

Global Medical Malpractice Insurance: A Worldwide Review

Report prospectus

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Prospectus contents

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What is the research?

Global Medical Malpractice Insurance: A Worldwide Review is a report about the market for and distribution of policies covering medical liability as it exists in 20 countries: Australia; Austria; Belgium; Brazil; Canada; France; Germany; India; Ireland; Italy; Japan; Mexico; the Netherlands; Poland; South Africa; Spain; Sweden; Switzerland; the UK; and the US.

For 2011, 2015 and with a forecast for 2019, the study breaks down the market for medical malpractice insurance not only by country but also, on a standardised basis between the medicine and dentistry category, on one hand, and the category of healthcare-related services, on the other.

In particular, the report quantifies the number, growth in number and segmentation of insurable enterprises and individuals in each country from 2011 to 2015 plus the value, growth and segmentation of the market for medical malpractice insurance over the same time frame and with a forecast to 2019.

The study also identifies affinity schemes for medical malpractice insurance set up between professional associations with a nationwide remit and brokers or underwriters of this type of cover (based on a survey of 943 such associations) and discusses other key issues related to the market such as claims experience.

What is the rationale?

A number of factors combine to form a firm rationale for a report and associated PartnerBASE™ dataset about medical malpractice insurance at a worldwide level. Above all, this is the only focused research publication on the subject in spite of the fact that the market for this type of insurance is estimated by Finaccord to have been worth almost USD 18 billion globally in 2015 and as much as USD 16.4 billion across the 20 countries in scope for the study. In fact, it is a market about which published data is often thin even within specific countries.

Moreover, it is a complex sector given that it is effectively composed of a series of sub-markets for policies acquired by different types of professional enterprises and individuals with a potential exposure to medical liability. In addition to regular doctors, dentists and hospitals these can also include midwives, nurses, specialised medical professionals (e.g. gynaecologists, physiotherapists) and vets, plus hospices and private clinics. Alternative medical practitioners (e.g. acupuncturists, homeopaths) are also in scope.

Finally, the value of the accompanying PartnerBASE™ dataset derives from the apparent importance of affinity schemes, especially those set up in conjunction with professional associations, in the distribution of medical malpractice insurance. Indeed, in certain cases, holding the medical liability insurance organised by a particular professional body is a pre-requisite to becoming a member of that body or of being able to practise that particular profession, or both.

What methodology has been used?

