
**Financial Institutions &
Insurance Committee**

HB 2837

Brief Description: Underwriting medical malpractice coverage.

Sponsors: Representatives Schual-Berke, Benson, Cody, Simpson, G., Kagi, Lantz, Linville, Morrell, Wallace, Kenney, O'Brien, Miloscia, Sommers, Rockefeller, Moeller, Clibborn, Edwards, Darneille and Dickerson.

Brief Summary of Bill

- Defines the term "underwriting."
- Requires each medical malpractice insurer to file its underwriting rules and standards with the Insurance Commissioner.

Hearing Date: 1/27/04

Staff: Carrie Tellefson (786-7127).

Background:

The Insurance Commissioner (Commissioner) is responsible for the licensing and regulation of insurance companies doing business in this state. This oversight includes approval of rates and rating plans. However, the Commissioner does not generally review an insurer's underwriting standards and does not receive information related to specific classes or types of insurance coverage provided.

Summary of Bill:

The term "underwriting" is defined to include the process of selecting, rejecting, or pricing a risk, including evaluation, selection, and classifying a risk; application of rates and rating plans; and determining eligibility for coverage provisions, providing or limiting coverage amounts, or premium payment plans.

Malpractice insurers must file their underwriting rules and standards with the Insurance Commissioner at least 30 days before they become effective. Once filed, the standards are subject to public disclosure.

These filings must identify and explain the class, type, and extent of coverage; any changes to the underwriting standards; and how changes will impact future losses.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.