



The Tides of Litigation

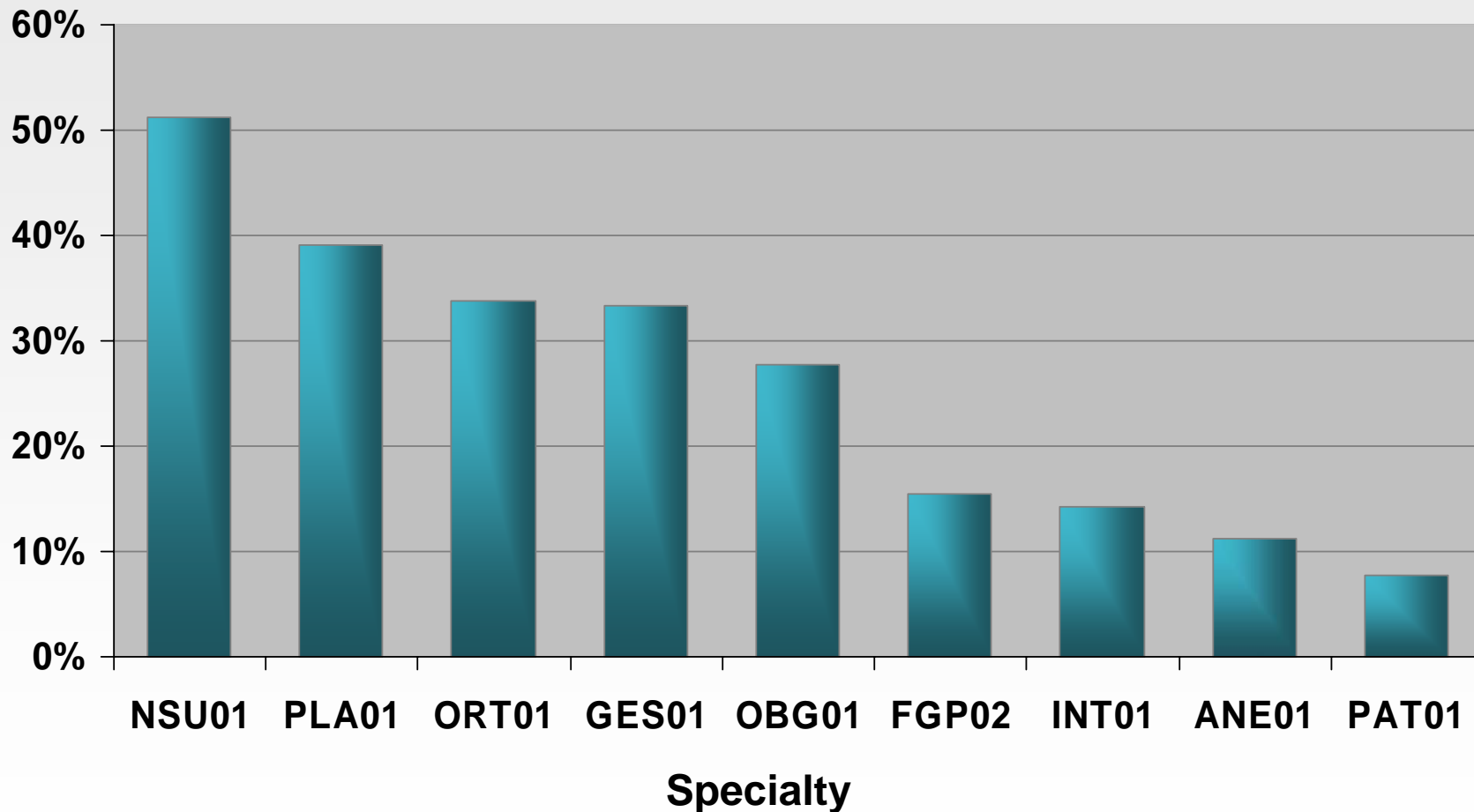
Richard E. Anderson, M.D.
Chairman and Chief Executive Officer
October 5, 2006