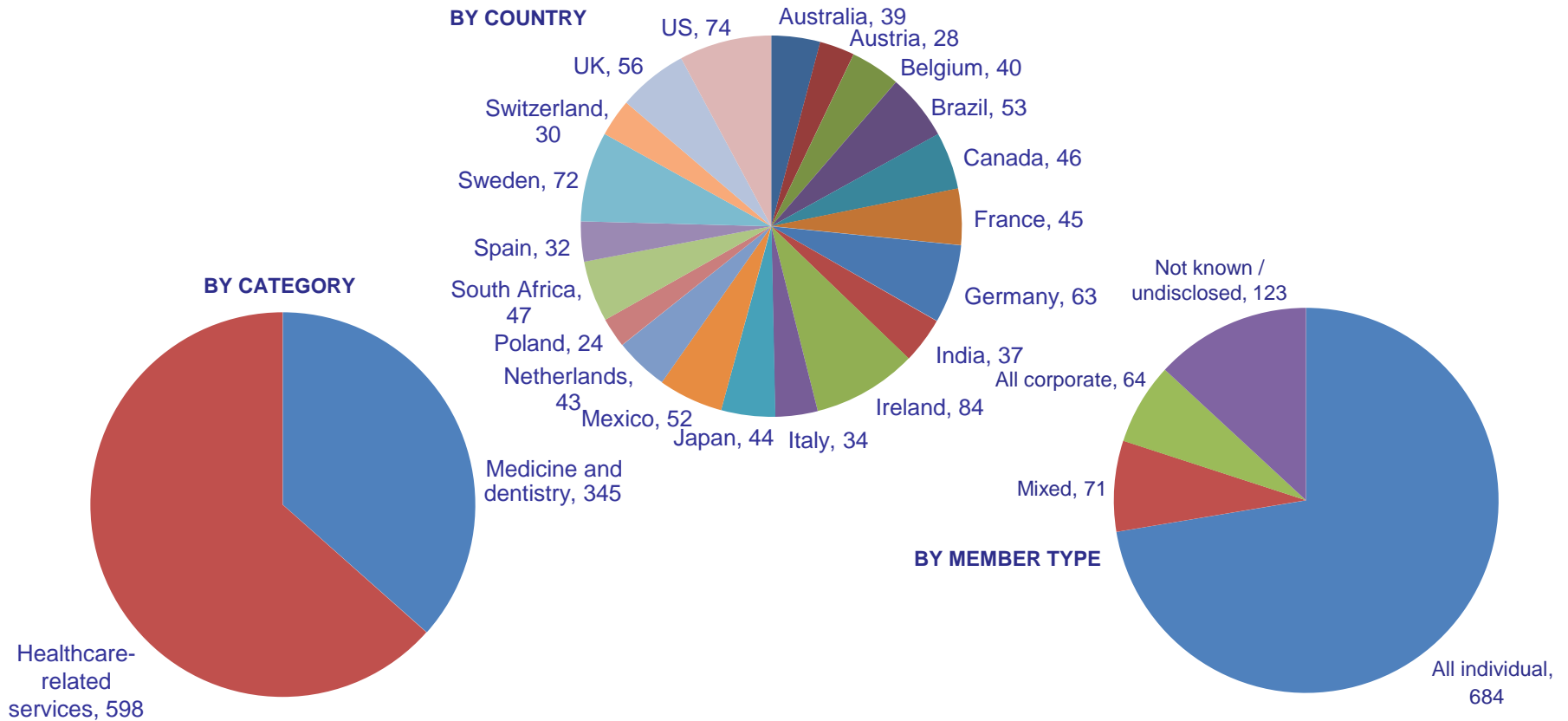
The research for this report was carried out during a six-month period spanning November 2015 to May 2016 and was composed of surveys of both brokers and professional associations plus detailed market data modelling.

In total, Finaccord contacted 943 professional associations for this research, broken down by country and category as shown in the pie charts overleaf. The objectives of this survey were to gather data about the number and type of members belonging to the association and the total number of individuals and / or enterprises eligible for membership, as well as to identify any affinity schemes established by them for medical malpractice insurance.

The market data for this publication has been built up by means of a data model that takes into account the following data points for 2011, 2015 and 2019 for each country and category: the total number of insurable enterprises and individuals, and their distribution by size; an estimated take-up rate for medical malpractice insurance across these customers; and an estimated average premium payable per policy for medical malpractice insurance among insured customers.

Both of the latter data points were determined in part by any reliable published data about the market that already existed in the public domain and in part by interviews with leading providers of medical malpractice insurance that Finaccord carried out as part of its research.

How do professional associations surveyed break down?



What is the report structure?

Executive Summary: provides a concise evaluation of the report's principal findings.

Introduction: discusses rationale, research methodology, sample breakdown and definitions.

Global Overview: an overview for all 20 countries of the metrics contained in each country chapter (see below) plus classification of markets for medical malpractice insurance in each country according to whether risks are dealt with only by specialist underwriters, only by generalist underwriters or by both types.

Specific country chapters (20): for each of the 20 countries covered, analysis is provided for the number, growth in number and segmentation of insurable customers from 2011 to 2015, the approximate size and segmentation of the value of the market for medical malpractice insurance in 2011 and 2015, and affinity schemes for medical malpractice insurance set up between professional associations and brokers or underwriters.

These chapters also identify leading underwriters of medical malpractice insurance, including specialist underwriters (e.g. AMMA in Belgium, Avant in Australia, CMPA in Canada, Coverys in the US, Doctors Company in the US, the MDU in the UK, MLMIC in the US, the MPS in multiple countries, Sham in France), and conclude with forecasts for the likely size, growth in size and segmentation of the market for medical malpractice insurance from 2015 to 2019.

What are the key features of the research?

