



THE UNIVERSITY *of* TEXAS SYSTEM
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

2018 ANNUAL REPORT

PROFESSIONAL MEDICAL LIABILITY BENEFIT PLAN

SEPTEMBER 1, 2017 – AUGUST 31, 2018

6372	Faculty Covered (<i>FTEs</i>)
1260	Fellows Covered (<i>FTEs</i>)
2386	Residents Covered (<i>FTEs</i>)
4177	Medical Students Covered
302	Medical Student Externships
30	New Lawsuits (<i>excluding CMC lawsuits</i>) ¹
169	New Claims (<i>excluding CMC claims</i>) ¹
278	Pending Claims and Lawsuits at August 31, 2018 (<i>excluding CMC claims & lawsuits</i>) ¹
0	Number of Trials
84%	Cases Closed with No Plan Payment
\$1,554,905	Administrative Costs
\$1,199,516	Medical Malpractice Defense Costs
\$2,205,635 ²	Settlement (Indemnity) Costs
\$738,820	Texas Medical Board Defense Costs
\$2,010	Plan Average Premium Occurrence (\$500,000/\$1,500,000)
\$16,298	TMLT Average Premium Mature Claims-Made Rate (\$500,000/\$1,000,000)
\$19,736	Preferred Professional Average Premium Mature Claims-Made Rate (\$500,000/\$1,500,000)
\$10,416,979	Premiums Collected
\$32,694,395	Market Value of Professional Liability Fund

¹ Does not include The University of Texas Medical Branch at Galveston Correctional Managed Care (“CMC”) physician services not covered under UT System Plan.

² This amount and the amount indicated for Claim Liability Expenses in the Income Statement on page 8 differ slightly due to timing of payments.

PREMIUM COMPARISONS

Plan premium rates are significantly lower than Texas commercial insurance carriers. The chart below compares UT Health Science Center-Houston Plan rates by risk class in Harris County with two commercial carriers: Texas Medical Liability Trust (TMLT) and Preferred Professional. Although variations in risk class structures among carriers prevent a precise comparison, the chart is demonstrative of rate differences.

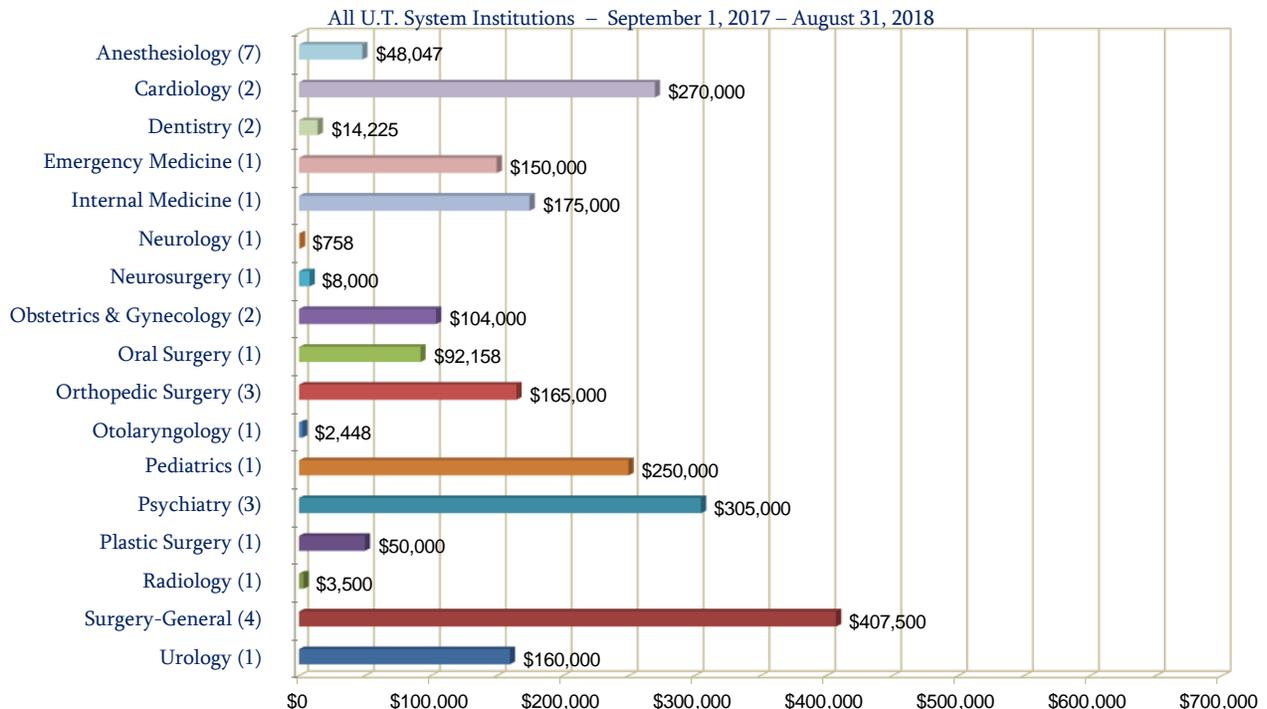
Risk Class		TMLT*	Preferred Professional**	U.T. Faculty Rates***
I	General Practice No Surgery	\$10,242	\$10,110	\$564
II	General Practice Minor Surgery	\$11,283	\$15,166	\$888
III	Emergency Medicine/Minor Surgery	\$14,076	\$23,253	\$1,416
IV	General Surgery	\$27,530	\$39,400	\$2,640
IV	Anesthesiology	\$12,512	\$15,321	\$2,640
V	Gynecology Minor Surgery	\$22,142	\$15,166	\$3,912

