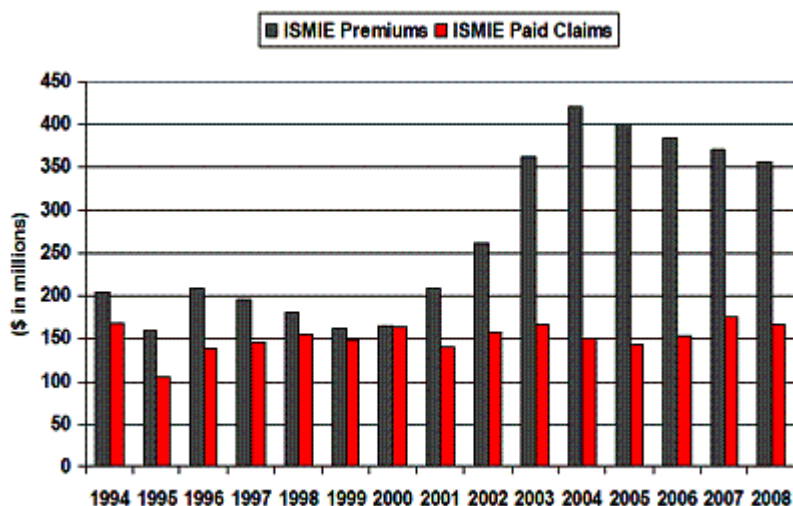


## The Whole Truth About Medical Malpractice and Insurance

### **Fact #4: Did you know the dramatic increases in malpractice insurance rates in the years leading up to 2005 were not needed to pay claims, because there was no increase in claims?**

- ISMIE'S own data clearly shows that there was NO increase in paid claims. In fact, the number of paid claims was actually stable or even decreasing prior to 2005.
- Tort reform advocates, including American Tort Reform Association general counsel Victor Schwartz, admit that frivolous medical malpractice suits against doctors are uncommon, "There is no question that it is very rare that frivolous suits are brought against doctors. They are too expensive to bring."
- After the cap became law, ISMIE representatives admitted under oath that there was no actual data to support its claim of an increase in frequency of claims.
- According to statements filed with the Department of Insurance, ISMIE's total annual payouts have been stable while it has collected twice as much or more in premiums each year.



### **Fact #5: Did you know malpractice insurance rates dramatically increased while the number of claims paid and the total amount of paid claims have not?**

- ISMIE was enjoying record profits while raising malpractice rates for doctors.
- Malpractice insurance rates were skyrocketing while ISMIE's own data, filed with the Department of Insurance, showed claims and payouts were stable or even decreasing.
- ISMIE representatives admitted under oath that they had no actual data to support the assertion of an increase in claims or payouts.
- In 2009, ISMIE reported the lowest number of claims paid since 1995.
- Also in 2009, ISMIE reported the lowest total amount of paid claims since 1995.

## **Fact #9: Did you know medical malpractice claims have little effect on hospitals' bottom line?**

- Hospitals have been prospering financially and enjoying record profits, without caps having had any impact.
- Analysis of verdict data showed that noneconomic damages awards against hospitals declined from 2002-2003.
- Hospitals have said that insurance and investment markets - not tort claims - are the reason for any financial difficulties they may have faced in the past.
- Hospitals are the subject of news stories - and not because of a medical malpractice crisis. In fact, hospitals are making news because of the millions of dollars they are spending, makes it hard to believe that these hospitals are cash strapped.
  - Loyola University Health System is spending nearly \$50 million to open a center in a southwest suburb next year that will offer everything from heart care to aquatic therapy (*Crain's Chicago Business*, February 22, 2010).
  - Northwestern recently opened a luxurious \$507 million women's hospital featuring "spectacular lake views and 42-inch flat-screen televisions loaded with movies to order" (*Crain's Chicago Business*, October 8, 2007).
  - The Rehabilitation Institute of Chicago recently announced it purchased the property upon which it will be building a new hospital, costing several hundred million dollars (*Chicago Tribune*, December 15, 2009).

*\* For more information regarding insurance reform, see "The Whole Truth About Medical Malpractice and Insurance" pages 4-11 available at [http://www.iltla.com/pdf/WhitePaper\\_TheWholeTruth\\_Feb2010.pdf](http://www.iltla.com/pdf/WhitePaper_TheWholeTruth_Feb2010.pdf)*