

The Republican Insurance Scam

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If an insurance company promises to cover a loss or claim, why do the Republicans want them to be able to break their promise? This is the heart of the debate on the rights of patients to sue their HMOs. Presently, virtually everyone knows that insurance companies will, as a matter of policy, deny claims or delay payments of claims which are valid. For the insurance company, it makes all the sense in the world. They get to keep the money, and earn interest on it, and write policies against the reserve. Maybe the claimant will die or just go away. The claims adjuster is pressured to not pay claims easily.

So the right to sue an insurance company is of paramount importance. Without the right to sue, you will literally be at the mercy of the insurance company to cover whatever it pleases. The idea of arbitration is of course to make it less likely that an insurance company will have to pay money. The arbitrators will be hired by the insurance company....and even if they are instead hired by the state, they will be courted by the insurance companies much like the judges are nowadays. The insurance companies are HAPPY to pay massive sums for political campaigns... heck, if they give say \$1 million to a governor, and he pushes through tort "reform" (which actually just means insurance companies don't have to cover some claims they did before) then they make out like bandits. Hmmm... insurance companies... bandits... yeah, I can see the connection.

But I digress. If patients can sue the insurance companies, the insurance companies will lose some money because they will have to pay claims they would otherwise refuse to pay.

This is what the entire debate is about. The Democrats say that insurance companies should not be able to break their promises to those they insure. The Republicans say they should be able to break their promises. Let us examine the common Republican response to this fact:

1. "Well, if insurance companies have to actually meet their obligations, they will have to raise rates and millions of children will be without health insurance"

This is the most common argument. It is also utterly ridiculous. Insurance is valuable only to the extent that it can be relied upon to cover a claim or a loss. If you have a health insurance policy that refuses to pay for medical treatment, you are worse off than if you had no health insurance. See, you rely on the insurance in making many decisions (how much cash to keep on hand, whether or not to buy another policy that *would* cover the claim, and so on). If you lose health insurance that does not cover claims, you are better off because the insurance only provides an *illusion* of protection.

Also, if the premiums do in fact go up, then the "spreading of the risk," which is the philosophical basis for insurance, is merely meeting market demands. Those Republican rascals do so love a free market... except when it might make some of their donors lose money.

2. *"The trial lawyers will make tons of money and the Democrats are in their pocket."*

This argument is real fun! See, a lawyer never awards a single dime in damages. A lawyer cannot award anything! The jury awards money, and juries are made up of American citizens. The Republicans and the insurance companies fear the citizen jury, though, because in court, a multimillionaire is supposed to have the same rights as the poor person. The Republicans thrive on being the ruling class; they do not like the prospect of being subject to the same rules as everyone else. The insurance companies accept trials as a part of doing business, but just as they are not subject to antitrust provisions, they like to limit their liability wherever possible so as to maximize their profit (and the salaries of their executives).

The multimillion dollar verdicts you read about are news *because* they are so rare! For every big verdict, there are literally thousands of smaller claims which will be thrown out or settled for a small sum. You do not hear about these claims because they are not news. Yes, some lawyers will make money off of cases brought to force insurance companies to meet their obligations. Guess what? The insurance companies will have their own lawyers too who will usually make much more money than the plaintiffs lawyers.

The jury system is a basic part of our system of government. Insurance companies and Republicans hate it, because they do not want the average citizen to have any power over their conduct. That is why it is necessary for the Republicans to demonize lawyers (many of whom are Republican).

3. *"Well, if we have a patient's bill of rights, why not cap damages at \$500,000 to keep the juries from going hog wild?"*

Simple. In every case where the verdict is excessive, the insurance company has the right to seek a decrease in the verdict. The insurance company also has the right of appeal to a higher court in the event the verdict is not decreased. The caps then become relevant only in those most egregious cases where insurance companies have acted so horribly that a multimillion dollar verdict will be allowed to stand. Why should horrible conduct be protected?

Another point to ponder: say insurance company liability will be capped at \$500,000. Let's say you get into a severe accident and after surgeries, physical therapy, speech therapy, job retraining, and so on the bill will be in excess of \$1 million. Do you think your insurance company will pay \$1 million if its liability is capped at \$500,000? Especially when the \$500,000 would have to be paid say two years from now, after a lengthy court battle? Trust me, they would not pay a dime.

Finally, there is the REAL reason Republicans oppose a patient's bill of rights:

"A patient's bill of rights will cost our big campaign donating insurance companies and their executives lots of money, and they won't have as much to give to the Republicans' next campaign if that happens."

Well at least it is the truth. You won't ever hear a Republican admit it though!