

Forum

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

March 2004

Reported losses in auto injury claims are escalating in spite of the fact that the rate of serious auto injuries has decreased, according to a study by the Insurance Research Council (IRC).

In the past five years, increases in the average amounts that auto injury claimants report for expenses stemming from their injuries, particularly among personal injury protection and medical payments first-party claimants, are nearly double the annualized growth in medical inflation. Additionally, they are three times higher than increases in general inflation.

The IRC study, based on more than 70,000 auto injury claims collected from insurers countrywide, reveals that escalating medical costs are the key factor behind this growth in losses. Only modest increases have occurred in lost wages and other out-of-pocket expenses associated with injuries. The study points to sharp increases in charges for the treatment of auto injuries and increased use of certain medical professionals and diagnostic procedures as the basis for the rising medical costs. □

In 2001, New York became the first state to prohibit drivers from talking on hand-held devices while operating a motor vehicle. New York drivers hung up their cell phones for a while but are back to using hand-held models at nearly the same rate they were before the state banned them. A study by the Insurance Institute for Highway Safety (IIHS) blames the increase mostly on a lack of publicity.

“If you look at the experiences with other laws in highway safety like seat belt and drunken driving laws, what seems to make a difference in the long-term is publicized enforcement,” said the study’s lead author, Anne McCart of the IIHS.

The study found the rate of drivers chatting on cell phones declined from 2.3 percent before the law went into effect to 1.1 percent in the first few months after the law was passed. By March 2003, a year after the law took full effect, the rate had risen to 2.1 percent.

There was no significant difference in cell phone use by the driver’s gender, age or vehicle driven.

The study did not address the effect of the cell phone ban on car crashes or related injuries. □



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Auto Injuries

Losses escalate despite decrease in serious injuries

Cell Phone Ban

New York drivers ignore the ban

Work Fatalities

5,524 on-the-job deaths
in 2002

Work-related incidents killed 5,524 workers in 2002. A *USA Today* Snapshot used Bureau of Labor Statistics, Census of Fatal Occupational Injuries data to summarize types of work-related incidents that killed these workers. Transportation incidents were the most common (43 percent), followed by contact with objects or equipment (16 percent), assaults and violent acts (15 percent), falls (13 percent), exposure to harmful substances and environments (10 percent) and fires or explosions (3 percent). □

Back Pain

We spend more money; but, is
it helping?

Treating back pain costs Americans \$26 billion a year, or 2.5 percent of the total health care bill, according to a study by Duke University, and far more if disability payments, workers' compensation and lost wages are taken into account. The costs are rising, researchers say, as patients get ever more aggressive forms of treatment.

The *New York Times* reports back problems are the leading reason for visits to neurologists and orthopedists and the eighth leading reason for visits to doctors over all. More than 70 percent of adults suffer back pain at some time in their lives, studies show. A third have had it in the past 30 days.

Yet for all the costs, for all the hours spent in doctor's offices and operating suites, for all the massage therapy and acupuncture and spinal manipulations, study after study is leading medical experts to ask what, if anything, is doing any good.

Duke researchers used national data from 1998. Back pain expenses, they say, included \$11.1 billion for office visits; \$4.5 billion for hospitalization; \$3.9 billion for prescription drugs; \$4.7 billion for outpatient services; and \$1.1 billion for emergency room care, with the rest made up of such things as medical devices. The total, \$26 billion, was a 30 percent increase from 1977 after adjusting for inflation.

"It's not like there's an explosion of new back pain," said Dr. Steven Atlas, an assistant professor of medicine at Harvard Medical School, who investigates back treatments. "The number of cases isn't increasing; the cost per case is increasing. There is a lot more that is being done, but the issue is, 'Is it helping or not?'" □



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