

BY: Finance Committee

AMENDMENT TO SENATE BILL NO. 836

(First Reading File Bill)

On pages 19 and 20, strike in their entirety the lines beginning with line 31 on page 19 through line 8 on page 20, inclusive.

On page 20, in lines 9, 11, and 16, strike “(E)”, “(F)”, and “(G)”, respectively, and substitute “(D)”, “(E)”, and “(F)”, respectively; and strike in their entirety lines 18 through 21, inclusive, and substitute:

“(G) “SUBSIDY FACTOR” MEANS, FOR MEDICAL PROFESSIONAL LIABILITY INSURANCE POLICIES SUBJECT TO RATES THAT WERE APPROVED FOR AN INITIAL EFFECTIVE DATE ON OR AFTER JANUARY 1, 2006, A PERCENTAGE OF THE POLICYHOLDER’S PREMIUM FOR THE PRIOR YEAR THAT EQUALS THE QUOTIENT, MEASURED AS A PERCENTAGE OF THE BALANCE OF THE RATE STABILIZATION ACCOUNT FOR THE CURRENT CALENDAR YEAR DIVIDED BY THE AGGREGATE AMOUNT OF PREMIUMS FOR MEDICAL PROFESSIONAL LIABILITY INSURANCE THAT WOULD HAVE BEEN PAID BY HEALTH CARE PROVIDERS AT THE APPROVED RATE DURING THE PRIOR CALENDAR YEAR.”.

On page 24, in line 37, strike “STABILIZED RATE” and substitute “AMOUNT OF THE SUBSIDY”.

On page 25, strike beginning with “EQUAL” in line 7 down through “RATE” in line 12 and substitute “BE:”

(1) FOR MEDICAL PROFESSIONAL LIABILITY INSURANCE POLICIES SUBJECT TO RATES THAT WERE APPROVED FOR AN INITIAL EFFECTIVE DATE ON OR AFTER JANUARY 1, 2005, BUT PRIOR TO JANUARY 1, 2006, THE AMOUNT OF A PREMIUM INCREASE THAT IS GREATER THAN 5% OF THE APPROVED RATES IN

(Over)

EFFECT 1 YEAR PRIOR TO THE EFFECTIVE DATE OF THE POLICY; AND

(2) FOR MEDICAL PROFESSIONAL LIABILITY INSURANCE POLICIES SUBJECT TO RATES THAT WERE APPROVED FOR AN INITIAL EFFECTIVE DATE ON OR AFTER JANUARY 1, 2006, A PERCENTAGE OF THE POLICYHOLDER'S PREMIUM FOR THE PRIOR YEAR THAT EQUALS THE QUOTIENT, MEASURED AS A PERCENTAGE OF THE BALANCE OF THE RATE STABILIZATION ACCOUNT FOR THE CURRENT CALENDAR YEAR DIVIDED BY THE AGGREGATE AMOUNT OF PREMIUMS FOR MEDICAL PROFESSIONAL LIABILITY INSURANCE THAT WOULD HAVE BEEN PAID BY HEALTH CARE PROVIDERS AT THE APPROVED RATE DURING THE PRIOR CALENDAR YEAR".

On page 26, in line 3, strike "AT THE STABILIZED RATE" and substitute "REDUCED BY THE AMOUNT OF THE SUBSIDY".

On page 27, in lines 9, 15, and 19, in each instance, strike "INCREASED RATE" and substitute "SUBSIDY".