

# MAINE STATE LEGISLATURE

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DATE: May 25, 1995

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**BANKING AND INSURANCE**

Reported by: The Minority of the Committee.

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**STATE OF MAINE  
SENATE  
117TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 458, L.D. 1254, Bill, "An Act to Strengthen Oversight of Medical Malpractice Insurance and Stabilize Premiums"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 24-A §2304-D is enacted to read:

**§2304-D. Medical malpractice closed claims study**

**1. Study model.** The superintendent shall prepare and forward to the Legislature, by July 1, 1996, a model for collecting data in a closed claims study of medical malpractice claims made in the State. 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.

**2. Study contents.** The study must include information regarding:

**A. The number of claims opened;**

**B. The history of each claim;**

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2 C. Demographic characteristics of the plaintiffs and  
3 defendants;

4 D. Types of injuries;

6 E. Policies in effect;

8 F. Loss reserves established and any changes in loss  
10 reserves;

12 G. The disposition of the claims;

14 H. The amounts and breakdown of any settlements or  
16 verdicts; and

18 I. The breakdown of allocated loss adjustment expenses.

18 3. Report to Legislature. The superintendent shall  
20 complete the first closed claims study for the years 1995 to 2000  
22 and report to the Legislature on the findings by January 31,  
24 2001. The study must then be conducted at 5-year intervals and  
26 be presented to the joint standing committee of the Legislature  
28 having jurisdiction over insurance matters by January 31st of the  
30 following year. Annual reports during the course of the study  
32 that include data on the number of claims filed and settled and  
34 amounts paid must be presented each January 31st to the joint  
standing committee of the Legislature having jurisdiction over  
insurance matters.

34 4. Confidentiality. Data in the closed claims study must  
36 be collected and prepared in a manner that permits public  
38 examination without breaching any applicable confidentiality  
40 requirements.

36 **Sec. 2. Allocation.** The following funds are allocated from  
38 Other Special Revenue to carry out the purposes of this Act.

1995-96

40 **PROFESSIONAL AND FINANCIAL REGULATION,**  
42 **DEPARTMENT OF**

44 **Bureau of Insurance**

46 All Other \$30,000

48 Provides allocations for the  
50 additional costs of  
52 conducting a medical  
malpractice closed claims  
study.'

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COMMITTEE AMENDMENT "A" to S.P. 458, L.D. 1254

2 Further amend the bill by inserting at the end before the  
statement of fact the following:

4

**FISCAL NOTE**

6

**1995-96**

**8 APPROPRIATIONS/ALLOCATIONS**

10

Other Funds

\$30,000

12

14

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The Bureau of Insurance within the Department of Professional and Financial Regulation will incur an additional cost of \$30,000 in fiscal year 1995-96 for a contract to conduct a closed claims study. The bureau has sufficient dedicated revenue to provide for increased allocation of this amount.'

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**STATEMENT OF FACT**

**20**

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The amendment is the minority report and replaces the original bill and directs the Superintendent of Insurance to develop and conduct a study of closed claims for medical malpractice in the State.

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The amendment also adds an allocation section and a fiscal note.

**COMMITTEE AMENDMENT**