* Mature Claims-Made Rate (\$500,000 / \$1,000,000 Limits) Effective January 1, 2018

** Mature Claims-Made Rate (\$500,000 / \$1,500,000 Limits) Effective November 1, 2017 (New Business) & February 1, 2018 (Renewal Business)

*** Occurrence (\$500,000 / \$1,500,000 Limits) Effective September 1, 2017

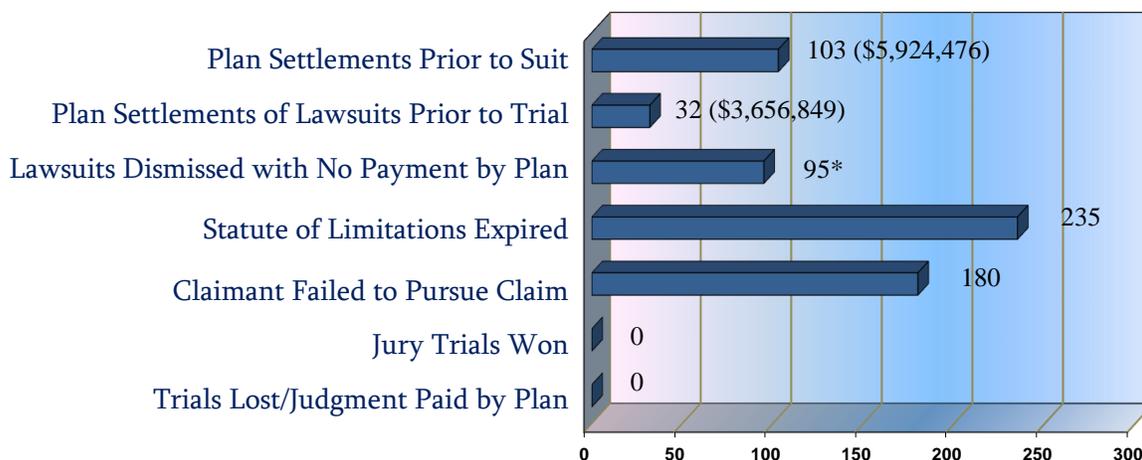
INDEMNITY PAYMENTS BY SPECIALTY



CLOSED CASES

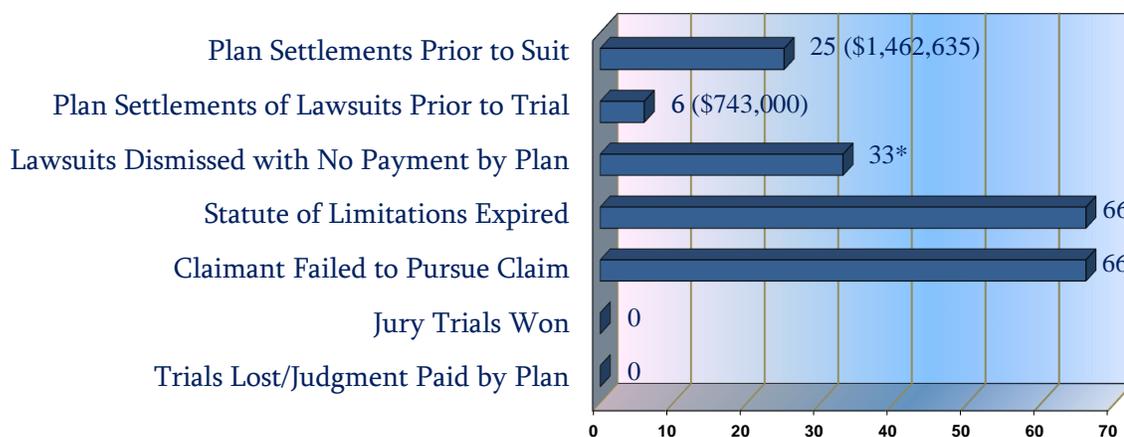
During the last five years, 645 claims and lawsuits filed against U.T. System physicians and institutions were closed, with total Plan liability payments of \$10,900,271. Seventy-nine percent were closed with no payment by the Plan.

All U.T. System Institutions Closed Claims & Lawsuits September 1, 2013 – August 31, 2018



In Fiscal Year 2018, 84 percent of the cases closed required no payment by the Plan, a nine percent increase from last year.

All U.T. System Institutions Closed Claims & Lawsuits September 1, 2017 – August 31, 2018



*Includes Summary Judgments, Non-Suits, Dismissals, and Settlements by Co-defendants at no cost to the Plan.
All closed case data above excludes CMC physician services cases not covered under the Plan.

The University of Texas Health Science Center at Tyler

	2018	2017	2016	2015
Faculty	93	88	81	73
Fellows	0	0	0	0
Residents	81	75	73	82
Open Claims & Lawsuits	2	5	6	5
New Claims	0	2	6	2
New Lawsuits	1	0	0	0
Settlements Paid	\$20,000	\$4,965	\$200,000	\$0.00
New TMB Matters-Faculty	3	1	1	2
New TMB Matters-Residents	0	0	0	0

The University of Texas Health Science Center at Houston

	2018	2017	2016	2015
Faculty	1643	1605	1501	1379
Fellows	227	247	222	202
Residents*	433	441	455	415
Open Claims & Lawsuits	79	76	70	51
New Claims	48	37	40	30
New Lawsuits	6	5	4	7
Settlements Paid	\$433,500	\$807,004	\$576,434	\$430,363
New TMB Matters-Faculty	38	37	34	27
New TMB Matters-Residents	0	0	1	2

