

The legislature passed various versions of non-economic "caps" (at $1 million with a $3 million "pin-hole" for extraordinary cases). Fund coverage limits were changed to $1 million/$3 million.) The courts overturned these legislative measures and the Fund coverage limits returned to $3 million/$6 million. The Fund coverage limits were reduced to $1million/$3 million. The Fund's annual surcharge for Fiscal Year 1986 reached 110%.

FY 1987 through FY 1990

Loss pay outs from the Fund and projected loss expectations for the Fund continued to steadily increase. By 1989 the Fund's annual surcharge rate for the $3,000,000/$6,000,000 coverage limit was 125%. There was legislative discussion about phasing the Fund out of existence. Health care providers and legislators wanted to know the amount of the "short-fall" in the Fund's balance. Potential loss estimates were provided on three different basis. The basis of the Scenario I estimate was to have the insurance industry "step-in" at the point where the Fund would be discontinued. This estimated short-fall in the Fund's balance was $35 million (as of July 1, 1989). Scenario II estimates were based on the Fund running off Fund liabilities for active and inactive providers prior to the 1994 phase-out date for the Fund (i.e., "tail" coverage would be provided for only inactive providers after 1994 and the Fund would continue to run-off the liabilities on open claims against active providers that were filed on or before July 1, 1994). The estimated liability deficiency for Scenario II was $31.4 million. The conditions of Scenario III were to have the Fund provide "occurrence" coverage for all professional services rendered while the Fund was in existence. Estimated cost for this Scenario was $140 million on July 1, 1989 and $486.5 million on July 1, 1994. These figures were taken from the interim actuarial study dated January 30, 1989.

The Fund was experiencing difficulty in reaching the actuarially sound balance prescribed in the 1984 legislation. Most of the difficulty related to the Fund's high coverage limits and the adverse effect upon the Fund when one or more health care providers were named vicariously liable in an individual claim or case file. The resulting Fund law changes were to reduce and reform the Fund's coverage limits into three optional coverage levels and remove vicarious liability between health care providers. These actions were intended to supplement and support the 1994 phase-out included in the 1990 legislation.

FY 1991 through FY 1994

New case files opened in these Fiscal Years continued to decrease from the peak number opened in 1987 (318). The Fund's balance began to rebound and steadily increase as the Fund's annual surcharge rates for its newly established highest coverage limit were maintained at 135% to 120% for these years.

By 1992, the Fund's negative actuarial balance was eliminated and the Fund managed to acquire a small positive balance.

The acquired positive balance of the Fund and declining surcharge rates, resulted in the diminished interest in phasing the Fund out of existence. Annual surcharge rates for the Fund were reduced and by Fiscal Year 1994 the Fund's surcharge rate for its highest coverage limit was 70%. There were Legislative changes made in 1994 that set forth the re-establishment of the Fund as a separate state agency.

FY 1995 to Present

The Fund moved into its present office at 300 SW 8th Avenue, 2nd Floor, Topeka on April 1, 1995.

The last major legislative change to the Fund law was Senate Bill No. 229 in 1997. This bill authorized the Board of Governors to implement a surcharge rating system made some technical changes and eliminated some old provisions of the law which were no longer needed.

In 1998 the legislature authorized the Board of Governors to appoint its unclassified employees and set their salaries (subject to the budget expenditure limitations approved by the legislature). See Appendix XII for additional information.

The establishment of the Board Of Governors – 1984

Early in the 1980's it became clear that health care providers needed to be involved in the administration of the Health Care Stabilization Fund and that the Fund could not continue to afford the unlimited excess professional liability coverage as required by the original 1976 Fund law. Several special actuarial reviews of the Fund were conducted. All of these actuarial reviews indicated the Fund was in a potentially serious financial condition because its balance at that time was inadequate when compared to its outstanding liabilities. In addition to lowering the Fund's coverage limits to $3 million/$6million, the 1984 Fund law changes authorized Board of Governors to assist the Commissioner of Insurance with the administrative operations of the Fund.

Creation of a fourteen member Board of Governors for the Health Care Stabilization Fund in 1984 was intended to increase health care provider participation in the management and administration of the Fund. In accordance with the provisions of the 1984 law, the Commissioner of Insurance was the Chairperson of the Board of Governors. The practical effect of the legislation which created the Board of Governors, however, limited their Fund management activities. The one specific Board of Governors activity

authorized in the 1984 enabling legislation, allowed the Board to terminate Fund coverage for any individual health care provider which presented a significant risk to the Fund.

During these early years the Board of Governors met on a regular basis and provided assistance to the Commissioner in several different management areas. The frequent and regular Board meetings also proved to be a successful format which facilitated the Fund's planning activities. Some of the most significant Board management items were:

- Supporting a series of presentations to health care providers at several different locations throughout the state.
- Developing and establishing a monthly claims statistical report for Board meetings.
- Assisting the Commissioner of Insurance in setting the Fund's annual surcharge rates.
- Making recommendations to the Commissioner of Insurance regarding Fund personnel staffing needs.

Actuarial Evaluations of the Fund and Expanded Duties of the Board of Governors – 1985 to 1989

The annual actuarial *estimates* of the Fund's liabilities between 1985 and 1989 continued to indicate the balance of the Fund was inadequate. Several actuarial estimates of the Fund's liabilities were conducted during these years and various alternate methods of closing or phasing out the Fund were considered. All of the various methods of closing the Fund included one common factor -- *the balance of the Fund would not be adequate to pay the estimated claims and claims expenses.* Actuaries did conclude in their evaluations of the Fund that it would be possible for the Fund to continue its operation for the foreseeable future without encountering a cash-flow problem. These actuarial reports further indicated that if the Fund were to continue, it could be possible to collect additional surcharge payments from health care providers to slowly build the Fund's balance to meet its estimated liabilities.

These conditions of the Fund and the actuarial reviews resulted in the 1989 legislation which included a provision for phasing out the Fund on July 1, 1994, provided the following conditions were met:

- *Provide for an alternative method of financially supporting the Health Care Provider Insurance Availability Plan. (The Fund provides this back-up for the Availability Plan. If the Fund were to be phased out, then some other method of stabilizing the Availability Plan would need to be developed.)*

- *Provide a method to return any unused balance of the Fund to health care providers. Although the 1989 law revisions only addressed the possibility of making an apportionment of any remaining balance, there was a discussion that it would also be necessary to include some type of provision to make up any Fund deficit which could exist or be incurred after the July 1, 1994 closing date of the Fund.*
- *Provide a plan for addressing the professional liability insurance needs for the KU faculty, residents, foundations and corporations.*

The 1989 law provided only minimal opportunity for the Board's involvement these activities were principally limited to matters related to the selection of optional Fund coverage limits (the Board's approval of requests to increase coverage limits by health care providers) and exemptions from additional surcharge payments for certain inactive health care providers who had less than five years of Fund compliance. For all practical purposes, the Commissioner of Insurance maintained the overall administrative responsibility of the Fund, including the general authority over the defense and settlement activities for all claims filed as well as the duty to set the annual surcharge rates for the Fund.

Subsequent to the 1989 legislative changes to the Fund law, the annual surcharge rates were adjusted in a manner which would cover not only the new Fund liability estimates that would be incurred from the continuation of the Fund through July 1, 1994, but also to increase the Fund's balance to a level which would eliminate the actuarially estimated deficit of the Fund.

Surcharge Percentage By Fund Coverage Limit			
Fiscal Year	$100,000/$300,000	$300,000/$900,000	$800,000/$2,400,000
1990	90%	120%	135%
1991	80%	100%	120%
1992	55%	75%	110%
1993	40%	55%	85%

The significant reductions in surcharge percentages in Fiscal Year 1993 were made possible by the actuarial estimates indicating that the Fund had acquired a small positive balance of approximately $33 million. This was a sudden change from the prior actuarial estimates which projected the Fund's deficit to be approximately $14.4 million (actuarial review for Fiscal Year 1992).

Separation of the Board of Governors from the Insurance Department -- 1995

Once the Fund's actuarial balance was estimated to be greater than its estimated liabilities, there was an uncertainty with regard to the amount of the estimated positive balance and whether the Fund should be phased out. The combination of the Fund becoming "actuarially sound" and the likelihood that

Fund expenditures for loss and defense payments are not limited by the legislative appropriations, but we are required to review these expenditures with legislative budget personnel and legislative committees. Fund administration expenses and other operating expenses are subject to an expenditure limitation set forth in the legislative appropriations. This requires the Fund to submit an annual budget which is rigorously reviewed by various budget analysts and legislative committees.

From a practical viewpoint the board has the following broadly generalized areas of administrative responsibilities:

1. Maintain the Fund in an actuarially sound manner.
2. Defend and, when necessary, pay loss and defense costs on the behalf of health care providers who are eligible for Fund coverage to the extent provided for by the Fund law.
3. Assure that claim files involving the Fund are properly handled and that individual claim files are concluded in a reasonable and cost effective manner without sacrificing the Fund's responsibilities to the individual health care provider and all health care providers collectively.
4. Maintain reasonable and adequate fiscal, compliance and claim records which allow for the successful operation of the Fund.
5. Maintain an adequate staff of Fund employees that can effectively and efficiently implement and carry out the instructions of the Board and assist the Board in meeting the statutory objectives of the Fund. This includes the appointment of the Executive Director which serves at the will and pleasure of the board.
6. Provide for the office space and office equipment of the Fund.
7. Comply with all fiscal and administrative requirements for state agencies.

Statutory References for Board of Governors Duties and Responsibilities

Description	Statute Reference
Board Member Appointments/Terms	40-3403(b)(2)
Board Vacancies	40-3403(b)(3)
Administration of the Fund	40-3403(b)(1)(A)
Advice to licensing agencies of providers	40-3403(b)(1)(B)
Publish report by October 1	40-3403(b)(1)(C)
Authority to grant "tail" coverage exemptions	40-3403(b)(1)(D)
Election of Chairperson/Vice Chairperson	40-3403(b)(4)
Make recommendations to legislature	40-3403(b)(5)
Appoint employees, office space, budgeting, etc.	40-3403(b)(6)
Terminate Fund coverage for a provider	40-3403(i)
Five year "tail" coverage requirements	40-3403(m)

HCSF Legislative Oversight Committee	40-3403b (c)
Setting annual surcharge rating system	40-3404(a)
Investing the Fund balance	40-3406
Payment vouchers from the Fund	40-3407(a)
Serving petitions upon the Board of Governors	40-3409(a)(1)
Settlement negotiations authorized	40-3410 and 3411
Employee defense council	40-3410 and 3411
Health Care Provider Insurance Availability Plan	40-3413
Self-insurance for health care providers	40-3414
Assist and consult with Attorney General, Commissioner, Oversight Committee and provider licensing agencies	40-3415
Reporting providers who do not comply with the Fund	40-3416
Adopt rules and regulations	40-3417
Confidentiality of certain insurer claim reports	40-3421
Appeal bonds	40-3422

No. 49,446

STATE OF KANSAS, *ex rel.* CURT T. SCHNEIDER, ATTORNEY GENERAL, *Petitioner-Appellee*, KANSAS HOSPITAL ASSOCIATION, THE KANSAS MEDICAL SOCIETY, THE KANSAS HEALTH CARE PROVIDER INSURANCE AVAILABILITY PLAN, *Intervenors-Appellees*, v. BYRON TIMOTHY LIGGETT, M.D., *Respondent-Appellant.*

(576 P.2d 221)

SYLLABUS BY THE COURT

1. PHYSICIANS AND SURGEONS—*State Regulation of Professions—Scope.* The power of the state to regulate and license professions is not limited to fitness to practice, but may also include requirements to protect and promote the public health, safety, morals, peace, quiet, and law and order.

2. SAME—*Malpractice Insurance—Constitutional Validity—Due Process.* The mandatory malpractice insurance provision of the Kansas Health Care Provider Insurance Availability Act (K.S.A. 1976 Supp. 40-3401, *et seq.* [now 1977 Supp.]) bears a reasonable relationship to the health and welfare of the citizens of this state and does not violate the due process clause of the state and federal Constitutions.

3. SAME—*Malpractice Insurance—Constitutional Validity—Equal Protection.* The provisions of the Kansas Health Care Provider Insurance Availability Act (K.S.A. 1976 Supp. 40-3401, *et seq.* [now 1977 Supp.]) bear a substantial relationship to the purpose of the legislation and do not violate the equal protection clause of the state and federal Constitutions, notwithstanding the fact they apply to both high risk and low risk practitioners but not to nurses and dentists.

Appeal from Barton district court, division No. 1; FREDERICK WOLESLAGEL, judge. Opinion filed March 10, 1978. Affirmed.

Michael S. Holland, of Holland & Rupe, of Russell, argued the cause and was on the brief for the appellant.

Donald R. Hoffman, assistant attorney general, argued the cause and *Curt T. Schneider*, attorney general, was with him on the brief for the petitioner-appellee.

Wayne T. Stratton, of Goodell, Cogswell, Stratton, Edmonds, Palmer & Wright, argued the cause and *Charles R. Hay*, of the same firm, and *Jerry M. Ward*, of Ward & Berscheidt, of Great Bend, were with him on the brief for the Kansas Hospital Association and the Kansas Medical Society, intervenors-appellees.

L. M. Cornish, Jr., of Glenn, Cornish & Leuenberger, of Topeka, argued the cause and was on the brief for the Kansas Health Care Provider Insurance Availability Plan, intervenor-appellee.

