

# HOUSE BILL REPORT

## HB 1832

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As Reported By House Committee On:  
Financial Institutions & Insurance

**Title:** An act relating to midterm rate decreases for medical malpractice insurance.

**Brief Description:** Regulating medical malpractice insurance.

**Sponsors:** Representatives Dyer, R. Meyers, Mielke, Schmidt, R. Johnson, Zellinsky, Tate, Anderson, Reams, Dellwo, Foreman and Long.

**Brief History:**

Reported by House Committee on:  
Financial Institutions & Insurance, February 24, 1993,  
DP.

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### HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

**Majority Report:** Do pass. Signed by 15 members: Representatives Zellinsky, Chair; Scott, Vice Chair; Mielke, Ranking Minority Member; Dyer, Assistant Ranking Minority Member; Anderson; Dellwo; Dorn; Grant; R. Johnson; Kessler; Kremen; Lemmon; R. Meyers; Reams; and Tate.

**Staff:** John Conniff (786-7119).

**Background:** The Insurance Code requires an insurer to provide at least 20 days' notice prior to policy renewal of any change in premium required to renew the policy. In addition, rates must be filed for approval by the insurance commissioner prior to use. As a result, if a medical malpractice insurer experiences favorable loss experience after existing policies have been renewed, the insurer cannot later lower the rate until the next policy renewal period.

**Summary of Bill:** A midterm blanket reduction in rate, approved by the insurance commissioner, for medical malpractice insurance shall not be considered a renewal for purposes of the renewal notice requirements of the Insurance Code.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This change in the Insurance Code will permit the Washington state doctor-owned Malpractice Insurance Association to lower insurance rates as soon as loss experience permits.

**Testimony Against:** None.

**Witnesses:** Cliff Webster, Washington State Medical Association (pro).