

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 643

S.P. 246

In Senate, February 28, 1995

An Act to Provide Better Information Concerning Tort Reform.

Reference to the Committee on Judiciary suggested and ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS
Secretary of the Senate

Presented by Senator LONGLEY of Waldo. (BY REQUEST).

Be it enacted by the People of the State of Maine as follows:

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Sec. 1. Bureau of Insurance study. The Department of Professional and Financial Regulation, Bureau of Insurance shall review the study conducted in 1989 by the Minnesota Department of Commerce relating to closed medical malpractice liability claims in Minnesota, North Dakota and South Dakota and any material prepared subsequent to that study. The purpose of the review is to determine what closed claims information must be collected in the State in order to provide a data base to evaluate the effects of past law changes and the likely effects of proposals to change laws relating to tort law and insurance regulations, or for any purpose that the bureau considers appropriate to assist it in performing its functions. After determining the information that is appropriate to collect, the bureau shall examine medical malpractice rate filings made from 1991 to 1993 to determine whether the filings produce that information, directly or by extraction. The bureau then shall conduct a closed claims study pursuant to section 2.

Sec. 2. Closed claims study. The Superintendent of Insurance shall prepare and forward to the Legislature, by January 1, 1996, a model for collecting data in a closed claims study of medical malpractice claims. The model must be developed after a public hearing process and must provide sufficient information to serve as a basis for comparison with rate filings. The superintendent also shall develop a model for collecting data on claims made in the State on an ongoing basis using the same public hearing process.

1. Study contents. The study must include information regarding:

- A. The number of claims opened;
- B. The history of each claim;
- C. Demographic characteristics of the plaintiffs and defendants;
- D. Types of injuries;
- E. Policies in effect;
- F. Loss reserves established and any changes in loss reserves;
- G. Disposition of the claims;
- H. Amounts and breakdown of any settlements or verdicts; and

2 I. A breakdown of allocated loss adjustment expenses.

4 2. **Report to Legislature.** The Superintendent of Insurance
6 shall complete the first closed claims study and report to the
Legislature on the findings by January 1, 1997. The study then
must be conducted at 5-year intervals.

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STATEMENT OF FACT

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This bill continues the process begun by Public Law 1989,
chapter 843, section 3. That law charged the Bureau of Insurance
14 with the task of reviewing the 1989 study by the Minnesota
Department of Commerce relating to closed medical malpractice
16 liability claims in Minnesota, North Dakota and South Dakota.
The purpose of this review was to determine what closed claims
18 information must be collected in Maine in order to provide a data
base to evaluate the effects of past law changes and the likely
20 effects of proposals to change laws relating to tort law and
insurance regulation. The Bureau of Insurance was then to
22 determine whether or not the necessary information could be
obtained through medical malpractice rate filings made during
24 1990. If that information were not available, the bureau was
then to seek out an appropriate, cost-effective manner of
26 collecting the information. The bureau then was to report its
determinations and recommendations to the Joint Standing
28 Committee on Banking and Insurance and the Executive Director of
the Legislative Council by January 1, 1991. This bill finishes
30 this process by charging the Bureau of Insurance with the task of
compiling updated information and writing a report that estimates
32 the actual savings of tort reform in the State as a percentage of
total health spending.