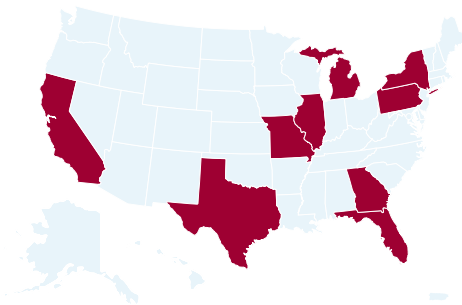




The Florida Healthcare Liability Story

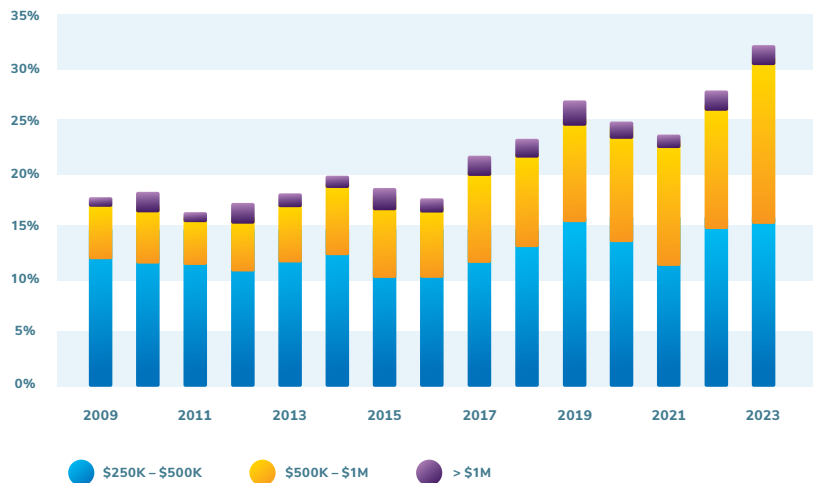
Over the past 30 years, Florida has been one of the most difficult and volatile HCL venues in the country. Although the 2003 tort reform ushered in a more favorable decade, Florida's claims trends have deteriorated in recent years. A combination of increasing jury verdicts, a rise in the number of claims, instability in legislative and judicial decision, and a significant increase in average claims payments have all contributed to this shift.



**FLORIDA IS ONE OF NINE STATES
WITH THE HIGHEST NUMBER OF LARGE
VERDICTS NATIONALLY (2016-2024)**

> 10 >\$10M VERDICTS

FLORIDA CLAIMS PAYMENTS OVER \$250K, 2009-2023



SOURCE - Source: National Practitioner Data Bank Public Use Data File, December, 2023, Physicians & Surgeons Only. Does not include Patient Compensation Fund Payments

FLORIDA HCL COMBINED RATIO

DATE RANGE	COMBINED RATIO
2011-2013	< 95%
2014-2016	95% - 109%
2017-2019	110%+
2020-2022	95% - 109%
2023	95% - 109%

SOURCE - S&P Global Market Intelligence. State Industry HCL combined ratio based on state incurred losses and defense costs, expenses, and policyholder dividends.

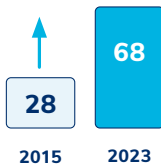
Nationally, Healthcare Liability Insurers and their Customers are facing serious challenges

These challenges are impacting insurer profitability as well as customer premiums and coverage terms.

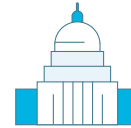


Social Inflation

Social inflation is fueling nuclear verdicts and outsized settlements while economic inflation is escalating medical expenses and defense costs.



- **\$10M+ verdicts** more than doubled from 2015 to 2023
- Those **average awards** grew from \$23M to \$40M



Eroding Legal Environment

Legislative and judicial actions are **weakening tort reforms** and creating more **plaintiff-friendly laws** in many states.

- Increased **non-economic damage caps**
- Expanded **wrongful death** actions
- Loosened **“venue-shopping”** rules
- Increased exposure due to **joint & several liability**
- Higher **pre-judgment interest** rates



Unpredictable Courtrooms

Shifting **jury demographics and attitudes** are amplifying the complexity of defending healthcare providers and taking cases to trial.

- **Desensitization** to monetary values
- **Distrust** of institutions, experts & science
- **Receptivity to plaintiff attorney tactics** like reptile theory & anchoring



Healthcare Delivery Shifts

Healthcare systems and providers are **stressed** and operating in unstable competitive, economic, and political landscapes.

- Unrelenting **financial pressure**
- **Staffing** shortages, turnover & burnout
- **Scope of practice** changes
- **Alternative sites-of-care**
- Emergence of **new technologies**



There has never been a more critical time for Florida healthcare providers to ensure they are protected by the industry's strongest and most stable carrier.

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