

FISCAL YEAR 2025 FUNCTIONAL AND PROGRESS REPORT

Introduction

The Injured Patients and Families Compensation Fund (Fund) was created in 1975 to provide medical malpractice insurance for Wisconsin health care providers in excess of the provider's primary limits of coverage. The Fund provides coverage in excess of the primary limit established by statute, which is currently \$1 million per occurrence and \$3 million aggregate per year. Participation in the Fund is mandatory for health care providers as defined by Chapter 655, Wis. Stat.

The Office of the Commissioner of Insurance (OCI) provides administrative support for the Fund's operations. The Fund is governed by a 13-member Board of Governors (Board) which is chaired by the deputy commissioner of insurance. The Board is comprised of four public members appointed by the governor, three insurance industry representatives, a member named by the Wisconsin Association for Justice, a member named by the State Bar of Wisconsin, two members named by the Wisconsin Medical Society, and a member named by the Wisconsin Hospital Association.

Board of Governors

Rebecca Easland, Deputy Commissioner of Insurance (Board Chair)
Carla Borda, Public Member (resigned June 2025)
John Folk, Public Member
Paul Gagliardi, Public Member
Hammad Haider-Shah, M.D., Public Member
Susan Forray, Industry Representative
David Maurer, Industry Representative (resigned December 2025)
Vacancy, Industry Representative
Eric Farnsworth, Wisconsin Association for Justice
Jerome Hierseman, State Bar of Wisconsin
Bud Chumbley, M.D., Wisconsin Medical Society
Timothy Crummy, M.D., Wisconsin Medical Society
Matthew Stanford, Wisconsin Hospital Association

The following committees and council support the Fund's governance and typically meet each quarter:

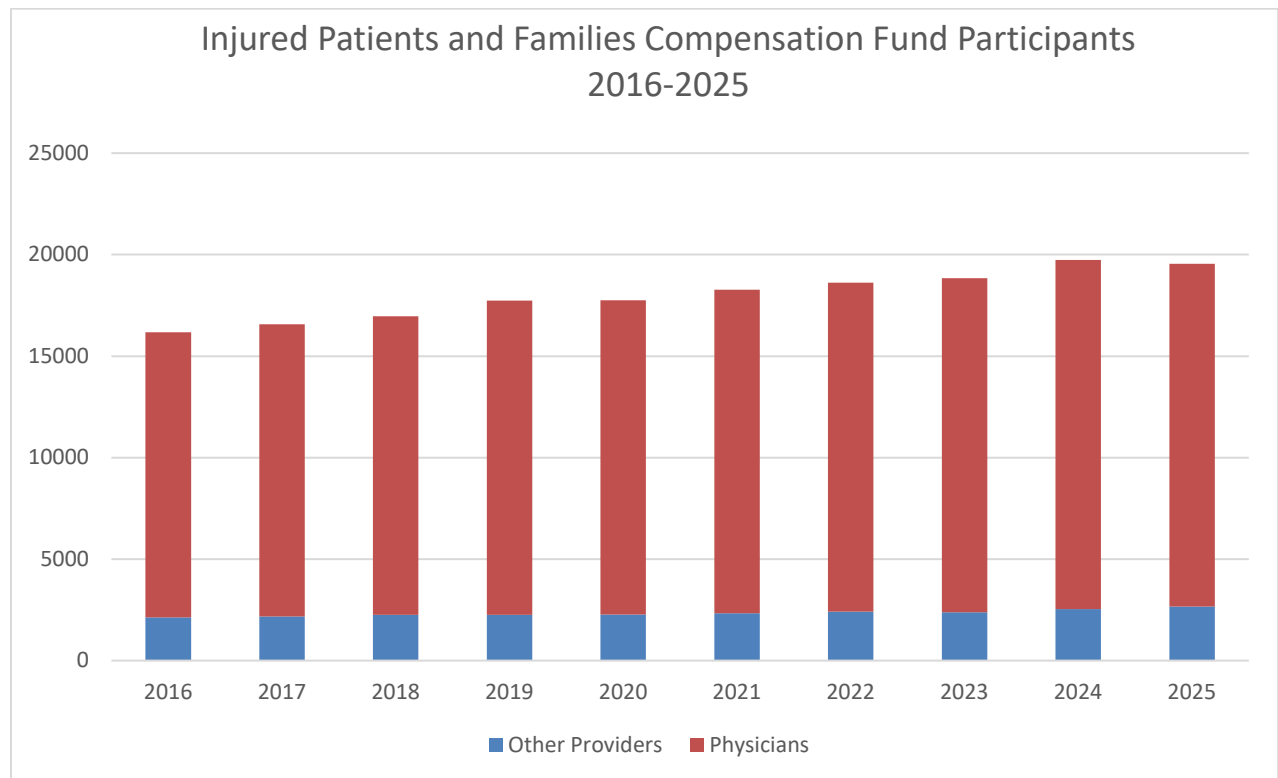
- Actuarial and Underwriting Committee
- Legal Committee
- Claims Committee
- Finance/Investment/Audit Committee
- Risk Management and Patient Safety Committee
- Peer Review Council

