State legislatures are considering reforms to cap non-economic damages awarded in medical liability suits. The Agency for Healthcare Research and Quality is testing other state-level and local reforms (see article, p. 28). Advocates are pushing for passage of reform at the federal level. Meanwhile, the Physician Insurers Association of America seeks to help physicians understand how they can limit their risk of being sued. In the 2011 edition of its annual Risk Management Review, PIAA noted that it has now collected 25 years of data on “the areas of medical practice that are most vulnerable to liability claims.”

The data for dermatology suggest that payouts to claimants against dermatologists have dropped in recent years after rising steadily from 1986 to 2005; the average indemnity payment was $247,954 between 2006 and 2010, down from $289,670 between 2001 and 2005. (Both figures were calculated in 2010 dollars.) The chart below shows how payouts have changed since 1986.

Why are dermatologists sued? PIAA’s data for the last 25 years indicate that the 10 conditions below were most likely to lead to a lawsuit. - Richard Nelson, AIA

### Average payout for dermatology claims

<table>
<thead>
<tr>
<th>Period</th>
<th>Average Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986-1990</td>
<td>$118,132</td>
</tr>
<tr>
<td>1991-1995</td>
<td>$147,443</td>
</tr>
<tr>
<td>1996-2000</td>
<td>$211,565</td>
</tr>
<tr>
<td>2001-2005</td>
<td>$289,670</td>
</tr>
<tr>
<td>2006-2010</td>
<td>$247,954</td>
</tr>
</tbody>
</table>

### Top 10 conditions that lead to lawsuits against dermatologists*

1. Malignant neoplasms of the skin
2. Acne
3. Dyschromia
4. Psoriasis
5. Malignant melanoma
6. Benign neoplasms of the skin
7. Contact dermatitis and other eczema
8. Viral warts
9. Disorder of skin and subcutaneous tissue
10. Plastic surgery, desire for

* 2011 Risk Management Review