

New Mexico Medical Malpractice Act- Safeguarding the Practice of Medicine

Background

In 1975, Travelers Insurance Company, New Mexico's liability carrier, announced that it would no longer provide medical malpractice insurance to the state's physicians citing the lack of tort reform and the small book of business available in the state.

NMMS immediately began work with the New Mexico Bar Association to draft tort reform legislation and proceeded with the major undertaking of organizing a mutual liability company for physicians. In record time, New Mexico Physicians Mutual Liability Company was born, and in 1976, the New Mexico Medical Malpractice Act was signed into law.

The Act provides a CAP on liability of \$600,000 plus past and future medical care. It sets statutes of limitations, and established the New Mexico Medical Review Commission which must screen all potential legal actions before they can be filed in district court. New Mexico's Act is seen as an exemplary piece of legislation nationwide. It has provided affordable and available liability insurance for doctors.

Expected Attack on Act:

A task force of NMMS, NM Trial Lawyers and Department of Insurance has met several times over the past few years to discuss and study increasing the limit of liability from \$600,000. The society opposes any amendments to the act that causes a significant increase in liability premiums for physicians. NMMS anticipates amendments to the act increasing the limit of liability to \$2,000,000. Actuarial projections reflect a 5% rate increase for every \$100,000 increase.

NMMS Proposes:

⇒ **Opposing** any attempt to "open" or amend the Medical Malpractice Act without a firm agreement between NM Medical Society and the NM Trial Lawyers Association.