



General Assembly

February Session, 2004

**Amendment**

LCO No. 4079

**\*HB0566904079HDO\***

Offered by:

REP. FELTMAN, 6<sup>th</sup> Dist.

To: Subst. House Bill No. 5669

File No. 504

Cal. No. 355

(As Amended)

**"AN ACT CONCERNING MEDICAL MALPRACTICE INSURANCE REFORM."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective from passage*) (a) The Insurance  
4 Commissioner may establish a joint underwriting association to  
5 provide a market for medical malpractice insurance. Any association  
6 established by the commissioner pursuant to this section shall consist  
7 of all insurers licensed to write, and engaged in writing, casualty  
8 insurance in this state on a direct basis. Each such insurer shall be a  
9 member of the association and shall remain a member as a condition of  
10 its authority to continue to write casualty insurance in this state.

11 (b) The association shall provide a market for medical malpractice  
12 insurance on a self-supporting basis. The association may issue  
13 medical malpractice and incidental liability policies to physicians,

14 hospitals and other health care providers or entities, but need not be  
15 the exclusive agency through which such insurance is written in this  
16 state. The association may assume reinsurance from its members and  
17 may cede reinsurance.

18 (c) The commissioner shall adopt a plan of operation which shall  
19 include, but not be limited to: (1) The composition and appointment of  
20 a board of governors to oversee the operation of the association; (2) the  
21 duties of the board of governors; (3) the coverages and types of  
22 insurance products offered by the association; (4) provisions on  
23 whether policies are subject to specified maximum limits; (5)  
24 provisions on whether policies are issued on an occurrence or claims-  
25 made basis; (6) the establishment of reasonable and objective  
26 underwriting standards; (7) the establishment of premium rates and  
27 fee schedules to be charged for coverage provided by the association  
28 which shall be actuarially sound and calculated to maintain the  
29 association as self-supporting; (8) provisions for the cancellation and  
30 nonrenewal of insurance offered by the association; (9) provisions for  
31 the preliminary assessment of all members for initial expenses  
32 necessary to commence operations, establish necessary facilities and  
33 manage the association; (10) provisions for the assessment of members  
34 to recover losses and expenses, including, but not limited to,  
35 administrative expenses; (11) provisions for the acceptance and cession  
36 of reinsurance; (12) participation requirements for members of the  
37 association and provisions regarding the obligations of persons whose  
38 memberships have terminated; (13) the appointment of one or more  
39 servicing companies; (14) procedures governing the right to appeal to  
40 the board of governors regarding any final ruling, action or decision of  
41 the association, and subsequent appeal of decisions of the board to the  
42 Insurance Commissioner; (15) provisions regarding indemnification  
43 provided by the association to members of the board of governors, or  
44 any committee, officer, employee or agent of the association; (16)  
45 provisions regarding the books of account, records and reports of the  
46 association; (17) provisions regarding the preparation and submission  
47 of financial reports to the Insurance Commissioner; (18) provisions for

48 periodic financial examination of the association by the Insurance  
49 Commissioner; (19) provisions governing amendments to the plan of  
50 operation; (20) provisions regarding termination of the association; and  
51 (21) any additional provisions necessary to effectuate the purposes of  
52 this section.

53 (d) The association shall come under the immediate supervision of  
54 the commissioner and shall be subject to the provisions of title 38a of  
55 the general statutes applicable to casualty insurers.

56 (e) The commissioner may adopt regulations, in accordance with  
57 chapter 54 of the general statutes, to implement this section."