



Reassuring new medical indemnity report released

30 August 2007

A new report on trends in medical indemnity insurance provides a reassuring picture of the state of the industry, according to peak industry body the *Medical Indemnity Industry Association of Australia*.

The report *An analysis of premium and claim trends for Australian medical indemnity insurance in Australia from 1996 to 2006* was prepared by Insurance Statistics Australia Limited, using data provided by the medical indemnity insurance industry.

"Overall, this report supports the industry's view that recent reforms, including government programs and industry initiatives, are working well to stabilize the medical indemnity sector," said Ms Ellen Edmonds-Wilson, MIIAA CEO.

"The report found that the frequency of claims has remained stable over the past four years, and has in fact dropped from a high of 70 expected claims per 1000 doctors in 2001 to 55 in 2006.

"Some professional groups are experiencing an increase in claims. These are GPs (both procedural and non-procedural), plastic surgeons and cosmetic practitioners. In the case of cosmetic surgery, this increase may reflect the fact that in the comparison period 1995-1998 there were significantly fewer procedures undertaken.

"The report also found that the estimated cost of claims has also not changed significantly during the reporting period. This means that less upward pressure is placed on premiums and is further reassurance that industry reforms are having an effect.

"In most areas of practice, premiums have remained flat. However some groups, in particular obstetricians, plastic surgeons and cosmetic practitioners have experienced premium increases.

"Another positive finding is that income from premiums continues to adequately cover the actuarial undiscounted cost of claims. This is important for the long term sustainability of the medical indemnity industry.

"This report is good news for doctors and good news for patients, both of whom rely on a safe and secure medical indemnity sector to support the delivery of high quality medical care," Ms Edmonds-Wilson said.

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Copies of the ISA report are available on the MIIAA website at: www.miaa.com.au