

## ***Malpractice Insurance Expert Advice***

# **The State of the Medical Malpractice Insurance Market in Florida**



*By Matt Gracey*

As we enter 2017 there are a number of unclear predictions about the medical malpractice insurance market in Florida, but one that I feel very confident about is that, for the first time in at least a decade, that market is on the verge of change for the worse. The biggest indicator is that most of the major insurers of physicians and surgeons in

Florida are now either losing money on their coverage or are close to losing money. The all-important measure to look at for these indications is the “combined ratio,” which is the ratio of money collected from insurance premiums versus what is paid out (the sum of claims paid to plaintiffs through settlements, trial awards, or arbitration, plus defense costs, court costs, and the insurers’ operating and sales expenses). Many insurers in the malpractice insurance space in Florida are either above the 100% mark already or believe that as the losses develop they will be above that 100% mark very shortly. One must remember that when an insurer collects a premium to cover a doctor’s malpractice claims they really will not know what the true price of the premium should be to just break even, since cases can take years to settle and finally see if the premium was adequate or not.

Here is the crux of the problem: With Florida tort reforms being gutted now with successive Florida Supreme Court rulings against the reforms, we are seeing real increases in the number of claims against our doctors. As one prominent malpractice defense attorney told me recently, “The much-anticipated flood of new claims and plaintiff attorneys getting back into suing doctors has now started.”

So what do we now advise our clients and all of Florida’s fine doctors to do? The first thing is to plan your purchasing of coverage very carefully with experts who are looking out for you. Many unrated and very underfunded insurers are still hanging on perilously in the marketplace, offering lower-priced coverage just to keep up their funding for as long as they can hold on in a tougher market before selling out or going broke. The real peril, besides having your coverage cancelled mid-term, is buying coverage from the insurers that just cannot afford to vigorously defend claims, even laughable, frivolous ones that our doctors do not deserve. Many of these insurers only fight a very few, if any, cases against their doctors. A number of companies still doing business here have outrageous, documented records of settling every one of the claims against their insured doctors, who deserve more! Be warned and diligently shop very carefully!

Strong, well-respected insurers are still offering broad coverage at fair prices to our doctors, but as in any industry you must be very vigilant in finding those that are being responsible and strongly defending their insured doctors. Prices will be going up soon, so budget accordingly and find a great expert with experience and the independence to fully shop your coverage in these last years of stable pricing. Many purchasing programs have been created in the last 10 years. These are a great way for doctors, even small groups and solo practitioners, to gain purchasing power, so check those out with your medical societies and ACOs.

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