Abstract: Using 2002-2009 inpatient discharge records data on deliveries in the Italian region of Piedmont, we assess the impact of introducing experience-rated malpractice liability insurance. We show that with an increase in medical malpractice pressure, the incidence of c-sections dropped by 11.6 to 12.5% with no consequences in a broadly defined measure of complications or neonatal outcomes. Our identification strategy exploits the territorial peculiarities of Piedmont. Its 33 hospitals are distributed across 16 court districts; some of these use schedules for non-economic damages to establish compensations for personal injuries, while others do not. Using these ex-ante policy conditions to distinguish between the treated and the control group, we conduct a difference-in-differences analysis and basic difference-in-discontinuities specification. We show that our results are robust to the different methodologies and can be explained by a reduction in the discretion of obstetric decision-making rather than patient cream skimming.