



Medical Liability Monitor's 2023 Annual Rate Survey Indicates a MPL Insurance Market Reaching Maturity

CHICAGO, ILLINOIS, UNITED STATES, October 9, 2023 /EINPresswire.com/ -- After years of questioning when the medical professional liability (MPL) insurance market would respond to a string of underwriting losses with hardening rate increases, the 2023 Medical Liability Monitor Annual Rate Survey asks whether the MPL market may have reached maturity — a market where supply meets the demand price, and the primary goal is to retain customers and defend market share, stable profits and excess working capital.

Despite 2022 marking the ninth consecutive year the MPL industry posted an underwriting loss, results from this year's Annual Rate Survey indicate that the rising rate trend that began in 2019 subsided slightly between 2022 and 2023. The average overall rate change for 2023 was approximately +1.6%, slightly more than half of the +3% reported in 2022. While 35% of the reported base-rates increased in 2023, this marked a subtle 2% decrease when compared to last year's Survey results. And significant shifts occurred within the ranges of those rate increases. Specifically, increases in the 10% to 24.9% range dropped from 10% of all rates in 2022 to 4% in 2023, while increases in the 0.1% to 9.9% range rose from 27% to 31%.

Upon investigating rate filings at various departments of insurance, Annual Rate Survey authors found many companies requested rate increases significantly lower than what was indicated necessary to balance premium intake with losses, underwriting expenses and underwriting profit. It seems companies are happy to take modest rate increases and enjoy reasonable profits over adequate rate pricing.

"If the key objectives for today's MPL companies are to retain customers while making stable profits, then most have met these goals and the dampened pricing levels we see in 2023 should be expected to continue," said Bill Burns, Annual Rate Survey editor and Medical Professional Liability Association vice president of research and analytics. "However, there always exists the possibility that external forces could act upon the industry that necessitate restorative behaviors that include raising rates. Until such a time, it is unlikely we will see a significant jump in pricing that — based on information submitted in rate filings — appear necessary."

In addition to its catalog of mature, base-rate premiums from every MPL insurer of significance — listed by state and county — this year's Annual Rate Survey gives insights into:

- The average overall percentage of premium rate changes for the MPL insurance industry to

see how your rates compare.

- Average rate change by specialty — internal medicine, general surgery and OB/Gyn.
- Why MPL insurers will have to rely on improvements in accident-year loss ratios to generate improvement in their combined ratio.
- Pricing trends by geographic region with specifics about the rate movement in your area.
- What the MPL industry's performance in key financial metrics, such as combined ratio, return on equity, loss reserve margins, policyholder surplus and investment income, says about the market's overall health and direction.
- Why 2022 and 2023 rate increases are comparable to those at the end of the last hard market in 2006.
- How other segments of the MPL market (hospitals, other/ancillary professionals, other facilities and nursing homes) are faring under current market conditions.
- How reinsurers view the MPL market.
- ...and much more!

To order your copy of the Medical Liability Monitor Annual Rate Survey, please visit <https://medicalliabilitymonitor.com/subscribe-now/> or call 312-944-7900.

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