The opinion of the court was delivered by

. This is an appeal from an action wherein Dr. Byron ...d from practicing medicine until he ...quired by K.S.A.

seq.). The doctor challenges the constitutionality of the act on the grounds it denies him (1) substantive due process of the law, and (2) equal protection of the law. For the reasons set forth herein we find the act constitutional.

The Kansas Health Care Provider Insurance Availability Act was passed by the 1976 legislature as a partial response to increasing pressure brought upon Kansas health care providers because of the national medical malpractice crisis. The primary feature of the act is the requirement that all health care providers operating within the state must obtain professional malpractice liability insurance (40-3402) and pay a surcharge to the health care stabilization fund (40-3404). The law requires the provider to carry a basic policy of $100,000 per occurrence and an annual aggregate of $300,000 for all claims made during the period. The stabilization fund provides for the payment of claims in excess o policy limits. Included in the act is a provision requiring ever health care insurer to participate in an apportionment pla whereby any health care provider may obtain liability insuran from the plan if insurance from a conventional source (40-3413) not available.

The problem of obtaining and maintaining affordable m practice insurance came before the legislature in 1971, 1973 a 1975. As a result, the legislature enacted a law in 1975 requir all health care insurers to report their claims experience to commissioner of insurance (K.S.A. 1975 Supp. 40-1126, *et s* In 1976, however, the problem had grown to such proportio received full legislative attention. A legislative interim comm was told in detail how insurance costs had skyrocketed on pr policies, policies were unavailable for new doctors, insurers beginning to withdraw from the medical malpractice field the availability of medical service in some Kansas commu was threatened. In response, the committee proposed bills, including the act in the present controversy.

The original bill did not require mandatory insurance co nor did it require payment of the surcharge. These pro were added by the legislature at the behest of Insuranc missioner Fletcher Bell. The mandatory coverage prov was alleged, would provide for the financial stability insurance availability program and would assure all Kans would have a source of recovery for damages result malpractice.

...oper
... of social and economic

Health Care Stabilization Fund

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Medical Professional Liability Experience
Fiscal Year 2004

This report by the Board of Governors of the Health Care Stabilization Fund summarizes medical professional liability experience in Kansas during fiscal year 2004. The report is based on statistical data gathered by the Fund in administering the Health Care Provider Insurance Availability Act.

This report on medical malpractice litigation is based on all claims resolved in FY 2004 including judgments and settlements. By far, the majority of medical malpractice cases are resolved by settlement rather than by jury trial.

Medical professional liability refers to a claim made against a health care provider for the rendering of or failure to render professional services. K.S.A. 40-3403. Health care provider is defined in K.S.A. 40-3401 to include medical doctors, osteopathic doctors, podiatrists, chiropractors, registered nurse anesthetists, and certain medical care facilities. Fiscal year 2004 covers the period of time from July 1, 2003 through June 30, 2004

MEDICAL PROFESSIONAL LIABILITY EXPERIENCE

A. Jury Verdicts

From HCSF data, 28 medical malpractice cases involving Kansas health care providers were tried to juries during fiscal year 2004. Of these, 26 cases were tried to juries in Kansas courts and two cases involving Kansas health care providers were tried to a juries in Missouri. These jury trials were held in the following jurisdictions:

Sedgwick County	7
Shawnee County	4
Wyandotte County	4
Johnson County	3
U.S. District Court	2
Jackson County, MO	2
Ellis County	1
Douglas County	1
Neosho County	1
Riley County	1
Saline County	1
Sumner County	1
Total	28

Of the 28 cases tried, 23 resulted in complete defense verdicts. Plaintiffs won verdicts in three cases. In addition, two cases resulted in a split verdict. Juries returned verdicts for plaintiffs and awarded damages in the following cases:

Case Name	Court	Verdict/Amount Paid	HCSF Amount
Plaintiff v. Doctor	Sedgwick Co.	$190,000	
Plaintiff v. Doctor	Shawnee Co.	$32,610	
Plaintiff v. Doctor	Saline Co.	$15,000	
Plaintiff v. Doctor	Wyandotte Co.	$750,000	$100,000
Plaintiff v. Doctor	Douglas Co.	$250,000	$50,000

This year's experience compares to previous fiscal years as follows:

	FY04	FY03	FY02	FY01	FY00	FY99	FY98	FY97	FY96	FY95
Total	28	27	19	21	28	26	27	39	29	32
Defense Verdict	23	23	10	13	18	16	18	27	20	21
Plaintiff Verdict	3	3	6	6	7	5	9	11	5	7
Hung Jury		1		1	2	3			2	1
Split Verdict	2		2		1	1			1	2
Mistrial			1	1		1		1	1	1

B. Settlements

Claims settled by the Fund. During FY 2004, 79 claims in 64 cases were settled involving HCSF monies. Settlement amounts incurred by the HCSF for the fiscal year totaled $18,905,505.00. This compares to last year's total of $17,483,778.00 to settle 87 claims in 76 cases. These figures do not include settlement contributions by primary or excess carriers. The settlement amounts are payments made, or to be made, by the HCSF in excess of primary coverage or on behalf of inactive health care providers. The average Fund settlement amount per claim for FY 04 claims is $239,310. This compares to last year's average of $200,963.

Fiscal Year	Number of Claims/Cases	Fund Amount	Settlement Average
FY 2004	79/64	$18,905,505.00	$239,310
FY 2003	87/76	$17,483,778.00	$200,963
FY 2002	67/58	$16,173,742.00	$241,399
FY 2001	54/44	$15,592,748.80	$288,755
FY 2000	69/59	$20,071,607.50	$290,893
FY 1999	70/57	$18,344,368.15	$262,062
FY 1998	60/53	$11,461,345.13	$191,022
FY 1997	39/33	$12,448,978.83	$319,204
FY 1996	67/51	$21,808,406.14	$325,498
FY 1995	42/36	$15,344,749.98	$365,351
FY 1994	59/45	$19,526,821.53	$330,963
FY 1993	45/37	$18,239,093.06	$405,313
FY 1992	33/27	$ 7,890,119.83	$239,095
FY 1991	44/NA	$16,631,491.94	$377,988

Health Care Stabilization Fund individual claim settlement contributions during fiscal year 2004 ranged from a low of $10,000 to a high of $800,000. HCSF settlements fall within the following ranges and are compared to individual claim settlements in previous years:

	FY04	FY03	FY02	FY01	FY00	FY99	FY98	FY97	FY96	FY95
$000-$9,999	0	3	2	1	0	1	0	0	0	0
$10,000-$49,999	13	11	7	6	6	11	8	3	9	4
$50,000-$99,999	18	18	7	10	6	7	13	6	8	3
$100,000-$499,999	37	44	40	24	41	37	33	23	37	24
$500,000-$999,999	11	11	11	13	16	13	6	5	11	8
$1,000,000-or more	0	0	0	0	0	1	0	2	2	3
Total Claims	79	87	67	54	69	70	60	39	67	42

Of the 79 claims involving Fund monies, the Fund provided primary coverage for inactive health care providers in 15 claims. In addition, the Fund provided primary coverage for one claim in which the primary carrier's aggregate limits were exhausted. The Fund received tenders of primary insurance carriers' policy limits in 63 claims. Therefore, in addition to the $18,905,505 incurred by the Fund, insurance carriers contributed $12,600,000 to the settlement of these claims. Also, four of these claims involved a contribution from an insurer whose coverage was excess of Fund coverage. The total amount of these contributions was $8,550,000.00.

Total reported settlement contributions for claims involving Fund contribution for the last ten fiscal years are as follows:

Fiscal Year	Primary Carriers	HCSF	Excess Carriers
FY04	$12,600,000.00	$18,905,505.00	$8,550,000.00
FY03	$14,200,000.00	$17,483,778.00	$2,787,500.00
FY02	$11,400,000.00	$16,173,742.00	$2,680,000.00
FY01	$ 8,800,000.00	$15,592,748.80	$6,710,000.00
FY00	$12,515,000.00	$20,071,607.50	$2,465,000.00
FY99	$11,800,000.00	$18,344,368.15	$8,202,500.00
FY98	$ 8,825,000.00	$11,461,345.13	$3,040,000.00
FY97	$ 6,046,667.33	$12,448,978.83	$1,117,500.00
FY96	$11,000,000.00	$21,808,406.14	$1,065,000.00
FY95	$ 7,000,000.00	$15,344,749.98	(Not available)

Claims settled by primary carriers. In addition to the settlements discussed above, the HCSF was notified that primary carriers settled an additional 99 claims in 85 cases. The total amount of these settlements is $6,978,801.00. These figures compare to the last several fiscal years as follows:

FY	Number of Claims/Cases	Amount Paid by Primary Carrier
2004	99/85	$6,978,801.00
2003	122/99	$9,087,872.00
2002	141/124	$10,789,299.00
2001	109/88	$8,124,459.00
2000	116/102	$8,390,869.00
1999	108/94	$8,289,626.00
1998	113/93	$6,335,067.31

C. HCSF Total Settlements and Verdict Amounts

During fiscal year 2004 the HCSF incurred $18,905,505.00 in 79 claim settlements and became liable for $150,000.00 as a result of two jury verdicts for a total 81 claims. The following figures compare total Fund settlements and awards since the inception of the Health Care Stabilization Fund.

Fiscal Year	Total Claims	Settlements & Awards	Average Payment
FY 2004	81	$19,055,505.00	$235,253.15
FY 2003	90	18,295,320.32	203,281.34
FY 2002	71	17,467,033.19	246,014.55
FY 2001	58	17,114,748.80	312,939.79
FY 2000	73	20,868,192.91	285,865.66
FY 1999	71	21,344,368.15	300,624.90
FY 1998	66	12,834,705.13	194,465.23
FY 1997	41	13,653,618.34	333,015.08
FY 1996	70	23,258,406.14	332,262.94
FY 1995	45	17,023,882.17	378,308.49
FY 1994	65	21,194,765.96	326,073.32
FY 1993	48	24,614,093.06	492,281.86
FY 1992	35	8,824,834.14	252,138.11
FY 1991	49	19,666,797.32	401,363.21
FY 1990	48	13,627,222.20	283,700.46
FY 1989	58	18,713,543.00	315,750.00
FY 1988	51	13,402,756.00	262,799.00
FY 1987	47	13,296,808.00	282,910.00
FY 1986	42	11,492,857.00	273,639.00
FY 1985	41	15,152,042.00	369,562.00
FY 1984	34	9,538,741.00	280,551.00
FY 1983	25	6,522,369.00	260,894.00
FY 1982	24	3,060,126.00	127,505.00
FY 1981	8	1,760,645.00	220,080.00
FY 1980	0	0.00	-
FY 1979	3	203,601.00	67,867.00
FY 1978	0	0.00	-
FY 1977	1	137,500.00	137,500.00

D. New Cases by Fiscal Year

The Health Care Stabilization Fund was notified of 368 cases during fiscal year 2004. The following chart lists the number of new cases filed according to fiscal year.

FY	Number of Cases
2004	368
2003	392
2002	361
2001	341
2000	294
1999	319
1998	293
1997	318
1996	296
1995	326
1994	247
1993	263
1992	245
1991	230
1990	205
1989	251
1988	285
1987	320
1986	276
1985	245
1984	175
1983	153
1982	124
1981	98
1980	87
1979	50
1978	19
1977	2

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Helpful Hints For Using These Tables

1. The Fund Class Group will be assigned by the health care provider's basic professional liability insurance company. Their determination will be based on usual and customary insurance company underwriting practices, as well as the information included in this newsletter and special instructions provided to insurance companies by the Fund.

2. Only those modifications included in the Surcharge Rating Classification Procedures are permitted.

3. The number of Fund compliance years shown in each of these tables does not have to be consecutive.

4. Only those health care providers who became inactive prior to meeting the five year Fund "tail" coverage requirement and paid the additional Fund "tail" coverage surcharge may restart their count of Fund compliance years (provided the Fund tail coverage purchased was for Fund coverage limits of $300,000/$900,000 or $800,000/$2.4 million).

FY2001 RATE TABLES FOR HCSF CLASS GROUPS 1 - 14

These Are The Health Care Stabilization Fund Surcharge Rate Tables For Basic Professional Liability Insurance Policies That Become Effective On Or After July 1, 2000

TABLE I - $100,000/$300,000 HCSF COVERAGE LIMITS

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$87	$227	$356	$394	$440
2	109	281	441	487	546
3	161	416	656	724	810
4	175	452	711	784	878
5	211	547	861	952	1,064
6	264	682	1,074	1,186	1,326
7	196	507	800	883	988
8	421	1,089	1,717	1,895	2,119
9	548	1,414	2,228	2,457	2,750
10	651	1,684	2,654	2,928	3,277
11	875	2,259	3,560	3,929	4,395
12	47	121	193	211	237
13	62	161	253	279	314

14	212	550	867	956	1,069

CLICK HERE *IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21*

TABLE II - $300,000/$900,000 HCSF COVERAGE LIMITS

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$145	$377	$593	$656	$733
2	180	466	736	812	910
3	268	693	1,093	1,207	1,350
4	292	751	1,186	1,308	1,462
5	353	911	1,436	1,585	1,772
6	440	1,136	1,790	1,975	2,209
7	328	846	1,333	1,471	1,646
8	703	1,815	2,860	3,157	3,532
9	912	2,355	3,711	4,098	4,583
10	1,087	2,806	4,422	4,881	5,459
11	1,458	3,764	5,933	6,547	7,325
12	78	202	320	353	395
13	103	268	422	466	523
14	354	916	1,443	1,594	1,782

CLICK HERE *IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21*

TABLE III - $800,000/$2,400,000 HCSF COVERAGE LIMITS

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$175	$452	$712	$787	$879
2	218	560	883	976	1,090
3	322	833	1,312	1,448	1,619
4	349	902	1,422	1,570	1,756
5	424	1,093	1,723	1,901	2,127
6	528	1,363	2,147	2,369	2,651
7	394	1,015	1,601	1,766	1,975
8	844	2,178	3,433	3,788	4,238
9	1,095	2,826	4,454	4,916	5,499
10	1,305	3,367	5,306	5,858	6,552
11	1,749	4,518	7,119	7,858	8,789
12	94	243	383	422	473

13	125	321	507	560	626
14	425	1,099	1,734	1,913	2,140

CLICK HERE *IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21*

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FY 2003 AND FY 2002 RATE TABLES FOR HCSF CLASS GROUPS 1 - 14

These Are The Health Care Stabilization Fund Surcharge Rate Tables For Basic Professional Liability Insurance Policies That Become Effective On Or After July 1, 2001

Helpful Information For Using These Tables

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3. The number of Fund compliance years shown in each of these tables does not have to be consecutive.

