

By: Hopson

H.B. No. 1665

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a study of the effectiveness of rate regulation for
3 medical malpractice insurance.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article 5.15-1, Insurance Code, is amended by
6 adding Section 12 to read as follows:

7 Sec. 12. RATE STUDY. (a) The department shall perform a
8 study of the rates charged for professional liability insurance or
9 coverage for physicians and health care providers in this state on
10 and after September 1, 2005, and before August 1, 2006, to determine
11 the effectiveness of legislation enacted by the 78th Legislature,
12 Regular Session, 2003, relating to regulation of rates for
13 professional liability insurance or coverage for physicians and
14 health care providers and tort liability of physicians and health
15 care providers, in ensuring that those rates are not unreasonably
16 high for the insurance coverage provided or unreasonably low for
17 the insurance coverage provided and insufficient to sustain
18 projected losses and expenses.

19 (b) To perform the study required by this section, the
20 department may use any information filed by an insurer under this
21 code. The commissioner may request that an insurer provide any
22 additional information that would assist the department in
23 performing the study. The commissioner shall request that the
24 joint underwriting association established under Article 21.49-3

1 of this code, any self-insurance trust organized under Article
2 21.49-4 of this code, and any other person or entity offering or
3 providing professional liability insurance or coverage for
4 physicians and health care providers in this state provide
5 sufficient information to assist the department in fully analyzing
6 the effect of the legislation described by Subsection (a) of this
7 section on rates for professional liability insurance or coverage
8 for physicians and health care providers.

9 (c) On the third anniversary of the passage of the
10 constitutional amendments concerning civil lawsuits against
11 doctors and health care providers (Proposition No. 12, September
12 13, 2006), the commissioner shall:

13 (1) provide a written report to the governor, the
14 lieutenant governor, and the speaker of the house of
15 representatives of the results of the study, specifying databases
16 used, methodology employed, and any actuarial assumptions made in
17 the creation of the report, identifying each person or entity to
18 whom the department made a request under Subsection (b) of this
19 section who refused or otherwise did not comply with the request,
20 and providing the department's recommendations for any statutory
21 changes that would more effectively ensure that rates for
22 professional liability insurance or coverage for physicians and
23 health care providers are not unreasonably high for the insurance
24 coverage provided or unreasonably low for the insurance coverage
25 provided and insufficient to sustain projected losses and expenses;
26 and

27 (2) post the report on the department's Internet

1 website.

2 (d) This section expires September 1, 2007.

3 SECTION 2. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2005.