Key features of this report include:

- quantification of the market size for medical malpractice insurance across 20 major countries worldwide which collectively account for around 91.5% of the global market: how much is each market worth, and where is the fastest growth occurring?
- segmentation of these markets by category: what is the magnitude of the opportunity in the category of healthcare-related services as opposed to that of medicine and dentistry?
- identification of leading underwriters of medical malpractice insurance in each country: to what extent are medical liability risks dealt with by specialist rather than generalist underwriters?
- availability of an accompanying PartnerBASE™ dataset that fully logs over 450 affinity schemes identified by Finaccord across 943 professional associations with medical professionals and / or enterprises as members;
- forecasts for the market for medical malpractice insurance segmented both by country and by category: how is this sector likely to have evolved by 2019 given rising claims costs which have caused a significant rise in premiums in recent years?

How can the research be used?

You may be able to use this report plus the accompanying PartnerBASE™ dataset and market data file in one or more of the following ways:

- to compare the size, segmentation growth rates and future prospects of medical malpractice insurance markets across 20 major countries worldwide;
- to evaluate the potential for your organisation to target medical liability insurance propositions at specific types of medical professional in each country;
- to understand more about the competitive environment for broking and underwriting by both country and category of medical professional;
- to gain access to a single comprehensive source of information providing broker and / or underwriter details for over 450 affinity schemes set up by professional associations for this form of insurance;
- to appreciate which countries offer the best long-term potential, which are already saturated with competitors, and what product or distribution innovations are occurring.

How can the PartnerBASE™ be used?

Select country

Identify insurance
brokers

Association name	Country	Category	MEDICAL MALPRACTICE INSURANCE			
			Offered?	Operating model	Broker(s)	Underwriter(s)
American Surgical Association	US	Medicine and dentistry	No			
American Veterinary Medical Association	US	Healthcare-related services	Yes	External underwriter via external broker	HUB International	Zurich
Applied Behaviour Analysis International	Ireland	Healthcare-related services	Yes	External broker	OBF Insurance	
Arbeitgeber- und Berufsverband Privater Pflege	Germany	Healthcare-related services	Yes	External broker	Funk Gruppe	
Arte Terapia Associati	Italy	Healthcare-related services	Yes	Multiple external underwriters	undisclosed	ACE European Group, RSA
Artsen Jeugdgezondheidszorg Nederland	Netherlands	Healthcare-related services	No			

Look up specific
associations

Filter by professional
category

Choose
operating model

Identify insurance
underwriters

Source: Finaccord PartnerBASE

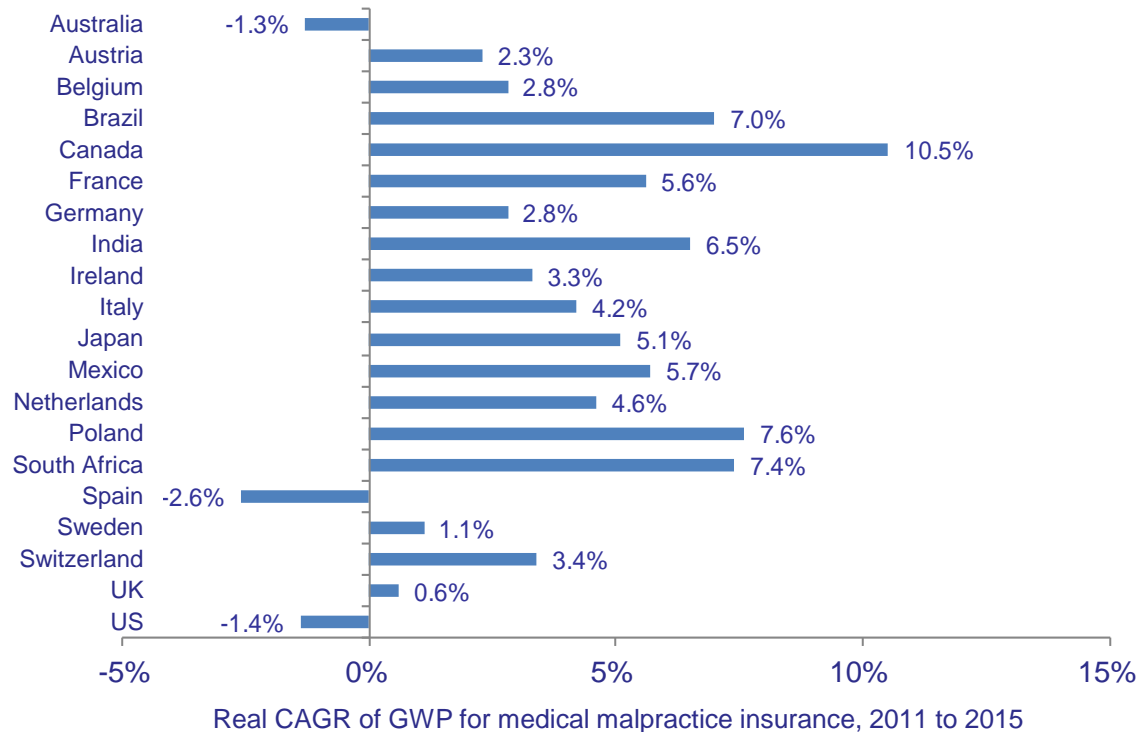
Note - The PartnerBASE also includes data for the number of members of each professional association, the percentage of those members that are individual members (as opposed to corporate members) and the category subset of those members (e.g. physiotherapists within 'healthcare-related services', surgeons within 'medicine and dentistry').

