

Address

Policy Number

Policy Effective Date

Date

### **RATE INCREASE NOTIFICATION AND CHANGE IN TERMS AND CONDITIONS EFFECTIVE JANUARY 1, 2022**

Dear [Title, Last Name],

To comply with House Bill (HB) 75, The Doctors Company will rewrite your current policy effective January 1, 2022. Please consider this letter as notice of the change.

The dramatic changes made to the New Mexico Medical Malpractice Act (MMA) by HB 75 are due to take effect January 1, 2022. We strongly urge you to review the potentially devastating impacts of HB 75 on your practice with your personal counsel.

### **Your Medical Professional Liability Insurance Rates and State-Mandated Patient Compensation Fund (PCF) Assessments Will Be Increasing Beginning January 1, 2022**

As a recap to our previous communications from June and August 2021, all the following will occur on January 1, 2022:

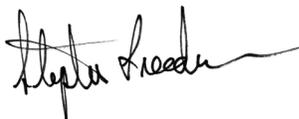
- The underlying professional liability limit from The Doctors Company will increase from \$200,000 to \$250,000, and the cap on nonmedical damages for individual providers will increase from \$600,000 to \$750,000. Most physicians will see a rate increase as a result of the increase in the underlying professional liability limit.
- The definition of who qualifies to participate in the PCF has expanded to include nurse practitioners, clinical nurse specialists, certified nurse-midwives, and a business entity's employees.
- PCF charges you currently pay will increase as the Office of Superintendent of Insurance (OSI) in New Mexico is currently reviewing the charges and will publish the new rates by November 1, 2021. HB 75 requires the surcharge to be sufficient to pay current claims and also collect funds to retire the PCF's deficit by the end of 2026.
- There is a significant increase in the damage cap for hospitals and outpatient care facilities (OCFs) as well as for agents of these facilities. A member practicing in a qualifying facility as defined by HB 75 may also have an increase in the damage cap to \$4,000,000 and annual escalations thereafter reaching \$6,000,000 by the end of 2026 when OCFs will no longer be fund eligible.

Despite our advocacy efforts on your behalf against the New Mexico Trial Lawyers Association over the last several years, HB 75 passed changing the practice of medicine in New Mexico. Please take the time to review the impacts of HB 75 on your practice with your counsel.

### **Learn More About HB 75 and Its Potential Effects on Your Practice**

Please visit our comprehensive webpage at [thedoctors.com/HB75Updates](https://thedoctors.com/HB75Updates).

Sincerely,



Stephen Freedman  
Senior Vice President  
Regional Operating Officer