

SENATE BILL REPORT

SB 5778

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, FEBRUARY 26, 1993

Brief Description: Creating a joint underwriting association for midwives.

SPONSORS: Senators Prentice, Hargrove, Jesernig, Prince, Wojahn, Haugen, Franklin, Spanel, Fraser, Barr, Amondson, McAuliffe, Moore, Moyer, Hochstatter and Pelz

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 5778 be substituted therefor, and the substitute bill do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Cantu, Fraser, McAuliffe, Prince, and Sutherland.

Staff: Traci Ratzliff (786-7452)

Hearing Dates: February 24, 1993; February 26, 1993

BACKGROUND:

A joint underwriting association is a program designed to make insurance available for those unable to obtain insurance from normal markets.

An association is typically designed so that a lead insurer issues, administers, and handles claims arising under the policy. At the end of a certain accounting period, all members of the association share the losses from policies written through the association.

Concerns have been raised about the availability of medical malpractice insurance coverage for certified nurse midwives and licensed midwives in this state who practice outside of a hospital setting.

SUMMARY:

All insurers authorized to write medical malpractice and general casualty insurance policies in this state are required to become members of the nonprofit joint underwriting association to provide medical malpractice insurance for certified nurse midwives, licensed midwives or licensed birthcenters.

The association must offer a policy with liability limits of \$2 million. Coverage may not exclude midwives engaged in home birth or birth center deliveries.

The Insurance Commissioner may select an insurer to administer the plan.

A risk management program for those insured through the association will be established. This program must, at a minimum, include: investigation and analysis of adverse or untoward outcomes; development of measures to control injuries; a reporting system for incidents that occur; investigation and analysis of patient complaints; education of association members to improve quality of care.

The Insurance Commissioner must file a report to the Legislature by December 1, 1996 regarding the operations of the association.

EFFECT OF PROPOSED SUBSTITUTE:

Liability coverage is changed from \$2 million to \$1 million per individual and \$3 million per occurrence.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Midwives are one of the most affordable forms of health care. Currently, licensed nurse midwives and certified midwives practicing outside of the hospital setting are unable to secure medical malpractice insurance. This bill would create a source of insurance coverage for midwives who are unable to secure insurance at this time.

TESTIMONY AGAINST:

This bill is unnecessary because there is a few insurance companies that provide malpractice insurance for midwives practicing in this state.

TESTIFIED: Representative Dave Chappell (pro); Deborah Senn, Insurance Commissioner (pro); Carol Monohon, National Association of Independent Insurer (con); Marty Butzen, Midwives Association of Washington State (pro); Basil Badley, American Insurance Association (con)