*Does not include U.T. residents on rotation at Memorial Hermann Hospital (in 2018 a total of 564)

The University of Texas Health Science Center at San Antonio

	2018	2017	2016	2015
Faculty	990	968	941	890
Fellows*	121	126	117	125
Residents*	505	528	517	496
Open Claims & Lawsuits	25	25	23	13
New Claims	15	16	17	9
New Lawsuits	2	3	5	2
Settlements Paid	\$283,758	\$717,500	\$0.00	\$83,850
New TMB Matters-Faculty	13	17	24	23
New TMB Matters-Residents	2	0	8	11

*Does not include U.T. physicians on rotation at V.A. Hospital (in 2018 a total of 1 faculty, 191 residents and 53 fellows)

The University of Texas M.D. Anderson Cancer Center

	2018	2017	2016	2015
Faculty	1049	1026	1020	964
Fellows	388	379	368	321
Residents	3	0	3	12
Open Claims & Lawsuits	30	32	31	29
New Claims	20	20	16	19
New Lawsuits	2	0	0	3
Settlements Paid	\$100,000	\$954,277	\$5,000	\$125,000
New TMB Matters-Faculty	16	14	9	12
New TMB Matters-Residents	0	0	0	0

The University of Texas Southwestern Medical Center

	2018	2017	2016	2015
Faculty*	1775	1713	1636	1551
Fellows	421	413	410	356
Residents*	685	685	707	706
Open Claims & Lawsuits	65	76	59	53
New Claims	52	50	50	33
New Lawsuits	1	2	4	3
Settlements Paid	\$804,727	\$268,530	\$896,674	\$650,853
New TMB Matters-Faculty	25	35	43	29
New TMB Matters-Residents	5	0	1	3

*Does not include U.T. physicians on rotation at Parkland Hospital (in 2018 a total of 0 faculty and 360 residents)

The University of Texas Medical Branch at Galveston*

	2018	2017	2016	2015
Faculty	631	616	596	524
Fellows	103	89	64	30
Residents	500	517	527	520
Open Claims & Lawsuits	74	53	37	33
New Claims	33	21	21	19
New Lawsuits	18	5	2	4
Settlements Paid	\$453,651	\$210,000	\$519,805	\$0.00
New TMB Matters-Faculty	8	20	9	25
New TMB Matters-Residents	1	1	0	2

*UTMB data does not include CMC physician services not covered under the UT System Plan.

