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## **ISMIE MUTUAL MARKS FOURTH CONSECUTIVE YEAR OF STABLE RATES**

*Gains traceable to Illinois' now-overruled litigation reforms. Will 'bad old days' soon return?*

**Chicago, IL** – ISMIE Mutual Insurance Company today announced that, for the fourth year running, it will not increase base premium rates on medical liability policies. The insurer credits its decision to a stable lawsuit environment nurtured by Illinois' 2005 medical litigation reform law, but cautioned that resulting market improvements could be at serious future jeopardy. Earlier this year, the Illinois Supreme Court struck down the entire law.

The extension of ISMIE Mutual's current base rates affects annual policies renewing on or after October 1, 2010 for the 2010-2011 policy year.

"Since enactment of the reform law, claims reported to ISMIE have steadily decreased, from 3,295 in 2005 to 2,379 last year," said ISMIE Mutual Chairman Harold L. Jensen, M.D. This positive trend is offset by the uncertainty of Illinois' courts and volatility of claims payouts, a few of the many components the insurer analyzes when determining future rates. "We believe Illinois' reform law played a significant role in the decline in lawsuit filings," Dr. Jensen said. "However, we are still very worried about high lawsuit awards which, in the long run, are not sustainable."

The now-overturned law "protected injured patients' rights, while making the system more fair, stable and predictable," added Dr. Jensen. "Without reform, our legal system is poised to return to 'the bad old days' – protecting neither patient nor doctor, nor the larger public good," he said. "Patients need to know that a broken medical lawsuit system ultimately leads to fewer medical care options in Illinois."

ISMIE's rate extension is the company's second significant market announcement this year. In April, ISMIE made public its plan to again extend its popular dividend program, adding an additional \$17 million to the dividend pool for eligible policyholders. With the new disbursement, ISMIE Mutual will have granted \$54.5 million to policyholders since the dividend program was first announced in 2007.

In other good news, A.M. Best Co. announced ISMIE Mutual's B++ (Good) rating is extended for 2010-11. The rating is a validation of ISMIE Mutual's financial strength and stability.

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[www.ismie.com](http://www.ismie.com)

*ISMIE Mutual Insurance Company is the leading provider of medical liability insurance to approximately 12,000 Illinois physicians. Established in 1976 by the Illinois State Medical Society, the company is completely physician-owned and operated. ISMIE Chairman Harold L. Jensen, M.D. is a specialist in internal medicine from Frankfort, Illinois.*