- Severity
- Frequency

Frequency by Specialty 1995-2003



Frequency

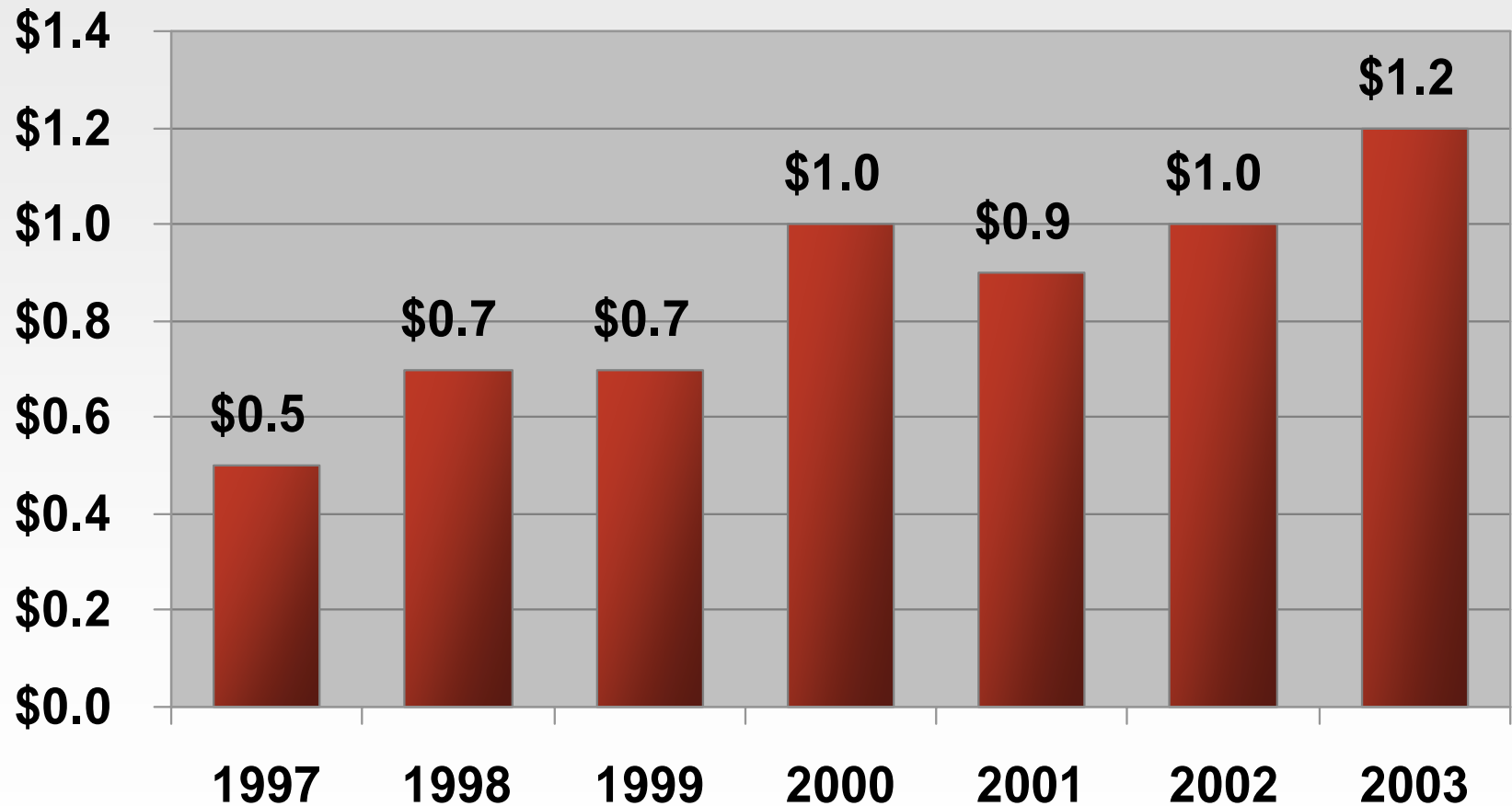


Medical Malpractice Award Trends 1997-2003



Millions

Award Medians



