



Medical Malpractice Deal Bad For Consumers

FOR IMMEDIATE RELEASE

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Tampa, FLA -- Florida's largest consumer group disapproved of Gov Bush's medical malpractice deal. Florida Consumer Action Network (FCAN) said the deal isn't good for consumers and didn't address the insurance crisis.

"Consumers have skyrocketing rates on homeowner's, auto, health, and all lines of insurance. Bush helped the insurance companies and hurt the trial lawyers, but didn't do anything about the insurance crisis," said Bill Newton, FCAN executive director. "The medical malpractice deal is good for Bush's political agenda, but bad for consumers," continued Newton. "We urge Senators to vote against this deal."

Problems in the proposed medical malpractice solution identified by FCAN include the question of funding the Office of Insurance Regulation. The Governor's proposal seems to mandate that the OIR make recommendations on medical malpractice insurance rates which the companies must then prove wrong. This is a difficult undertaking and must be fully funded. A "Public Model" should be funded that could also be used in evaluating rates on other lines of insurance.

Florida Consumer Action Network is a not-for-profit consumer group with 40,000 members from Key West to Tallahassee. FCAN advocates for consumers on insurance, health care, utility, and environmental issues.

Another key problem is the possible immunity from lawsuits granted to HMO's that seems to be in the Governor's bill. HMO's merely need to say they have no "control" over doctors to be immune. We see vast potential for abuse without responsibility.

FCAN will push for real reforms in next year's legislature. FCAN will seek elimination of the insurance industry's anti-trust exemption as proposed by Representative Kevin Ambler. Other measures include beefing up the Department of Insurance by funding a "public model" to evaluate insurance rate increases, expanding Florida's Insurance Consumer Advocate, outlawing "predatory pricing" practices by insurers, and rolling back rates.

"Florida's insurance markets need to be stabilized so people can buy cars and homes and businesses will flourish," said Newton. "Consumers are at the mercy of insurance companies on rates as it stands, and that can't continue," stated Newton.

FCAN recommends prior rate review instead of the current system of allowing the insurance companies to raise rates and then try to justify the increase later. FCAN also support Chief

Financial Officer Tom Gallagher's proposal to eliminate the arbitration panel that has overturned many denials of rate increases.

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