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BUREAU OF JUSTICE STATISTICS
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MAJORITY OF MEDICAL MALPRACTICE CLAIMS IN SEVEN STATES CLOSED WITHOUT COMPENSATION PAYMENTS

WASHINGTON – The majority of medical malpractice claims in a study of seven states were closed without any compensation paid to those claiming a medical injury, the Justice Department's Bureau of Justice Statistics (BJS) announced today.

BJS conducted a study of medical malpractice insurance claims that were closed from 2000 through 2004 in Florida, Illinois, Maine, Massachusetts, Missouri, Nevada and Texas. These states were identified as having comprehensive medical malpractice insurance claims databases, some of which extended back to the early 1990s. An examination of closed medical malpractice insurance claims allows for a broad overview of some of the key issues associated with medical malpractice.

About one-third of the medical malpractice insurance claims closed in Maine, Missouri and Nevada resulted in a payout. In Illinois about 12 percent of closed claims ended in a payout.

Few medical malpractice insurance claims produced payouts that exceeded \$1 million. Less than 10 percent of the claims in Florida, Maine, Missouri and Nevada had payouts of \$1 million or more. In Florida, Maine and Missouri, about two-thirds of the claims were closed with insurance payouts of less than \$250,000.

Among persons receiving compensation, insurance payouts were highest for claimants who suffered lifelong major or grave permanent injuries. In Florida and Missouri, claimants with these types of injuries received median payouts ranging from \$278,000 to \$350,000. Insurance payouts were lowest for claimants who suffered temporary or emotional injuries. In Florida and Missouri, claimants who suffered these types of injuries received median payouts ranging from \$5,000 to \$79,000.

Medical malpractice insurance payouts increased as the insurance claims advanced through the legal system. Payouts were typically lowest for claims closed prior to the filing of a lawsuit and highest for claims closed after trial. In Florida, Nevada and Texas, claims decided by trial resulted in median

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payouts that were at least two and a half times larger than claims that were settled. Claims closed after a trial also cost more for insurance firms to defend than claims settled at or prior to a trial. In Florida, Nevada and Texas, 95 percent or more of medical malpractice claims were settled prior to a trial decision before a jury or judge.

The median damages paid to medical malpractice claimants have increased since the early to late 1990s. In Missouri, for example, the median insurance payouts grew from \$33,000 in 1990 to \$150,000 in 2004. During the various time periods covered by these insurance claim databases, median payouts also increased by 57 percent in Massachusetts, 49 percent in Illinois, 36 percent in Florida, 26 percent in Nevada and 27 percent in Texas.

In general, claimants did not file medical malpractice claims with insurance companies immediately after an injury. In Florida, Missouri and Texas, medical malpractice claims were filed with insurance companies an average of about 15 to 18 months after injury. After the claim was received, it took an average of 26 to 29 additional months to close the claim in these states.

The report, *Medical Malpractice Insurance Claims in Seven States, 2000 – 2004* (NCJ-216339), was written by BJS statisticians Thomas H. Cohen and Kristen A. Hughes. Following publication it can be found at <http://www.ojp.usdoj.gov/bjs/abstract/mmicss04.htm>.

For additional information about the Bureau of Justice Statistics statistical reports programs, please visit the BJS Web site at <http://www.ojp.usdoj.gov/bjs>.

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