Stability comes first in The Doctors Company-ProAssurance merger: TDC's White

The integration takes place as medmal insurers navigate a highly uncertain liability loss cost environment.

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July 28, 2026

The Doctors Company's merger with ProAssurance will be a "phased integration" of two firms, where stability and continuity are prioritized under the current volatile market environment for medical professional liability, according to The Doctors Company (TDC) Group president Bob White.

The acquisition, completed in late June, will make TDC Group the largest physicians insurer in the country with more than $2.5bn direct written premiums combined across different lines of business.

In an interview with *Insurance Insider US*, the executive indicated that for the remainder of the year at least, the focus will be bringing the two organizations together and aligning people, processes and technology, rather than pushing for growth as a bigger market player.

"You probably won't see any organizational changes from until January of 2027," he said, adding that the ones that do happen early next year will be "minor" ones.

Top 10 companies writing US medical professional liability insurance in 2025

	Company	DWP ($mn)	Market share
1	Berkshire Hathaway	$2,617	21.2%
2	The Doctors Co	$1,819	14.7%
3	CNA	$687	5.6%
4	MagMutual	$583	4.7%
5	Liberty Mutual	$483	3.9%
6	Coverys	$481	3.9%
7	MCIC Vermont	$421	3.4%
8	Curi	$328	2.7%
9	WR Berkley	$232	1.9%
10	Chubb	$225	1.8%

Source: S&P Capital IQ, Insurance Insider US Research

At the moment, ProAssurance exists as a member of the TDC Group, which has multiple subsidiaries. Eventually, the former will be integrated under the TDC brand, and its business will be transitioned to the latter's operating entities. But this process will not start for months to come, White said.

One of the early works will be moving the ProAssurance business onto TDC paper, starting with custom accounts that have less regulatory issues. This process is anticipated to start six or seven months from now, according to White, whereas for admitted accounts, which are more heavily regulated, the transition might not happen for another 12-15 months.

White says that in terms of understanding each other's business, it's only been for a month or so that they have been able to exchange critical information, which is prohibited under antitrust laws until a merger deal is finalized.

Therefore, what the right operating model is once the integration is complete will be "determined by these questions we're asking now", the TDC president added.

A core objective of that paced discipline is to ensure minimum disruption for clients and brokers the firms have relationships with, which White explains is particularly important in the volatile liability environment facing medical professionals today.

While claims frequency continues to improve in the medmal space, the average of top 50 medmal verdicts reached $50mn in 2024 and 2025, up from $32.6mn in 2022, according to TDC Group data. (For more on the latest severity trends in medmal, read Nuclear verdicts: Still waiting on good news.)

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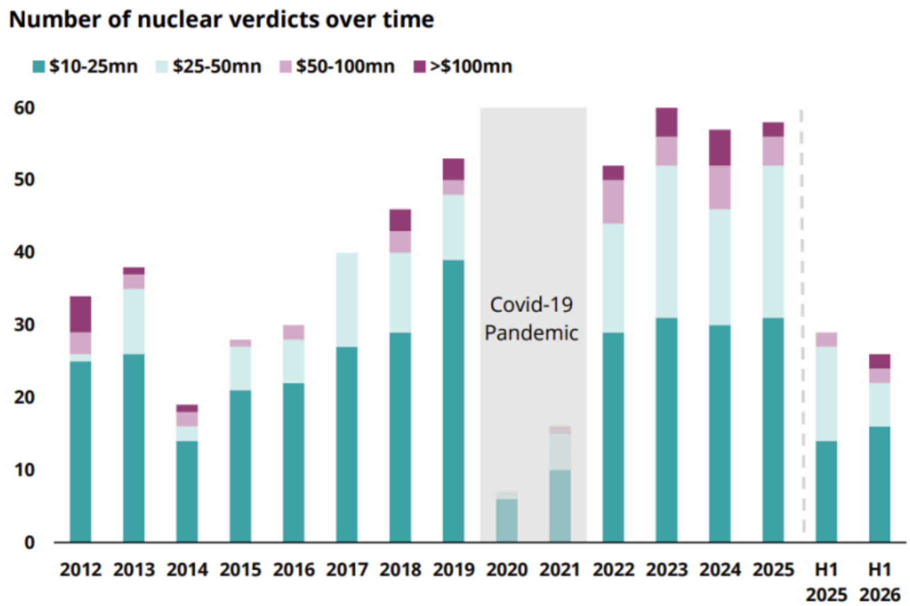

Note: Data shown is for medical malpractice only. 2026 data is as of June 30.
Source: TransRe, Insurance Insider US Research

Merger of MPL lookalikes

The TDC-ProAssurance acquisition combined the second and fourth largest writers of medical malpractice liability insurance, resulting in a market share of nearly 16%, based on 2024 S&P Capital IQ data.

"In this environment, scale and financial strength matter," White said. "They give us the resources to absorb that volatility."