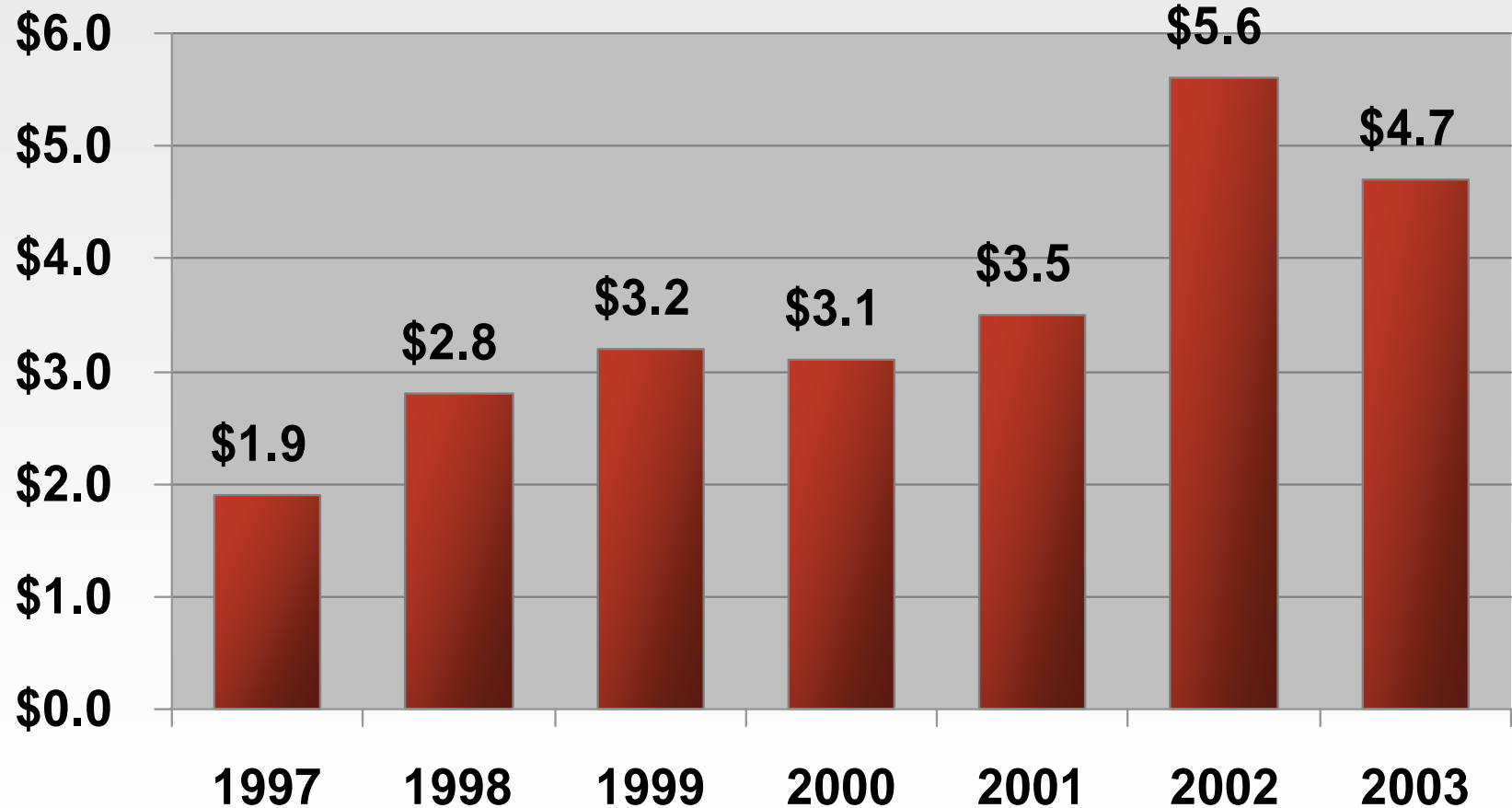
Source: Medical Liability Monitor

Medical Malpractice Award Trends 1997-2003



Millions

Award Means

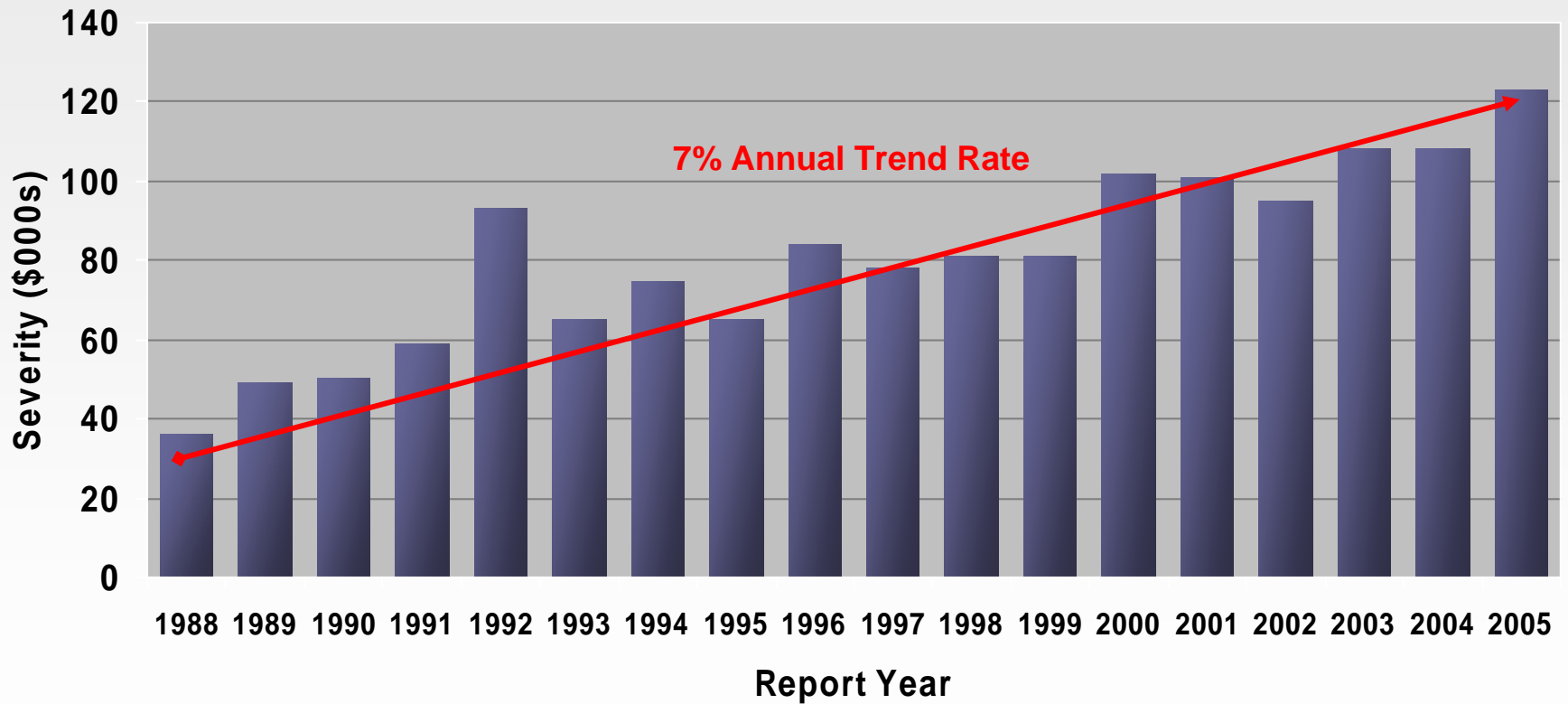