The Fund operates on a fiscal year basis: July 1 through June 30. Administrative costs, operating costs, and claim payments are funded through assessments on participating health care providers.

Fund Participants

As of June 30, 2025, there were a total of 19,545 Fund participants comprised of 164 hospitals with 10 affiliated nursing homes, 16,880 physicians, 1,221 nurse anesthetists, 20 hospital-owned or controlled entities, 69 ambulatory surgery centers, one cooperative, 10 partnerships, and 1,170 corporations actively participating in the Fund.

As of June 30, 2025, Fund participants consisted of 87 percent physicians, six percent corporations, and the remaining seven percent included all other participants.



Claims Activity

From July 1, 1975, through June 30, 2025, the Fund was named in 6,702 claims. During this period, the Fund's total number of paid claims was 716, equaling \$1,009,033,197.94. Of the total number of claims in which the Fund has been named, 5,961 claims have been closed with no indemnity payment.

Board Committees

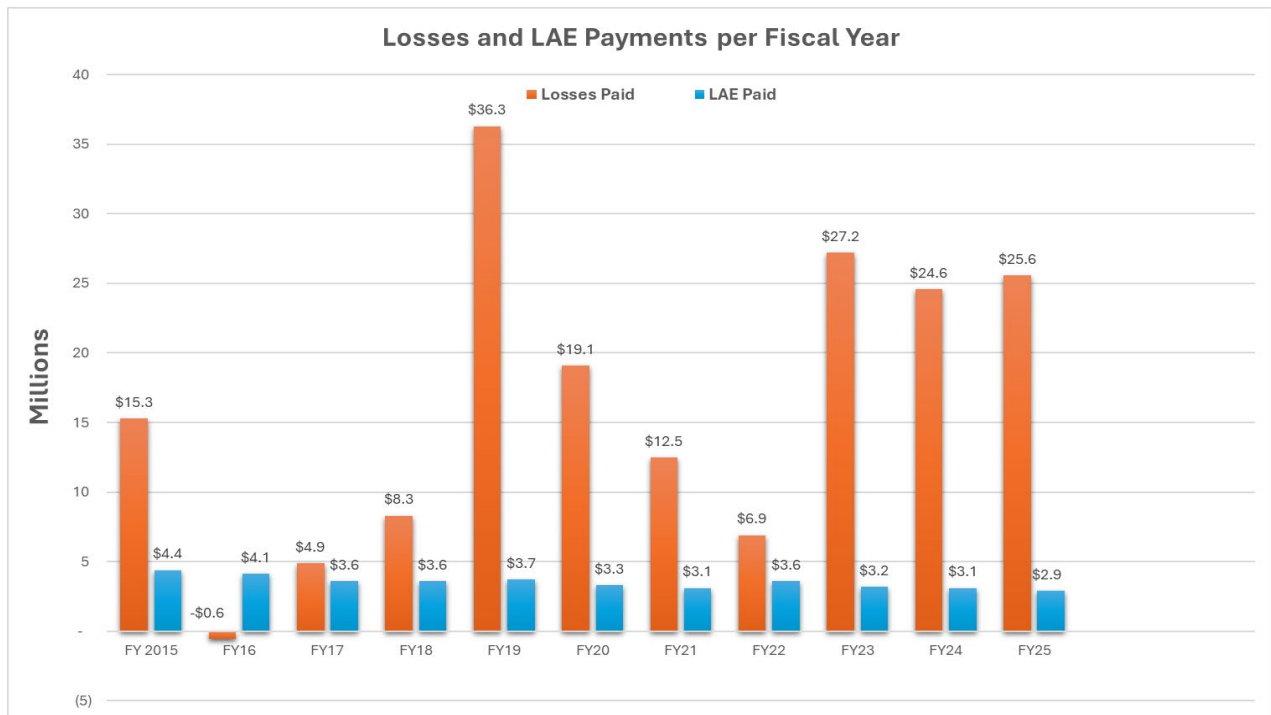
Actuarial and Underwriting Committee

The Actuarial and Underwriting Committee advises the Board on actuarial and underwriting issues.