4. Only those health care providers who became inactive prior to meeting the five year Fund "tail" coverage requirement and paid the additional Fund "tail" coverage surcharge may restart their count of Fund compliance years (provided the Fund tail coverage purchased was for Fund coverage limits of $300,000/$900,000 or $800,000/ $2.4 million). *(This note was added to this page on 12-30-03: Effective January 1, 2004 revised tail coverage surcharge rates and procedures become applicable. The preceding sentence is no longer applicable after January 1, 2004. For new optional tail coverage surcharge rates click HERE.)*

Missouri Practice Modification Factor Information

TABLE I - $100,000/$300,000 HCSF COVERAGE LIMITS

(Note: These surcharge rates were not changed for FY 2002 or FY 2003)

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$87	$227	$356	$394	$440
2	109	281	441	487	546
3	161	416	656	724	810

4	175	452	711	784	878
5	211	547	861	952	1,064
6	264	682	1,074	1,186	1,326
7	196	507	800	883	988
8	421	1,089	1,717	1,895	2,119
9	548	1,414	2,228	2,457	2,750
10	651	1,684	2,654	2,928	3,277
11	875	2,259	3,560	3,929	4,395
12	47	121	193	211	237
13	62	161	253	279	314
14	212	550	867	956	1,069

CLICK HERE *IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21*

TABLE II - $300,000/$900,000 HCSF COVERAGE LIMITS

(Note: These surcharge rates were not changed for FY 2003)

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$152	$396	$623	$689	$770
2	189	489	773	853	956
3	281	728	1,148	1,267	1,418
4	307	789	1,245	1,373	1,535
5	371	957	1,508	1,664	1,861
6	462	1,193	1,880	2,074	2,319
7	344	888	1,400	1,545	1,728
8	738	1,906	3,003	3,315	3,709
9	958	2,473	3,897	4,303	4,812
10	1,141	2,946	4,643	5,125	5,732
11	1,531	3,952	6,230	6,874	7,691
12	82	212	336	371	415
13	108	281	443	489	549
14	372	962	1,515	1,674	1,871

CLICK HERE *IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21*

TABLE III - $800,000/$2,400,000 HCSF COVERAGE LIMITS

(Note: These surcharge rates were not changed for FY 2003)

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$193	$497	$783	$866	$967

2	240	616	971	1,074	1,199
3	354	916	1,443	1,593	1,781
4	384	992	1,564	1,727	1,932
5	466	1,202	1,895	2,091	2,340
6	581	1,499	2,362	2,606	2,916
7	433	1,117	1,761	1,943	2,173
8	928	2,396	3,776	4,167	4,662
9	1,205	3,109	4,899	5,408	6,049
10	1,436	3,704	5,837	6,444	7,207
11	1,924	4,970	7,831	8,644	9,668
12	103	267	421	464	520
13	138	353	558	616	689
14	468	1,209	1,907	2,104	2,354

CLICK HERE *IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21*

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4. Only those health care providers who became inactive prior to meeting the five year Fund "tail" coverage requirement and paid the additional Fund "tail" coverage surcharge may restart their count of Fund compliance years (provided the Fund tail coverage purchased was for Fund coverage limits of $300,000/$900,000 or $800,000/ $2.4 million). *(This note was added to this page on 12-30-03: Effective January 1, 2004 revised tail coverage surcharge rates and procedures become applicable. The preceding sentence is no longer applicable after January 1, 2004. For new optional tail coverage surcharge rates click HERE.)*

Missouri Practice Modification Factor Information

TABLE I - $100,000/$300,000 HCSF COVERAGE LIMITS

(Note: These surcharge rates were not changed for FY 2004)

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1	$87	$227	$356	$394	$440
2	109	281	441	487	546
3	161	416	656	724	810
4	175	452	711	784	878
5	211	547	861	952	1,064
6	264	682	1,074	1,186	1,326

7	196	507	800	883	988
8	421	1,089	1,717	1,895	2,119
9	548	1,414	2,228	2,457	2,750
10	651	1,684	2,654	2,928	3,277
11	875	2,259	3,560	3,929	4,395
12	47	121	193	211	237
13	62	161	253	279	314
14	212	550	867	956	1,069

CLICK HERE *IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21 (these percentage rates were changed for FY 2004)*

TABLE II - $300,000/$900,000 HCSF COVERAGE LIMITS

(Note: These surcharge rates were not changed for FY 2004)

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$152	$396	$623	$689	$770
2	189	489	773	853	956
3	281	728	1,148	1,267	1,418
4	307	789	1,245	1,373	1,535
5	371	957	1,508	1,664	1,861
6	462	1,193	1,880	2,074	2,319
7	344	888	1,400	1,545	1,728
8	738	1,906	3,003	3,315	3,709
9	958	2,473	3,897	4,303	4,812
10	1,141	2,946	4,643	5,125	5,732
11	1,531	3,952	6,230	6,874	7,691
12	82	212	336	371	415
13	108	281	443	489	549
14	372	962	1,515	1,674	1,871

CLICK HERE *IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21 (these percentage rates were changed for FY 2004)D CLASS GROUPS 15 - 21*

TABLE III - $800,000/$2,400,000 HCSF COVERAGE

6	581	1,499	2,362	2,606	2,916
7	433	1,117	1,761	1,943	2,173
8	928	2,396	3,776	4,167	4,662
9	1,205	3,109	4,899	5,408	6,049
10	1,436	3,704	5,837	6,444	7,207
11	1,924	4,970	7,831	8,644	9,668
12	103	267	421	464	520
13	138	353	558	616	689
14	468	1,209	1,907	2,104	2,354

CLICK HERE *IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21 (these percentage rates were changed for FY 2004)*

FY 2005 RATE TABLES FOR HCSF CLASS GROUPS 1 - 14

These are the Health Care Stabilization Fund Surcharge Rate Tables for Basic Professional Liability Insurance Policies that become effective between After July 1, 2004 to June 30, 2005

Helpful Information For Using These Tables

1. The Fund Class Group will be assigned by the health care provider's basic professional liability insurance company. Their determination will be based on usual and customary insurance company underwriting practices, as well as the information included in this newsletter and special instructions provided to insurance companies by the Fund.
2. Only those modifications included in the Surcharge Rating Classification Procedures are permitted.
3. The number of Fund compliance years shown in each of these tables does not have to be consecutive.

Missouri Practice Modification Factor Information

TABLE I - $100,000/$300,000 HCSF COVERAGE LIMITS

(Note: These surcharge rates were not changed for FY 2005)

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$87	$227	$356	$394	$440
2	109	281	441	487	546
3	161	416	656	724	810
4	175	452	711	784	878
5	211	547	861	952	1,064
6	264	682	1,074	1,186	1,326
7	196	507	800	883	988
8	421	1,089	1,717	1,895	2,119
9	548	1,414	2,228	2,457	2,750
10	651	1,684	2,654	2,928	3,277
11	875	2,259	3,560	3,929	4,395
12	47	121	193	211	237
13	62	161	253	279	314
14	212	550	867	956	1,069

CLICK HERE ***IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21 (some of these percentage rates were changed for FY 2005)***

TABLE II - $300,000/$900,000 HCSF COVERAGE LIMITS

(Note: These surcharge rates were not changed for FY 2005)

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$152	$396	$623	$689	$770
2	189	489	773	853	956
3	281	728	1,148	1,267	1,418
4	307	789	1,245	1,373	1,535
5	371	957	1,508	1,664	1,861
6	462	1,193	1,880	2,074	2,319
7	344	888	1,400	1,545	1,728
8	738	1,906	3,003	3,315	3,709
9	958	2,473	3,897	4,303	4,812
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CLICK HERE ***IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21 (some of these percentage rates were changed for FY 2005 FUND CLASS GROUPS 15 - 21***

TABLE III - $800,000/$2,400,000 HCSF COVERAGE LIMITS

(Note: These surcharge rates were not changed for FY 2005)

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$193	$497	$783	$866	$967
2	240	616	971	1,074	1,199
3	354	916	1,443	1,593	1,781
4	384	992	1,564	1,727	1,932
5	466	1,202	1,895	2,091	2,340
6	581	1,499	2,362	2,606	2,916
7	433	1,117	1,761	1,943	2,173
8	928	2,396	3,776	4,167	4,662
9	1,205	3,109	4,899	5,408	6,049
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FY 2006 RATE TABLES FOR HCSF CLASS GROUPS 1 - 14

These are the Health Care Stabilization Fund Surcharge Rate Tables for Basic Professional Liability Insurance Policies that become effective between After July 1, 2005 to June 30, 2006

Helpful Information For Using These Tables

1. The Fund Class Group will be assigned by the health care provider's basic professional liability insurance company. Their determination will be based on usual and customary insurance company underwriting practices, as well as the information included in this newsletter and special instructions provided to insurance companies by the Fund.
2. Only those modifications included in the Surcharge Rating Classification Procedures are permitted.
3. The number of Fund compliance years shown in each of these tables does not have to be consecutive.

Missouri Practice Modification Factor Information

TABLE I - $100,000/$300,000 HCSF COVERAGE LIMITS

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$91	$238	$374	$414	$462
2	136	351	551	609	683
3	185	479	755	833	932
4	214	551	867	956	1,071
5	249	647	1,018	1,125	1,258
6	322	832	1,310	1,447	1,618
7	239	619	976	1,077	1,205
8	526	1,361	2,146	2,369	2,649
9	603	1,555	2,451	2,703	3,025
10	794	2,054	3,238	3,572	3,998
11	1,094	2,824	4,450	4,911	5,494
12	49	127	205	222	249
13	78	201	316	349	393
14	223	578	910	1,004	1,122

CLICK HERE ***IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21 (some of these percentage rates were changed for FY 2006)***

TABLE II - $300,000/$900,000 HCSF COVERAGE LIMITS

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$160	$416	$654	$723	$809
2	236	611	966	1,066	1,195
3	323	838	1,321	1,458	1,632
4	375	963	1,519	1,675	1,873
5	439	1,131	1,782	1,967	2,200
6	564	1,455	2,294	2,530	2,829
7	420	1,083	1,708	1,885	2,108
8	923	2,383	3,754	4,144	4,636
9	1,054	2,720	4,287	4,733	5,293
10	1,392	3,594	5,664	6,253	6,993
11	1,914	4,940	7,788	8,593	9,614
12	86	223	353	390	436
13	135	351	554	611	686
14	391	1,010	1,591	1,758	1,965

CLICK HERE ***IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21 (some of these percentage rates were changed for FY 2006***

TABLE III - $800,000/$2,400,000 HCSF COVERAGE LIMITS

FUND CLASS GROUP	FIRST YEAR OF FUND COMPLIANCE	SECOND YEAR OF FUND COMPLIANCE	THIRD YEAR OF FUND COMPLIANCE	FOURTH YEAR OF FUND COMPLIANCE	FIVE OR MORE YEARS OF FUND COMPLIANCE
1	$203	$522	$822	$909	$1,015
2	300	770	1,214	1,343	1,499
3	407	1,054	1,661	1,834	2,050
4	468	1,210	1,908	2,107	2,357
5	551	1,421	2,240	2,472	2,766
6	709	1,829	2,882	3,179	3,558
7	528	1,363	2,148	2,370	2,651
8	1,160	2,995	4,720	5,209	5828
9	1,326	3,420	5,389	5,949	6,654
10	1,752	4,519	7,121	7,862	8,793
11	2,405	6,213	9,789	10,805	12,085
12	108	280	442	487	546
13	173	441	698	770	861
14	491	1,269	2,002	2,209	2,472

CLICK HERE ***IF YOU NEED THE PERCENTAGE SURCHARGE RATES FOR FUND CLASS GROUPS 15 - 21 (some of these percentage rates were changed for FY 2006)***

Missouri Department of Insurance
Brent Kabler
Statistics Section

07/15/05

Medical Malpractice Claims Costs in KS and MO

This report is a comparison of summary data for the medical professional liability market in Kansas and Missouri. Financial data was obtained from the state page to the financial annual statement that all companies are required to file with each state in which they are licensed. Claims data is from the Missouri medical malpractice claim database and the KS Health Care Stabilization Fund. These data afford only a summary comparison of general trends in each state. The data lack sufficient detail to perform a full comparative analysis of the respective medical liability systems. In addition, some of the comparisons are performed on different data sets that were compiled under differing parameters. Readers are cautioned that minor differences might be attributable to the data differences rather than the underlying malpractice market.

