

Introduced: 5/5/81
Referred: Labor & Commerce and
Finance

1 IN THE SENATE

BY COLLETTA

2 SENATE BILL NO. 548

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Medical Indemnity Corporation
7 of Alaska (AS 21.88)."

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

9 * Section 1. AS 21.88.050(a)(1) is amended to read:

10 (1) in the form approved by the director, issue to all
11 physicians and hospitals who are found to be acceptable risks under
12 standards developed under (8) of this subsection, and who pay the
13 premiums for it, a contract or contracts indemnifying physicians and
14 hospitals and their employees who are health care providers against
15 loss by reason of liability for covered claims for an act or omission
16 in the delivery of professional health care in this state, and agreeing
17 to tender on behalf of the physicians and hospitals and their employees
18 who are health care providers a defense to a covered claim in a proceed-
19 ing brought under AS 09.55.530 - 09.55.560; the limits of liability for
20 policies issued by the corporation shall be approved by the director;
21 the contract shall cover the defense against but need not indemnify
22 liability for punitive damages arising from a covered claim; at the
23 option of the physician or hospital and for an additional premium the
24 contract may cover claims against the physician or hospital that arise
25 out of professional services performed by the physician or hospital for
26 any period before the contract is issued [AFTER DECEMBER 31, 1974, IF
27 THE COVERAGE IS ISSUED BEFORE JANUARY 1, 1977], except that coverage
28 will not be provided for a claim already filed or of which the physi-
29 cian or hospital had or reasonably should have had notice at the time

1 the retroactive insurance was purchased;

2 * Sec. 2. AS 21.88.080(17) is repealed and reenacted to read:

3 (17) upon application by any person, the director shall issue
4 a certificate authorizing the corporation to extinguish all or a portion
5 of an assessment levied under (15) of this section for all insureds
6 with policies in force when the certificate is issued, and to omit
7 provisions levying an assessment under (15) of this section in all
8 policies delivered or issued for delivery after the certificate is
9 issued, if the director determines that there is a sound actuarial
10 basis for the extinguishment; the director may at any time revoke the
11 certificate; a policy in force at the time of revocation is not subject
12 to the revocation of the certificate for the remainder of the period
13 for which the premium has been paid, but after revocation a policy may
14 not be issued or renewed without providing for an assessment of the
15 insured.

16 * Sec. 3. AS 21.88.900(17)(A) is amended to read:

17 (A) a claim by an injured patient reported to the
18 corporation during the period of continuous coverage by the corpor-
19 ation of the insured health care provider for an act or omission
20 in the delivery of health care services [DURING THE SAME PERIOD OF
21 CONTINUOUS COVERAGE]; and

22 * Sec. 4. Section 1, ch. 177, SLA 1978 is amended to read:

23 * Section 1. PURPOSE. The purpose of this Act is to insure that no
24 person suffers denial or revocation of licensure for failure to procure
25 insurance from the Medical Indemnity Corporation of Alaska as required by
26 ch. 102 SLA 1976. This Act is for the further purpose of insuring that the
27 coverage of occurrence policies issued by the Medical Indemnity Corporation
28 of Alaska before the effective date of this Act continues to extend to
29 claims arising out of occurrences covered by policies issued before the

1 effective date of this Act, but that [(1) THE MEDICAL INDEMNITY CORPORATION
2 OF ALASKA NEED NOT BE LIABLE ON AN OCCURRENCE BASIS FOR ANY CLAIMS ARISING
3 UNDER POLICIES NEWLY ISSUED OR RENEWED AFTER THE EFFECTIVE DATE OF THIS
4 ACT;] (2) persons who procured coverage from the Medical Indemnity Corpora-
5 tion of Alaska before the effective date of this Act neither be allowed to
6 cancel the coverage procured nor evade the requirement of payment of premiums
7 for that coverage [; AND (3) PERSONS WHO DID NOT PROCURE RETROACTIVE COVERAGE
8 FROM THE MEDICAL INDEMNITY CORPORATION OF ALASKA BY JANUARY 1, 1977 ARE NOT
9 ENTITLED TO, NOR MAY THE MEDICAL INDEMNITY CORPORATION OF ALASKA ISSUE, THAT
10 COVERAGE]. This Act is for the further purpose of assuring that the Medical
11 Indemnity Corporation of Alaska remains a viable and competitive market for
12 malpractice insurance. The purpose of the amendment made in sec. 22 of this
13 Act and of the amendments of the provisions of AS 8 in this Act is to assure
14 that medical care is not denied to any person by virtue of his failure or
15 refusal to enter into an agreement with a health care provider in the medi-
16 cal, dental and related professions to submit to arbitration claims arising
17 under health care or treatment provided.

18 * Sec. 5. Section 21(b), ch. 177, SLA 1978 is amended to read:

19 (b) All policies issued by the Medical Indemnity Corporation of
20 Alaska and in force on the effective date of this Act are terminated as
21 of the first annual renewal of the in-force policy after the effective
22 date of this Act. A person purchasing a policy for any term beginning
23 after the effective date of this Act shall be issued a policy to cover
24 only "covered claims" as defined in AS 21.88.900(17), added in sec. 20
25 of this Act[, WHICH OCCUR AFTER THE EFFECTIVE DATE OF THIS ACT].
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