Source: Medical Liability Monitor

Severity Trend 1988-2005



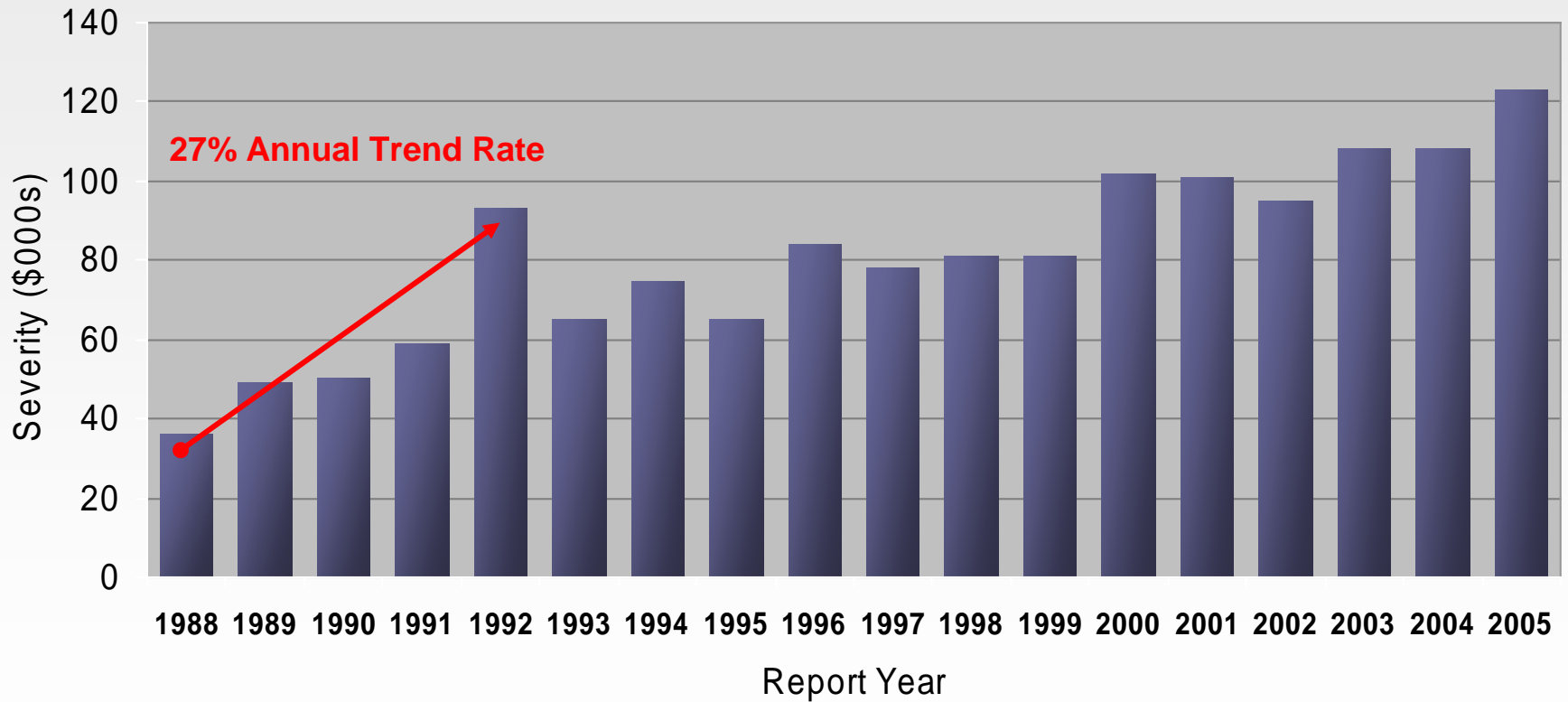
TDC PHYSICIAN SEVERITY (Gross of Deductibles)
NON-CALIFORNIA