Who can use the research?

1. *Insurers*: this report provides a unique analysis of a market worth USD 16.4 billion across 20 countries and offers valuable insights into its dynamics and competitive structure for both actual and aspiring underwriters of medical malpractice insurance;
2. *Brokers*: over 70% of the affinity programs established with professional associations involve a broker and numerous different brokers are active in the market for these schemes: your organisation can understand more about the competitive environment in this arena by subscribing to this research;
3. *Management consultancies*: are you helping an insurance broker or underwriter with its future plans for medical malpractice insurance in any or all of these 20 countries? Save time researching the subject yourselves by accessing this publication.

What are some of the key findings?

1. Driven in many cases by escalating claims costs, premiums for medical malpractice insurance have risen rapidly in most countries



Source: Finaccord Global Medical Malpractice Insurance Model

What are some of the key findings?

2. Specialist underwriters of medical liability insurance are most influential in Australia, Canada, France, Ireland, South Africa, the UK and the US

Australia	3	Japan	0
Austria	0	Mexico	0
Belgium	2	Netherlands	2
Brazil	1	Poland	0
Canada	3	South Africa	3
France	3	Spain	2
Germany	1	Sweden	0
India	0	Switzerland	0
Ireland	3	UK	3
Italy	0	US	3

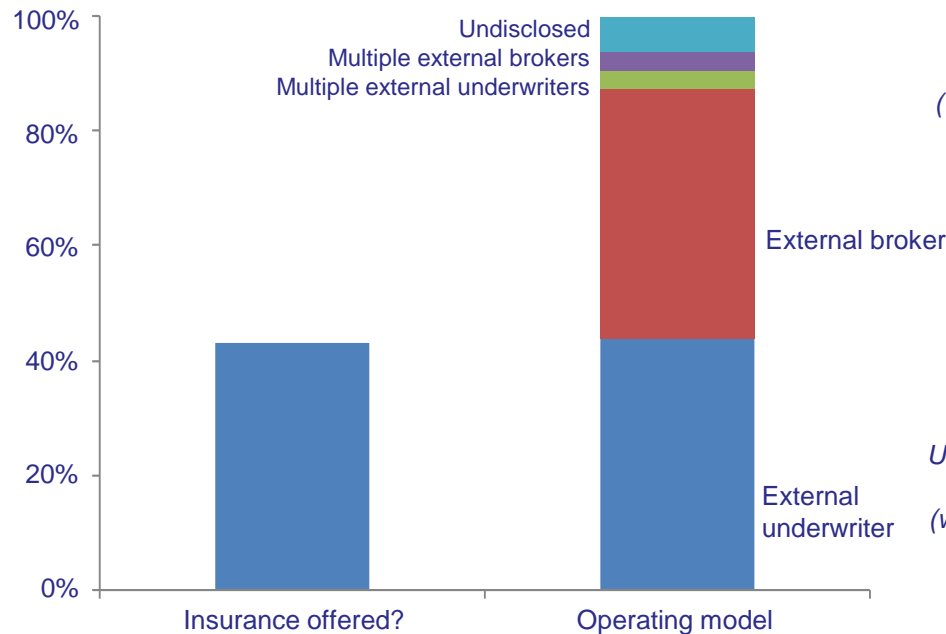
Note: the shading indicates the relative importance of specialist medical malpractice underwriters, ranging from all white, where no specialists were identified, to three quarters shaded, where specialists were the dominant form of competitor though some non-specialists were also active

Source: Finaccord analysis

What are some of the key findings? (cont.)

