



OKLAHOMA INSURANCE DEPARTMENT
STATE OF OKLAHOMA

Amended BULLETIN NO. PC 2007-02

**TO: ALL PROPERTY & CASUALTY INSURERS LICENSED IN THE STATE OF OKLAHOMA
ALL RATING AND ADVISORY ORGANIZATIONS
ALL JOINT UNDERWRITING ASSOCIATIONS
Attention: State Filing Division**

FROM: The Oklahoma Insurance Department

RE: DESIGNATION OF STATISTICAL AGENT FOR MEDICAL MALPRACTICE INSURANCE

DATE: September 26, 2007

In 2006, Oklahoma adopted Title 36 O.S. § 1140—1148, which deals with the licensing of advisory organizations, as well as their permitted activities and prohibited conduct. Section 1145 authorizes the Commissioner to promulgate rules and statistical plans adapted to each of the rating systems on file in order to allow the Commissioner to determine whether those rating systems comply with the standards set forth in the act. That effort will require the collection of data from insurers and advisory organizations. In order to assist in this determination, pursuant to § 1145(A).4 and OAC 365:15-7-16, the Commissioner designates ISO Data, Inc. (ISO) as the statistical agent for medical malpractice insurance. Medical malpractice insurance is a form of malpractice insurance, as defined in 36 O.S. § 707(9), issued to medical professionals. Malpractice insurance issued to entities licensed pursuant to 63 O.S. § 1-1903 is also included. As a guideline, any policy whose premium is reported on line 11 of the Statutory Page 14 (Medical Malpractice) should be included in the report.

ISO will assist the Commissioner in gathering and making compilations of experience data. Effective 1/1/2008, all companies that write \$100,000 or more in calendar year 2008 and afterward are required to report in sufficient detail so as to be included by ISO in its loss cost filings. Upon written request to Greg Lawson, Mathematician, Oklahoma Insurance Department, companies that write less than \$100,000 may request to delay the start of reporting until policies effective 1/1/2009.

ISO has two statistical plans for medical malpractice, both of which capture sufficient detail for use in calculating loss costs. Insurer eligibility for the two plans is determined by premium volume.

Since ISO collects data on a quarterly basis, all insurers subject to reporting should already be set up with ISO. The first report from the insurers to ISO is the first quarter 2008 premiums and paid & outstanding losses which are due to be reported by 5/15/2008. Any company that is not set up to report to ISO should contact ISO immediately.

All existing "Company Program Exceptions" (formerly called "nonbureau" statistical reporting designations) for medical malpractice are hereby revoked. Insurers may work with ISO to prepare an analysis for consideration by the Department of any necessary grants of new "Company Program Exceptions". ISO has been instructed to make coding exemption recommendations to the Department conservatively, i.e., in favor of getting all possible useful information into the filed loss costs.

Note that while all claims (including closed claims) will be reported under the ISO statistical plan, this appointment will not affect the reporting of Medical Malpractice Closed Claims under OID Bulletin No. PC 2007-01. The closed claims information will continue to be collected by the Oklahoma Insurance Department.

Subject to rules promulgated by the Commissioner, compilations of the data will be made available to insurers and advisory organizations.

Questions regarding this bulletin should be directed to Greg Lawson at greglawson@insurance.state.ok.us or Kathie Stepp at kathiestepp@insurance.state.ok.us of the Property and Casualty Division or Susan Dobbins at susandobbins@insurance.state.ok.us or Sandra LeVenue at sandralevenue@insurance.state.ok.us of the Legal Division of the Oklahoma Insurance Department.

Questions of ISO should be directed to either Tara McGuinness (201-469-2244) or Mike Rose (201-469-2245) in ISO's Data Collection and Quality Assurance Division.

The Oklahoma Insurance Department encourages readers of this bulletin to periodically check the Department's web site <http://www.oid.state.ok.us/index.asp> for news and updates to Bulletins and other relevant material.