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C. L. Dolan

STATE OF WISCONSIN
DEPARTMENT OF STATE
RECEIVED AND FILED

FEB 23 1976

DOUGLAS LAFOLLETTE
SECRETARY OF STATE

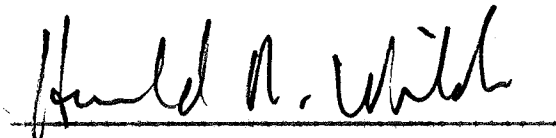
STATE OF WISCONSIN)
OFFICE OF THE COMMISSIONER OF INSURANCE) ss.

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Harold R. Wilde, Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order adopting a rule concerning statistical reports for health professional liability insurance was issued by this office on February 23, 1976.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name in the City of Madison, State of Wisconsin, this 23rd day of February, 1976.



Harold R. Wilde
Commissioner of Insurance.

FEB 23 1970

ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

Adopting Rules

BUREAU OF LEGAL COUNSEL
UNIVERSITY OF STATE

Pursuant to the authority vested in the Commissioner of Insurance by section 601.41 (3), Wis. Stats., the Commissioner of Insurance hereby adopts Wisconsin Administrative Code section Ins 3.36 as follows:

Section Ins 3.36 of the Wisconsin Administrative Code is adopted to read:

Ins 3.36 Statistical Reports - Health Professional Liability Insurance.

(1) **PURPOSE.** This rule is intended to interpret and implement section 625.34, Wis. Stats., and respond to the mandate of section 625.35, Wis. Stats., for the purpose of obtaining statistical data on health professional liability insurance in Wisconsin.

(2) **SCOPE.** This rule applies only to insurance issued to health care providers whose principal place of practice or operation is in Wisconsin.

(3) **DEFINITIONS.** As used in this rule, which interprets the mandate of section 625.35, Wis. Stats.: (a) Health professional liability insurance means insurance for liability arising out of the acts or omissions of any of the following health care providers whose principal place of practice or operation is in Wisconsin:

1. medical or osteopathic physicians,
2. blood banks,
3. chiropodists,
4. chiropractors,
5. dental hygienists,
6. hearing aid service establishments,
7. medical laboratory technicians,
8. medical or x-ray laboratories,

9. nurses (registered or trained practical nurses),
10. opticians, 11. optometrists, 12. pharmacists,
13. physiotherapists, 14. x-ray laboratories,
15. x-ray technicians, 16. osteopathic hospitals,
17. drugless healing institutions, 18. clinics,
dispensaries or infirmaries - out-patient treatment
only, 19. convalescent or nursing homes, 20. hospitals,
21. mental-psychopathic institutions, 22. sanitariums
or health institutions - not hospitals or mental-
psychopathic institutions, 23. dentists, 24. surgeons,
25. radium, laboratory, pathological or x-ray therapy
technicians, 26. operational cooperative sickness plans
organized under sections 185.981 to 185.985, Wis. Stats.,
which directly provide services through salaried
employees in their own facilities, 27. partnerships
comprised of physicians or nurse anesthetists,
28. corporations owned by physicians or nurse
anesthetists and operated for the purpose of providing
medical services.

(b) Rating class means any of the classifications listed on pages 7 through 14, part III of the Uniform Statistical Plan for Medical Professional Liability Insurance published by the Insurance Services Office effective January 1, 1976, as revised January 19, 1976, plus additional classifications for osteopathic hospitals, nurse anesthetists partnership liability, nurse anesthetists corporate liability, and operational cooperative sickness plans organized under sections 185.981 to 185.985, Wis. Stats., which directly provide services through salaried employees in their own facilities. The Uniform Statistical Plan for Medical Professional Liability Insurance published by the Insurance Services Office is distributed by Insurance Services Office, 160 Water Street, New York, New York 10038. A copy of this plan is on file at the Office of the Commissioner of Insurance, the Secretary of State and the Revisor of Statutes.

(c) Claim means every occurrence in which a claim for damages is made or a suit is brought against the health care provider defined in paragraph (a) whether or not such claim is false, groundless or fraudulent.

