



CAS/CARe Seminar
Boston - Tuesday, June 5, 2012

John Buchanan, FCAS, MAAA
ISO – Principal, Reinsurance Division

**CS-3: Medical Professional Liability
Overview Slides**

THE SCIENCE OF RISKSM

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Concurrent Session 3

Medical Professional Liability – Where do we go from here?

This session will address the latest trends in Medical Liability Insurance and their impact. Have medical schools been successful in teaching better bedside manners to new graduates? Is saying “sorry” an effective way to reduce law suits? Are all physicians likely to be hospitalists? What are the long-term effects of pending Healthcare legislation and the Supreme Court decision in June? What are the real trends in frequency, severity, premiums, and available capacity?

Moderator:

John Buchanan, ISO – Principal, Reinsurance Division

Panelists:

Kevin Bingham, Deloitte Consulting LLP

Kimber Lantry, Executive Vice President, Hudson Insurance Group

Elke Kirsten-Brauer, Chief Underwriting Officer, MGIS

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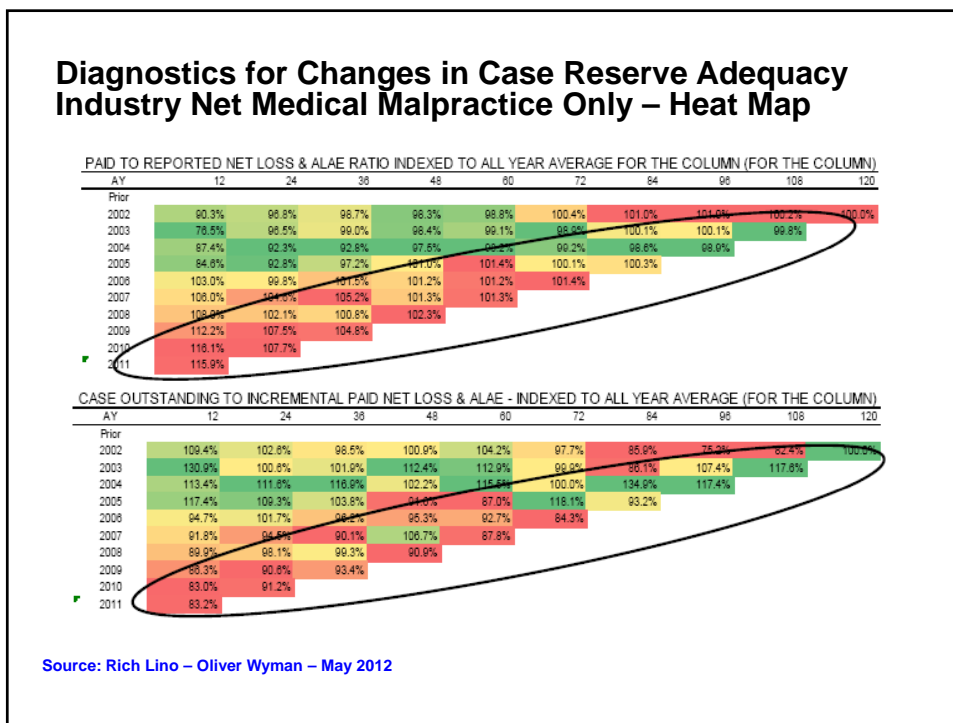
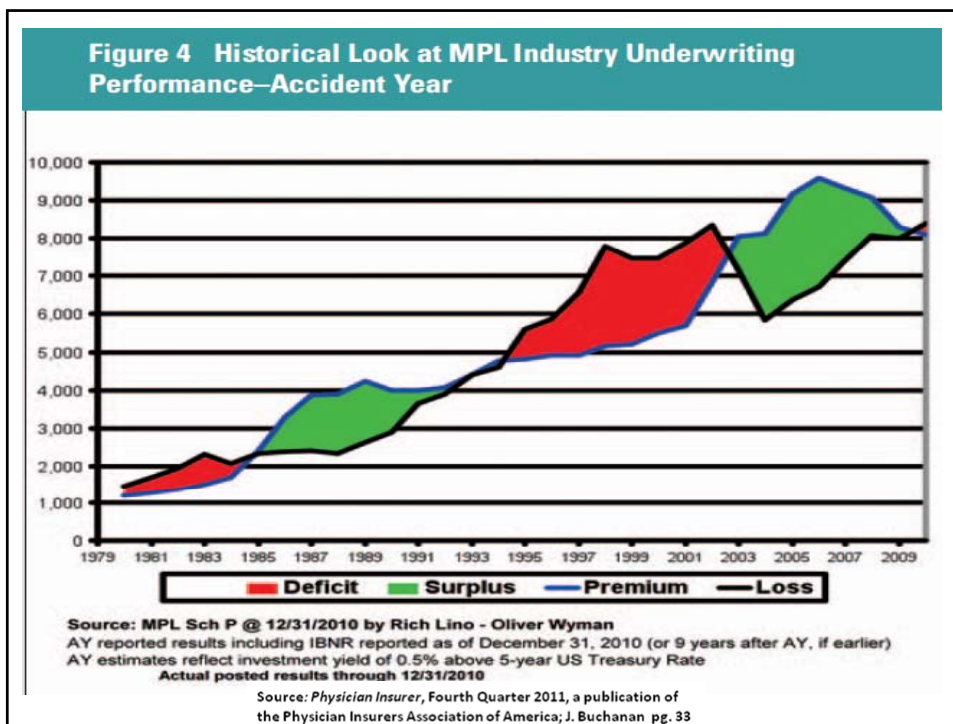


Agenda – CS3 (MPL)



- **Overview** (5 mins – John)
 - MPL Cycle: losses, premiums, how quickly things can turn
- **What Helped to Get us Where we are Now** (20 mins – Kevin)
 - Impacts of various items like patient safety, risk management, tort reforms, social/economy/legislative changes
 - What could reverse?
- **What Do we See in the Near Term Horizon** (20 mins – Kimber)
 - Further indications of recent frequency/severity trends
 - Impact of HealthCare reform / ACO's / EMR's
 - Perils of Overconfidence (actuaries, underwriters, management)
- **The Future of Underwriting Tools** (20 mins - Elke)
 - Predictive Modeling
 - Grey area between Doctors/Hospitals
- **Questions**

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Today's Presentations

CS3 – Medical Professional Liability



	1	2	3	4	5	6	7	
	Trends							
	Ground Up			Excess		Loss Dev't Factors		
	Severity	Freq	Exposure	Severity	Freq	Ground Up	Excess	
Property								
Casualty								
Specialty	CS3-KL	CS3-KB, KL				CS3-KB, KL		

	8	9	10	11	12	13	14	15
	Rate Changes		Ground-Up Loss Costs	Excess Loss Factors	ALAE	Region/ Hazard/ Subline	Layer Experience/ Exposure	Emergence Testing
	Primary	Reinsurance						
Property								
Casualty								
Specialty	CS3-KB					CS3-EK		

	16	17	18	19	20	21	22	23
	External Forces	Loss Ratios			Aggregate Distribution	Industry Macro Application	LOB Redund/Def/ Correlations	Where in the Cycle?
		Primary	Reinsurers	Volatility				
Property								
Casualty								
Specialty	CS3-KB, KL, EK	CS3-KL					CS3-KB	CS3-KB, KL