

# THE OK FOUNDATION FOR CONSUMER & PATIENT RIGHTS

P.O. Box 12714, OKLAHOMA CITY, OK 73157-2714

OUT OF THEIR OWN MOUTHS

## Insurance execs tell the truth about tort reform

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- We're doing fine, said Carl T. Hook, M.D., president of the Physicians Liability Insurance Co., which insures most Oklahoma doctors. The first six months of 2007 saw a net income of \$21 million. (Carl T. Hook, M.D., *The Journal Record*, July 26, 2005).
- Hook said he has seen a trend toward more reasonable jury awards, which he attributed to the public education provided by extensive media coverage of lawsuit reform issues. (Carl T. Hook, M.D., *The Journal Record*, July 26, 2005).
- By the end of 2005, PLICO had seen a 36 percent reduction from the previous two years in defense and settlement costs. This allowed PLICO to outperform projected expectations by 39 percent. At this time PLICO had the lowest number of open claims since the early to mid-1980s. (Darrin McKelvey, director of marketing at PLICO, PLICO newsletter, 1st Quarter, 2006).
- The average loss payments per case fell 49 percent from 2003-05. The number of pending claims has also been significantly reduced from 2004-05 by 35 percent. (Sam Glover, assistant claims manager at PLICO, PLICO Newsletter, 4th Quarter, 2005).
- "I am pleased to announce that PLICO is in the strongest financial position in its 29-year history. Our successful capitalization program has resulted in a positive net worth as of the end of 2007. In both 2007 and 2008, PLICO's stewardship has led to reducing the costs of insurance premiums to the majority of our insureds." (Carl T. Hook, M.D., "2007 PLICO Annual Report").
- "[T]he insurance industry never promised that tort reform would achieve specific premium savings." (American Insurance Association press release, March 2002).
- "We wouldn't tell you or anyone that the reason to pass tort reform would be to reduce insurance rates." (Sherman Joyce, president of the American Tort Reform Association, *Liability Week*, July 1999).
- "[M]any tort reform advocates do not contend that restricting litigation will lower insurance rates, and I've never said that in 30 years." (Victor Schwartz, general counsel, American Tort Reform Association, *Business Insurance*, July 1999).

### About the Oklahoma Foundation for Consumer & Patient Rights

The Foundation is a nonprofit consumer and patient advocacy organization whose mission is to produce and disseminate timely and informative analysis and information on public policy issues that impact consumer and patient safety. For more information on the Oklahoma Foundation for Consumer & Patient Rights, please call 800-994-6025 or visit [www.okccps.org](http://www.okccps.org).