

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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Representative Ambler offered the following:

Amendment

Remove lines 1395-1419, and insert:

(5) PREMIUMS; ASSESSMENTS.--

(a) The facility shall charge the actuarially indicated premium for the coverage provided and shall retain the services of consulting actuaries to prepare its rate filings. The facility shall not provide dividends to policyholders, and, to the extent that premiums are more than the amount required to cover claims and expenses, such excess shall be retained by the facility for payment of future claims. In the event of dissolution of the facility, any amounts not required as a reserve for outstanding claims shall be transferred to the policyholders of record as of the last day of operation.

(b) To ensure that the facility has the funds to pay claims, the facility shall receive:

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28 1. From each judgment awarded and settlement agreed to in
29 the state after July 1, 2003, a surcharge of 1 percent shall be
30 deposited into a separate account for guaranteeing payment of
31 claims.

32 2. A surcharge of \$200 on each medical malpractice policy
33 issued or renewed after July 1, 2003.

34 (c) The premiums charged by the facility shall be no
35 greater than 125 percent of the market price for similar
36 products.