



Policyholders of America

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**TORT REFORM PROPOSALS SHOULD BE TIED TO MANDATORY
PREMIUM DISCOUNTS FOR PUBLIC GOOD, SAYS POLICYHOLDERS**

Austin, TX (January 3, 2003) – The radical pro-insurance agenda of tort reform set forth by the Bush administration only benefits big insurance interests and, in its current form, will not serve to benefit small business, doctors or the average citizen, says Policyholders of America (“POA”) a consumer advocacy group with more than 450,000 American families in its membership.

Instead, POA urges the Bush administration to tie a corresponding 60% mandatory reduction in medical malpractice and other premiums to any tort reform measure contemplated.

In the past, tort reform was “sold” to the public as a mechanism to lower prices and insurance rates. It failed miserably and skyrocketing premiums prove it. In states like Texas where then Governor Bush successfully passed tort reform, Texans pay the highest rates in the country.

Any legislation for further tort reform, both at the Federal and State level, should carry with it language that mandates rate discounts that better represent any caps or limitations on punitive and other non-economic damages.

To pass legislation without such a mandate is an egregious mistake. If additional tort reform results in dramatically reduced risk and liability, Americans should benefit from a corresponding discount in premiums. Otherwise, tort reform will be just another bail out for the insurance industry at the expense of the average taxpaying American.

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