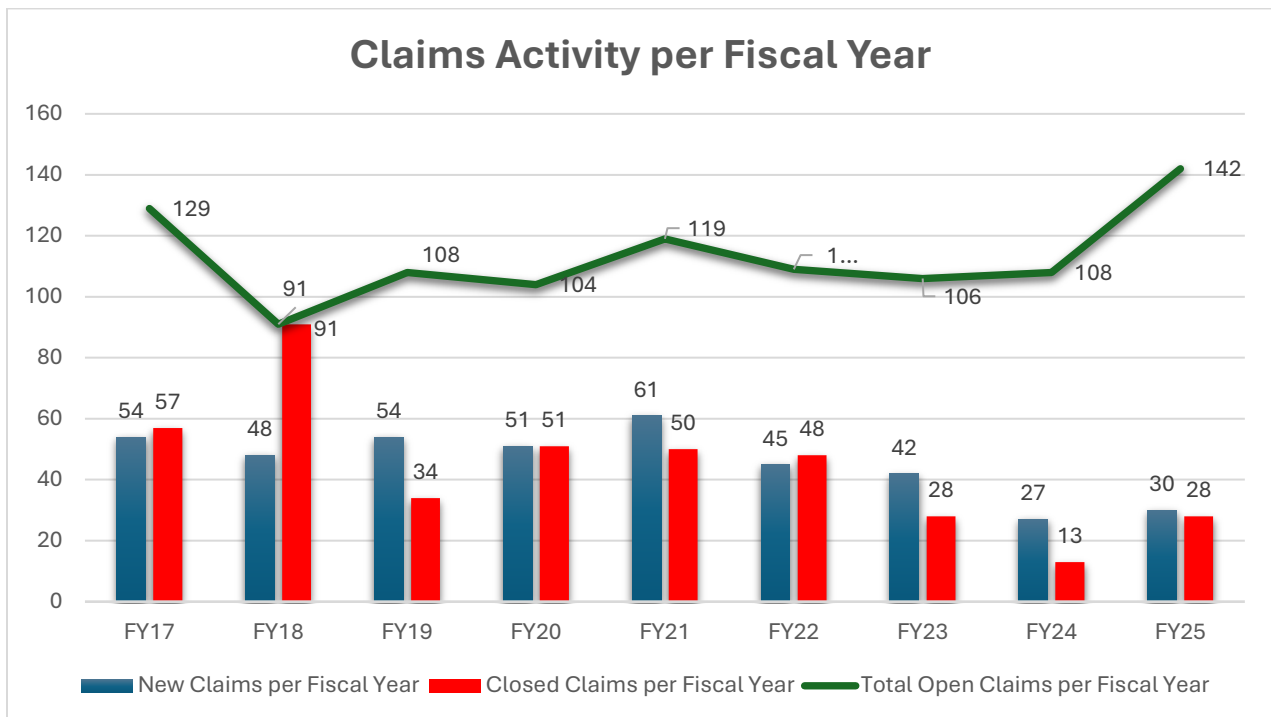
The committee assisted the Board in establishing fiscal year 2025 fees. The Board approved resuming the annual assessment at the level that was charged in fiscal year 2024. Mediation panel fees for physicians (excluding physicians in a residency program) were set at \$5.25 per physician and \$1.00 per occupied hospital bed.

Claims Committee

The Claims Committee is responsible for establishing claims policies and procedures for the Fund and the Wisconsin Health Care Liability Insurance Plan (Plan) and approving claims settlements.



** Please note that some numbers may be negative, because calculations are done on a gross basis that take into account such things as recoverables and reductions in anticipated future medical payments.



Finance/Investment/Audit Committee

The Finance/Investment/Audit Committee's responsibilities include establishing, monitoring, and amending, as necessary, the investment strategy for the Fund to ensure obligations are met. The committee periodically reviews investments for compliance with investment guidelines and evaluates cash flow liquidity needs. In addition, the committee oversees the financial reporting process. Responsibilities include the review of financial position and results, as well as correspondence with auditors concerning audit scope, accounting issues, internal controls, and management recommendations.

Legal Committee

The Legal Committee advises the Board on legal issues, including retroactive coverage requests, appeals, proposed statutory changes, administrative rule changes, and other issues that affect eligibility or Fund participation.

During fiscal year July 1, 2024, through June 30, 2025, the committee approved 50 requests for retroactive coverage and one request for gap coverage replacement. The committee denied no requests for retroactive coverage.

