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For Immediate Release:
September 27, 2005

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Consumer Group Demands Repeal of Medical Malpractice Cap *Says ISMIE's Rate Increase Request Proves Fallacies About Caps*

Chicago – Center for Justice and Democracy (CJ&D) – Illinois today called on the Governor and state legislators to repeal the recently passed cap on medical malpractice compensation. CJ&D called for this action in light of the request by ISMIE Mutual, Illinois' largest malpractice insurer, to raise insurance premiums for some Illinois doctors. The cap was signed into law on August 25, 2005.

ISMIE strongly backed the medical malpractice cap (SB 475) limiting compensation to those injured by medical errors claiming it was necessary for stabilizing doctors' insurance rates, but it continues to request premium increases. CJ&D Field Organizer, Mark Fraley, stated, "Now that legislators can see that ISMIE does not intend to stop raising rates even though patients' rights have now been severely restricted, they should do what is right for the citizens of this state and repeal the cap immediately."

The malpractice law imposes a cap on "non-economic" compensation of \$500,000 for cases against doctors and \$1,000,000 for cases against hospitals. Non-economic compensation covers "quality of life" injuries like blindness, loss of limbs, and brain damage. Fraley said, "This cap is devastating for Illinois families, those who have lost loved ones or are injured as a result of medical malpractice. What's more, it discriminates against women, the elderly, stay at home moms, and children.

"The new law will prevent people like me from being fairly compensated after being severely injured due to medical malpractice," said Debi Surlas, who became blind after a doctor misdiagnosed her eye condition. "I have already won my case, but I am concerned for the rights of future patients who will be hurt for no reason while insurance companies continue to try to raise their rates."

Said Fraley, "Caps on malpractice compensation do nothing to lower insurance rates because litigation does not determine rates to begin with. Studies show that in many states that have enacted caps, premiums have continued to skyrocket. Clearly, caps do nothing to help doctors with their insurance problems but they make insurers quite rich."

The new malpractice bill also provides for stricter insurance regulation, including giving the Illinois Division of Insurance (DOI) the ability to investigate rate increase requests. CJ&D applauded the DOI for using this authority to investigate ISMIE's 2005-2006 rate structure. Immediately after the bill went into effect, the DOI called ISMIE in for a hearing calling the rate increases on some specialties "problematic."

“The part of the law regulating the insurance industry is a positive step. It is a shame it wasn’t given the opportunity to work without simultaneously trading away patients’ rights and needs in a political bargain. Patients are being harmed every day the caps are in place, and for no reason,” Fraley said. “Strong insurance regulation is an effective means of keeping insurance rates down, rendering caps completely unnecessary.”

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