For Immediate Release
January 20, 1999

$116 Million Punitive Damage Verdict Against Aetna
Jury Previously Found HMO Acted With Malice Fraud and Oppression

This afternoon, a San Bernardino County jury returned a $116 million punitive damage verdict against Aetna U.S. Healthcare -- the nation's largest HMO -- over its refusal to pay for cancer treatment recommended by its own in-plan physicians.

Teresa Goodrich, the widow of former San Bernardino deputy district attorney David Goodrich, who died in 1995 after a three-year bout with a rare form of stomach cancer, was awarded $116,026,104 million in punitive damages by a vote of 10-2. A jury can award punitive damages to penalize a company for its wrongdoing and to deter it from future abuses.

The same jury last week found that Aetna acted with malice, fraud, and oppression against the plaintiff, and awarded Teresa Goodrich $747, 655.88 in medical damages and nearly $3.8 million for loss of companionship and support. By a vote of 11-1, the jury also decided Friday that Aetna's conduct was a substantial factor in shortening the life of David Goodrich.

According to plaintiffs' counsel Michael J. Bidart of Shernoff, Bidart, Darras & Arkin,

This verdict will send shock waves through the HMO industry. It's the one industry that needed a wake-up call, and we hope David's death will spawn much-needed HMO reform.

The Goodrich suit against Aetna was filed in March 1996 alleging breach of a health plan contract, breach of the duty of good faith and fair dealing, and wrongful death due to the unreasonable conduct of the defendant (Goodrich v. Aetna, RCV 020499).

Goodrich v. Aetna was one of the lucky few cases to escape the 1974 federal Employee Retirement Income Security Act law and mandatory arbitration provisions that usually prevent damage suits against HMOs. More than 125 million Americans are enrolled in managed care plans.