



FOR IMMEDIATE RELEASE

Contact: Marcus Rayner, NJCJI President
609-392-6557 or mrayner@civiljusticenj.org

Court's Decision Could Upend State's Malpractice Insurance Market

On Monday, April 27, the New Jersey Supreme Court is holding oral arguments in an interesting medical malpractice case, *DeMarvo v. Stoddard*. The court's ruling in this case has the potential to upend New Jersey's medical malpractice insurance market.

“Unfortunately, insurance companies are sometimes caught between policy holders who fraudulently obtain coverage and third parties who make claims against those policies. In this case, the court has to decide whether to create a new rule, without statutory foundation, that protects the third party, or whether to remind the lower court that New Jersey law already balances these competing interests with a fact-sensitive analysis that was not conducted at the trial level,” said NJCJI president Marcus Rayner.

The New Jersey Civil Justice Institute filed [an *amicus curiae* “friend of the court” brief in this case](#). We argue that malpractice insurance is significantly different from automobile insurance, and thus New Jersey's unique rules requiring automobile insurers to compensate innocent third parties even when the insurance policy held by the tortfeasor is void should not be extended to cases involving medical malpractice insurance. The statutory foundation that the automobile rule is built on is simply inapplicable to any other type of insurance, and the required statutory minimums for auto insurance are significantly lower (\$15/30K vs. \$1 million) than for medical malpractice insurance.

Rayner, will be available for interviews after oral arguments. Contact 609-392-6557 or mrayner@civiljusticenj.org.

###