



# HOUSE BILL No. 4403

March 2, 1993, Introduced by Reps. Owen, Jondahl, Barns, Pitoniak and Harder and referred to the Committee on Judiciary.

A bill to amend section 2477 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

as amended by Act No. 173 of the Public Acts of 1986, being section 500.2477 of the Michigan Compiled Laws.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. Section 2477 of Act No. 218 of the Public Acts  
2 of 1956, as amended by Act No. 173 of the Public Acts of 1986,  
3 being section 500.2477 of the Michigan Compiled Laws, is amended  
4 to read as follows:

5 Sec. 2477. (1) Every insurer providing professional liabil-  
6 ity insurance to a person licensed by the Michigan board of medi-  
7 cine, the Michigan board of osteopathic medicine and surgery, the  
8 Michigan board of podiatric medicine and surgery, the Michigan

1 board of dentistry, and the hospitals licensed by the state  
2 department of public health in this state shall submit the fol-  
3 lowing data at the times prescribed to the ~~state insurance~~  
4 commissioner. All data shall be provided with respect to any  
5 complaint filed against such insured in any court, if the com-  
6 plaint seeks damages for personal injury claimed to have been  
7 caused by the negligence of the insured relating to the insured's  
8 professional services, or the performance of professional serv-  
9 ices by the insured without consent or informed consent, or a  
10 breach of warranty or contract for a medical result relating to  
11 the insured's professional services.

12 (2) The following data and information shall be furnished to  
13 the commissioner within 30 days of the filing of an answer on  
14 behalf of the insured:

- 15 (a) The name and license number of such insured.  
16 (b) The date of the injury.  
17 (c) The date of the filing of the complaint.  
18 (d) The nature of the complaint.  
19 (e) Any other information the commissioner may require.

20 (3) The following data and information shall be furnished to  
21 the commissioner, the appropriate licensing board in the depart-  
22 ment of licensing and regulation, and, if the insured or person  
23 is a hospital, to the state department of public health within 30  
24 days from any judgment, settlement, or other dismissal involving  
25 the insured:

- 26 (a) The date of any judgment, settlement, or other  
27 dismissal.

1 (b) The amount of any judgment against the insured.

2 (c) The amount of any settlement paid on behalf of the  
3 insured, whether such settlement was negotiated by suit or with-  
4 out the filing of a complaint for damages.

5 (d) Of the amounts provided in subdivisions (b) and (c), the  
6 amount attributable to economic damages and the amount attribut-  
7 able to noneconomic damages.

8 (e) Any other information the commissioner may require.

9 (4) BEGINNING 18 MONTHS AFTER THE EFFECTIVE DATE OF THIS  
10 SUBSECTION, THE FOLLOWING DATA AND INFORMATION SHALL BE FURNISHED  
11 TO THE COMMISSIONER ANNUALLY:

12 (A) THE NUMBER OF MEDICAL MALPRACTICE LAWSUITS FILED.

13 (B) THE NUMBER OF MEDICAL MALPRACTICE LAWSUITS DISMISSED OR  
14 SETTLED PRIOR TO MEDIATION; THE NUMBER OF MEDICAL MALPRACTICE  
15 LAWSUITS THAT GO TO TRIAL; THE NUMBER OF MEDICAL MALPRACTICE LAW-  
16 SUITS DISMISSED PRIOR TO TRIAL; THE NUMBER OF MEDICAL MALPRACTICE  
17 LAWSUITS IN WHICH THE DEFENDANT IS SUCCESSFUL; THE NUMBER OF MED-  
18 ICAL MALPRACTICE LAWSUITS IN WHICH THE PLAINTIFF IS SUCCESSFUL;  
19 THE NUMBER OF MEDICAL MALPRACTICE LAWSUITS THAT ARE MEDIATED,  
20 SETTLED IN MEDIATION, OR DISMISSED AS A RESULT OF MEDIATION; THE  
21 NUMBER OF MEDICAL MALPRACTICE LAWSUITS THAT INVOLVE MULTIPLE  
22 DEFENDANTS; THE NUMBER OF MEDICAL MALPRACTICE LAWSUITS THAT ARE  
23 DETERMINED TO BE FRIVOLOUS; AND THE NUMBER OF MEDICAL MALPRACTICE  
24 LAWSUITS FOR WHICH COSTS ARE ASSESSED AGAINST THE PLAINTIFF OR  
25 HIS OR HER ATTORNEY AND THE TOTAL DOLLAR OF THESE COSTS.

1 (C) THE TOTAL AMOUNT OF DEFENSE COSTS INCURRED FOR MEDICAL  
2 MALPRACTICE LITIGATION AND THE AMOUNT INCURRED FOR EACH CATEGORY  
3 LISTED IN SUBDIVISION (B).

4 (5) ~~(4)~~ The insurance commissioner, the licensing board,  
5 and the department of public health shall retain the information  
6 and maintain the files in the form and for a period as he or she  
7 shall determine necessary in his or her sole discretion. The  
8 commissioner, the licensing board, and the department of public  
9 health shall maintain the data and information filed in accord-  
10 ance with this section as confidential records and shall not  
11 release the data and information except for bona fide research,  
12 educational, licensing, actuarial, department of social services  
13 subrogation, or legislative purposes; however, the name of the  
14 insurer shall be omitted. The commissioner, the chairperson of  
15 the licensing board, and the director of public health in his or  
16 her sole discretion shall determine the validity of any request  
17 for the information.

18 (6) EVERY INSURER PROVIDING PROFESSIONAL LIABILITY INSURANCE  
19 UNDER SUBSECTION (1) SHALL SUBMIT ANNUALLY TO THE COMMISSIONER A  
20 SUMMARY REPORT, IN PLAIN ENGLISH, CONTAINING ALL OF THE  
21 FOLLOWING:

22 (A) MEDICAL MALPRACTICE ADMINISTRATIVE EXPENSES, LOSS  
23 ADJUSTMENT EXPENSES, AND LEGAL DEFENSE COSTS WITH THE PERCENTAGE  
24 OF PREMIUM THAT IS ATTRIBUTABLE TO EACH AND THE PERCENTAGE OF  
25 PREMIUM ATTRIBUTABLE TO PAYMENT OF DAMAGES.

1 (B) THE AMOUNT OF SAVINGS ATTRIBUTABLE TO RISK MANAGEMENT  
2 ACTIVITIES WITH THE SPECIFIC RISK MANAGEMENT TECHNIQUES SPECIFIED  
3 WITH THEIR CORRESPONDING SAVINGS.

4 (C) THE INSURER'S PURE PREMIUM LOSS RATIO. IF THE INSURER'S  
5 PURE PREMIUM LOSS RATIO, FOR PAID LOSSES TO EARNED PREMIUMS, IS  
6 NOT AT LEAST 85% OR IF THE PERCENTAGE OF PREMIUM ATTRIBUTABLE TO  
7 ADMINISTRATIVE EXPENSES AND LOSS ADJUSTMENT COSTS COMBINED  
8 EXCEEDS 5% OF PREMIUM, THE INSURER SHALL ALSO SPECIFY THE MEANS  
9 THAT WILL BE USED TO BRING THESE ITEMS TO THOSE LEVELS.

10 (7) ~~(5)~~ There shall be no liability on the part of and ~~a~~  
11 NO cause of action of any nature shall ~~not~~ arise against an  
12 insurer reporting hereunder or its agents or employees, or the  
13 commissioner or his or her representatives, for any action taken  
14 by them pursuant to this section.