Severity Trend 1988-1992



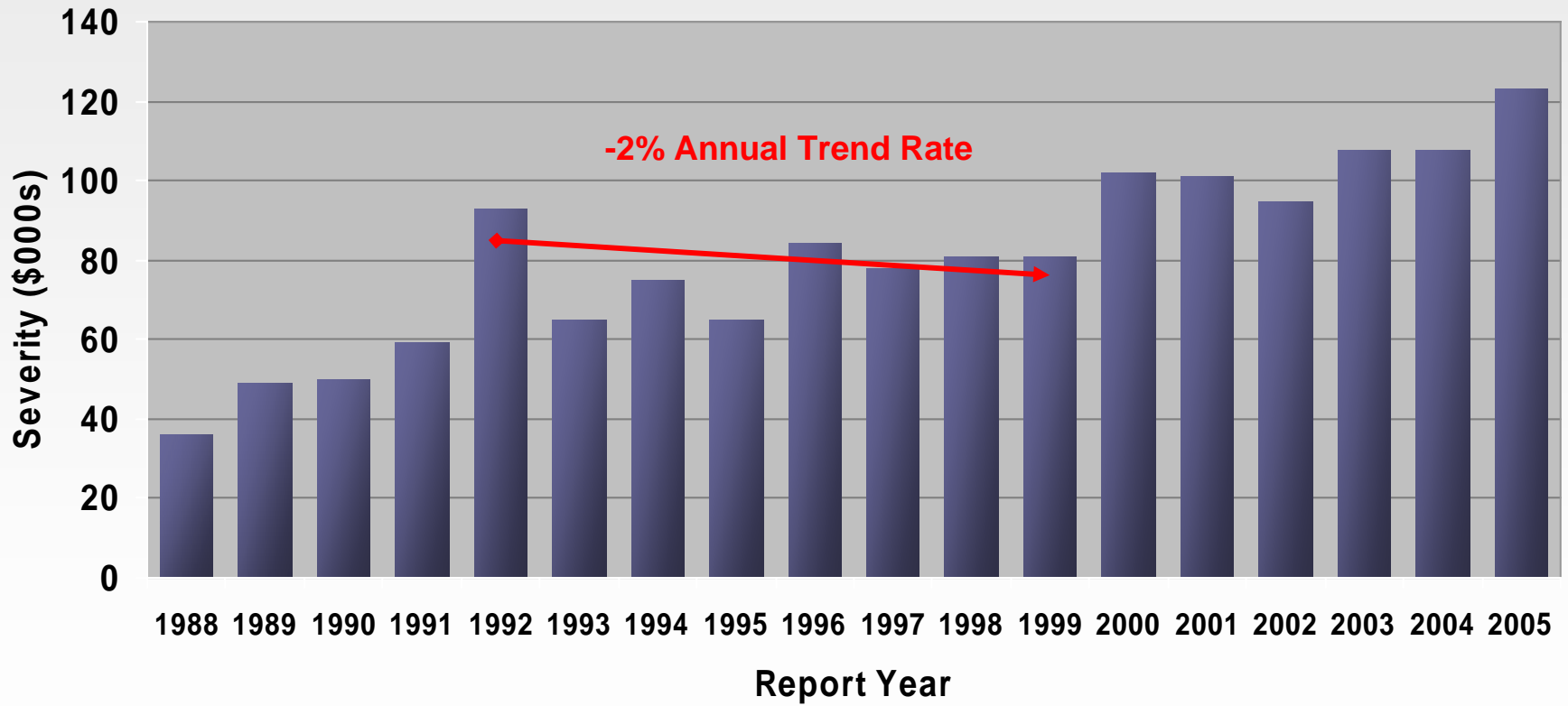
TDC PHYSICIAN SEVERITY (Gross of Deductibles)
NON-CALIFORNIA



