



AMERICAN ACADEMY of ACTUARIES

News Release

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Actuaries Issue Warning About Flawed Report on Medical Malpractice Insurance

The Report *Falling Claims and Rising Premiums in the Medical Malpractice Insurance Industry* cited as “incomplete, actuarially unsound, and misleading”

(October 26, 2005 – Washington, D.C.) The Medical Malpractice subcommittee of the American Academy of Actuaries issued a strongly worded statement today about a July 2005 report that was commissioned by the Center for Justice and Democracy and written by Jay Angoff, an attorney from Jefferson City, Mo. The report, *Falling Claims and Rising Premiums in the Medical Malpractice Insurance Industry*, was characterized as “incomplete, actuarially unsound, and misleading.”

The statement noted that, “Historically, the subcommittee has not commented on individual medical liability studies.” However the Angoff report, “is an exception because of the public attention it has received, the apparent credibility ascribed to its conclusions and, in our view, the poor quality of the analysis.” The statement adds that the subcommittee “believes comments warning readers and potential users of this report are necessary.” The subcommittee suggests that, “Before relying on the above report, we recommend that all interested parties seek advice from a qualified actuary. For state legislators and attorneys general, we recommend contacting the qualified actuaries in their state insurance departments.”

The actuaries on the subcommittee cite numerous reasons why the report’s analysis and conclusions should be questioned, noting that the “report uses improper data comparisons, incomplete information and appears to misuse certain insurance industry benchmarks.”

A copy of the statement can be found on the Academy Web site at www.actuary.org. To interview a member of the Medical Malpractice subcommittee about the statement, contact Chris Robichaux at 202-785-7870, or at robichaux@actuary.org

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The American Academy of Actuaries is a non-profit, professional membership organization representing actuaries in all areas of practice in the U.S. The Academy’s mission is to assist in the formulation of public policy by providing independent and objective information analysis and education, and to help support the establishment, maintenance and enforcement of high standards of actuarial qualification, practice, and conduct. Founded in 1965, the Academy has 15,000 members and is headquartered in Washington, D.C.