



**Physician Insurers
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Protecting Healthcare

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June 22, 2010

Roll Call
1255 22nd Street, NW
Washington, DC 20037

Dear Editor:

I write to point out numerous omissions in Congressman Nadler's recent article on medical professional liability (MPL) reform in which he called for repeal of the McCarran-Ferguson Act for MPL insurers.

Mr. Nadler fails to acknowledge that the primary providers of MPL insurance are companies that are owned and/or operated by physicians and other healthcare providers themselves, including Medical Liability Mutual Insurance Company in New York, which is also the largest in the nation. These companies must take into account the wellbeing of their policyholders with every decision made, including the pricing of insurance. There is perhaps no other type of insurance where the needs of policyholders are more strongly considered.

To date, no one at any level of government has been able to provide any evidence that anticompetitive behavior exists in the MPL insurance industry or that such behavior could happen absent federal intervention. In fact, the Congressional Budget Office stated that the legislation which Mr. Nadler supports would have no beneficial impact because the anticompetitive activities to be prohibited are already regulated by the states. The CBO did state that Mr. Nadler's proposal could place additional regulatory burdens on insurers—the costs of which would be passed on to policyholders in the form of higher premiums, thus exacerbating the very problem he claims to want to solve.

Finally, it must be noted that MPL insurers already face a high level of state regulation, including in the rate setting process. In Mr. Nadler's home state, the insurers are not even allowed to set their rates—those are determined at the sole discretion of the State Superintendent of Insurance.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence E. Smarr".

Lawrence E. Smarr
President