



Department of Consumer and Business Services

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Before the
**Senate Committee on General Government, Consumer and Small Business
Protection**

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Testimony of
Teresa Miller, Administrator
Oregon Insurance Division
Department of Consumer and Business Services

My name is Teresa Miller. I am the Administrator of the Insurance Division of the Department of Consumer and Business Services. I am here today to share with the Committee the trend in medical professional liability insurance rates.

In 2009, \$80 million in medical professional liability insurance was written in Oregon by 29 active licensed companies. There are two insurers who dominate Oregon's market, Continental Casualty Company and The Doctors Company An Interinsurance Exchange ("The Doctors Company"), who together wrote \$62 million of the \$80 million in premium written in 2009. The Continental Casualty Company provides medical professional liability coverage to the Oregon Medical Association. The Doctors Company in 2009 provided coverage to all Northwest Physicians Insurance Company policyholders.

The medical professional liability insurance market tends to be cyclical, and rates have been declining in recent years. Rates for Oregon's two largest insurers have gone down an average of 20 percent since 2006:

<u>Year</u>	<u>The Doctors Company</u> ¹	<u>CCC</u>
2006	-8.3%	1.9%
2007	-10.2%	-3.2%
2008	-8.9%	-7.6%
2009	0%	-2.5%
2010	-5.1%	0%

I am also attaching to my testimony a chart illustrating the trend in medical professional liability insurance rates over the last 10 years. This chart is a good illustration of the cyclical nature of this market. I'll be happy to answer any questions you may have.

¹ Prior to 2010, coverage was through Northwest Physicians Insurance Company. Beginning in 2009, coverage was through The Doctors Company, Northwest Physicians Insurance Company's parent.