Summary

Malpractice costs in both KS and Mo have grown at similar rates. Between 1998 and 2004, premiums in KS, **excluding the Kansas Stabilization Fund (HCSF),** increased by 112 percent, from $44.4 million to $94.0 million, or an average of 14 percent per year. The comparable figures for MO are a 153 percent increase, or a 17.7 percent annual average (Table 1 and 3). Premiums for the KS stabilization fund are not available.

The growth in premium exceeded somewhat the growth in claims costs, and rose significantly more rapidly in MO compared to KS. In KS, private insurers (excluding the HCSF) incurred $25.1 million in claims, or 11.5 percent more than incurred costs in 1998. In MO, incurred losses increased by 104 percent, from $65.2 million to $133.6 million. As a result, the *loss ratio* (incurred losses / earned premium) and *combined ratio* (losses and expenses as a percent of premium) decreased more rapidly in KS than in MO.[1] The combined ratio in KS dropped below 100 percent in 2004 for the first time in three years. In MO, insurers experienced a negative combined ratio every year from 1998 to 2003, but operated at an 83 percent ratio in 2004 (Table 1 and 3).

Including data from the KS HCSF, total claims losses increased by 58.6 percent, from 29.6 million in 1998 to $47.0 million in 2004 (Table 2; these figures are definitionally comparable to the "paid losses" reported in Tables 1 and 3). The HCSF losses increased at a much more dramatic rate

[1] The loss ratio and combined ratio are common measures of an insurer's underwriting performance, but are indicators of overall profit. These ratios do not include various fixed expenses that are not allocated to a particular line of business or a state, and also exclude federal taxes and investment income. Historically, P&C insurers have earned a combined ratio of between 80 and 100 percent, making up the difference in investment income or other sources of revenue.

than did those for private insurers between 1998 and 2004. HCSF losses increased by 65 percent (or an average annual 11.2 percent), compared to 29 percent for private insurers (or an average annual 6.3 percent). Excess carriers, which cover claim amounts that surpass the cap of the HCSF, experienced the most dramatic claims increases, of 181 percent (70.5 percent average annual change). The increases of all coverages combined (primary, HCSF, and Excess) were 58.6 percent (or a 9.9 percent annual average). Paid loss in MO (which are the most comparable figure) increases by 33.4 percent between 1998 and 2004 (or a 7.1 percent annual average). In general, growth in claims costs appear roughly comparable in KS and MO.

While the data are not sufficiently detailed to permit any kind of thorough comparative analysis of the KS and MO markets, and very rough "back of the napkin" comparison consists of claims costs *per capita.* Comparing paid claims in MO with the HCSF fund data, *per capita* costs are approximately 11 percent higher in MO:

Per Capita Claims Costs **(Indemnity payments / total state population from 2000 census)**

KS – $17.50
MO - $19.43

Readers should keep in mind, however, that the HCSF fund data is not strictly comparable to the MO financial statement data, so that the relatively small difference may be due to accounting methodologies.

Between 1998 and 2004, the costs of an "average" claim has been somewhat higher in KS than in MO for five of the seven years, but were near parity in 2004 (Table 4). In that year, the average paid claim was $264,238 in KS, compared to $242,882 in MO. In general, these amounts are roughly comparable -- the relatively small differences may be attributable to different methodologies of accounting and data collection.

The number of paid claims was significantly higher in MO than KS – 178 compared to 473 in 2004. On a *per capita* basis in 2004, KS experienced 66.2 claims per 1 million residents, compared to 84.5 per million residents in MO. For both KS and MO, the number of claims peaked in the period 2002 -- 2003.

Table 1: Claims Costs in Kansas
From NAIC State Page
(Excludes Premium and Claims from Health Care Stabilization Fund)

Year	Premium Written	Losses Paid	Premium Earned	Losses Incurred	Defense Costs Incurred	Dividends	Commissions	Taxes
1998	$44,448,694	$20,916,060	$44,072,315	$22,551,743	$15,155,272	$88,594	$2,779,036	$946,203
1999	$43,503,949	$23,959,645	$43,804,010	$28,892,927	$12,672,622	$46,968	$2,581,843	$746,493
2000	$42,238,726	$29,405,984	$43,172,505	$23,690,762	$9,747,496	$67,429	$2,761,787	$804,544
2001	$52,688,779	$17,013,001	$45,759,063	$32,444,787	$13,537,136	$65,315	$3,848,378	$907,840
2002	$66,253,237	$22,426,439	$62,683,394	$45,946,286	$21,348,123	$69,200	$4,496,025	$1,206,945
2003	$83,933,755	$23,098,126	$81,788,434	$70,290,459	$19,979,035	$58,006	$5,282,674	$1,230,682
2004	$94,029,157	$31,139,952	$92,846,451	$25,134,618	$21,947,037	$51,486	$5,380,051	$1,331,903
% Diff, 1998-2004	*111.5%*	*48.9%*	*110.7%*	*11.5%*				
Average Annual Change	14.0%	10.8%	14.2%	12.9%				

% of Premium Written / Premium Earned

Year	Paid Loss Ratio	Incurred Loss Ratio	Incurred Losses + Expenses
1998	47.1%	51.2%	94.2%
1999	55.1%	66.0%	102.6%
2000	69.6%	54.9%	85.9%
2001	32.3%	70.9%	111.0%
2002	33.8%	73.3%	116.6%
2003	27.5%	85.9%	118.4%
2004	33.1%	27.1%	58.0%

Table 2: Data from the KS Health Care Stabilization Fund (Exclude JUA)

Fiscal Year	Total Settlements and Awards	Primary Coverage, Total Payments	Amount Paid by HCSF	Amount Paid by Excess Carriers
1998	$29,661,412	$15,160,067	$11,461,345	$3,040,000
1999	$46,636,494	$20,089,626	$18,344,368	$8,202,500
2000	$43,442,477	$20,905,869	$20,071,608	$2,465,000
2001	$39,227,208	$16,924,459	$15,592,749	$6,710,000
2002	$41,043,041	$22,189,299	$16,173,742	$2,680,000
2003	$43,559,150	$23,287,872	$17,483,778	$2,787,500
2004	$47,034,306	$19,578,801	$18,905,505	$8,550,000
% Diff, 1998-2004	58.6%	29.1%	65.0%	181.3%
Avg Annual Change	9.9%	6.3%	11.2%	70.5%

Table 3: Claims Costs in Missouri
From NAIC State Page

Year	Premium Written	Losses Paid	Premium Earned	Losses Incurred	Defense Costs Incurred	Dividends	Commissions	Taxes
1998	$97,480,332	$81,506,448	$102,913,338	$65,231,467	$65,231,467	$1,306,619	$6,839,079	$2,065,299
1999	$104,918,930	$68,194,872	$106,235,830	$77,465,479	$37,257,659	$1,776,696	$7,991,868	$2,044,998
2000	$113,578,169	$63,265,516	$108,481,155	$86,586,689	$36,852,291	$1,823,563	$8,605,265	$2,321,755
2001	$133,683,918	$76,929,832	$119,299,711	$100,120,328	$31,937,171	$2,075,802	$11,841,014	$2,570,561
2002	$205,019,484	$108,506,799	$183,287,755	$204,848,588	$53,165,990	$2,063,702	$15,893,834	$4,171,882
2003	$227,849,715	$89,936,110	$210,719,102	$181,921,690	$65,998,707	$125,396	$14,913,365	$2,915,514
2004	$246,655,563	$108,701,500	$243,395,276	$133,607,614	$52,220,817	$115,005	$15,081,535	$2,913,952
% Diff, 1998-2004	*153.0%*	*33.4%*	*136.5%*	*104.8%*				
Average Annual Change	*17.7%*	*7.1%*	*16.6%*	*18.8%*				

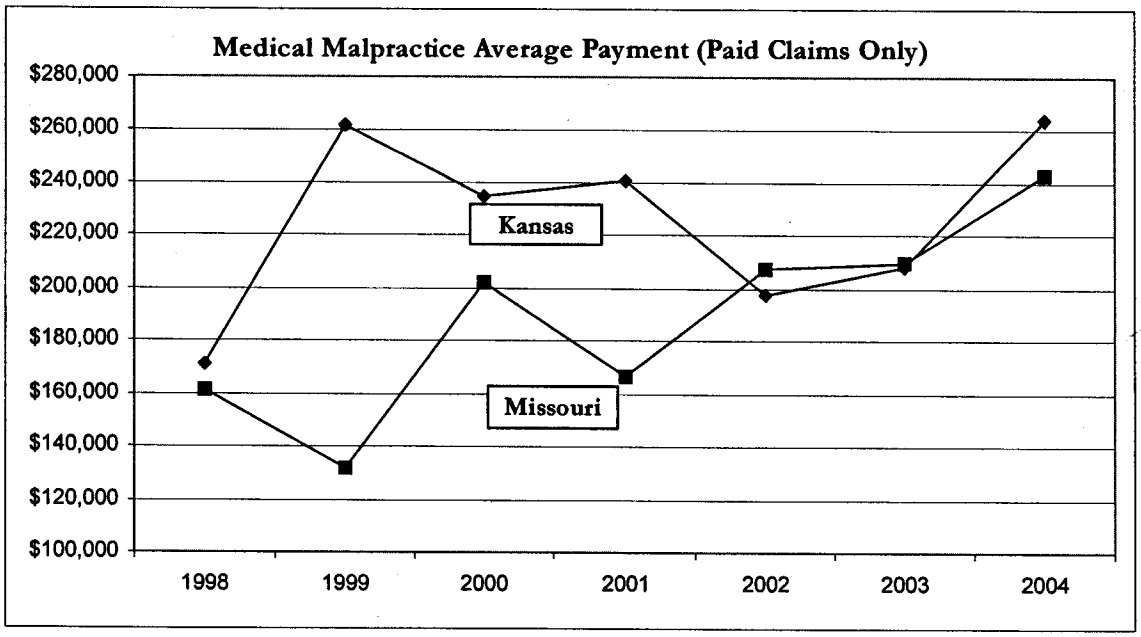
% of Premium Written / Premium Earned

Year	Paid Losses	Incurred Losses	Incurred Losses + Expenses
1998	83.6%	63.4%	136.7%
1999	65.0%	72.9%	119.1%
2000	55.7%	79.8%	125.5%
2001	57.5%	83.9%	124.5%
2002	52.9%	111.8%	152.8%
2003	39.5%	86.3%	126.2%
2004	44.1%	54.9%	83.8%

Table 4: Average Indemnity Awards
(KS awards from primary coverage and HCSF combined to reflect total payouts)

	Kansas		Missouri	
Year	Paid Claims	Avg Indemnity	Paid Claims	Avg Indemnity
1998	173	$171,453	510	$161,067
1999	178	$262,003	553	$131,562
2000	185	$234,824	456	$201,951
2001	163	$240,658	508	$166,623
2002	208	$197,322	575	$207,626
2003	209	$208,417	532	$209,960
2004	178	$264,238	473	$242,882

Sources: KS data from Kansas Health Care Stabilization Fund
MO data calculated MO closed claims database



HCSF CLASS GROUPS	CLASS GROUP DESCRIPTIONS – Important Notes: • Missouri Practice Modification Factor Information • Class Group 15 is the only classification available for providers insured by the Kansas Health Care Provider Insurance Availability Plan. *GO TO FY 2006 main rating system page* *GO TO FY 2006 rate tables for Classes 1-14*
1	Physicians-No Surgery, includes: Allergy, Dermatology, Forensic Medicine, Legal Medicine, Pathology, Psychiatry (including child), Psychoanalysis, Psychosomatic Medicine, Public Health.
2	Physicians-No Surgery, includes: Aerospace Medicine, Cardiovascular Disease, Diabetes, Endocrinology, Family Practice, Gastroenterology, General Practice, General Preventive Medicine, Geriatrics, Gynecology, Hematology, Hypnosis, Infectious Diseases, Internal Medicine, Laryngology, Neoplastic Diseases, Nephrology, Neurology (including child), Nuclear Medicine, Nutrition, Occupational Medicine, Ophthalmology, Otology, Otorhinolaryngology, Pediatrics, Pharmacology, Physiatry, Physical Medicine & Rehabilitation, Pulmonary Diseases, Radiology, Rheumatology, Rhinology, Urgent Care Physicians and other Physicians who are not performing surgery and are not otherwise classified.
3	Physicians-Performing Minor Surgery or Assisting in Surgery, includes: Cardiovascular Disease, Dermatology, Diabetes, Endocrinology, Family Practice (no OB procedures), Gastroenterology, General Practice, Geriatrics, Gynecology, Hematology, Infectious Diseases, Internal Medicine, Intensive Care Medicine, Invasive Procedures (as defined and classified by the basic coverage insurer), Laryngology, Neoplastic Diseases, Nephrology, Neurology (including child), Ophthalmology (including minor and major surgery), Otology, Otorhinolaryngology, Pathology, Pediatrics, Radiology, Rhinology, Shock Therapy and other Physicians who are performing minor surgery and are not otherwise classified.
4	Family Physicians or General Practitioners-Performing Minor Surgery or Assisting in Surgery, includes obstetrical procedures, but not Cesarean Sections.
5	Surgical Specialists, includes: Broncho-Esophagology, Colon and Rectal, Endocrinology, Gastroenterology, Geriatrics, Neoplastic, Nephrology, Urological, Family Physicians or General Practitioners performing Major Surgery.
6	Surgical Specialists, includes: Emergency Medicine (no major surgery), Laryngology, Otology, Otorhinolaryngology, Rhinology.
7	Specialists In Anesthesiology (Includes DDS certified to administer anesthetics)