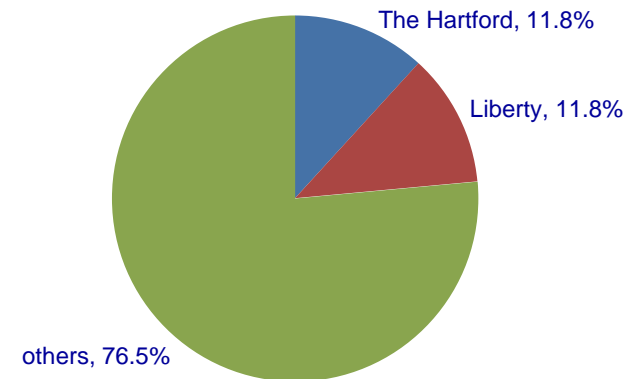
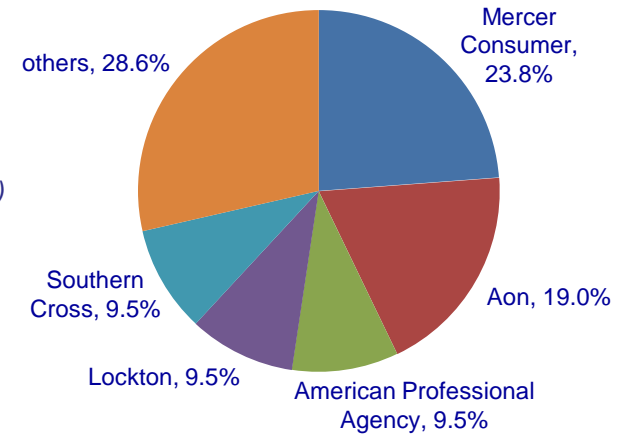
3. In the US, Mercer Consumer and Aon run the most nationwide affinity schemes for medical malpractice cover among brokers with underwriting responsibility spread across multiple carriers

Provision rate and operating models



Broker share of partnerships (where disclosed)

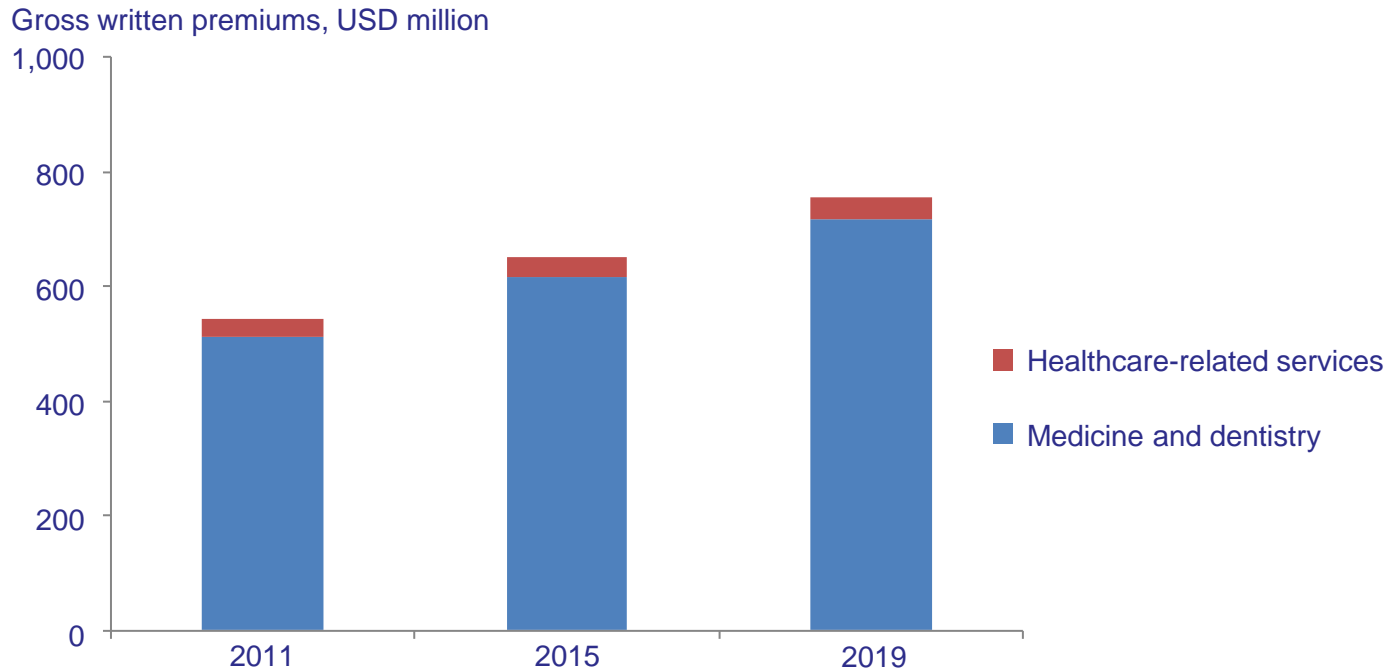
Underwriter share of partnerships (where disclosed)



