

FINAL BILL REPORT

HB 1832

C 186 L 93
Synopsis as Enacted

Brief Description: Regulating medical malpractice insurance.

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

House Committee on Financial Institutions & Insurance
Senate Committee on Labor & Commerce

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 lower the rate until the next policy renewal period.

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

Votes on Final Passage:

House	98	0
Senate	45	0

Effective: July 25, 1993