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State postpones setting malpractice rates

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State Superintendent of Insurance Eric Dinallo announced Monday that he is delaying setting new medical malpractice insurance rates for 2008-2009. The rates are supposed to be set by July 1, but Mr. Dinallo said he was allowing time for negotiations on legislative reform proposals.

Two doctors' groups, the Medical Society of the State of New York and the state's chapter of the American College of Obstetricians and Gynecologists, have been predicting onerous rate increases. The gynecologists' group said they expected a jump in the range of 14% to 18%.

The state's largest medical malpractice insurer, the Medical Liability Mutual Insurance Co., had asked for increases of 3% to 4%. According to ACOG president Donna Montaldo, Mr. Dinallo said larger rate hikes were needed to cover MLMIC's dwindling reserves.

Among the reforms being considered by the Legislature is a proposal to give doctors medical malpractice insurance discounts if they agree to accept malpractice case settlements that are negotiated by their carriers instead of going to trial.

Without some relief, the doctors' groups predict, more physicians will leave the state or give up their practices. The rates will be retroactive when they are established. ♦