

Forum

A monthly publication reporting on issues affecting the insurance industry in Ohio

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172 E. State St., Suite 201
P.O. Box 816
Columbus, Ohio 43216
614/228-1593
Fax: 614/228-1678
www.ohioinsurance.org
Kathleen B. Strawn, Editor

About 6.1 million people will be driving in the Great Lakes region for the Thanksgiving holiday, according to the AAA Ohio Auto Club. Nationwide, about 35.9 million Americans are expected to take a trip of 50 miles or more from home this Thanksgiving — 1.7 percent more than the 35.3 million who traveled last year. About 30.8 million plan to travel by automobile, a 1 percent increase from last year, according to AAA estimates. The Auto Club expects air travel to climb 6 percent, with 5.1 million Americans expected to fly for the holidays.

Although gasoline prices are up in the region from a year ago, the increase isn't expected to dampen Ohioans' urge to travel. "Gas prices just don't seem to affect holiday travel," said Susan Stewart, AAA Ohio spokeswoman. "We might complain more at the pumps, but we don't cancel our holiday plans because of gas prices."

The AAA's estimates come from a national survey of 1,300 adults conducted by the Travel Industry Association. □

The American civil justice system cost \$179 billion in 2000, up from \$130 billion in 1990, according to a study released by Tillinghast-Towers-Perrin. The United States continues to have the most expensive civil justice system of the 12 industrialized nations studied, according to the report, *U.S. Tort Costs 2000: Trends and Findings on the Costs of the U.S. Tort System*.

Researchers found:

- The U.S. civil justice system costs 1.8 percent of gross domestic product (GDP) or \$636 per person. In 1950, the system cost \$12 per person;
- The civil justice system is a tremendously inefficient compensation mechanism, returning only 45 cents on the dollar to the plaintiff in the form of compensation, and only 20 cents on the dollar in reimbursement for economic losses;
- Tort costs are expected to increase rapidly, as a percentage of GDP, once data for 2001 and 2002 becomes available.

The Tillinghast study measures the cost of insured costs, self-insured costs, and breaks out medical liability costs as a separate category. Together, these three components cost \$128.1 billion, \$29.6 billion and \$20.9 billion respectively.

The study does not include the cost of asbestos litigation, nor the 20-year \$280 billion state settlement with the tobacco industry. These costs are expected to add significantly to overall tort costs in the coming decade. □

Thanksgiving

Travel up for 2002

U.S. Tort System

Most expensive civil justice system

Sick Days

Being used for other reasons

More workers are taking sick days for family and personal reasons rather than illness, at a rising cost to employers, according to a recent study. Only a third of unscheduled days off are because of illness, according to CCH Inc., a Riverwood, Ill.-based business information publisher. But more workers are calling in because of family issues, stress and personal needs in what could be a sign of changing attitudes.

The survey of personnel officers at 333 U.S. companies found the overall rate of unscheduled absences has remained the same in recent years. But unscheduled absences due to personal needs increased from 20 percent two years ago to 24 percent this year; absences due to stress jumped from 5 percent to 12 percent over the same period.

Even though the absence rate is virtually unchanged, the cost to employers has continued to rise sharply, the survey found. This year, such absences cost \$789 for the average employee over the course of the year, companies reported. That is up from \$610 in 2000 and \$755 last year.

CCH Inc. has conducted this survey annually for 12 years. □

Uninsured Public

41.2 million Americans without health insurance in 2001

The number of Americans without health insurance rose to 41.2 million last year, an increase of 1.4 million. Small business accounted for much of the erosion in coverage, according to the Census Bureau. The proportion of the population without insurance also increased, to 14.6 percent in 2001, from 14.2 percent in 2000.

Coverage appeared to deteriorate for adults, but not for children. The number of uninsured children, which declined in 1999 and 2000, was virtually unchanged last year, at 8.5 million. But the number of uninsured adults rose to 32.7 million, from 31.2 million in 2000.

The Census Bureau said that 11.7 percent of all children, 21.3 percent of poor children and 30.7 percent of all poor people were uninsured for the entire year in 2001. □

Children's Insurance

States forfeit funds

Large amounts of federal money intended to provide health insurance to children are going unused, federal officials say, even though 8.5 million children are uninsured. On Oct. 1, states lost \$1.2 billion that had been appropriated by Congress to provide health coverage for low-income children. The money, unclaimed after four years, reverted to the Treasury and can now be used for other purposes.

Twenty-five states forfeited money at the beginning of October. New York lost the most, \$397 million. Ohio did not lose any. □



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Columbus, Ohio 43216

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