Severity Trend 1992-1999



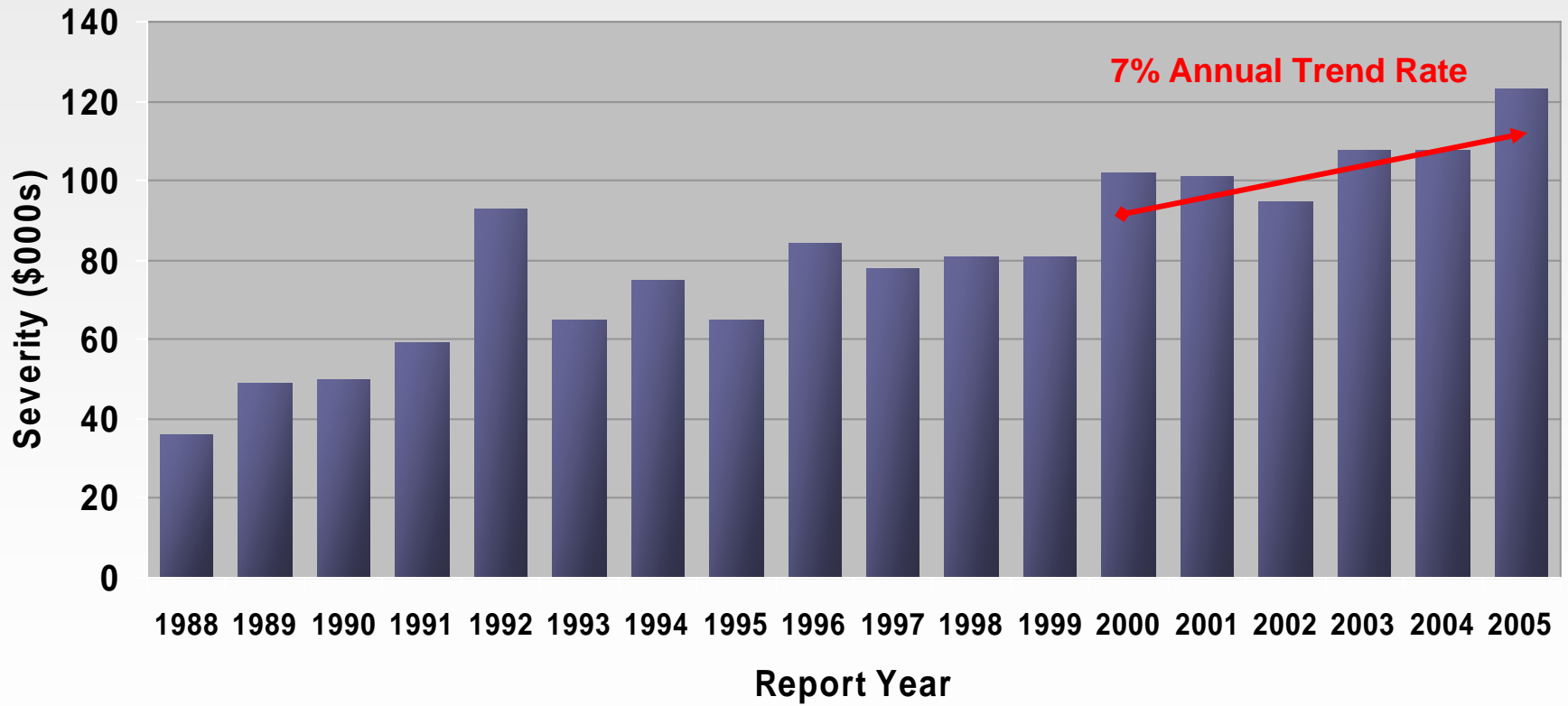
TDC PHYSICIAN SEVERITY (Gross of Deductibles)
NON-CALIFORNIA