Source: Finaccord PartnerBASE™ for Global Medical Malpractice Insurance

What are some of the key findings? (cont.)

4. The Italian market for medical malpractice insurance has been growing quickly in recent years and is forecast to be worth around USD 838 million by 2019



Source: Finaccord Global Medical Malpractice Insurance Model

What are some of the key findings? (cont.)

5. Key findings from the executive summary include:

- the approximate value of the market for medical malpractice insurance across the 20 countries investigated was USD 16.4 billion in terms of gross written premiums in 2015, thereby accounting for around 91.5% of the worldwide market estimated at USD 17.9 billion;
- looking ahead, Finaccord forecasts that premiums for medical malpractice insurance will rise across the 20 countries to around USD 17.4 billion in 2019, equivalent to a compound annual growth rate of 1.4% in nominal terms but to a compound annual decline of 0.1% in real terms;
- in real terms, it predicts that this growth will be most rapid in Poland (7.9%), Canada (6.0%) and India (5.1%) but that the market value will contract in Australia, Brazil and the US;
- in addition to a rise in the underlying number of insurable enterprises and individuals eligible for medical malpractice insurance, the main driver of this growth is the increasing cost and frequency of claims in certain countries (e.g. in Canada, where the premiums of CMPA and HIROC have advanced rapidly in recent years).

What is the cost and format?

Global Medical Malpractice Insurance: A Worldwide Review is available as a standard PDF document and the PartnerBASE™ dataset and market data file that accompany it at no further charge are in *Excel* format. Prices for this study plus others published by Finaccord about the wider subject of professional indemnity insurance are as follows:

Global Medical Malpractice Insurance: A Worldwide Review	USD 4,195
Professional Indemnity Insurance for Architects and Engineers: A Worldwide Review	USD 4,195
Professional Indemnity Insurance in Europe	USD 6,995
Professional Indemnity Insurance in Australia	USD 1,395
Professional Indemnity Insurance in Canada	USD 1,395
Professional Indemnity Insurance in France	USD 1,395
Professional Indemnity Insurance in Germany	USD 1,395
Professional Indemnity Insurance in Italy	USD 1,395
Professional Indemnity Insurance in Spain	USD 1,395
Professional Indemnity Insurance in the UK	USD 1,395
Professional Indemnity Insurance in the USA	USD 1,395

** For Singapore-based clients, GST at the prevailing rate will be added to the basic price.*

Costs quoted are for a single site user licence only.

For a corporate user licence, please see the final slide for further details.

Invoices can be paid in EUR or GBP, at the prevailing exchange rate, if preferred.

Country-specific reports are also available for Austria, Belgium, Brazil, India, Ireland, Mexico, the Netherlands, Poland, South Africa, Sweden and Switzerland

How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord website, create your account (if you do not have one already) and place your order online. Products paid for online by card will be delivered immediately by e-mail but please allow up to one working day for delivery by e-mail if you choose to pay on receipt of invoice.

With regards to the **corporate user licence**, you will be asked to choose one of the following options:

1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to ten countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

Alternatively, you can place an order by sending your request to order@finaccord.com, clearly stating the product(s) required, associated price(s) and billing details for eventual invoice or card payment receipt.