

State of Misconsin 2005 - 2006 LEGISLATURE

2005 ASSEMBLY BILL 769

October 17, 2005 – Introduced by Representative ZIEGELBAUER. Referred to Committee on Insurance.

1 AN ACT to create 655.27 (4) (bm) and 655.27 (4) (h) of the statutes; relating to: 2 requiring actuarial audits of the injured patients and families compensation 3 fund and authorizing the fund's board of governors to organize an insurance 4 corporation.

Analysis by the Legislative Reference Bureau

The health care liability provisions of the statutes require certain health care providers to carry health care liability (medical malpractice) insurance with liability limits of at least \$1,000,000 for each occurrence and at least \$3,000,000 for all occurrences in a policy year. Any portion of a medical malpractice claim that exceeds the policy limits is paid by the injured patients and families compensation fund (fund) for health care providers that are subject to the health care liability provisions. Money for the fund comes from annual fees paid by health care providers that are subject to the health care liability provisions.

The fund is managed by a 13-member board of governors, which includes the commissioner of insurance (commissioner) or a designated representative of the Office of the Commissioner of Insurance. The fees paid by health care providers are set by the commissioner, with the approval of the board of governors, primarily on the basis of past and prospective loss and expense experience for each individual health care provider, for different types of practice, and for the fund in general.

This bill requires the board of governors regularly, but at least once every two years, to contract for the performance of an actuarial audit of the fund. Under current law, all audits of the fund are open to the general public for reasonable

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inspection. The bill also authorizes the board of governors to organize an insurance corporation to write and offer health care liability insurance to health care providers in this state if the board of governors determines that there is not enough price competition among insurers that offer health care liability insurance in the state.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1	SECTION 1. 655.27 (4) (bm) of the statutes is created to read:
2	655.27 (4) (bm) The board of governors shall regularly, but not less often than
3	once every 2 years, contract for the performance of an actuarial audit of the fund.
4	SECTION 2. 655.27 (4) (h) of the statutes is created to read:
5	655.27 (4) (h) If the board of governors determines that too little price
6	competition exists among insurers that offer health care liability insurance in the
7	state, the board of governors may organize an insurance corporation to write and
8	offer health care liability insurance to health care providers in this state to promote
9	greater price competition in the health care liability insurance market.
10	(END)