In describing the nature of the merger, the TDC executive highlighted that there's a lot of similarities between the two companies.

Both launched in the 1970s as monoline, physician-owned insurance providers during an availability and affordability crisis. Over the last five decades, they expanded geographically and into other medical liability lines through acquisitions.

By the 2000s, there were four publicly traded MPL carriers that started as physicians-owned entities. TDC acquired three of them between 2008 and 2011. ProAssurance was the last remaining target in that group.

"We're returning them to their doctor-owned roots, so we feel like it's restoring the true mission of how these companies started in the first place," White said.

By line of business, the largest book for both firms is physicians' insurance, followed by hospitals.

Based on full-year 2025 numbers, TDC and ProAssurance together bring in $1.4bn premiums for physicians' insurance nationwide, which is around 63.5% of the combined book. For hospitals, their combined premiums would be around $242mn, roughly 11% across the two businesses.

They overlap in many of the smaller lines of businesses as well, apart from the ProAssurance's workers' compensation book, which TDC is not active in.

ProAssurance also brings a strong reputation in the life sciences sector through subsidiary Medmarc, White pointed out, which was initially founded by a medical technology industry association.

From a governance perspective, he explained that the acquisition was a way of putting excess capital to work on behalf of TDC members.

“Like every other specialty insurer in this line of business, we are overcapitalized,” said the executive.

“Finding another insurer to broaden our base of insureds to provide that scale is one way of being a good steward of the capital our members are trusting us with."

For the March 2025 deal, TDC paid $25 per share for ProAssurance, which reported a Q4 2024 book value of $23.49 per share.

The offer price equated to a premium of nearly 60% over the prior close of $15.74, reflecting just how far below book ProAssurance had been trading pre-sale, the *Insurance Insider US* research team wrote in a note after the deal’s announcement.

At its peak, ProAssurance was trading at $65 per share, with a stock multiple of 1.8x book.

White acknowledged that TDC knew ProAssurance had had some operational problems in the past.

“But being a competitor, we were also very aware that they'd solved their operational problems and were improving the results,” he added.

ProAssurance won’t be TDC’s last acquisition, according to the executive, adding that the firm looks at every company that becomes available, but there’s not always a meeting of the minds.

“We think in the future there’ll be other good companies available, and we want to make sure that we have the financial wherewithal to be a bidder when those opportunities present themselves.”

TDC Group M&A timeline

1976	Founded by doctors
2006	Acquired Northwest Physicians Mutual Insurance Company based in Oregon
2007	Acquired OHIC Insurance Company based in Ohio
2008	Acquired SCPIE Holdings, Inc based in Los Angeles, California
2010	Acquired American Physicians Capital, Inc (AP Capital) based in Michigan
2011	Acquired FPIC Insurance Group, Inc, a provider across Florida, Texas, Georgia and Arkansas
2014	Acquired Medical Advantage Group, a provider of telehealth consulting services
2019	Acquired Hospitals Insurance Company and FOJP Service Corporation; created Healthcare Risk Advisors, an advisory unit for major hospitals and healthcare systems
2026	Acquired ProAssurance

AI in medmal

Another big driver behind the ProAssurance deal was data, according to White, as TDC and ProAssurance respectively bring 50 years of data and claims handling experience in the marketplace.

Like many other P&C peers grappling with AI adoption, TDC has been finding ways to apply technology in assisting with risk selection and pricing for underwriters and identifying claims that have nuclear verdict potential in early days.

For instance, the carrier has a technology-assisted underwriting program for renewals that allows human underwriters to focus on clients "outside the middle of the bell curve" and actually need higher or lower price changes, while the computer handles "all the folks in the middle", the executive explained.

Likewise, ProAssurance was also heavily investing in AI to improve claims and underwriting outcomes.

Now, the task is discerning "who's got the best spin so far and gotten the most bang for the buck up to this date and decide which one goes forward", White said.

On the flipside, AI will likely give rise to new types of exposures and risks for medmal insurers that the industry has never dealt with before.

White indicated that it's still a little early to tell what that could look like, as the use of AI in diagnosis and treatment in medicine is just now starting to become the standard of practice. At the moment, TDC has not seen a case where AI is involved.

But one "scary" takeaway the company has learned so far by looking at the problem, the executive said, is how well the AI user phrases the question decides the quality of the outcome.

"People that aren't as skilled in putting data don't necessarily get the right answer in terms of the diagnosis or the treatment to follow."

The good news, however, is that most AI tools are being tied into a healthcare record that already has a lot of data. "If you manage to get a question even halfway right, you're probably going to get the answer you want," White said.

That gives rise to the next question: What happens when a doctor decides to ignore the AI advice and substitute their own judgement?

While the TDC president said that the firm would be comfortable in defending physicians in such cases, he also stressed the importance of leaving a record in scenarios like this.

"When AI says one thing and you decide to do another, you're going to have to chart why you made that decision," he added.

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