8	Surgical Specialists, includes: Emergency Medicine (including major surgery), Abdominal, Gynecology, Hand, Head and Neck, Plastic (Otorhinolaryngology), Plastic (Not Otherwise Classified), General (This classification does not apply to any family or general practitioner or to any specialist who occasionally performs major surgery).
9	Surgical Specialists, includes: Cardiac, Cardiovascular Disease, Orthopedic, Thoracic, Traumatic, Vascular.
10	Surgical Specialists, includes: Obstetrics, Obstetrics & Gynecology, Perinatology.
11	Surgical Specialists, includes: Neurology (including child).
12	Chiropractors
13	Registered Nurse Anesthetists
14	Podiatrists

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FY 2006 HEALTH CARE STABILIZATION FUND SURCHARGE RATING CLASSIFICATION SYSTEM

Fund Class Groups 15 - 21 OTHER HEALTH CARE PROVIDERS

Missouri Practice Modification Factor Information

HCSF Class Group	Class Group Description	FY 2006 FUND SURCHARGE RATING PROCEDURE FOR FUND CLASS GROUPS 15 THROUGH 21
15	All health care providers insured by or subject to the rating rules of the Kansas Health Care Provider Insurance Availability Plan, including authorized basic professional liability self-insurers.	Apply the following percentage surcharge rates to the premium charged by the insurer for the required basic professional liability coverage: For Fund Coverage Limit Of $100,000/$300,000 the surcharge rate is an amount equal to 20% of the basic professional liability insurance premium. For Fund Coverage Limit Of $300,000/$900,000 the surcharge rate is an amount equal to 30% of the basic professional liability insurance premium. For Fund Coverage Limit Of $800,000/$2,400,000 the surcharge rate is an amount equal to 35% of the basic professional liability insurance premium. Note: The above surcharge percentages are to be applied to the basic coverage premium without reduction for any deductible premium credit.
16	Professional corporations, partnerships, limited liability companies and not-for-profit corporations as included in the definition of health care provider in K.S.A. 40-3401 (f).	
17	Medical Care Facilities (includes special hospitals, general hospitals, critical access hospitals, surgical centers or recuperation centers)	
18	Mental Health Centers or Mental Health Clinics	
19	Psychiatric Hospitals (selected facilities only)	
20	Persons engaged in approved residency training programs.	
21	Other health care providers defined in K.S.A. 40-3401(f) and not otherwise classified in Fund Classes 1 through 20. Insurers must contact the Fund for application to utilize this Fund Class Group.	

TO FY 2006 main page

TO FY 2006 RATE TABLE PAGE

Optional tail surcharge rates increase effective January 1, 2004

Important Notice (added to this page on May 5, 2005): The following optional Fund tail surcharge information is in effect until June 30, 2005. On July 1, 2005 new optional Fund tail surcharge information will become effective. Please contact the Fund if you need assistance or additional information regarding this change.

Surcharge rates increase effective January 1, 2004 for optional "tail" coverage for health care providers who have complied with the Health Care Stabilization Fund for less than five years before becoming inactive health care providers. (This notation in red was added 1-11-04: See FAQs for meaning of "inactive health care provider" as provided in the Fund law.)

A health care provider who complies with the Health Care Stabilization Fund for five or more years and becomes an inactive health care provider is eligible for the Fund's continuing coverage without an additional surcharge payment. This continuing Fund coverage (often referred to as the Fund's "tail" coverage) affords coverage for future claims or suits made against an inactive health care provider for professional services rendered while the health care provider was in compliance with the Fund. (Note: Fund compliance periods from a postgraduate program of residency training approved by the Kansas Board of Healing Arts are not included when computing the five year period.)

Revised optional tail coverage surcharge rates will become effective on January 1, 2004. Health care providers with compliance periods of *less than the required five year period* may obtain the Fund's continuing tail coverage by paying an additional Fund surcharge amount *within thirty days of becoming an inactive health care provider.* The additional surcharge cost varies with the individual's prior Fund compliance records. The optional tail surcharge rate tables for Fund Class Groups 1 through 14 are listed below:

Important Notice (added to this page on May 5, 2005): The following optional Fund tail surcharge rate table is in effect until June 30, 2005. On July 1, 2005 new optional Fund tail surcharge rate tables will become effective. Please contact the Fund if you need assistance or additional information regarding this change.

TABLE I

Optional Health Care Stabilization Fund Tail Surcharge Rates
For $100,000/$300,000 Coverage Limits

Fund Class Group*	0 to 1 Year of Fund Coverage	1 to 2 Years of Fund Coverage	2 to 3 Years of Fund Coverage	3 to 4 Years of Fund Coverage	4 to 5 Years of Fund Coverage
1	$571	$878	$1,025	$1,131	$1,197
2	715	1,087	1,270	1,398	1,485
3	1,056	1,610	1,889	2,078	2,203
4	1,148	1,749	2,048	2,250	2,388
5	1,384	2,117	2,480	2,732	2,894
6	1,732	2,639	3,093	3,404	3,607
7	1,286	1,962	2,304	2,534	2,687
8	2,762	4,214	4,945	5,439	5,764
9	3,595	5,472	6,417	7,052	7,480

10	4,271	6,517	7,644	8,403	8,913
11	5,740	8,742	10,253	11,276	11,954
12	308	468	556	606	645
13	407	623	729	801	854
14	1,391	2,129	2,497	2,744	2,908

***Fund Class Group** description information is included in the **Surcharge Rating System** of our Internet site (http://www.hcsf.org/FY2004rates/FY2004MainRCPage.htm.)

Important Notice (added to this page on May 5, 2005): The following optional Fund tail surcharge rate table is in effect until June 30, 2005. On July 1, 2005 new optional Fund tail surcharge rate tables will become effective. Please contact the Fund if you need assistance or additional information regarding this change.

TABLE II

Optional Health Care Stabilization Fund Tail Surcharge Rates
For $300,000/$900,000 Coverage Limits

Fund Class Group*	0 to 1 Year of Fund Coverage	1 to 2 Years of Fund Coverage	2 to 3 Years of Fund Coverage	3 to 4 Years of Fund Coverage	4 to 5 Years of Fund Coverage
1	$1,380	$2,115	$2,461	$2,708	$2,864
2	1,716	2,611	3,053	3,352	3,556
3	2,551	3,888	4,535	4,979	5,275
4	2,788	4,213	4,918	5,396	5,710
5	3,369	5,110	5,957	6,540	6,923
6	4,195	6,371	7,426	8,151	8,627
7	3,124	4,742	5,530	6,072	6,428
8	6,701	10,178	11,862	13,028	13,797
9	8,699	13,206	15,393	16,911	17,901
10	10,360	15,732	18,340	20,141	21,323
11	13,901	21,104	24,609	27,015	28,611
12	745	1,132	1,327	1,458	1,544
13	981	1,501	1,750	1,922	2,042
14	3,378	5,137	5,984	6,579	6,960

***Fund Class Group** description information is included in the **Surcharge Rating System** of our Internet site (http://www.hcsf.org/FY2004rates/FY2004MainRCPage.htm).

Important Notice (added to this page on May 5, 2005): The following optional Fund tail surcharge rate table is in effect until June 30, 2005. On July 1, 2005 new optional Fund tail surcharge rate tables will become effective. Please contact the Fund if you need assistance or additional information regarding this change.

TABLE III

Optional Health Care Stabilization Fund Tail Surcharge Rates
For $800,000/$2,400,000 Coverage Limits

Fund Class Group*	0 to 1 Year of Fund Coverage	1 to 2 Years of Fund Coverage	2 to 3 Years of Fund Coverage	3 to 4 Years of Fund Coverage	4 to 5 Years of Fund Coverage
1	$2,702	$4,210	$4,917	$5,404	$5,705
2	3,360	5,218	6,098	6,702	7,074
3	4,956	7,759	9,062	9,940	10,508

4	5,376	8,402	9,822	10,776	11,399
5	6,524	10,181	11,901	13,048	13,806
6	8,134	12,697	14,833	16,261	17,204
7	6,062	9,461	11,059	12,124	12,821
8	12,992	20,294	23,713	26,002	27,506
9	16,870	26,333	30,766	33,746	35,689
10	20,104	31,373	36,656	40,211	42,521
11	26,936	42,096	49,179	53,939	57,041
12	1,442	2,261	2,644	2,895	3,068
13	1,932	2,990	3,504	3,844	4,065
14	6,552	10,240	11,976	13,129	13,889

***Fund Class Group** description information is included in the **Surcharge Rating System** of our Internet site (http://www.hcsf.org/FY2004rates/FY2004MainRCPage.htm.)

Instructions for using the above optional tail surcharge rate tables

(NOTICE: An important change in the Optional HCSF Tail Surcharge Rates for individual health care providers insured by the Health Care Provider Insurance Availability Plan - Fund Class Group 15. Go here for details. Added May 26, 2004.)

For Class Groups 1 to 14:
If you have less than five years of Fund coverage:

Find the Fund Class Group that is applicable to your practice and used in your highest prior Fund coverage documentation.

Based on the most recent Fund coverage record find the length of Fund coverage that was used for your most recent coverage documentation.

The intersect of the Fund Class Group line and the number of Fund coverage years column will be the optional surcharge rate amount that is due *within thirty days of the date you became an inactive Kansas health care provider.*

Examples:

1. You are an emergency medicine specialist (no major surgery), Fund Class Group 6, selected Fund coverage limits of $300,000/$900,000 and have 2 years of Fund coverage. Your optional tail surcharge rate would be $6,371.

2. You are an OB/GYN specialist, Fund Class Group 10, selected the Fund coverage limits of $800,000/$2,400,000 and have three years, six months of Fund coverage. Your optional tail surcharge rate would be $40,211.

You first complied with the Fund as a family practice doctor, assisting in major surgery procedures, which is included in Fund Class Group 4 and you selected the Fund coverage limits of $800,000/$2,400,000. In the next

coverage year you changed to family practice, no surgery, which is included in Fund Class Group 2. After the second year, you become inactive as a Kansas health care provider and wish to pay the additional Fund optional surcharge. The amount owed would be $8,402.

If you have less than one year of Fund coverage: Follow the above instructions to find the full annual optional tail coverage surcharge rate in the 0 to 1 Year of Fund Coverage column and then use a simple prorated calculation based on your number of Fund coverage days to determine the amount of the optional tail surcharge rate. (Example: You are a general surgeon and your Fund Class Group is 8, your selected Fund coverage level was $800,000/$2,400,000 and thirty days of Fund coverage. Your prorated factor would be .082, making the optional Fund tail surcharge amount due $1,065.

Change to restarting basic professional liability insurance policy and Fund surcharge rating procedures when a provider returns to an active Kansas health care provider status: Beginning January 1, 2004, returning health care providers who previously paid the additional tail coverage surcharge to acquire the Fund tail coverage will no longer be permitted to restart their basic professional liability insurance policy or Fund surcharge rating date (sometimes referred to as restarting the claims made retroactive coverage date). The previously paid optional Fund tail coverage surcharge will not be returned inasmuch as it is deemed to be "earned" during the period the health care provider was inactive and the Fund was obligated to provide its coverage. As provided in the Fund law, all active health care providers must maintain basic coverage for any claim or suit made against them while actively rendering professional services as a Kansas health care provider. (This notation in red was added 12-31-03: ***After January 1, 2004 all health care providers who previously paid the additional tail coverage surcharge to acquire the Fund tail coverage will no longer be permitted to utilize a "restarted Fund retroactive rating date" in calculating their current surcharge payment.)***

For Class Groups 15 to 21: Select one of the following percentage surcharge rates based on your most recent Fund coverage documents and use the indicated percentage rate to multiply your current or most recent annual surcharge amount. You may wish to request assistance from our office to complete this calculation because of short coverage periods or mid-term cancellations of existing coverage periods. (This notation in red was added 12-31-03: ***Health care providers who were complying in Fund Class Groups 15 to 21 must also utilized the highest prior Fund coverage level documentation in determining which of the optional tail coverage percentage surcharge rates to be used in calculating their optional tail coverage surcharge amount owed.***) (Click on this link for the May 26, 2004 change for individual health care providers in Fund Class Group 15.)

	You are in or have completed				
Fund Coverage Level	0 to 1 Year of Fund Coverage	1 to 2 Years of Fund Coverage	2 to 3 Years of Fund Coverage	3 to 4 Years of Fund Coverage	4 to 5 Years of Fund Coverage
$100,000/$300,000	656%	387%	288%	287%	272%
$300,000/$900,000	908%	534%	395%	393%	372%
$800,000/$2,400,000	1400%	847%	628%	624%	590%

For non-resident health care providers

Use the above procedures, however, non-residents may prorate their Kansas optional tail surcharge rate using the same prorate factor to compute their highest prior Fund coverage record.

Exceptions to the payment of the additional "tail" coverage surcharge

There are exceptions to the five year compliance requirement for health care providers who die, retire from active practice, become disabled or cease their Kansas practice due to circumstances beyond their control. In addition, the Fund's Board of Governors may grant temporary exemptions for health care providers who leave Kansas to obtain additional education or training or to participate in religious, humanitarian or governmental service programs. Health care providers who desire additional information regarding an exemption to the five-year compliance requirement should contact the Fund's Compliance Section (telephone number: 785-291-3593).

Fund tail coverage surcharge rating factors

The most significant reason is that the Fund's principle responsibility is to provide access to medical professional liability coverage for active health care providers. Tail coverage for inactive health care providers changes the Fund coverage to the first dollar of defense and loss costs. The loss cost exposures at the first dollar or primary coverage level are greater than when the Fund is providing excess coverage.

Another significant reason is the Fund coverage limits for inactive health care providers are on a fiscal year basis. This is different from tail coverage provided by the insurance industry which usually provides only one set of coverage limits for all future years.

