



Legislative Background Brief

for the
Economic Affairs Interim Committee

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Advisory Council on Risk Management in Medical Malpractice

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Administrative Appointments: By the Insurance Commissioner

Statutorily Established - 33-23-520, MCA, in 2005. The council is to be formed to help address a shortage of reasonably priced medical malpractice insurance. If, after a market review, the insurance commissioner determines that medical malpractice insurance is not reasonably available, the insurance commissioner is to form a joint underwriting association and a market assistance plan to address the problem. The advisory council is to assist the joint underwriting association.

Purposes:

- To advise a joint underwriting association for medical malpractice insurance on risk management activities, including those mentioned in 33-23-520: standards for systematic investigation and reporting of claims and incidents and a loss control program that includes analysis of potential losses and education on loss prevention.

Board: Members are to be three health care providers and three professional insurance risk managers.

Topics of Interest

- There has been no joint underwriting association formed, so the advisory council has never been appointed. Legislation outlining the process for a joint underwriting association was adopted in 2005 in response to a concern in the medical malpractice insurance industry at that time of insufficient competition in the medical malpractice market. The market status currently is reported to be good. So there remains no need for an advisory council in the short term.
- Does there need to be statutory reference to this council?