

## **Medicus enters Texas malpractice insurance market**

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**Medicus Insurance Co.** has entered the medical malpractice insurance market in Texas.

Austin-based Medicus says it is offering lower-priced, fully regulated medical malpractice coverage to Texas health care providers.

The company's launch comes shortly after the three-year anniversary of the passage of Proposition 12 by Texas voters, which created a constitutional amendment addressing important tort reforms, including a \$250,000 noneconomic damage awards cap for physicians and hospital systems.

"Medicus is the payoff from tort reform, in terms of less expensive coverage for doctors, by an insurance company dedicated to promoting more accessible and affordable health care in Texas," says Dr. Charles W. Bailey, Jr., former president of the **Texas Medical Association** and a founding principal of Medicus Insurance. "We promised this would happen when Proposition 12 was adopted and Medicus is delivering on that promise."

Medicus was founded by insurance veterans and Texas medical professionals. The company says it offers comprehensive malpractice coverage, including entity coverage, ancillary staff coverages, locum tenens policies and other options, to all specialties of Texas doctors, surgeons and related medical providers. Coverage is available for nurse practitioners, nurses and physician assistants.

Medicus Chairman Howard Lamb says the firm is able to offer coverage at highly competitive rates because it does not have outstanding legacy claims.

The company intends to focus on individual physicians and small groups with up to 25 in a practice. However, Medicus says it has the experience and capabilities to write much larger

groups and clinical practices and larger amounts of coverage.

As part of Medicus' goal of defending non-meritorious claims, the company has retained the services of **Western Litigation Inc.**, a Houston-based national claims administrator.

Bailey, a retired Houston plastic surgeon, has also been named vice president of medical relations for Medicus. Besides being a doctor, Bailey is a trained attorney, and has been an advisor to medical malpractice insurance companies. He once served as president of the Harris County Medical Society and as a Texas delegate to the American Medical Association. Bailey also served as a member of the board of directors of the Texas Medical Center in Houston.

**Medicus Insurance Holdings Inc.**, the parent company of Medicus Insurance Co., has entered into a financing arrangement with institutional investors for up to \$100 million of Series A Preferred Stock. In the initial round of funding, \$10 million of \$15 million issued has been contributed to Medicus Insurance Co. Up to an additional \$85 million of Series A Preferred may be issued to support future growth.

*The following media outlets also picked up the Houston Business Journal story:*

