

# Types of medical liability insurers operating in Texas

	Licensed Insurers	Legislatively Authorized Insurers	Surplus Lines Insurers	Risk Purchasing Groups	Risk Retention Groups
2001 market share	31.2%	35.5%	3.6%	26.8%	2.9%
Insurers	The Medical Protective Co., The Doctors' Co., American Physicians Ins. Exchange (APIE), Everest Indemnity, Everest National Ins. Co., Banclnsure Inc.*	Joint Underwriting Association (JUA) and Texas Medical Liability Trust (TMLT)	Includes Admirallns. Co., General Star Indemnity Co., Lexington Ins. Co., Professional Underwriters Liability Ins. Co., Red Mountain Casualty Ins. Co.	Includes APIE, Medical Assurance Co.	Includes Applied Medico-Legal Solutions, RRG, Inc; Physician SpecialtyLtd., Risk Retention Group; Health Network Providers Mutual Ins. Co., RRG
License or registration requirements	Licensed in Texas	None	Licensed in their home state or home nation to sell insurance similar to that offered in Texas, \$15 million in capital.	Registered with the State of Texas	Registered with the State of Texas and licensed in home state, Bermuda, or the Caymans
TDI audits finances?	Yes	JUA:yes TMLT:Submits audit to TDI	No	No	No
Policy cancellation	Permitted within the first 90 days of policy	No requirement	Insurer may cancel in some cases. Insurer retains significant portion of premium if you cancel.	No requirement	No requirement
Notice of nonrenewal or premium increase	Minimum 90 days notice, in writing	No requirement	No requirement	No requirement	No requirement
Premium surcharge	None unless a claim has been paid	No requirement	No requirement	No requirement	N/A
TDI regulates contract terms and forms?	Yes	JUA: Yes TMLT:Filed with TDI for information purposes only	No	No, but licensed insurer writing policy for a group must meet state-required policy provisions.	No
Texas Property and Casualty Insurance Guaranty Association coverage if insurer goes insolvent?	Coverage of up to \$300,000 per incident	No	No	Yes, if insurance bought from company with capital and surplus of \$25 million or more. No, if insurance purchased from surplus lines insurer.	No
Guaranty contribution	Yes	Solvency assessment	No	Possibly	No

TDI = Texas Department of Insurance

\*Banclnsure Inc. will begin withdrawing from the Texas market in May 2004. It will not be able to reenter the Texas market without TDI approval until 2009.