Severity Trend 1999-2005



TDC PHYSICIAN SEVERITY (Gross of Deductibles)
NON-CALIFORNIA

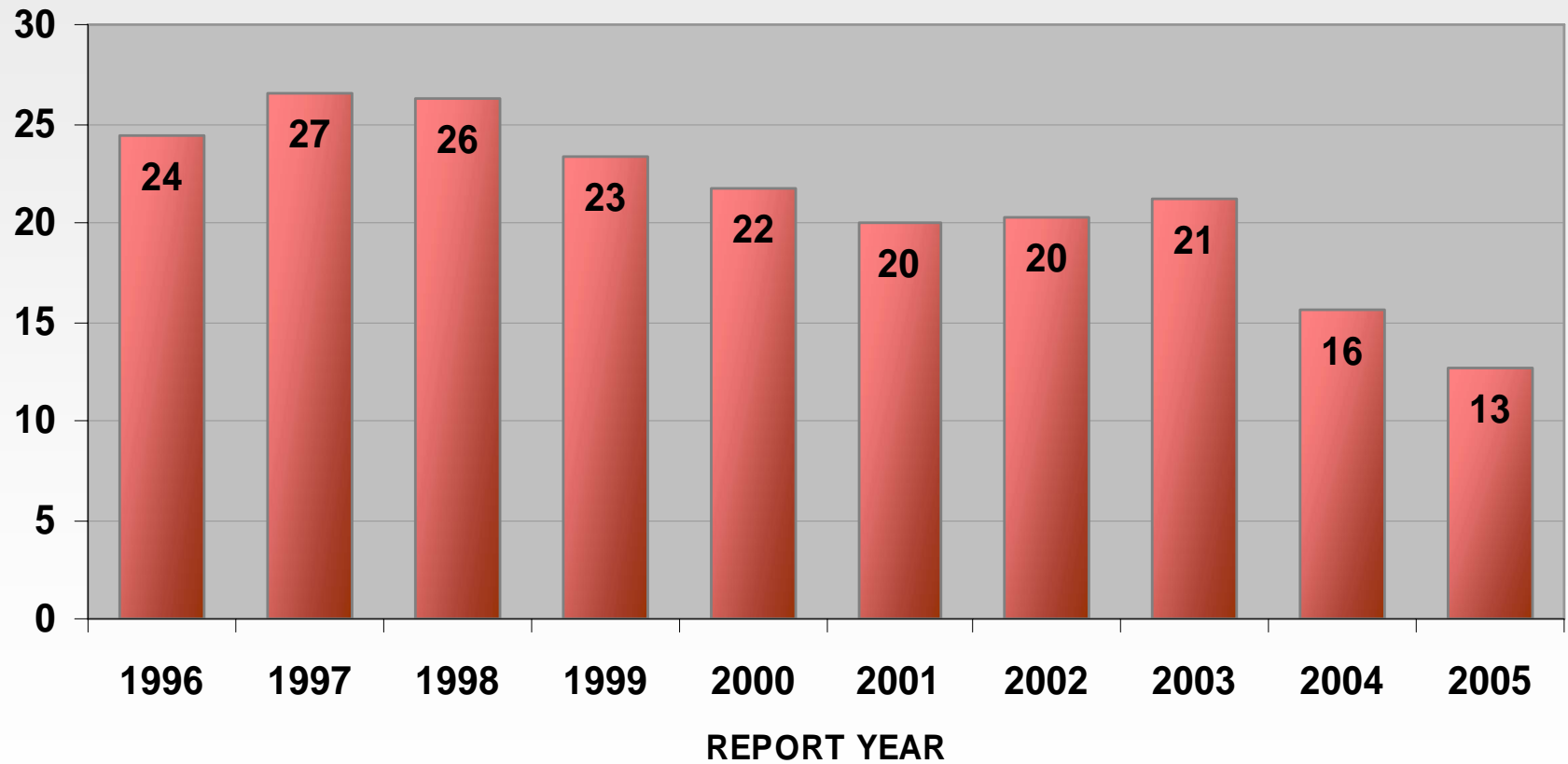


But wait, it gets more complicated

Frequency - California



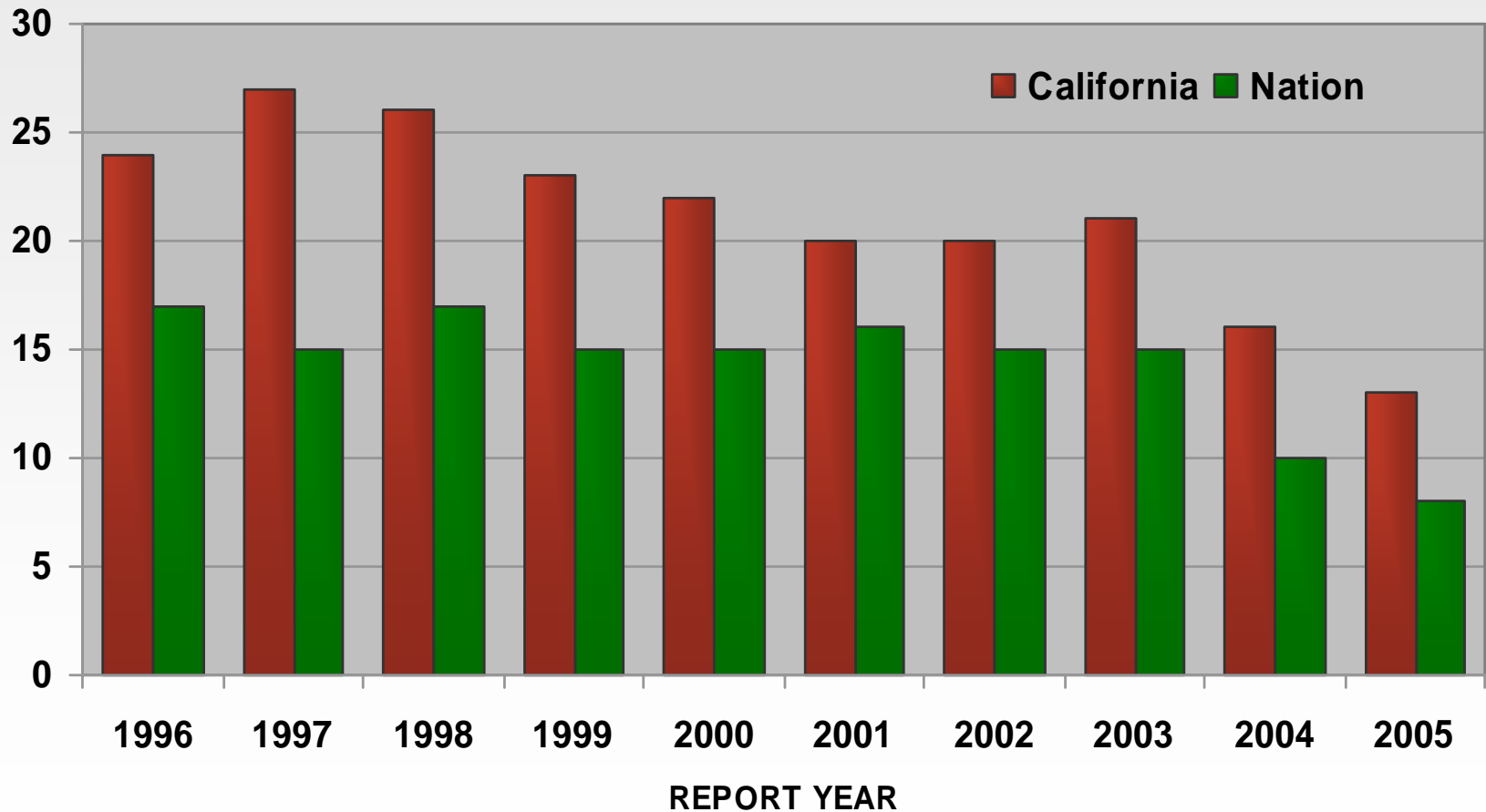
TDC CALIFORNIA CLAIMS PER 100 MATURE, FTE DOCTORS