These are important factors but as indicated at the beginning of this article the principle reason is that the Fund loss experience from those health care providers who acquired the Fund tail coverage by paying the additional optional tail surcharge rate has produced sufficient losses and loss expenses to justify these revised tail surcharge rates. For the latest seven year period, the losses and loss expenses from these health care providers were approximately $5.6 million and the optional surcharge payments from those health care providers was about $1.4 million.

These optional tail coverage surcharge rates were recommended to the Board of Governors by the actuary who prepared the annual review of the Fund. After considerable review and discussion, it was determined that the optional tail coverage rates published in this newsletter met the requirements of the Fund law.

The Kansas Health Care Stabilization Fund

Guidelines for the optional Fund tail coverage surcharge rates effective July 1, 2005

This brochure is intended to provide a guide to assist health care providers in understanding the cost of the optional tail coverage available from the Fund. Also included in this brochure are examples of how the additional tail coverage surcharge is calculated.

NOTICE: When requesting the optional Fund tail coverage, you must submit your request in writing, specifying the date on which you will cease rendering professional services as an active Kansas health care provider. If possible, we need to receive your request at least 15 days prior to your termination date. You should also advise your basic professional liability insurer to cancel your basic coverage on the same date. This will assist us in researching the necessary information to accurately calculate the amount of the additional tail coverage surcharge so you will have adequate time to pay the additional surcharge amount. The Fund law requires the additional tail coverage surcharge to be paid within 30 days of the date that you became an inactive health care provider. No extensions to the 30 day period for payment of the additional tail coverage surcharge can be granted.

Estimates of tail coverage surcharge amounts may be requested by telephone. Please allow a reasonable period of time for us to respond. Even if you request a tail coverage estimate by phone, you will still need to submit a request in writing once you decide to cease practice in Kansas as an active health care provider.

The information contained in this brochure is furnished as general guidelines and procedures to assist health care providers in understanding this important area of the Fund. ***The actual calculation of the additional optional tail coverage surcharge amount will be furnished by the Fund.***

When should the optional tail coverage be considered by a health care provider?

Any health care provider who complies with the Health Care Stabilization Fund (Fund) for less than five years and becomes an inactive health care provider may wish to consider obtaining the optional tail coverage and pay the additional surcharge payment for the optional tail coverage from the Fund. This continuing Fund coverage (often referred to as the Fund's "tail" coverage) is for future claims or suits made against an inactive health care provider for professional services rendered while the health care provider was in compliance with the Fund. (Note: Fund compliance periods from a postgraduate program of residency training approved by the Kansas Board of Healing Arts are not included when computing the five year period.) Health care providers with five or more years of Fund compliance are eligible for the Fund's continuing coverage without an additional surcharge payment.

Revised optional tail coverage surcharge rate tables on page 2 of this brochure will become effective on July 1, 2005. The pre-calculated surcharge rates in these tables are derived from the FY 2006 Fund surcharge rates and the tail coverage surcharge percentage factors adopted by the Fund Board Governors in 2003. Health care providers with compliance periods of *less than the required five year period* may obtain the Fund's continuing tail coverage by paying an additional Fund surcharge amount *within thirty days of becoming an inactive health care provider.* The additional surcharge cost varies with the individual's prior Fund compliance records. This brochure provides general information and guidelines. The actual calculation of the additional optional tail coverage surcharge amount will be furnished by the Fund upon receipt of a written request submitted by the health care provider.

If You Have Questions Or Need Additional Assistance: Please contact the Fund office for any additional assistance you may feel is needed.


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Topeka, KS 66603-3912


The descriptions for Fund Class Groups can be found on the the Internet at www.hcsf.org/FY2006rates/FY2006ClassGroups1-14.htm

$100,000 / $300,000 - Kansas Tail Surcharge

FUND CLASS GROUP	Number of Fund coverage years				
	One year	Two years	Three years	Four years	Less than five years
	Following amounts are for full Fund coverage years. If you have partial Fund coverage years, amounts will vary from those shown in the table.				
1	$597	$921	$1,077	$1,188	$1,257
2	892	1,358	1,587	1,748	1,858
3	1,214	1,854	2,174	2,391	2,535
4	1,404	2,132	2,497	2,744	2,913
5	1,633	2,504	2,932	3,229	3,422
6	2,112	3,220	3,773	4,153	4,401
7	1,568	2,396	2,811	3,091	3,278
8	3,451	5,267	6,180	6,799	7,205
9	3,956	6,018	7,059	7,758	8,228
10	5,209	7,949	9,325	10,252	10,875
11	7,177	10,929	12,816	14,095	14,944
12	321	491	585	637	677
13	512	778	910	1,002	1,069
14	1,463	2,237	2,621	2,881	3,052

$300,000 / $900,000 - Kansas Tail Surcharge

FUND CLASS GROUP	Number of Fund coverage years				
	One year	Two years	Three years	Four years	Less than five years
	Following amounts are for full Fund coverage years. If you have partial Fund coverage years, amounts will vary from those shown in the table.				
1	$1,453	$2,221	$2,583	$2,841	$3,009
2	2,143	3,263	3,816	4,189	4,445
3	2,933	4,475	5,218	5,730	6,071
4	3,405	5,142	6,000	6,583	6,968
5	3,986	6,040	7,039	7,730	8,184
6	5,121	7,770	9,061	9,943	10,524
7	3,814	5,783	6,747	7,408	7,842
8	8,381	12,725	14,828	16,286	17,246
9	9,570	14,525	16,934	18,601	19,690
10	12,639	19,192	22,373	24,574	26,014
11	17,379	26,380	30,763	33,770	35,764
12	781	1,191	1,394	1,533	1,622
13	1,226	1,874	2,188	2,401	2,552
14	3,550	5,393	6,284	6,909	7,310

$800,000 / $2,400,000 - Kansas Tail Surcharge

FUND CLASS GROUP	Number of Fund coverage years				
	One year	Two years	Three years	Four years	Less than five years
	Following amounts are for full Fund coverage years. If you have partial Fund coverage years, amounts will vary from those shown in the table.				
1	$2,842	$4,421	$5,162	$5,672	$5,989
2	4,200	6,522	7,624	8,380	8,844
3	5,698	8,927	10,431	11,444	12,095
4	6,552	10,249	11,982	13,148	13,906
5	7,714	12,036	14,067	15,425	16,319
6	9,926	15,492	18,099	19,837	20,992
7	7,392	11,545	13,489	14,789	15,641
8	16,240	25,368	29,642	32,504	34,385
9	18,564	28,967	33,843	37,122	39,259
10	24,528	38,276	44,720	49,059	51,879
11	33,670	52,624	61,475	67,423	71,302
12	1,512	2,372	2,776	3,039	3,221
13	2,422	3,735	4,383	4,805	5,080
14	6,874	10,748	12,573	13,784	14,585

How to use these guidelines to obtain an *estimate* of the additional surcharge cost for the optional Fund tail coverage.

For Class Groups 1 to 14: If you have less than five years of Fund coverage and become an inactive health care provider on the annual anniversary date of your basic professional liability coverage:

- Find the highest Fund Class Group applicable to your practice during your Fund coverage period(s).
- Based on all Fund coverage records, determine the length of time you have been in compliance with the Fund. (Note: 1. Fund compliance periods from a postgraduate program of residency training approved by the Kansas Board of Healing Arts are not included in this calculation; and 2. If you have partial years (for example, 2 years and 36 days), you will need to contact the Fund for assistance.)
- The intersect of the Fund Class Group line and the number of Fund coverage years column will be the optional surcharge rate amount that is due *within thirty days of the date you became an inactive Kansas health care provider.*

Guideline Examples:

1. You are an emergency medicine specialist (no major surgery), Fund Class Group 6, selected Fund coverage limits of $300,000/$900,000 and have 2 years of Fund coverage. Your optional tail surcharge rate would be $7,770.
2. You are an OB/GYN specialist, Fund Class Group 10, selected the Fund coverage limits of $800,000/$2,400,000 and have four years of Fund coverage. Your optional tail surcharge rate would be $49,059.
3. You first complied with the Fund as a family practice doctor, assisting in major surgery procedures, Fund Class Group 4, and you selected the Fund coverage limits of $800,000/$2,400,000. In the next coverage year, you changed to family practice, no surgery, which is included in Fund Class Group 2. At the end of that second year, you become inactive as a Kansas health care provider and wish to pay the additional Fund optional surcharge. The amount would be $10,249 (from Fund Class Group 4 and the "Two years" column).
4. If you have less than one year of Fund coverage: Determine the Fund surcharge amount for the less than one year coverage period and note the highest Fund coverage level that was chosen during the coverage period. Locate the optional tail coverage percentage surcharge rate the table on page 3, multiplying the Fund surcharge amount by that percentage. Example: A general surgeon who complied with the Fund for 30 days at the $800,000/$2,400,000 Fund coverage limits paid a Fund surcharge of $95. The percentage tail coverage surcharge rate for this doctor would be 1400% which results in an optional tail coverage surcharge payment of $1,330 ($95 x 14.00).
5. It will be necessary to contact the Fund for assistance if you have complied with the Fund for partial years (for example, 2 years and 36 days).

For Class Group 15 (i.e., individual health care providers who could be in Fund Class Group 1 -14 but are insured by the Availability Plan and become an inactive health care provider on the annual anniversary date of their basic professional liability coverage): Unless these individuals are being charged a higher basic coverage premium due to unusual risk rating characteristics (i.e., experienced rated), the optional Fund tail coverage surcharge will be based on the tail coverage surcharge rates shown in the tables on page 2. If the individual health care provider has been experience rated, then utilize the procedures for Class Groups 16 to 21.

For Class Groups 16 to 21: Select one of the following percentage surcharge rates based on your most recent Fund coverage documents and use the indicated percentage rate to multiply your current or most recent annual surcharge amount. It will be necessary to request assistance from our office to complete this calculation if you have short-term coverage periods or a mid-term cancellation of a coverage period.

Percentage Rates for Optional Fund Tail Coverage					
	Number of HCSF coverage years				
Fund Coverage Level	One year or less	Not more than two years	Not more than three years	Not more than four years	Less than five years
$100,000/$300,000	656%	387%	288%	287%	272%
$300,000/$900,000	908%	534%	395%	393%	372%
$800,000/$2,400,000	1400%	847%	628%	624%	590%

For resident health care providers who practiced in Missouri: Unless otherwise included in the optional Fund tail coverage surcharge amount calculations, add an additional 20% to the otherwise

applicable optional Fund tail coverage surcharge. The additional Missouri surcharge rating factor can not be prorated.

Part-time or partial practice coverage records (resident or non-resident health care providers): Use the above procedures but the optional tail surcharge rate will be modified by using the highest part-time or prorated factor to compute the optional Fund tail coverage surcharge amount.

Exceptions to the payment of the additional "tail" coverage surcharge: There are exceptions to the five year compliance requirement for health care providers who die, retire from active practice, become disabled or cease their Kansas practice due to circumstances beyond their control. In addition, the Fund's Board of Governors may grant temporary exemptions for health care providers who leave Kansas to obtain additional education or training or to participate in religious, humanitarian or governmental service programs. Health care providers who desire additional information regarding an exemption to the five-year compliance requirement should contact the Fund's Compliance Section (telephone number: 785-291-3593).

Other frequently asked questions about the Fund optional tail coverage

Will the Fund notify me that this option is available? No. The Fund is under no obligation to notify individual health care providers who leave before acquiring five years of Fund coverage regarding the availability of the optional tail coverage.

Is it required that I purchase the optional tail coverage from the Fund? No. This is an optional choice.

Other than "going bare" or without tail coverage from the Fund, what are some other options which you may consider?

- If you are a Kansas resident who is leaving to live and practice in another state, you may wish to ask if prior acts coverage is available on your next professional liability coverage program.
- If a locum tenens provider, the locum tenens placement group may have continuing professional coverage available already included in the group's professional liability coverage. These professional liability coverage arrangements should be carefully studied, but may be an option to the health care provider.
- If you are a non-resident health care provider your professional liability insurance may provide its full coverage while you practice in Kansas. Some providers, after notifying and consulting with their existing insurance company regarding their practice in Kansas, comply with the Fund for its minimum coverage level while practicing in Kansas and do not acquire the Fund's optional tail coverage.

Does the Fund offer a tail coverage surcharge payment plan? No. The optional tail coverage surcharge payment must be paid within thirty days of the health care provider becoming an inactive health care provider.

Can the claims made retroactive rating date be advanced for a health care provider returning to active practice in Kansas? No. As provided in the Fund law, all active health care providers must maintain basic coverage for any claim or suit made against them while actively rendering professional services as a Kansas health care provider.

Will the Fund return an additional tail coverage surcharge payment if the health care provider returns to active practice in Kansas? No. The previously paid optional Fund tail coverage surcharge will not be returned inasmuch as it is "earned" during the period the health care provider was inactive and the Fund was obligated to provide its "first dollar" tail coverage.

Changes to the information, guidelines and optional Fund tail coverage surcharge rates may be made without advance notice to health care providers. In the event a change is made, information regarding such change, including the effective date of the change will be posted on the Internet web site of the Fund (www.hcsf.org).

