

The Whole Truth About Medical Malpractice and Insurance

Fact #1: Did you know Insurance Reform is the only way to reduce excessive malpractice insurance rates?

- Insurance reform contained in the 2005 legislation was working, not the caps.
- Insurance reforms, not the caps, directly addressed the issues of abuses in the insurance industry, which have been a major factor in leading to higher insurance rates.
- The long-suppressed insurance reforms contained in this legislation have resulted in a 5.2 percent reduction (3.5 percent initially ordered by Michael McRaith, Director of the Illinois Department of Insurance on March 14, 2006) of malpractice premiums and should be heralded as taking a very necessary step in protecting doctors and patients.
- The law forced malpractice insurance companies to provide greater transparency on rate-setting and payouts that has in turn spurred competition, motivated more companies to enter the marketplace, and lowered premiums for doctors.
- Thanks to the insurance reforms, Michael McRaith, Director of the Illinois Department of Insurance said “For the first time in the history of the state, [malpractice] insurance companies that want to compete for business in Illinois have access to actuarial information and loss and claims data...We see more companies coming in and a stabilization or decline in actual rates.”



*See the February 20, 2010, statement from the Director of Insurance urging insurers to comply with 2005 insurance reforms. http://www.insurance.illinois.gov/newsr/s/2010/02202010_a.asp

* For more information regarding insurance reform, see ITLA's white paper "The Whole Truth About Medical Malpractice and Insurance" pages 18-22.