

Is medical practice safer than it used to be?

Indemnity industry perspective

Presented by Gae Robinson | 22 October 2015

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What does 'safer' mean for the indemnity industry?

➤ Fewer claims



➤ Lower severity (claim size)



➤ Lower legal costs



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The Australian experience – sources

- › Claims data:
AIHW reports
(2008-2012)



- › Doctor numbers:
AIHW



Disclaimer: All numbers in this presentation are approximate. The focus is on trends rather than absolute measures.

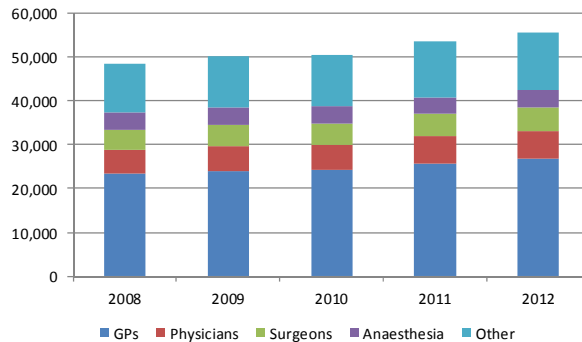
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Practitioner numbers

- › Over 55,000 practitioner FTEs by 2012 – private and public sectors combined

No. of practitioners

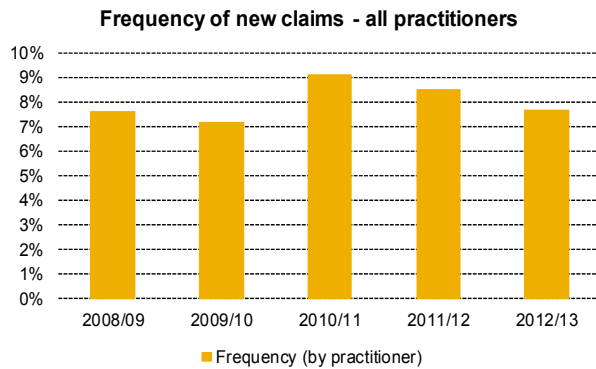


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Claim frequency – overall

- Apparent reducing trend 10/11 to 12/13 – combination of public and private trends, claims and incidents
- Proportions: obstetrics/gynaecology fell from 12% to 8% over the five years, digestive/metabolic/endocrine up from 10% to 24%.

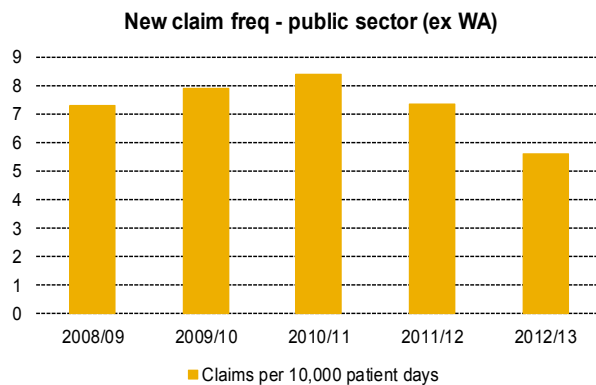


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Claim frequency – public sector

- Appears to be a strong reducing trend over 10/11 to 12/13
- About one-third of total claims were in public sector 08/09 to 10/11. This dropped in 11/12, and again in 12/13 (22%)

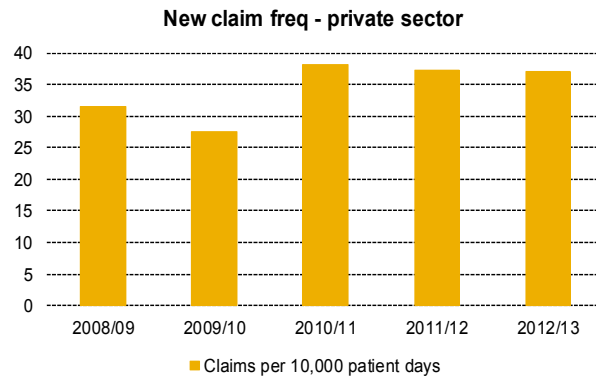


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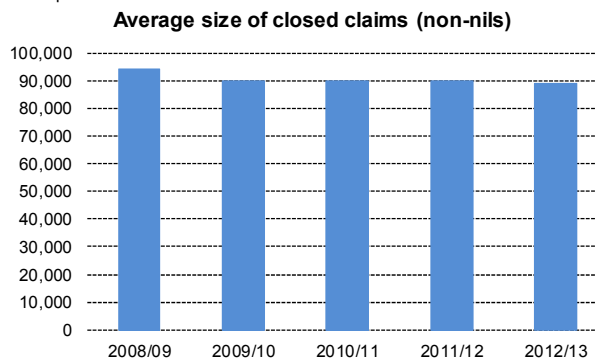
Claim frequency – private sector

- Not comparable with public sector frequency – appears much higher, but is measured as claims per hospital days, and there are more hospital days per dr in public practice
- Fairly flat frequency 10/11 to 12/13



Claim severity

- Flat \$ over four years to 12/13 – so reducing in real terms
- About 65% of all matters closed for less than \$10,000 (incl about 14% for nil) – average size for claims above \$10k is about \$210k.



Legal environment

- Tort reforms in early 2000s had significant impacts, with little 'superimposed inflation' in last 10 years
- Finity continuously assesses the 'tort temperature', using scorecard-based analysis to claims and court outcomes
- Medical indemnity temperature:
 - 'Cool' in 10 years to 2013 COOL
 - Neutral since then NEUTRAL
 - Heating up over next few years? WARMING?

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Conclusions

- For the MII industry, these are 'fairly safe' times

Claim
frequency
steady/falling

Average claim
size reducing

Risk
management
by doctors

Pressure
points for
future?

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Contact



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