

Aon Releases the 2010 Hospital Professional Liability and Physician Liability Benchmark Analysis

Professional Liability Costs for Hospitals and Physicians Continue to Rise, Outpacing Inflation
Interactive Calculator Gives You the Opportunity to Benchmark Your Facility's Loss Cost

Hospitals and physicians should prepare for increasing liability costs, according to the 2010 Hospital Professional Liability and Physician Liability Benchmark Analysis created by Aon Risk Solutions, the global risk management business of Aon Corporation (NYSE: AON), in conjunction with the American Society for Healthcare Risk Management.

In its 11th year, the study confirms an emerging change in the liability environment: The frequency of claims against hospitals has entered a growth phase. Combined with continued claim severity growth, this uptick is expected to drive liability costs up at a rate higher than general inflation. U.S.-based hospitals are expected to face more than 44,000 claims arising from incidents occurring in 2009, according to the report, with anticipated costs exceeding \$8.6 billion. Two key hospital risk areas, the obstetrics unit and the emergency department, contribute more than \$1.4 billion and \$1 billion respectively to overall cost.

Loss rates, which measure the total cost of medical malpractice claims per hospital bed, are expected to grow 5 percent annually. In 2011, hospitals are expected to experience a rate of \$3,280, reflecting a \$150 increase from 2010's expected rate of \$3,130 and \$300 rise from 2009's rate of \$2,980.

The Hospital Professional Liability and Physician Liability Benchmark Analysis has examined trends in frequency, severity and overall loss rates related to hospital and physician professional liability for the past 11 years. The analysis includes 119 hospital systems and more than 1,800 facilities representing 23 percent of the total U.S. hospital industry segment.

Purchase a copy of the 2010 Hospital Professional Liability and Physician Liability Benchmark Analysis

To order your copy of the 2010 Hospital Professional Liability and Physician Liability Benchmark Analysis, please visit www.ashrm.org/store.

Calculate Your Facility's Loss Rate

Risk managers and healthcare professionals interested in calculating their facility's loss cost may access the Hospital Professional Liability Benchmark Calculator. The online rater calculates 2011 prospective loss costs based on exposures inputted into the calculator. Simply enter your information in the fields at right to access. <http://insight.aon.com/?elqPURLPage=5682>