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3 **Title:** Health Insurance Companies Dictating the Limits of  
4 Professional Liability Coverage

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6 **Introduced by:** Ali Moiin, MD, for the Wayne County Delegation

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8 **Original Author:** Ali Moiin, MD

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10 **Referred to:** Reaffirmation Calendar

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12 **House Action:** Reaffirmed

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15 **Whereas, during the credentialing process by an insurance company a**  
16 **physician or practice needs to provide proof of malpractice coverage, and**

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18 **Whereas, in the past, there was no mandate for specific limits of liability**  
19 **coverage, and**

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21 **Whereas, physicians and their practices carried the limits of liability based**  
22 **on their specialty and scope of practice to mitigate their risk, and**

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24 **Whereas, physicians made those choices depending on their employed or**  
25 **self-employed status, and**

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27 **Whereas, during recent credentialing and re-credentialing cycles, insurance**  
28 **companies such as Blue Cross Blue Shield of Michigan, Blue Care Network, Aetna,**  
29 **and United Health Care are requesting limits of liability from one million to three**  
30 **million dollars, and**

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32 **Whereas, the cost to purchase such limits is very expensive and increases**  
33 **the burden on physician practices by increasing the cost by 20 to 40 percent of**  
34 **current liability insurance cost, and**

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36 **Whereas, in these hard economic times the increased costs to practices are**  
37 **substantial, and**

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39 **Whereas, the insurance companies, when asked why they need the increase**  
40 **in limits of liability, do not have an answer or process for the practitioner to provide**  
41 **a hardship waiver request; therefore be it**

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43 **RESOLVED: That MSMS work with the legislature to help draft a bill that**  
44 **prohibits insurance companies from dictating the limits of professional liability for**  
45 **physicians and physician practices; and be it further**

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47 **RESOLVED: That MSMS work with Office of Insurance Commissioner and**  
48 **other appropriate regulatory bodies to address the issue of insurance companies**  
49 **setting requirements with higher limits of professional liability coverage.**

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52 **WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE**