

MALPRACTICE RATES DROPS IN TEXAS AND MISSISSIPPI

Texas Docs Malpractice Rates on the Decline

According to the Austin Business Journal October 10 edition, Texas medical malpractice insurers are “clamoring” to reduce insurance premiums. Insurers attribute the lowering of premiums, after years of skyrocketing medical malpractice rates, to Proposition 12 - a constitutional amendment approved by Texas voters in September 2003 to cap non-economic medical malpractice insurance damages at \$250,000.

Since the passage of Proposition 12:

- All five of the state’s largest medical malpractice insurers announced rate cuts in the first nine months of 2005 producing approximately \$48.6 million in annualized savings for Texas physicians. (Source: The Texas Medical Association-**TMA**)
- The Texas Medical Liability Trust, the state’s largest medical malpractice insurer, has cut its rates by a total of 17 percent (12 percent in 2004 and 5 percent earlier this year) and plans to reduce rates for new policy holders by 5 percent on January 1, 2006 and pay \$10 million in dividends to 2005 policy holders. (Source: Austin Business Journal)
- The American Physicians Insurance Exchange cut rates an average of 5% in February for 2,200 physicians and announced a 13 percent rate decrease on August 16. (Source: Austin Business Journal)
- Patients’ access to physician services is growing. More than 3000 new doctors have established practice in Texas (from May 2003 to July 2005); many serving in high-risk specialties and in medically underserved regions of the state. (Source: TMA)

Mississippi Announced Lower Medical Malpractice Rates

On October 10 George Dale, the Mississippi Insurance Commissioner, announced that the Medical Assurance Company of Mississippi (MACM) will reduce its medical liability insurance rates by 5% in 2006.

MACM is the state’s largest medical malpractice insurer, providing liability insurance for about 70 percent of the state’s physicians.

The Commissioner credits the improvement in MACM’s financial position to the passage of H. B. 13 in 2004 that capped non-economic damages awards at \$500,000 among several other reforms.

In addition, MACM's board has approved a refund of 10 percent of the premium paid by those insured in 2005 if the company continues its financial recovery from past underwriting difficulties.

If you have any questions on these or other topics, please contact Shuan Tomlinson at 800-338-2746 ext. 4547 or by email at stomlinson@acponline.org.

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