



First Professionals Insurance Company

January 30, 2003

Dear Editor:

In yesterday's article appearing in The Palm Beach Post entitled, "*Dose of Reality For Doctors*," reporter Phil Galewitz concludes that a cap on non-economic damages "in medical malpractice insurance won't work," and attributes this statement to me, based on my comments to the Palm Beach County Medical Society's Professional Liability Summit on January 28, 2003. If Mr. Galewitz had confirmed the assumptions he made in his article, he would have learned that I am a proponent of President Bush's and Governor Jeb Bush's proposed tort reform initiatives and fully believe that if implemented, doctors and patients will significantly benefit.

In the presentation, I specified that the proposed cap is a central feature in the recommendations of the Governor's Task Force on Healthcare Professional Liability Insurance, and continued to highlight several significant points supporting this legislation, which Mr. Galewitz chose to ignore, including:

- ✓ Since 1975 the total annual payout to patients on behalf of Florida physicians has increased 3074%.
- ✓ According to data from the National Practitioners Data Bank, the total annual payout on behalf of Florida physicians increased 33% from 1999 to 2001, an annual average increase of 11%.
- ✓ The data sources available to those interested in studying this problem (The Florida Department of Insurance Closed Claim Data Base and the National Practitioners Data Bank) are not complete.
- ✓ The difference between the two databases in the most current year available is substantial, \$120 million.
- ✓ **Had a \$250,000 cap on non-economic damages been in effect from 1992 to 2001, the total payout on behalf of Florida physicians would have been reduced by \$395 million; even with the cap in effect, the total payout would have amounted to \$1.5 billion and still represented adequate compensation to the recipients. This estimate is based on the smaller database since it is the only one that breaks down economic and non-economic damages.**

Based on the points I referenced in my speech, this is the "dose of reality" that Florida physicians wake up to every day: the fact that their premiums are the highest in the nation because of a liberal court system. I know this situation must change and have been committed to making this happen for the 21 years I have lived and worked in Florida.

- ✓ I testified before the Task Force on the effectiveness of capping non-economic damages.

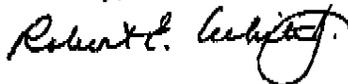
- ✓ I encouraged the audience to support the findings and recommendations of the Task Force because they would substantially lower premiums for Florida physicians.
- ✓ I stated that caps would produce predictable courtroom results and predictable results would lead to stable premiums for Florida's physicians.
- ✓ I firmly believe that a \$250,000 cap on non-economic damages, if legislatively adopted and judicially approved, will reduce premiums.

Mr. Galewitz created yet another misrepresentation when discussing my comments about the fierce competitive state of affairs that existed in the 1990's in this line of insurance. Contrary to what was printed, I stated that insurers are limited by law in the percentage of their assets that can be invested in the stock market. The medical liability insurers invest in high-grade bonds that are safe and liquid.

Lastly, Mr. Galewitz states that doctors were stunned to learn that capping damages might not work and called for their leaders to come up with a new strategy. Actually, the discussion regarding formation of a doctors union and changes in antitrust laws took place more than one hour before my presentation began and was not in any way in response to my comments.

I am disappointed by the misrepresentation of my statements in the article, and am concerned about the motives of those reporting on this issue. I clearly stated my position on these matters in my address and intended for them to be accurately portrayed in your newspaper. You owe that much to your readers, and to the benefit of improving healthcare nationwide.

Sincerely,



Robert E. White, Jr.
President