Under guidelines set for expedited approval by the Board and Legal Committee, the Fund manager approved 157 requests for retroactive coverage and the WHCLIP manager approved 26 requests for retroactive coverage.

Peer Review Council

The Peer Review Council (Council) reviews physician claim records to determine whether a surcharge should be imposed against the Fund fee or Plan premium, if applicable. The surcharge is a percentage of a provider's Fund fee or Plan premium based on the number of closed medical liability claims reported and the aggregate amount paid for those claims.

During fiscal year July 1, 2024, through June 30, 2025, 33 claims paid reports were filed and 181 reports were reviewed under the 5-year review period. Of the claims paid reports filed during the fiscal year 22 were for physicians or nurse anesthetists, 8 for hospitals, nursing homes, corporations, or clinics, and 3 for other types of providers. The Council determined no providers were subject to a surcharge.

Since the inception of the Council in 1986, 67 providers have been subject to a possible surcharge.

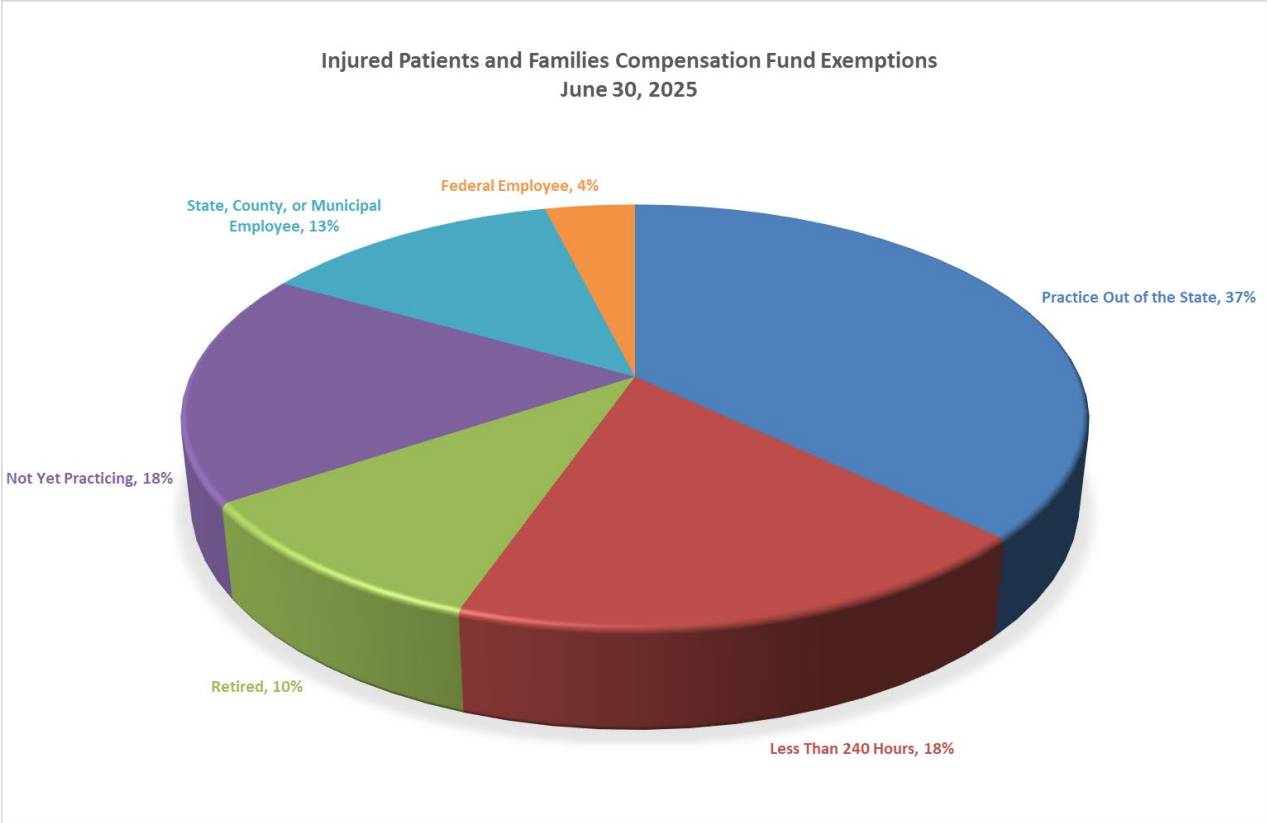
Risk Management and Patient Safety Committee

The purpose of the Risk Management and Patient Safety Committee is to reduce patient/claimant compensable injuries, reduce Fund losses and associated expenses, improve the general quality of medical care, and reduce the premiums of participating health care providers.

