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FOR IMMEDIATE RELEASE

California Supreme Court to Hear Significant Victims' Compensation Case

Insurance costs for businesses and individuals could skyrocket

SAN DIEGO (March 10, 2010) – The California Supreme Court has granted a petition for review of a case regarding accident victims' compensation that has the potential to increase business and insurance company claims by hundreds of millions of dollars each year. The case, *Rebecca Howell v. Hamilton Meats & Provisions, Inc.*, has been the subject of intense scrutiny by the legal community since the Court of Appeals, Fourth Appellate District in November 2009 reversed a long standing practice allowing personal injury plaintiffs to recover only the amount of medical bills paid by a private health insurance company instead of the total medical expenses charged.

The petition was filed by the San Diego-based law firm of Tyson & Mendes LLP, which represents Hamilton Meats.

It is common practice for hospitals to discount medical bills owed by insurance companies in exchange for prompt payment and/or a guaranteed volume of business. Under state law, an accident victim is entitled to seek economic damages for the harm someone else inflicts upon them without deducting their own insurance benefits. Prior to the appellate court's ruling, the victim's harm was measured, in part, by the amount the insurance company paid in medical bills. Under the new ruling, plaintiffs are entitled to recover the amount of the medical bills, which is substantially higher than what is actually paid for the medical bills.

The issue of payment of medical services is a component of virtually every personal injury case in California. Some legal experts have predicted that if the appellant ruling stands, insurance costs could skyrocket for individuals and businesses in California.

“We are eagerly awaiting the opportunity to argue this ruling before the Supreme Court,” states Robert Tyson, who filed the petition. “The law has been in a state of confusion since the appellate decision. It is our hope the Supreme Court will render a decision that will not cost California businesses and individuals hundreds of millions of dollars in adverse judgments and increased insurance premiums.”

Oftentimes, medical bills are reduced significantly. In the *Howell* case, the victim’s medical bills totaled nearly \$190,000. However, her insurance company settled with the hospital for payment of \$59,691. The victim, Rebecca Howell, was injured after a truck driven by a Hamilton Meats employee made an illegal u-turn and struck her car in Encinitas, California.

The trial court granted a post-trial motion to reduce Howell’s special verdict jury award for medical expenses to \$59,961 from the nearly \$190,000 as is standard in such cases. The motion was appealed and reversed by the appellate court, the first time such an appeal was granted.

It is anticipated the following organizations will also file briefs with the Supreme Court on this issue: The Consumer Attorneys of California, The American Association of Insurance Companies, Association of California Insurance Companies, the Personal Insurance Federation of California, Association of Southern California Defense Counsel, Farmers Insurance, Mercury Insurance, State Farm Insurance, and others.

Oral argument before the Supreme Court has not been scheduled.

About Tyson Mendes LLP

Established in 1998, Tyson & Mendes LLP is a minority-owned law firm specializing in business litigation, including commercial and general civil litigation, employment, construction, casualty and products liability, insurance, professional liability, environmental, and automobile and premises liability. With offices in San Diego, Los Angeles, and Riverside, the firm handles litigation throughout all of California. Clients of the firm include corporations, insurance companies, and private individuals. For more information, visit www.tysonmendes.com

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