

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 20

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act eliminating requirement that health care
7 providers purchase medical malpractice insurance from
8 the Medical Indemnity Corporation of Alaska."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 08.20.115, AS 08.32.015, AS 08.36.115, AS 08.64.215,
11 AS 08.68.165, AS 08.71.085, AS 08.72.115, AS 08.80.115, AS 08.84.035, AS
12 08.86.125; AS 18.20.045; and AS 21.88.050(a)(2) are repealed.

13 * Sec. 2. AS 21.88.050(a)(1) is amended to read:

14 (1) in the form approved by the director, issue to all health
15 care providers [PHYSICIANS AND HOSPITALS] who pay the premiums for it a
16 contract or contracts indemnifying health care providers [PHYSICIANS AND
17 HOSPITALS] and their employees who are health care providers against
18 loss by reason of liability for professional services rendered in the
19 state on an occurrence basis, and agreeing to tender on behalf of the
20 health care providers [PHYSICIANS AND HOSPITALS] and their employees who
21 are health care providers a defense in a proceeding brought under AS 09.
22 55.530 - 09.55.560; the limit of liability provided in contracts issued
23 to doctors and hospitals shall be no less than the minimum liability
24 coverage requirements to be maintained under AS 08.64.215 and AS 18.20.-
25 045; the contract shall cover the defense against but need not indemnify
26 a claim for punitive damages; at the option of a [THE] physician or
27 hospital and for an additional premium the contract may cover claims
28 against a [THE] physician or hospital that arise out of professional
29 services performed by the physician or hospital for any period after

1 December 31, 1974 except that coverage will not be provided for a claim
2 already filed or of which the physician or hospital had or reasonably
3 should have had notice at the time the retroactive insurance was pur-
4 chased;

5 * Sec. 3. AS 21.88.150(a)(1) is amended to read:

6 (1) provide reinsurance to the corporation covering contracts
7 issued by the corporation for that portion of the liability incurred by
8 the corporation which cannot be reinsured through private casualty in-
9 surers or reinsurers, indemnifying health care providers [PHYSICIANS
10 AND HOSPITALS,] and their employees who are health care providers, and
11 other persons insured by the corporation against loss by reason of
12 liability for professional services and agreeing to tender on behalf
13 of the insureds a defense in an action brought under AS 09.55.530 -
14 09.55.560;

15 * Sec. 4. Section 48, ch. 102, SLA 1976 is amended to read:

16 Sec. 48. AS 01.10.030 applies to this Act except that if any por-
17 tion of AS 21.88.110 - 21.88.180 is held invalid all of AS 21.88.110 -
18 21.88.180 shall be void and the Medical Indemnity Corporation of Alaska
19 shall assume all duties and liabilities incurred by the Health Care
20 Providers Joint Underwriting Association before the declaration of in-
21 validity; [AND EXCEPT THAT IF THE REQUIREMENT THAT HEALTH CARE PROVIDERS
22 PURCHASE MEDICAL MALPRACTICE INSURANCE FROM THE MEDICAL INDEMNITY
23 CORPORATION OF ALASKA IS FOUND TO BE INVALID, SECS. 41, 42, 43, AND 44
24 OF THIS ACT ARE VOID;] however, the Medical Indemnity Corporation of
25 Alaska and the Health Care Providers Joint Underwriting Association
26 shall continue to discharge and assess to pay claims incurred before the
27 declaration of invalidity.
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