Other Fund Activities

The Fund continually monitors and updates the exemption status for providers that hold a license to practice in Wisconsin but for which a current exemption or certificate of insurance is not on file with the Fund. Providers that remain in noncompliance are referred to their respective licensing boards for appropriate enforcement action.

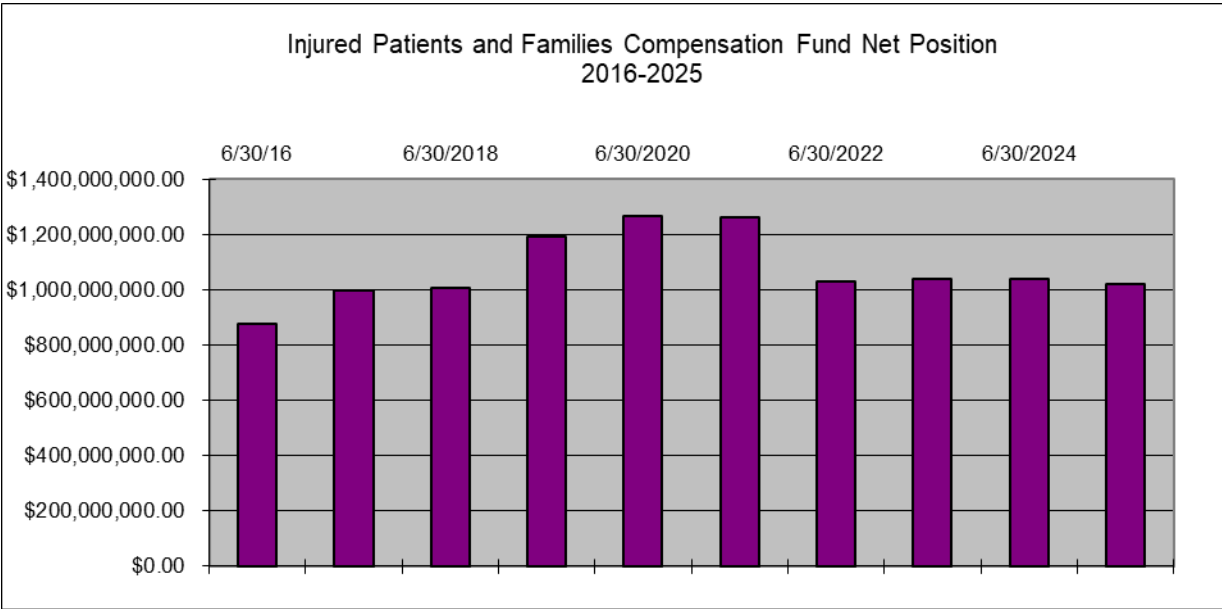
As of June 30, 2025, there are 15,055 licensed physicians and certified registered nurse anesthetists who have filed for exempt status.



Financial Statistics

The Fund reports its financial operations from July 1 to June 30, succeeding-year basis as a part of the State of Wisconsin Annual Comprehensive Financial Report (ACFR). [A copy of the ACFR can be found here.](#)

The Fund reported an unaudited net position of \$1,023,058,423 as of June 30, 2025.



The Fund's Investments are managed by the State of Wisconsin Investment Board (SWIB). [Their Annual Report can be found here.](#):

https://www.swib.state.wi.us/files/ugd/69fc6d_d445355f3b2c49919aa0fb4bed6b4a9e.pdf

Operations

The Fund has seven employees: insurance program manager, accountant, two insurance program specialists, regulatory specialist, financial specialist, and office operations specialist. The Fund contracts out for actuarial services, claims adjusting services, legal counsel, independent auditing services, IT support, and investment monitoring services.

Vendors paid more than \$100,000 in FY 25

Oracle America, Inc	1,687,700.80
Wausau MedMal Mgt Services, LLC	1,224,630.00
Bank State of Wisconsin Investment Board	1,106,199.02
Coyne Schultz Becker & Bauer SC	548,597.77
Bell, Moore & Richter S.C.	445,542.78
Axley Brynelson LLP	368,926.52
Children's Hospitals and Clinics of MN	329,393.43
Corneille Law Group Llc	318,086.97
Gass Turek LLC	253,551.65
Borgelt Powell Peterson & Frauen, SC	181,452.32
Nash Spindler Grimstad &	170,546.36
Otjen Law Firm SC	136,524.37
Clearwater Analytics LLC	132,942.50