

Citation

Domino KB: Malpractice Insurance Premiums: Greater Stability for Most Anesthesiologists. *ASA Newsletter*, 70(6): 6-7, 2006.

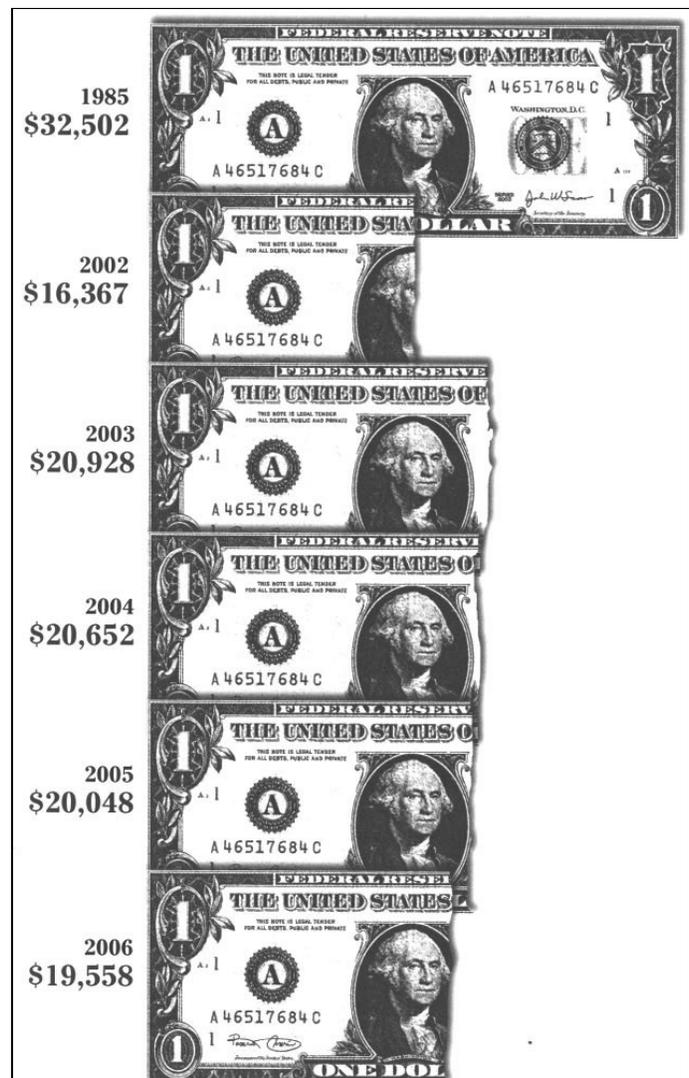
Full Text

Although newspaper accounts of gasoline shortages and shocking gasoline prices have eclipsed reports of the medical malpractice crisis, concern continues over availability and cost of medical liability insurance in some states. Between 2002-04, average liability insurance premiums for anesthesiologists increased 33 percent, while the number of insurance carriers decreased.¹ Premium increases were particularly striking when medical liability insurers withdrew from the market in the state.¹ A variety of factors were implicated in the escalation in premium costs, including increased defense costs, changes in the insurance industry marketplace, declining investment income, withdrawal of competing insurance companies and volatile jury awards.²

In order to assess trends in liability insurance for anesthesiologists during the past year, the ASA Committee on Professional Liability conducted a survey of 31 medical liability insurance carriers. We collected data concerning premium amounts for a mature \$1 million/\$3 million policy limit in the various states and regions in which these carriers provide coverage. In addition we surveyed trends in premiums, moratoriums and comparative costs for specialists in pain medicine.

This year has been characterized by greater stability in medical liability premiums for anesthesiologists. The average premium in 2006 was \$19,558 (range of \$2,921 to \$77,436), essentially the same as in 2005 [Figure]. Florida, Illinois, Michigan, Nevada, Ohio and West Virginia continue to lead the nation in average premium costs. About one-third of the liability insurers reduced 2006 premiums, one-third increased them and one-third did not change them significantly from 2005 premiums. These changes resulted in small decreases in average premiums in two-thirds of the states. In spite of the trends over the past several years, comparison with inflation-adjusted premiums from 1985³ still shows a marked reduction in average premiums [Figure]. Improvements in patient safety in anesthesiology have been credited for these savings.

The marketplace for liability insurance for anesthesiologists appears more stable than in the past several years as few companies withdrew from states, and most moratoriums for insuring new anesthesiologists were lifted this year. Some companies, however, still maintain moratoriums for solo practitioners or only accept new anesthesiologists if they belong to a group that is already insured by them.



One rumor voiced by some ASA members over this past year was that some insurers were considering raising premiums for anesthesiologists who provided anesthesia for bariatric surgery. We found this was only a rumor, though, and none of the companies surveyed applied a different rate for anesthesiologists performing anesthesia for bariatric surgery.

The most important area of liability concern for anesthesiologists involves those specializing in pain medicine. While two-thirds of the companies did not differentiate anesthesiologists practicing chronic pain medicine from those limiting their practice to conventional anesthesia, nearly one-third of the companies charged higher premiums for pain medicine specialists. These higher premiums may reflect the higher claims risk of chronic pain patients and invasive procedures. The trend for increased liability of pain medicine practices is echoed in the ASA Closed Claims Project database in which nearly 10 percent of anesthesia malpractice claims from the 1990s were related to chronic pain management.⁴

In summary, 2006 will be remembered as a stable year for medical liability insurance for most anesthesiologists, whereas the cost of driving to work is escalating!

References

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