

HB 717 -- Medical Malpractice Insurance

Sponsor: Behnen

This bill establishes the Missouri Physicians Mutual Insurance Company, which will operate as a public corporation and provide medical malpractice insurance for its members. A seven-member board of directors, appointed by the Governor, will oversee the company. The bill sets forth the qualifications required for board members. Board members will be reimbursed for expenses, and each member may also receive a stipend of up to \$1,000 per meeting. The board will hire an administrator to manage the company. Employees of the company will be immune from personal liability for acts performed, or obligations entered into, when done in good faith.

The board will have control over the company's premium rates. Any insurance producer licensed in the state may sell policies for the company. The administrator will formulate and implement a program to reduce the amount of medical malpractice by providing training seminars to physicians and their staffs. The board may deny insurance to physicians who refuse to attend the training seminars. The company will bear the cost of the training.

The company may be capitalized by a loan of up to \$10,000,000 from the state's Physicians Mutual Insurance Company Loan Fund, which is created in the bill. The board may also issue revenue bonds in an amount not to exceed a principal amount of \$50,000,000. The bill sets forth a process for the sale of the bonds.

The board may declare cash dividends or allow credits to insureds when the company has sufficiently built up its assets in excess of its liabilities, necessary reserves, and a reasonable surplus for catastrophe hazard.