HCP Name FAMILY/GENERAL PRACTITIONER, INCLUDES OBST. BUT NOT C-SECTIONS $200,000/$600,000 AT HCSF LIMITS OF $800,000/$2,400,000

Company	Policy	Rate	Level	FRCN	Type	Inception	Expiration	Premium	Surcharge	Document reference numbers		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 10454	1504	8	84421	C	1/1/2005	1/1/2006	$12,313.00	$1,932.00	227429		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 10454	1504	8	84421	C	1/1/2004	1/1/2005	$11,738.00	$1,932.00	216645		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 10168	1504	8	84421	C	1/1/2003	1/1/2004	$10,970.00	$1,932.00	207403		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 8856	1504	8	84421	C	1/1/2002	1/1/2003	$9,605.00	$1,932.00	188790		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 8112	1504	8	84421	C	1/1/2001	1/1/2002	$7,396.00	$1,756.00	177625		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 7248	1504	8	84421	C	1/1/2000	1/1/2001	$5,605.00	$1,596.00	167546		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 6925	1504	8	84421	C	1/1/1999	1/1/2000	$5,605.00	$1,388.00	148648		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 6388	1504	8	84421	C	1/1/1998	1/1/1999	$5,853.00	$2,082.00	138895		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 5438		8	84421	C	1/1/1997	1/1/1998	$6,142.00	$3,685.00	129573		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 4873		8	84421	C	1/1/1996	1/1/1997	$6,494.00	$4,221.00	121334		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 4194		8	84421	C	1/1/1995	1/1/1996	$6,184.00	$4,329.00	991777		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 3660		8	84421	C	3/1/1994	1/1/1995	$4,610.00	$3,227.00	982730		
2116 PROFESSIONAL MEDICAL INS CO	CM943A		8	84277	C	1/1/1994	3/1/1994	$1,585.00	$1,110.00	983255		C22823
2116 PROFESSIONAL MEDICAL INS CO	CM943A		8	84277	C	1/1/1993	1/1/1994	$6,471.00	$5,500.00	972982		
2116 PROFESSIONAL MEDICAL INS CO	CM943A		8	84277	C	1/1/1992	1/1/1993	$6,812.00	$7,493.00	964790		
2116 PROFESSIONAL MEDICAL INS CO	CM943A		8	84277	C	1/1/1991	1/1/1992	$6,812.00	$8,174.00	956436		
2000 PROFESSIONAL MUTUAL INS CO RRG	CM943A		8	84277	C	6/30/1990	1/1/1991	$3,140.00	$4,239.00	945317		
2000 PROFESSIONAL MUTUAL INS CO RRG	CM943A		T	84277	C	6/30/1989	6/30/1990	$6,193.00	$7,741.00	936513		
9517 KANSAS HEALTH CARE PROVIDERS INS AVAIL	KS 100261		T	84421	C	6/30/1988	6/30/1989	$6,859.00	$6,173.00	927830		C14926
9517 KANSAS HEALTH CARE PROVIDERS INS AVAIL	KS 100261		T	84421	C	6/30/1987	6/30/1988	$5,043.00	$4,539.00	918806		
1677 MEDICAL DEFENSE INS CO	13300001		T	84239	C	6/30/1986	6/30/1987	$6,030.00	$6,633.00	909839		C09854
1677 MEDICAL DEFENSE INS CO	1330001		T	84239	C	6/30/1985	6/30/1986	$4,847.00	$3,877.60	900030		
1380 PROFESSIONAL MUTUAL INS CO	P21129		T	84117	O	7/1/1984	7/1/1985	$3,685.00	$2,948.00	807856	803646 803647	C06717
1380 PROFESSIONAL MUTUAL INS CO	P21129		U	84117	O	7/1/1983	7/1/1984	$2,358.00	$1,179.00	606364		
1380 PROFESSIONAL MUTUAL INS CO	P21129		U	84117	O	7/1/1982	7/1/1983	$2,358.00	$0.00	600776		

HIGHER SURCHARGE RATES

HCP Name FAMILY/ GENERAL PRACTITIONER, INCLUDES OBST. BUT NOT C-SECTIONS

Company	Policy	Rate	Level	FRCN	Type	Inception	Expiration	Premium	Surcharge	Document reference numbers
2178 HEALTH CARE INDEMNITY, INC.	HCI 10105KS	1104	8	80421	C	1/1/2005	1/1/2006	$21,714.33	$992.00	224842
2178 HEALTH CARE INDEMNITY, INC.	HCI 10104KS	1104	8	80421	C	7/19/2004	1/1/2005	$21,714.33	$175.00	219127
9996 WICHITA CTR FOR GRADUATE MED EDUC	WCGME RESIDENCY PGP	4020	8	80421	O	7/1/2003	6/30/2004	$0.00	$0.00	211570 C43512
9996 WICHITA CTR FOR GRADUATE MED EDUC	WCGME RESIDENCY PGP	4020	8	80421	O	7/1/2002	6/30/2003	$0.00	$0.00	194201
9996 WICHITA CTR FOR GRADUATE MED EDUC	WCGME RESIDENCY PGP	4020	8	80421	O	7/1/2001	6/30/2002	$0.00	$0.00	184160

HCP Name OBGYN

Company	Policy	Rate	Level	FRCN	Type	Inception	Expiration	Premium	Surcharge	Document reference numbers			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 11384	1510	8	80153	C	1/1/2005	1/1/2006	$36,825.00	$7,207.00	226245			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 11384	1510	8	80153	C	1/1/2004	1/1/2005	$33,154.00	$7,207.00	215456			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 9996	1510	8	80153	C	1/1/2003	1/1/2004	$30,985.00	$7,207.00	199085			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 8919	1510	8	80153	C	1/1/2002	1/1/2003	$26,877.00	$7,207.00	188039			
0522 ST. PAUL FIRE & MARINE INS CO	DMO 6633164	1510	8	80153	C	1/1/2001	1/1/2002	$19,151.00	$6,552.00	179303			C36481
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 7427	1510	8	80153	C	1/1/2000	1/1/2001	$25,143.00	$5,956.00	166907			C34242
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 6579	1510	8	80153	C	1/1/1999	1/1/2000	$24,481.00	$5,179.00	148046			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 5814	1510	8	80153	C	1/1/1998	1/1/1999	$22,856.00	$7,769.00	138302			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 5323		8	80153	C	1/1/1997	1/1/1998	$22,183.00	$13,310.00	129006			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 4541		8	80153	C	1/1/1996	1/1/1997	$23,458.00	$15,248.00	120534			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 3882		8	80153	C	1/1/1995	1/1/1996	$22,342.00	$15,639.00	991005			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 3247		8	80153	C	1/1/1994	1/1/1995	$19,870.00	$13,908.00	981275			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 2944		8	80153	C	1/1/1993	1/1/1994	$19,870.00	$16,889.00	971737			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 2178		8	80153	C	1/1/1992	1/1/1993	$20,379.00	$22,417.00	963073			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 1764		8	80153	C	1/1/1991	1/1/1992	$20,379.00	$24,454.00	952502			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 1232		8	80153	C	1/1/1990	1/1/1991	$26,267.00	$35,461.00	940715	942591	001445	
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 1120		8	80153	C	9/1/1989	1/1/1990	$8,773.00	$11,844.00	939051			
0522 ST. PAUL FIRE & MARINE INS CO	DMO 8000545		T	80153	C	9/1/1988	9/1/1989	$27,044.00	$33,805.00	930801			C15501
0522 ST. PAUL FIRE & MARINE INS CO	580JG5498		T	80153	C	9/1/1987	9/1/1988	$24,435.00	$21,992.00	921498			
0522 ST. PAUL FIRE & MARINE INS CO	580JG5498		T	80153	C	9/1/1986	9/1/1987	$18,008.00	$16,207.00	913241			
0522 ST. PAUL FIRE & MARINE INS CO	580JG5498		T	80153	C	9/1/1985	9/1/1986	$16,676.00	$18,344.00	903544			
0522 ST. PAUL FIRE & MARINE INS CO	580JG5498		T	80153	C	9/1/1984	9/1/1985	$9,154.00	$7,323.00	810900			
0522 ST. PAUL FIRE & MARINE INS CO	580JG4570		U	80153	C	9/1/1983	9/1/1984	$3,304.00	$1,652.00	703898		806160	
0522 ST. PAUL FIRE & MARINE INS CO	580JG4570		U	80153	C	9/1/1982	9/1/1983	$888.00	$222.00	601855			
0522 ST. PAUL FIRE & MARINE INS CO	580JG3522		0	80153	C	9/1/1982	9/1/1982	$0.00	$0.00	600443		003836	C03705

HCP Name OBGYN

Company	Policy	Rate	Level	FRCN	Type	Inception	Expiration	Premium	Surcharge	Document reference numbers			
2364 MEDICAL ASSURANCE CO, INC	CP1330	1410	8	80153	C	1/1/2005	1/1/2006	$37,497.00	$6,444.00	228876			
2364 MEDICAL ASSURANCE CO, INC	CP1330	1310	8	80153	C	1/1/2004	1/1/2005	$36,042.00	$5,837.00	215044			
2364 MEDICAL ASSURANCE CO, INC	CP1330	1210	8	80153	C	1/1/2003	1/1/2004	$29,958.00	$3,704.00	206702			
1229 CHICAGO INSURANCE COMPANY	PSP 2000476	1110	8	80153	C	1/1/2002	1/1/2003	$7,922.00	$1,436.00	190979	192960	007545	C39451
1229 CHICAGO INSURANCE COMPANY	PSP 2000476	1110	8	80153	C	7/1/2001	1/1/2002	$2,548.00	$658.00	184729			

HCP Name GENERAL SURGEON
SURGICAL SPECIALIST

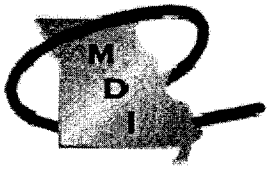
Health Care Stabilization Fund Compliance Records As Of 7/12/2005

Company	Policy	Rate	Level	FRCN	Type	Inception	Expiration	Premium	Surcharge	Document reference numbers			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 11253	1508	8	80143	C	1/1/2005	1/1/2006	$27,787.00	$4,662.00	227311			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 11253	1508	8	80143	C	1/1/2004	1/1/2005	$26,488.00	$4,662.00	216532			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 9551	1508	8	80143	C	1/1/2003	1/1/2004	$24,757.00	$4,662.00	199902			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 8765	1508	8	80143	C	1/1/2002	1/1/2003	$22,817.00	$4,662.00	188709			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 8046	1508	8	80143	C	1/1/2001	1/1/2002	$19,668.00	$4,238.00	177549			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 7094	1508	8	80143	C	1/1/2000	1/1/2001	$17,552.00	$3,853.00	167477			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 6796	1508	8	80143	C	1/1/1999	1/1/2000	$17,552.00	$3,350.00	148584			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 6118	1508	8	80143	C	1/1/1998	1/1/1999	$15,957.00	$5,025.00	138828			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 5494		8	80143	C	1/1/1997	1/1/1998	$14,312.00	$8,587.00	129510			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 4749		8	80143	C	1/1/1996	1/1/1997	$15,134.00	$9,837.00	120781			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 3891		8	80143	C	1/1/1995	1/1/1996	$14,414.00	$10,090.00	991198			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 3490		8	80143	C	1/1/1994	1/1/1995	$12,819.00	$8,973.00	981451			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 2885		8	80143	C	1/1/1993	1/1/1994	$12,819.00	$10,896.00	971897			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 2362		8	80143	C	1/1/1992	1/1/1993	$12,819.00	$14,101.00	963219			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 1832		8	80143	C	1/1/1991	1/1/1992	$13,531.00	$16,237.00	952677			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 1275		8	80143	C	1/1/1990	1/1/1991	$17,339.00	$23,408.00	941205			
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 1055		T	80143	C	6/30/1989	1/1/1990	$8,796.00	$10,995.00	938347			
0517 MEDICAL PROTECTIVE CO (THE)	577387		T	80143	C	7/15/1988	7/1/1989	$14,267.00	$17,834.00	928309			C13729
0517 MEDICAL PROTECTIVE CO (THE)	577387		T	80143	C	9/1/1987	7/15/1988	$8,836.00	$7,952.00	920092			
1740 PHICO INS CO	PPL 007731		T	80143	C	9/1/1986	9/1/1987	$11,358.00	$10,222.00	915868			
1740 PHICO INS CO	PPL 007731		T	80144	C	9/1/1985	9/1/1986	$8,430.00	$9,273.00	904692	919067	000095	
1740 PHICO INS CO	PPL007731		T	80143	C	9/1/1984	9/1/1985	$1,047.00	$838.00	808934			
1740 PHICO INS CO	PPL007731		T	80143	C	9/1/1984	9/1/1985	$5,238.00	$4,190.00	804928			
0522 ST. PAUL FIRE & MARINE INS CO	580JJ0546		U	80143	C	9/1/1983	9/1/1984	$5,490.00	$2,746.00	703954		806858	C20320
0522 ST. PAUL FIRE & MARINE INS CO	580JJ0546		U	80143	C	9/1/1982	9/1/1983	$4,490.00	$0.00	601543			

