

DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or library@lcb.state.nv.us.

KENNY C. GUINN
Governor

STATE OF NEVADA

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

SYDNEY H. WICKLIFFE, C.P.A.
Director



DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

788 Fairview Drive, Suite 300
Carson City, Nevada 89701-5491
(775) 687-4270 • Fax (775) 687-3937

Internet Address: doi.state.nv.us

E-mail: insinfo@doi.state.nv.us

May 12, 2003

The Honorable Maurice Washington
Nevada State Senator
State Legislative Building
Carson City, NV 89710

Re: Proposed Amendments to SB 292

Dear Senator Washington:

Thank you for your invitation to amend SB 292 to include an interim study of administered pricing mechanisms for medical professional liability rates. The Division of Insurance would like to recommend the enclosed language as a suggestion to achieve this purpose. We are also happy to discuss this friendly amendment at the convenience of Senator Schneider for his consideration.

Please do not hesitate to call for further information or assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alice A. Molasky-Arman".

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

AAMA/pd
Enclosure

cc: Michael Hillerby, Deputy Chief of Staff
Sydney Wickliffe, CPA, Director
Doug Walther, Chief

EXHIBIT D Committee on Leg. Affairs/Operations.

Date: 5/13/03 Page 1 of 5

PROPOSED AMENDMENTS TO SB 292
(Division of Insurance)
May 12, 2003

Amend section 1, page 1, line 4, by deleting "insurers." and inserting, ***"insurers, and to conduct a study of administered pricing mechanisms for medical professional liability insurance."***

Amend section 1, page 1, line 7, after "insurance" by inserting ***"and casualty insurance as it pertains to medical professional liability coverage"***

Amend section 1, page 1, by deleting line 9 and inserting:

"2. The industrial insurance study must include, without limitation:"

Amend section 1, page 2, by adding a new subsection between lines 7 and 8 to read:

"3. The medical professional liability insurance study must include, without limitation:

(a) The plausibility of implementing a rating system consisting of: uniform loss costs by classification and territory, uniform claims-made step factors including the number of steps; uniform extended reporting period factors, uniform experience and schedule rating plans, and any other rating factors deemed necessary;

(b) An estimate of the cost to implement such a system;

(c) An analysis of the impact such a rating system would have on the availability and affordability of coverage; and

(d) An analysis of the impact such a rating system would have on the insurance industry."

Amend section 1, page 2, by deleting lines 8 through 11, and inserting:

4. In conducting the studies, the subcommittee shall seek information and suggestions from various representatives of injured workers, employers, medical community and insurers and from experts in the area of industrial insurance and medical professional liability insurance.

Amend section 1, page 2, line 12, by deleting, "4." and inserting, "5."

Amend section 1, page 2, line 16, by deleting, "5." and inserting, "6."

Amend section 1, page 2, line 17 by deleting, "study" and inserting, "studies"

Amend the title of the bill to read as follows:

"AN ACT relating to insurance; directing the Legislative Commission to appoint a subcommittee to study the impacts of the recent privatization of the industrial insurance program and administered pricing mechanisms for medical professional liability insurance; and providing other matters properly relating thereto."

Amend the summary of the bill to read as follows:

"SUMMARY—Directs Legislative Commission to appoint subcommittee to study impacts of recent privatization of industrial insurance program and administered pricing mechanisms for medical professional liability insurance. (BDR S-784)".

SENATE BILL NO. 292—SENATOR SCHNEIDER

MARCH 14, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Directs Legislative Commission to appoint subcommittee to study impacts of recent privatization of industrial insurance program *and administered pricing mechanisms for medical professional liability insurance*. (BDR S-784)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: Yes.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.
Green numbers along left margin indicate location on the printed bill (e.g., 5-15 indicates page 5, line 15).

AN ACT relating to industrial insurance; directing the Legislative Commission to appoint a subcommittee to study the impacts of the recent privatization of the industrial insurance program *and administered pricing mechanisms for medical professional liability insurance*; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. 1. The Legislative Commission shall appoint a subcommittee consisting of six Legislators to conduct an interim study of the impact of the recent privatization of the industrial insurance program on injured workers, employers and insurers *and to conduct a study of administered pricing mechanisms for medical professional liability insurance*. The Legislative Commission shall appoint to the subcommittee three members of the Senate and three members of the Assembly who are acquainted with the statutory program for industrial insurance *and casualty insurance as it pertains to medical professional liability insurance* in this state.

2. The *industrial insurance* study must include, without limitation:

(a) An examination of the procedures for resolving contested industrial insurance claims filed by injured workers, the costs to injured workers, employers and insurers in litigating such claims, and the timeliness of resolving such claims;

(b) Consideration of whether it is appropriate to reimburse injured workers for time off of work when they are receiving medical treatment for compensable industrial injuries or illnesses, including the cost of such reimbursement to employers and insurers and the impacts on injured workers of not making such reimbursement; and

(c) A review of any other issues or subjects concerning the impacts of the recent privatization of the industrial insurance program on injured workers, employers and insurers.

3. The medical professional liability insurance study must include, without limitation:

(a) The plausibility of implementing a rating system consisting of: uniform loss costs by classification and territory, uniform claims-made step factors including the number of steps; uniform extended reporting period factors, uniform experience and schedule rating plans, and any other rating factors deemed necessary;

(b) An estimate of the cost to implement such a system;

(c) An analysis of the impact such a rating system would have on the availability and affordability of coverage; and

(d) An analysis of the impact such a rating system would have on the insurance industry.”

[3-] 4. In conducting the [study,] *studies*, the subcommittee shall seek information and suggestions from various representatives of injured workers, employers *medical community* and insurers and from experts in the area of industrial insurance *and medical professional liability insurance*.

[4-] 5. Any recommended legislation proposed by the subcommittee must be approved by a majority of the members of the Senate and a majority of the members of the Assembly who are appointed to the subcommittee.

[5-] 6. The Legislative Commission shall submit a report of the results of the [study] *studies* and any recommendations for legislation to the 73rd Session of the Nevada Legislature.

Sec. 2. This act becomes effective on July 1, 2003.