Incidents not resulting in a suit or claim for damages shall not constitute a claim. Claims against more than one health care provider joined in a suit shall be treated as separate claims against each health care provider.

(d) Premiums paid means premiums received by the insurer on direct business only, less returned premiums, and shall not include premiums received on account of reinsurance assumed nor shall any deductions be made for premiums ceded on account of reinsurance ceded. Insurers shall also report for each classification the direct earned premiums in Wisconsin for the calendar year of report which shall consist of the direct premiums written less the premiums unearned at the end of the calendar year plus the premiums unearned at the beginning of the calendar year.

(e) Amount of claims means claims paid during the calendar year plus the claims unpaid at the end of the calendar year and less the claims unpaid at the beginning of the calendar year, and shall be further segregated to show:

1. damages paid to claimants;
2. reserves for outstanding losses;
3. incurred but not reported losses;
4. allocated loss adjustment expenses (i.e., investigative costs, defense costs, court costs, processing costs, etc. attributable to a specific claim);
5. unallocated loss adjustment expenses (i.e., investigative costs, defense costs, processing costs, etc. not attributable to any specific claim, but rather to all professional liability claims in general).

NOTE - Insurers who do not compile "incurred but not reported losses" and/or "unallocated loss adjustment expenses" on a state-by-state basis may satisfy this requirement on the basis of estimates which reflect the ratio of Wisconsin losses and expenses to comparable countrywide data.

(f) Health professional liability insurance policy means a policy for which at least 50% of the total premium for the policy is for the insurance of health professional liability.

(g) Principal place of practice or operation means the place where more than 50% of the time of a health professional is spent in practice.

(4) FILING REQUIRED. Each insurer doing business in this state in health professional liability insurance shall report the following information to the commissioner on or before March 1 of each year for the previous calendar year:

- (a) The total number of insureds in Wisconsin within each rating class;
- (b) The total amount of premium paid by the insureds in each rating class in Wisconsin;
- (c) The total number of claims filed against insureds in each rating class in Wisconsin, the year in which the incident giving rise to each claim occurred, and the total number of such claims outstanding as of December 31;
- (d) The total number and amount of claims paid by the insurer for insureds in each rating class in Wisconsin and the year in which the incident giving rise to each claim occurred;
- (e) The number of lawsuits filed in Wisconsin against the insurer's insureds.

NOTE - In compiling this information, the instructions and procedures included in the Uniform Statistical Plan for Medical Professional

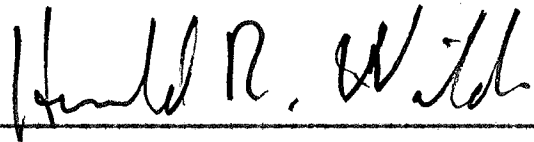
Liability Insurance published by the Insurance Services Office shall be used to the extent applicable.

(5) EXCEPTIONS. Since the statistical information required by subsection (4) may not be readily available for calendar year 1975 in the detail specified: (a) All insurers shall submit on or before March 1, 1976, the basic Wisconsin information required by line 50 of Supplement "A" to Schedule T, Exhibit of Medical Malpractice Premiums Written During Current Year Allocated by States and Territories, a part of the Annual Statement for Fire and Casualty Companies listed in Wisconsin Administrative Code section Ins 7.01 (5) (a).

(b) An insurer who cannot file for calendar year 1975 the information required by subsection (4) based on the rating classes as defined in subsection (3) (b), shall file comparable information, based on the classifications used by that insurer for rating purposes during 1975, with sufficient explanation of the make-up of each rating class so that a proper combination of insurers doing business in Wisconsin may be made.

(c) Where detailed statistical information for calendar year 1975 is not available to an insurer by March 1, 1976, that insurer may, on or before March 1, 1976, file information based on estimated data, provided that detailed information is filed by June 1, 1976.

Dated at Madison, Wisconsin this 23rd day of February, 1976.



Harold R. Wilde
Commissioner of Insurance