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## **IRC Study Reveals Auto Injury Medical Treatment Differs by State**

**MALVERN, Pa.**— Auto injury claimants from four states seek different types of medical treatment, even though they report similar injuries. A new study of insurance claims by the Insurance Research Council (IRC) examined auto injury claiming behavior in California, Illinois, Texas, and Washington. Comparing auto injury claims from these four tort states, IRC finds that California claimants go to chiropractors most often, Illinois claimants are most likely to see an emergency room physician, and Washington claimants are most likely to go to general practitioners, as well as alternative medical providers, such as massage therapists. From 1997 to 2002, per-claimant medical expenses increased the most in Texas, compared with the other three states.

The recently released IRC study, *Analysis of Auto Injury Insurance Claims in Four Tort States*, examines detailed information from auto injury claims that closed with payment in four states with similar auto insurance regulations: California, Illinois, Texas, and Washington. The analysis reveals the following differences and similarities among bodily injury liability (BI) claims in these four states:

- In each of the four states, neck or back sprains were the most serious injury for at least seven in ten BI claimants and at least three-quarters suffered no disability from the accident.
- In California, 57 percent of BI claimants went to a chiropractor compared with 28 percent in Illinois, 43 percent in Texas, and 46 percent in Washington.
- More than half (53 percent) of California BI claimants' medical fees came from chiropractors, compared with 26 percent in Illinois, and 44 percent in both Texas and Washington.
- From 1997 to 2002, average claimed medical expenses increased by 39 percent in Texas, compared with 25 percent in California, 24 percent in Illinois, and 9 percent in Washington. Over this same time period, medical cost inflation was 22 percent, according to the CPI.

Similar patterns emerged in first-party medical payments (MP) claims in California and Illinois, along with personal injury protection (PIP) claims in Texas and Washington.

**Insurance Research Council**

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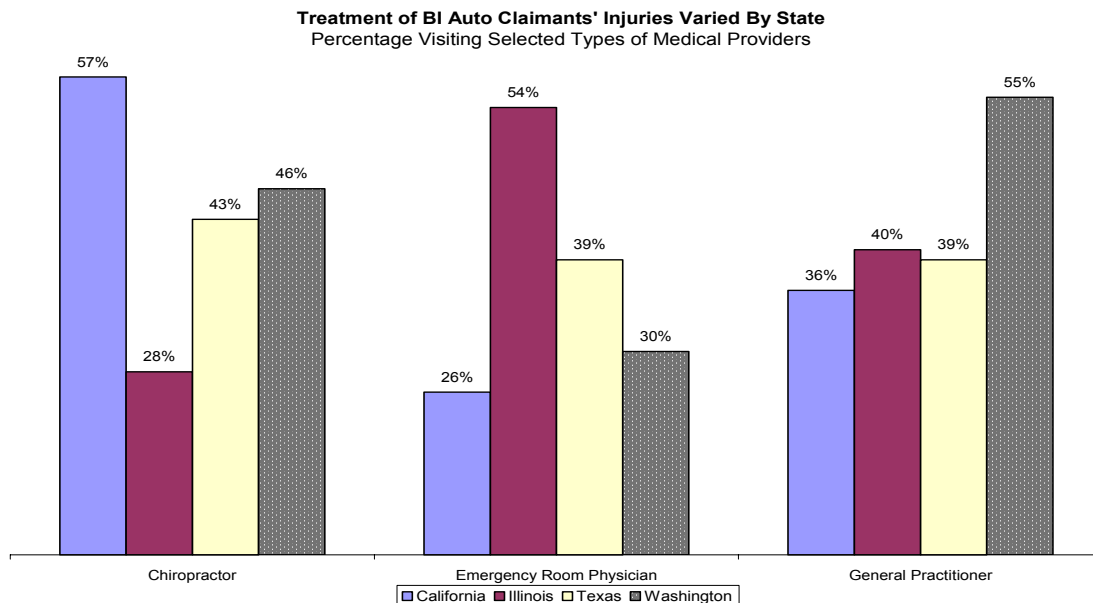
In all four states, average BI payments exceeded claimed economic losses, reflecting auto insurance payments for general damages, sometimes referred to as pain and suffering. In 2002, claimed economic losses, mainly consisting of medical expenses, were highest in Illinois and California BI claims, averaging \$5,506 and \$5,409 respectively. The corresponding average insurance payments to BI claimants were \$7,850 in Illinois and \$7,830 in California. In comparison with these two states, Texas claimants averaged lower reported economic losses (\$4,483) and BI payments (\$5,768). Washington BI claimants' economic losses averaged \$3,833, the lowest of the four states. However, average BI payments were \$7,594 in Washington, near the levels in Illinois and California.

“Auto insurance claimants often seek different types of medical treatment for the same types of injuries, and this apparently varies by the state in which the accident occurs,” explained Elizabeth A. Sprinkel, senior vice president of the IRC. “Regardless of treatment type, however, insurers’ BI payments exceeded claimed expenses on average in each of these four states.”

For more detailed information on the study’s methodology and findings, contact Elizabeth Sprinkel by phone at (610) 644-2212, ext. 7568; by fax at (610) 640-5388; or by e-mail at [irc@cpcuiia.org](mailto:irc@cpcuiia.org). Or visit IRC’s Web site at [www.ircweb.org](http://www.ircweb.org). Copies of the study are available at \$100 each in the U.S. (\$115 elsewhere) postpaid from the Insurance Research Council, 718 Providence Rd., Malvern, Pa. 19355-0725. Phone: (610) 644-2212, ext. 7569. Fax: (610) 640-5388.

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Based on BI claimants from 2002, excluding permanent total disabilities and fatalities.