

Introduced: 3/3/77  
Referred: Health, Education &  
Social Services, Commerce and  
Finance

1 IN THE SENATE

BY KERTTULA BY REQUEST

2 SENATE BILL NO. 205

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 21.88.050(a)(1) is amended to read:

11 (1) in the form approved by the director, issue to all health  
12 care providers [PHYSICIANS AND HOSPITALS] who pay the premiums for it a  
13 contract or contracts indemnifying health care providers [PHYSICIANS AND  
14 HOSPITALS] and their employees who are health care providers against  
15 loss by reason of liability for professional services rendered in the  
16 state on an occurrence basis, and agreeing to tender on behalf of the  
17 health care providers [PHYSICIANS AND HOSPITALS] and their employees who  
18 are health care providers a defense in a proceeding brought under  
19 AS 09.55.530 - 09.55.560; the limit of liability provided in contracts  
20 issued to doctors shall be not less than \$200,000 per occurrence and  
21 \$600,000 aggregate liability per year; the limit of liability provided  
22 in contracts issued to hospitals shall be not less than \$200,000 per  
23 occurrence, and an aggregate liability per year of \$1,000,000 minimum,  
24 and an additional \$20,000 for each bed over 50 [NO LESS THAN THE MINIMUM  
25 LIABILITY COVERAGE REQUIREMENTS TO BE MAINTAINED UNDER AS 08.64.215 AND  
26 AS 18.20.045]; the contract shall cover the defense against but need not  
27 indemnify a claim for punitive damages; at the option of a [THE] physi-  
28 cian or hospital and for an additional premium the contract may cover  
29 claims against a [THE] physician or hospital that arise out of profes-

1 sional services performed by the physician or hospital for any period  
2 after December 31, 1974 except that coverage will not be provided for a  
3 claim already filed or of which the physician or hospital had or rea-  
4 sonably should have had notice at the time the retroactive insurance was  
5 purchased;

6 \* Sec. 2. AS 21.88.150(a)(1) is amended to read:

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

15 \* Sec. 3. 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.

28 \* Sec. 4. AS 08.20.115, AS 08.32.015, AS 08.36.115, AS 08.64.215, AS 08.-  
29 68.165, AS 08.71.085, AS 08.72.115, AS 08.80.115, AS 08.84.035, AS 08.86.125;

1 AS 18.20.045; and AS 21.88.050(a)(2) are repealed.

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