The University of Texas at Austin

	2018	2017	2016	2015
Faculty*	122	94	75	48
Fellows*	0	2	2	2
Residents	11	15	20	20
Open Claims & Lawsuits	2	3	3	1
New Claims	1	0	2	0
New Lawsuits	0	0	0	0
Settlements Paid	\$110,000	\$0.00	\$0.00	\$0.00
New TMB Matters-Faculty	2	0	1	0
New TMB Matters-Residents	0	0	0	0

*Includes Student Health Center physicians / Does not include U.T. physicians on rotation at Seton/DMC (3 faculty and 5 residents)

The University of Texas at Rio Grande Valley*

	2018	2017	2016	2015
Faculty	61	40	0	0
Fellows	0	0	0	0
Residents	168	137	0	0
Open Claims & Lawsuits	0	0	0	0
New Claims	0	1	0	0
New Lawsuits	0	0	0	0
Settlements Paid	\$0.00	\$0.00	\$0.00	\$0.00
New TMB Matters-Faculty	0	1	0	0
New TMB Matters-Residents	0	0	0	0

*New medical school; no activity before 2017

NOTE: All institutions' enrollment numbers are on an FTE basis.

Professional Medical Liability Plan

Statement of Net Position

	As of	8/31/2018	8/31/2017
Assets			
Operating Cash		\$ (1,095,678.67)	\$ (26,956.98)
Investments		54,504,491.66	53,149,592.90
Accounts Receivable			
Total Assets		<u>\$ 53,408,812.99</u>	<u>\$ 53,122,635.92</u>
Liabilities			
Accounts Payable		\$ 218,277.82	\$ 9,309.57
IBNR		20,496,140.00	20,376,564.00
Total Liabilities		<u>\$ 20,714,417.82</u>	<u>\$ 20,385,873.57</u>
Net Position		<u>\$ 32,694,395.17</u>	<u>\$ 32,736,762.35</u>

Statement of Revenues, Expenses, and Changes in Net Position

	For the Month Ended	8/31/2018	8/31/2017
Revenue			
Premium Income		\$ 10,416,978.72	\$ 10,175,053.06
Interest Income		1,688,617.03	1,709,081.67
Total Revenue		<u>\$ 12,105,595.75</u>	<u>\$ 11,884,134.73</u>
Less Premium Refund		(6,000,000.00)	(6,000,000.00)
Net Revenue		<u>\$ 6,105,595.75</u>	<u>\$ 5,884,134.73</u>
Expenses			
Legal Expenses		\$ 1,199,516.47	\$ 1,158,640.73
Claim Liability Expenses		2,493,135.08	2,488,404.53
Medical Board Expenses		738,820.18	952,134.50
Administrative Expenses		1,554,905.00	1,486,080.00
Other Expenses		70,937.20	47,850.66
Total Expenses		<u>\$ 6,057,313.93</u>	<u>\$ 6,133,110.42</u>
Change in IBNR		119,576.00	2,376,534.00
Net Expenses		<u>\$ 6,176,889.93</u>	<u>\$ 8,509,644.42</u>
Excess Revenue Over Expenses		<u>\$ (71,294.18)</u>	<u>\$ (2,625,509.69)</u>
Other Changes in Net Assets			
Investments Market Value Increase (Decrease)		\$ 28,927.00	\$ 2,641,938.33
Other Transfers/Adjustments		-	163,686.43
Transfer to special funds		-	(2,500,000.00)
Total Other Changes		<u>\$ 28,927.00</u>	<u>\$ 305,624.76</u>
Change in Net Position		<u>\$ (42,367.18)</u>	<u>\$ (2,319,884.93)</u>
Beginning Net Position		32,736,762.35	35,056,647.28
Ending Net Position		<u>\$ 32,694,395.17</u>	<u>\$ 32,736,762.35</u>

INCOME STATEMENT