



NEW YORK STATE SOCIETY OF ORTHOPAEDIC SURGEONS, INC.

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Heather G. Bennett, JD

December 14, 2007

RE: An Open Letter to all Orthopaedic Surgeons in New York State

Dear NY Orthopaedic Surgeons:

The New York State Society of Orthopaedic Surgeons would like to take this opportunity to update you on recent developments in this state impacting medical malpractice insurance.

As we reported via email to all Members in November, NYSSOS has been working hard as a Member of Governor Spitzer's **Medical Malpractice Reform Taskforce**, Chaired by NY Superintendent of Insurance Dinallo and Co-Chaired by NY Commissioner of Health Daines.

At the December 10, 2007 Taskforce meeting, *Superintendent Dinallo* reminded the Taskforce representatives that he is statutorily required to assess a surcharge on all medical liability premiums when there is a projected deficiency. As of December 31, 2007, the **projected deficiency is \$1.9 Billion**. Section 40 of Chapter 266 of the Laws of 1986 states that the surcharge for the period July 1, 2007 – June 30, 2008 shall not exceed 8% of the established rate and that for all periods thereafter, the surcharge rate shall not exceed 25% of the established rate. Therefore, using current base policy rate information from MLMIC, surcharges for Orthopaedic Surgeons shall be (*note: the 2008 policy cost and surcharge cost are based upon an anticipated 25% increase in premiums for orthopaedic surgery*):

Territory 01 -- New York, Orange, Rockland, Sullivan, Westchester
2007: Policy Cost: **\$102,531** / Surcharge Cost: **\$8,202**
2008: Anticipated Policy Cost: **\$128,163** / Surcharge Cost: **\$32,040**

Territory 02 -- Bronx, Brooklyn, Queens, Staten Island, Kings, Richmond
2007: Policy Cost: **\$121,620** / Surcharge Cost: **\$9,729**
2008: Anticipated Policy Cost: **\$152,025** / Surcharge: **\$38,006**

Territory 03 -- Nassau, Suffolk
2007: Policy Cost: **\$132,505** / Surcharge Cost: **\$10,600**
2008: Anticipated Policy Cost: **\$165,631** / Surcharge Cost: **\$41,407**

Territory 04 -- Columbia, Dutchess, Greene, Putnam, and Ulster
2007: Policy Cost: **\$62,939** / Surcharge Cost: **\$5,035**
2008: Anticipated Policy Cost: **\$78,673** / Surcharge Cost: **\$19,668**

Territory 05 -- Erie, Niagara
2007: Policy Cost: **\$39,556** / Surcharge Cost: **\$3,164**
2008: Anticipated Policy Cost: **\$49,445** / Surcharge Cost: **\$12,361**

Territory 06 -- Livingston, Monroe, Ontario, Seneca, Wayne, Yates
2007: Policy Cost: **\$27,848** / Surcharge Cost: **\$2,227**
2008: Anticipated Policy Cost: **\$34,810** / Surcharge Cost: **\$8,702**

Territory 00 -- Rest of State
2007: Policy Cost: **\$37,352** / Surcharge Cost: **\$2,988**
2008: Anticipated Policy Cost: **\$46,690** / Surcharge Cost: **\$11,672**

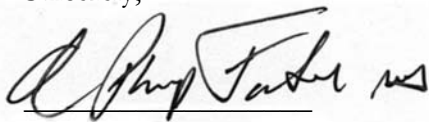
The Superintendent has directed that surcharge billing statements be prepared for all New York physicians.

NYSSOS is working very hard to avert this crisis and will share information with you by email and letter as soon as it is available. *In the meantime, NYSSOS felt compelled to share this information with you so that you may be prepared for the surcharge bills when/if they are mailed to you.*

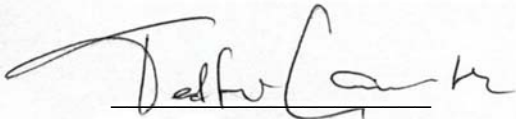
For updated information about this issue, please visit www.NYSSOS.org.

Thank you for your review of this letter and information. Please feel free to contact NYSSOS if you have any questions about this issue.

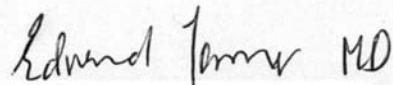
Sincerely,



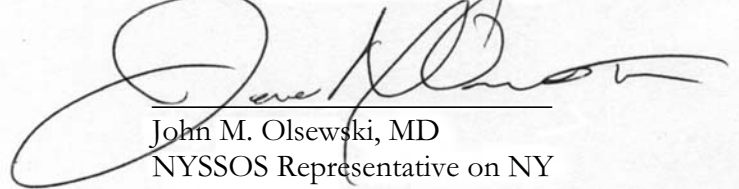
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Medical Liability Taskforce



Edward Tanner, MD
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