HCP Name GENERAL SURGEON
SURGICAL SPECIALIST

Health Care Stabilization Fund Compliance Records As Of 7/12/2005

Company	Policy	Rate	Level	FRCN	Type	Inception	Expiration	Premium	Surcharge	Document reference numbers		
0517 MEDICAL PROTECTIVE CO (THE)	686691	6508	8	80156	C	1/1/2005	1/1/2006	$23,669.00	$5,594.00	224569		
0517 MEDICAL PROTECTIVE CO (THE)	686691	6508	8	80156	C	1/1/2004	1/1/2005	$19,962.00	$5,594.00	213667		
0517 MEDICAL PROTECTIVE CO (THE)	686691	6508	8	80156	C	1/1/2003	1/1/2004	$15,989.00	$5,594.00	198139		
2018 THE DOCTORS' CO, AN INTER-INS EXCH	56157	6508	8	80156	C	1/1/2002	1/1/2003	$15,042.36	$5,594.40	187030		
2018 THE DOCTORS' CO, AN INTER-INS EXCH	56157	0000	0	80156	C	1/1/2003	1/1/2003	$0.00	$0.00	206631	008016	C40558
2018 THE DOCTORS' CO, AN INTER-INS EXCH	56157	6508	8	80156	C	1/1/2001	1/1/2002	$14,326.55	$5,086.00	176052		
2018 THE DOCTORS' CO, AN INTER-INS EXCH	0056157	1508	8	80156	C	1/1/2000	1/1/2001	$11,563.00	$3,853.00	168283		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 6135	1508	8	80156	C	1/1/1998	1/1/1999	$15,134.00	$5,025.00	137849		C29754
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 5241		8	80156	C	1/1/1997	1/1/1998	$14,312.00	$8,587.00	128562		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 4503		8	80156	C	1/1/1996	1/1/1997	$15,627.00	$10,158.00	120107		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 4325		8	80156	C	1/1/1995	1/1/1996	$13,587.00	$9,511.00	990565		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 3268		8	80156	C	1/1/1994	1/1/1995	$11,000.00	$7,700.00	980935		
2120 KANSAS MEDICAL MUTUAL INS CO	MPL 3086		8 H	80156	C	8/1/1993	1/1/1994	$4,852.00	$3,396.00	977989		
1421 CONTINENTAL INS CO (THE)	HMP 9 544 142 01		1	80156	C	8/1/1992	8/1/1993	$10,600.00	$4,240.00	969910		C21862
1421 CONTINENTAL INS CO (THE)	HMP 9 544 142		1	80156	C	8/1/1991	8/1/1992	$4,712.00	$2,592.00	960201		



Missouri Department of Insurance
Brent Kabler
Statistics Section

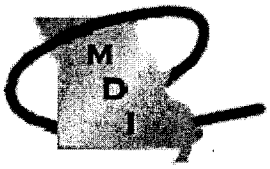
July 25, 2005

Malpractice Payments in Kansas - Kansas Healthcare Stabilization Fund

Data obtained from the Fund indicate that between 1998 and 2004, the KS fund covered an annual average of 40.5 percent of all claims costs, while primary insurance paid 41.6 percent, and private excess coverage 18.2 percent. *The following information is based solely on information provided by the Kansas Stabilization Fund:*

Malpractice Payments in Kansas
Kansas Healthcare Stabilization Fund

Fiscal Year	Total Claims	Claims Settled by Primary Carriers	Claims Settled By HCSF	Total Settlements and Awards	Primary Coverage, Total Payments	Amount Paid by HCSF	Amount Paid by Excess Carriers
1998	173	113	60	$29,661,412	$15,160,067	$11,461,345	$3,040,000
1999	178	108	70	$46,636,494	$20,089,626	$18,344,368	$8,202,500
2000	185	116	69	$43,442,477	$20,905,869	$20,071,608	$2,465,000
2001	163	109	54	$39,227,208	$16,924,459	$15,592,749	$6,710,000
2002	208	141	67	$41,043,041	$22,189,299	$16,173,742	$2,680,000
2003	209	122	87	$43,559,150	$23,287,872	$17,483,778	$2,787,500
2004	178	99	79	$47,034,306	$19,578,801	$18,905,505	$8,550,000
Row Percents, Number of Claims and Total Claim Costs							
1998	100.0%	65.3%	34.7%	100.0%	51.1%	38.6%	10.2%
1999	100.0%	60.7%	39.3%	100.0%	43.1%	39.3%	17.6%
2000	100.0%	62.7%	37.3%	100.0%	48.1%	46.2%	5.7%
2001	100.0%	66.9%	33.1%	100.0%	43.1%	39.7%	17.1%
2002	100.0%	67.8%	32.2%	100.0%	54.1%	39.4%	6.5%
2003	100.0%	58.4%	41.6%	100.0%	53.5%	40.1%	6.4%
2004	100.0%	55.6%	44.4%	100.0%	41.6%	40.2%	18.2%
Annual Average	**100.0%**	**62.5%**	**37.5%**	**100.0%**	**47.8%**	**40.5%**	**11.7%**



Missouri Department of Insurance
Brent Kabler
Statistics Section

07/20/05

Medical Malpractice Claims By County

The following table includes the number of medical malpractice claims filed in each of Missouri's counties from 2002 to 2004. Claims in which no suit was formally filed are excluded. Data elements are:

Paid claims – claims that were closed with payment
All Claims – total number of claims filed, regardless of whether they resulted in payment
Total Indemnity – total indemnity associated with the paid claim number in a given year
Average Indemnity – Total indemnity divided by the number of paid claims.

Counties were assigned based on a Statistical Analysis Software program that scans the relevant data element for a named court, and assigns given keywords to a specific county (i.e. usually the name of the county is included in the court description, or the court division number). Extensive testing has shown this program to be highly accurate. Manual assignment was made in the few instances in which the program failed to make an assignment (court misspelled, etc).

Medical Malpractice Claims by County in Which Suit was Filed

		Paid Claims			All Claims			Indemnity Awards			Average Indemnity Per Paid Claim		
County FIPS Code	County	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
001	ADAIR	1	3	1	7	5	4	$355,000	$296,000	$525,000	$355,000	$98,667	$525,000
007	AUDRAIN		2	2		11	5		$890,000	$550,000		$445,000	$275,000
009	BARRY		2	2		2	2		$275,000	$333,333		$137,500	$166,667
011	BARTON	2			3			$80,000			$40,000		
013	BATES				1	1	5	$0	$0	$0			
019	BOONE	10	8	20	53	44	60	$1,361,000	$1,212,355	$6,594,500	$136,100	$151,544	$329,725
021	BUCHANAN	10	10	10	40	38	30	$1,324,167	$2,906,238	$3,176,000	$132,417	$290,624	$317,600
023	BUTLER	4	3	6	9	14	19	$468,000	$460,000	$1,562,000	$117,000	$153,333	$260,333
027	CALLAWAY			2		3	2		$0	$1,300,000			$650,000
029	CAMDEN	7	2	4	13	5	8	$742,000	$44,500	$830,000	$106,000	$22,250	$207,500
031	CAPE GIRARDEAU	8	15	7	25	31	31	$2,149,000	$4,329,992	$1,617,500	$268,625	$288,666	$231,071
033	CARROLL				1	1		$0	$0				
037	CASS	2			3	2		$389,500	$0		$194,750		
039	CEDAR			1		1	1		$0	$28,500			$28,500
045	CLARK		1			2			$50,000			$50,000	
047	CLAY	11	7	5	35	28	23	$2,006,902	$1,255,000	$1,083,000	$182,446	$179,286	$216,600
051	COLE	6	8	7	27	17	22	$889,400	$1,252,500	$1,517,500	$148,233	$156,563	$216,786
053	COOPER			1			1			$28,000			$28,000
055	CRAWFORD		1	1		1	2		$380,000	$135,000		$380,000	$135,000
059	DALLAS	2			3		1	$1,430,000		$0	$715,000		
065	DENT				1		2	$0		$0			
069	DUNKLIN	4		1	6	2	1	$505,000	$0	$110,000	$126,250		$110,000
071	FRANKLIN	4			7	1	2	$1,398,000	$0	$0	$349,500		

		Paid Claims			All Claims			Indemnity Awards			Average Indemnity Per Paid Claim		
County FIPS Code	County	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
073	GASCONADE					1			$0				
075	GENTRY				1			$0					
077	GREENE	25	17	10	63	66	39	$4,774,365	$6,459,504	$2,975,000	$190,975	$379,971	$297,500
079	GRUNDY	1			1	1		$5,000	$0		$5,000		
081	HARRISON				1			$0					
083	HENRY	1			1		1	$135,000		$0	$135,000		
087	HOLT					1			$0				
089	HOWARD					1			$0				
091	HOWELL	5		3	10	3	7	$512,500	$0	$465,000	$102,500		$155,000
093	IRON	1	1		1	1	1	$244,286	$140,180	$0	$244,286	$140,180	
095	JACKSON	120	88	100	308	266	275	$24,278,200	$16,652,252	$26,136,401	$202,318	$189,230	$261,364
097	JASPER	14	18	28	42	53	61	$3,974,500	$11,129,224	$11,179,585	$283,893	$618,290	$399,271
099	JEFFERSON	3	3	4	16	8	18	$302,500	$550,000	$535,000	$100,833	$183,333	$133,750
101	JOHNSON	4	4	3	10	15	8	$670,000	$152,500	$950,000	$167,500	$38,125	$316,667
103	KNOX	1			1			$100,000			$100,000		
105	LACLEDE		2			2	4		$525,000	$0		$262,500	
107	LAFAYETTE	1	1		1	1	1	$155,000	$10,000	$0	$155,000	$10,000	
109	LAWRENCE	1	1	1	1	1	2	$112,500	$55,000	$75,000	$112,500	$55,000	$75,000
113	LINCOLN				2		1	$0		$0			
115	LINN			1			2			$42,277			$42,277
117	LIVINGSTON					1			$0				
119	MCDONALD	1			1			$80,000			$80,000		
121	MACON		1		1	2	2	$0	$300,000	$0		$300,000	
123	MADISON		3	3		12	9		$99,970	$650,000		$33,323	$216,667
125	MARIES				1			$0					
127	MARION	1	2		6	4	1	$50,000	$800,000	$0	$50,000	$400,000	
129	MERCER						2			$0			

County FIPS Code	County	Paid Claims			All Claims			Indemnity Awards			Average Indemnity Per Paid Claim		
		2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
131	MILLER					1			$0				
133	MISSISSIPPI						1			$0			
135	MONITEAU						2			$0			
137	MONROE				1			$0					
139	MONTGOMERY		1			1			$95,000			$95,000	
143	NEW MADRID	2			4		2	$405,000		$0	$202,500		
145	NEWTON	3	4	1	6	11	5	$463,000	$292,500	$34,500	$154,333	$73,125	$34,500
147	NODAWAY	1			1			$40,000			$40,000		
151	OSAGE		1			1			$7,500			$7,500	
155	PEMISCOT	1			2		3	$240,000		$0	$240,000		
157	PERRY						2			$0			
159	PETTIS	2	5		8	10	1	$344,538	$2,094,250	$0	$172,269	$418,850	
161	PHELPS	1	4	8	4	11	12	$925,000	$416,508	$900,002	$925,000	$104,127	$112,500
163	PIKE	1			5	1	1	$18,500	$0	$0	$18,500		
165	PLATTE	3	2	1	6	5	4	$825,000	$187,500	$37,500	$275,000	$93,750	$37,500
167	POLK	2	2	3	6	7	14	$250,000	$19,166	$205,496	$125,000	$9,583	$68,499
169	PULASKI	2	1		2	2		$1,600,000	$295,000		$800,000	$295,000	
171	PUTNAM						2			$0			
173	RALLS				2			$0					
175	RANDOLPH		3	2	1	4	4	$0	$1,100,000	$405,138		$366,667	$202,569
177	RAY			1			1			$295,000			$295,000
183	ST CHARLES	7	5	2	20	16	17	$1,430,000	$760,000	$250,000	$204,286	$152,000	$125,000
185	ST CLAIR	2		3	3	6	4	$80,000	$0	$8,260,000	$40,000		$2,753,333
186	STE GENEVIEVE			1	1		2	$0		$200,000			$200,000
187	ST FRANCOIS	2	5	4	5	11	14	$225,000	$1,356,500	$924,536	$112,500	$271,300	$231,134
189	ST LOUIS COUNTY	47	74	43	178	225	238	$9,232,934	$17,394,351	$10,017,058	$196,445	$235,059	$232,955
195	SALINE			1		1	1		$0	$25,000			$25,000

		Paid Claims			All Claims			Indemnity Awards			Average Indemnity Per Paid Claim		
County FIPS Code	County	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
197	SCHUYLER	1			1			$100,000			$100,000		
199	SCOTLAND					4			$0				
201	SCOTT	5	3	2	18	13	17	$2,188,340	$630,000	$346,140	$437,668	$210,000	$173,070
207	STODDARD		1	1	1	3	3	$0	$125,000	$150,000		$125,000	$150,000
209	STONE		1			1			$12,500			$12,500	
213	TANEY	3	6	1	4	17	9	$475,000	$605,528	$2,400	$158,333	$100,921	$2,400
215	TEXAS				2		2	$0		$0			
217	VERNON			5	2	3	6	$0	$0	$2,048,519			$409,704
219	WARREN		2	1		2	1		$250,000	$150,000		$125,000	$150,000
221	WASHINGTON					1			$0				
223	WAYNE						1			$0			
227	WORTH			2			2			$30,000			$15,000
229	WRIGHT					1			$0				
510	ST. LOUIS CITY	86	58	60	182	200	182	$36,015,468	$20,795,607	$18,625,713	$418,785	$358,545	$310,429
991	GUARANTY FUND	16			98			$1,456,987			$91,062		
992	FEDERAL COURT	16	11	17	83	65	130	$3,770,500	$3,540,846	$3,354,078	$235,656	$321,895	$197,299
993	OUT OF STATE	4	4	1	8	9	8	$330,000	$290,000	$50,000	$82,500	$72,500	$50,000
994	No Suit Filed	114	136	90	338	422	362	$8,963,312	$11,205,759	$6,173,705	$78,626	$82,395	$68,597
995	UNKNOWN	4			9	5	3	$1,515,000	$0	$0	$378,750		