OB/GYN LIABILITY INSURANCE AND WYOMING STATUTES

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QUESTION:

How does liability insurance for OB/GYNs compare to coverage for other healthcare providers?

SHORT ANSWER:

Medical professional liability insurance, often called "medical malpractice insurance," protects physicians from the consequences of a patient's claim of injury due to a physician's negligence. The cost of liability insurance varies based on location and specialty. Obstetricians and gynecologists (OB/GYNs) typically have the highest premiums and highest awards or claims payments to plaintiffs due to the potential for significant injury to the patient. Wyoming statutes require physicians to hold liability insurance covering a minimum of $50,000 per claim and with a $1 million annual coverage limit. Wyoming statutes also authorize a medical liability compensation fund, but the account is not funded due to liability insurance being considered a "competitive industry."

LIABILITY INSURANCE AND OB/GYNS

Medical professional liability insurance is a kind of insurance generally carried by healthcare providers to protect against liability for medical malpractice claims.[1] Liability insurance is often identified under the misnomer of "medical malpractice insurance."[2] When an injured patient sues a healthcare provider for negligence in rendering care, the insured healthcare provider uses the liability insurance to protect themselves from the consequences of a patient's claim.[3] The insurance company agrees to cover the costs of defense and payment of claims against the policyholder up

[1] Baldemar Gonzalez, *When Tort Falls Short: Crisis, Malpractice Liability, and Women's Healthcare Access*, 119 Collum. L. Rev. 1099, 1101 (2019).
[2] American College of Emergency Physicians, *Medical Professional Liability Insurance*, 1 (2004), **https://www.acep.org/siteassets/uploads/uploaded-files/acep/clinical-and-practice-management/resources/medical-legal/mplipaperapril04.pdf**.
[3] *Id*.

to a fixed coverage limit applicable to the policy period.[4] Institutional healthcare employers such as university healthcare systems and community hospitals typically provide professional liability insurance for employed physicians and surgeons as a part of compensation.[5]

Liability insurance premiums represent approximately 3.2 percent of practice income for physicians across all specialties and all states.[6] The cost of liability insurance varies widely depending on the state and county in which a physician practices.[7] According to the American Medical Association, 31 percent of all physicians have been sued at some point in their careers.[8] Older physicians have a longer exposure to liability risk, as almost half of physicians age 55 and older have been sued.[9]

OB/GYNs are more likely to be named in a malpractice case than other physicians.[10] A report by the American Medical Association found that over 75 percent of general surgeons and OB/GYNs age 55 and older have faced a malpractice claim in their careers.[11] Premiums are higher for certain specialties, with premiums requiring 5 percent of income for high-risk specialties such as OB/GYN, neurosurgery, and thoracic surgery.[12] OB/GYNs generally pay the highest premiums for liability insurance of any specialty.[13] A 2021 survey regarding OB/GYN malpractice found 27 percent of OB/GYNs paid an annual premium under $20,000 and one third of OB/GYNs paid an annual premium of at least $30,000.[14]

OB/GYNs are deemed a high-risk specialty due to the potential for severe injury to women and the possibility of lifelong injury to infants at birth.[15] Financial judgments made against OB/GYNs

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[4] *Id* (The coverage ceiling is also referred to as the "liability limit.").
[5] Patrick V. Bailey, *Is There a Correlation between Physician Employment and Liability Premiums?*, American College of Surgeons (2022), **https://www.facs.org/for-medical-professionals/news-publications/news-and-articles/bulletin/2022/02/is-there-a-correlation-between-physician-employment-and-liability-premiums/**.
[6] *Id*.
[7] *Id*.
[8] American Medical Association, *Medical Liability Reform Now!*, 1 (2025), **https://www.ama-assn.org/system/files/mlr-now.pdf**.
[9] *Id*.
[10] Lisa D. Ellis, *Risks in OB/Gyn: Primary Allegations*, CRICO (2019), **https://www.rmf.harvard.edu/Risk-Prevention-and-Education/Article-Catalog-Page/Articles/2019/Safety-First-OB-GYN-Primary-Allegation**.
[11] American Medical Association, *Medical Liability Reform Now!*, 1 (2025), **https://www.ama-assn.org/system/files/mlr-now.pdf**.
[12] Patrick V. Bailey, *Is There a Correlation between Physician Employment and Liability Premiums?*, American College of Surgeons (2022), **https://www.facs.org/for-medical-professionals/news-publications/news-and-articles/bulletin/2022/02/is-there-a-correlation-between-physician-employment-and-liability-premiums/**.
[13] Keith L. Martin, *Medscape Malpractice Premium Report*, 7 (2019), **https://www.medscape.com/slideshow/2019-malprac-prem-rep-6012332**.
[14] Batya Swift Yasgur, *Medscape Ob/Gyn Malpractice Report 2021* (2021), **https://www.medscape.com/slideshow/2021-malpractice-report-obgyn-6014792**.
[15] Baldemar Gonzalez, *When Tort Falls Short: Crisis, Malpractice Liability, and Women's Healthcare Access*, 119 Collum. L. Rev. 1099, 1101 (2019).

tend to be greater than judgments made to non-OB/GYNs.[16] Birth-related neurological injuries are the most frequent grounds for suits against OB/GYNs and are typically the most expensive.[17] One estimate indicated three-quarters of all malpractice insurance losses stem from OB/GYN cases.[18] Liability cases involving obstetricians are most commonly related to maternal and/or fetal injuries or death and organ damage.[19] Cases involving gynecologists most commonly involve surgical errors and missed cancer diagnoses.[20]

WYOMING LIABILITY INSURANCE LAWS

Wyoming statutes require physicians (including OB/GYNs) to annually purchase medical professional liability insurance for "any act, error or omission relating to medical care rendered."[21] The liability insurance must cover for a minimum of $50,000 per malpractice claim and have a coverage limit of $1 million annually.[22] Under Wyoming statutes, advance payments made to a plaintiff are not considered an admission of liability for injuries or damages and are not admissible in a malpractice court proceeding.[23] Wyoming statutes also create a medical liability compensation account held in trust by the Wyoming State Treasurer that may be used to fund the legal defense of participating physicians.[24] The compensation account is, however, not funded due to liability insurance being considered a "competitive industry" with Wyoming physicians having options to purchase private liability insurance.[25]

If you have any further questions, please do not hesitate to contact LSO Research at 777-7881.

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[16] *Id*.
[17] *Id*.
[18] Elizabeth Kukura, *Obstetric Violence*, 106 Geo. L.J. 721, 771 (2018).
[19] Lisa D. Ellis, *Risks in OB/Gyn: Primary Allegations*, CRICO (2019), **https://www.rmf.harvard.edu/Risk-Prevention-and-Education/Article-Catalog-Page/Articles/2019/Safety-First-OB-GYN-Primary-Allegation**.
[19] American Medical Association, *Medical Liability Reform Now!*, 1 (2025), **https://www.ama-assn.org/system/files/mlr-now.pdf**.
[20] *Id*.
[21] W.S. § 26-33-102.
[22] W.S. § 26-33-103.
[23] W.S. § 26-33-104.
[24] W.S. § 26-33-105.
[25] Telephone Interview with Becky McFarland, Staff Attorney, Wyoming Department of Insurance (September 29, 2025).