

**VMS RESOLUTION**  
**PROFESSIONAL LIABILITY INSURANCE REFORM FOR PHYSICIANS**

Passed at VMS Annual Meeting, October 26<sup>th</sup>, 2002

WHEREAS, Medical liability insurance premiums are soaring to the highest rates since the mid-1980s and are adding to rising health care costs;

WHEREAS, The average increase for 2001 was approximately 15%, and it is predicted that rates could rise as much as 50% this year for some specialties in some regions. This is happening at the same time as Medicare has reduced physician payments by 5.4 percent;

WHEREAS, In New York and Florida, obstetricians, gynecologists and surgeons routinely pay more than \$100,000 a year for \$1 million coverage;

WHEREAS, This crisis may also affect care for patients. For instance, one out of 10 OB/GYN physicians nationwide no longer delivers babies, and some advanced and high-risk procedures are being postponed because surgeons cannot find or afford insurance;

WHEREAS, The St. Paul Companies, the nation's second largest carrier, announced it was ending its liability business because of the company's overall financial losses. On February 1st, PHICO, the largest insurance company in Vermont, declared bankruptcy forcing physicians to find alternative coverage and putting 47 Vermont-based claims on hold;

WHEREAS, the AMA has identified 12 states currently in a medical malpractice crisis. Vermont is now listed by the AMA as one of 30 states showing problem signs;

WHEREAS, Multiple studies have shown that a limit on non-economic damages is the most effective reform to contain run-away medical liability costs;

WHEREAS, Under joint and several liability, physicians may be required to pay the entire amount of the judgment, even if they were only partially at fault;

WHEREAS, Alternative dispute resolution mechanisms are a proven and low-cost means of resolving cases before they go to court;

WHEREAS, The willingness of physicians to volunteer their services has been increasingly deterred by a perception that they are at risk from damages arising from their activities as volunteers;

WHEREAS, Vermont's statute of limitations for medical malpractice cases is longer than the statute of limitations in the majority of states; therefore be it

**RESOLVED, That the Vermont Medical Society urges the Vermont General Assembly to enact meaningful professional liability reform in order to help contain the cost of our state's health care system and maintain access to necessary medical services.**