Frequency – California versus the Nation

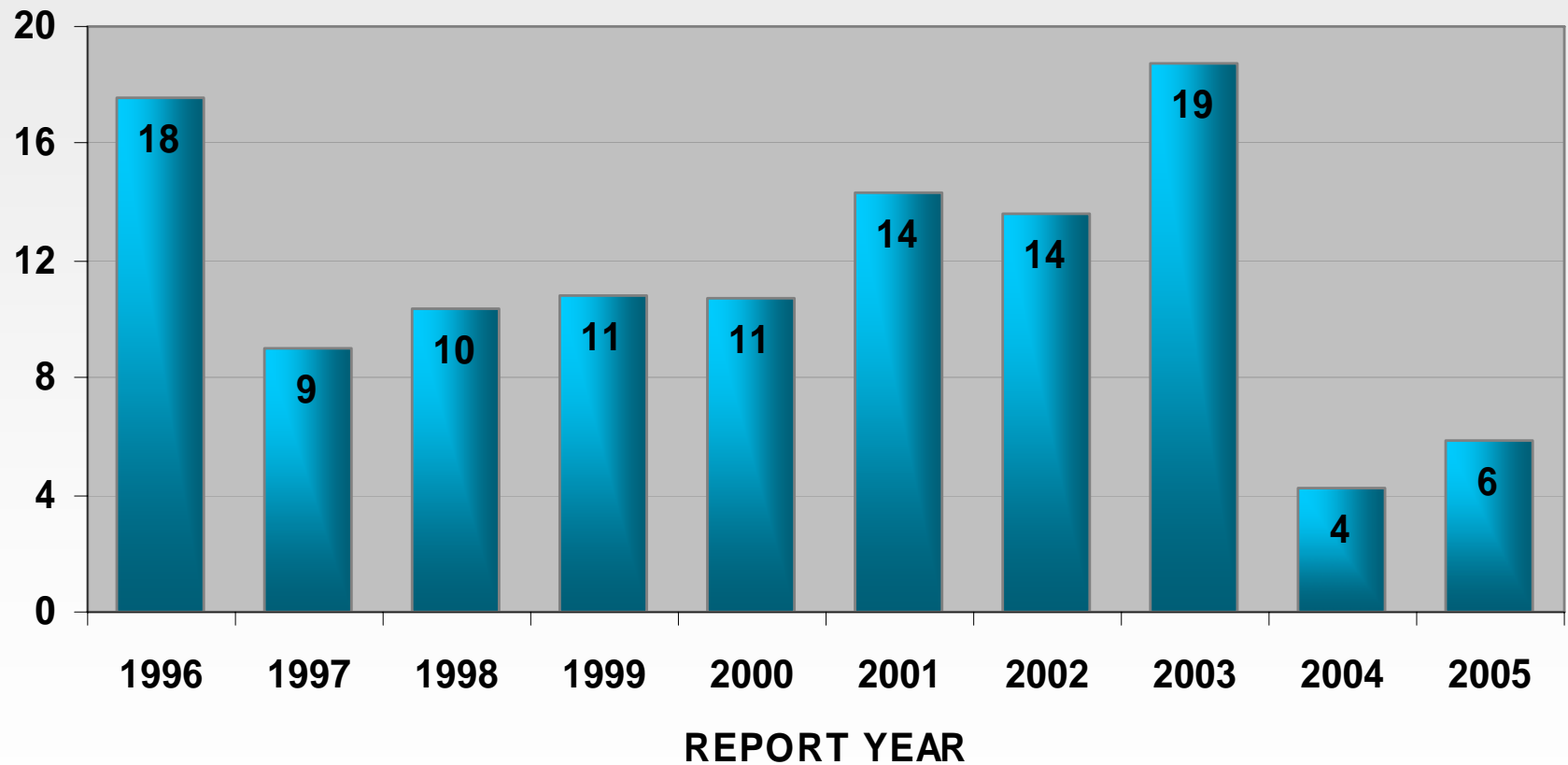


TDC CLAIMS PER 100 MATURE, FTE DOCTORS



Frequency - Texas

TDC TEXAS CLAIMS PER 100 MATURE, FTE DOCTORS



- ***How can you determine rates (prices) if you don't know the cost of your claims (cost of goods sold)?***

- ***So, what is your 5-year plan?***