



2025

# ANNUAL REPORT

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When the strength of Kansas healthcare depends on stability, advocacy, and shared purpose, KAMMCO stands as a committed leader in protecting the professionals and institutions that serve our community.

# Dear KAMMCO Members,

## A Shifting Liability Landscape

Over the past year, one theme has become unmistakably clear: the cost of healthcare professional liability risk is rising both nationally and increasingly here in Kansas. The environment in which our physicians, advanced practice providers, and healthcare organizations operate has changed materially, and those changes affect far more than insurance pricing. They influence operations, staffing, financial planning, and ultimately patient access to care.

Across the country, medical malpractice claims are becoming more severe and more complex. Courts are seeing a growing number of “mega-verdicts,” and the average size of high-value awards continues to escalate. These outcomes are driven by a combination of factors, including changing societal views toward institutions and expertise, more aggressive litigation strategies, and erosion of long-standing tort reforms that once stabilized the system.

In addition, the plaintiffs’ bar has evolved its approach. Advertising has expanded dramatically, third-party litigation funding has become more common, and psychological anchoring tactics are now regularly used to influence juries’ perceptions of damages. Claims are increasingly structured to target not only individual providers but entire health systems through agency theories of liability. Cyber events and system-wide allegations are also being leveraged to generate class-action-style claims. While these trends originated nationally, we are now seeing them appear with increasing frequency in Kansas.

## The Impact on Kansas Healthcare

The result is not simply higher premiums. When litigation risk rises, healthcare organizations must divert resources away from patient care and toward defensive operations — legal defense costs,

documentation burden, compliance infrastructure, and increased administrative oversight. Over time, this affects staffing models, recruitment, service lines, and patient access to care across our state.

Kansas has historically benefited from a balanced liability environment that protects injured patients while ensuring physicians and hospitals remain available to serve communities. That balance is under pressure. Recent cases and broader national developments demonstrate that the forces driving social inflation do not stop at state borders. Without vigilance and coordinated action, they will continue to erode predictability and affordability in healthcare delivery.

## The Path Forward

So what should be done?

First, KAMMCO will remain committed to consistently and aggressively defending quality healthcare. Defending appropriate medical decision-making is essential not only in individual cases but also for preserving confidence in the profession as a whole. A stable environment depends on reinforcing the truth that unfortunate outcomes alone do not equal negligence.

Second, Kansas must continue to pursue a litigation framework that balances fairness for injured patients with access to care for all Kansans. Legislative engagement will remain critical. Stability does not occur naturally; it requires ongoing policy attention and collaboration across the healthcare community.

Third, risk cannot be addressed solely through litigation strategy. A holistic approach is required. This means integrating patient safety initiatives, operational design, communication practices, and risk management systems that evaluate the full cost of risk across the enterprise. While no safety program can prevent every “one-off” event that drives

catastrophic verdicts, disciplined systems reduce both frequency and severity and strengthen defensibility when adverse events occur.

Finally, partnerships matter. The challenges ahead are long-term and structural, and no single organization can address them alone. KAMMCO’s continued collaboration with the Kansas Medical Society and the Kansas Hospital Association will remain essential to protecting Kansas patients and healthcare professionals alike.

## Looking Ahead

Candidly, this will not be a short fight. The forces reshaping medical liability developed over many years and will require sustained effort to counter. Yet Kansas remains in a stronger position than many states because of its tradition of cooperation among providers, hospitals, insurers, and policymakers. By working together — defending quality care, strengthening patient safety, and maintaining a balanced legal framework — we can preserve both affordability and access to healthcare.

Thank you for the care you provide every day and for your continued engagement in protecting the future of healthcare in Kansas.



**Kurt Scott**  
President & CEO

## Finance

| Balance Sheet Highlights  |           |           |           |           |           |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| \$ Thousands              |           |           |           |           |           |
|                           | 2025      | 2024      | 2023      | 2022      | 2021      |
| Net Admitted Assets       | \$170,330 | \$158,571 | \$152,402 | \$146,504 | \$160,024 |
| Reserve for Unpaid Losses | \$41,025  | \$37,668  | \$37,463  | \$37,832  | \$39,546  |
| Other Liabilities         | \$29,648  | \$26,658  | \$28,730  | \$26,843  | \$33,456  |
| Policyholder Surplus      | \$99,657  | \$94,245  | \$86,209  | \$81,829  | \$87,042  |

| Income Statement Highlights        |          |          |          |          |          |
|------------------------------------|----------|----------|----------|----------|----------|
| \$ Thousands                       |          |          |          |          |          |
|                                    | 2025     | 2024     | 2023     | 2022     | 2021     |
| Net Premiums Earned & Other Income | \$24,027 | \$23,664 | \$21,306 | \$18,445 | \$19,380 |
| Loss and Loss Adjustment Expense   | \$16,211 | \$14,173 | \$13,775 | \$12,746 | \$17,497 |
| Underwriting & Other Expenses      | \$8,260  | \$8,419  | \$7,883  | \$7,508  | \$7,100  |
| Net Investment Income              | \$4,146  | \$1,899  | \$2,857  | \$1,745  | \$5,340  |
| Net Income                         | \$3,702  | \$2,971  | \$2,505  | (\$64)   | (\$40)   |

- KAMMCO has received **AM Best’s highest rating for balance sheet strength** and KAMMCO’s **capital-to-surplus ratio is more than double the MPL industry average**.
- Through outstanding claims performance, KAMMCO achieved **\$3.7 million in net income in 2025**—our highest level in the past 10 years.
- KAMMCO’s **2025 underwriting results outperformed the MPL Industry**.
- KAMMCO’s **value/surplus has grown \$16 million (i.e., 19%) since 2020** due to our extraordinary operating performance and solid investment returns.

## Claims

**75%**

The percent of claims closed without indemnity (i.e., without payment).

**100%**

KAMMCO’s win rate at trial.

**100%**

Member’s self-reported satisfaction of their overall experience with the KAMMCO claims process.

## Education

**972**

The number of KAMMCO members who completed Med-IQ online risk management courses—a 40% increase from 2024.

**1,861**

The total number of Med-IQ online risk management courses completed by members—a 77% increase from 2024.

## Member Services

**95.5%**

The KAMMCO member retention rate.

**\$13.4M**

The combined amount of member loyalty awards and dividends paid to members since 2011.



### **Website**

[www.kammco.com](http://www.kammco.com)

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# THANK YOU!

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