



## 1995 SENATE BILL 378

October 18, 1995 - Introduced by Senators SCHULTZ, ROSENZWEIG, FARROW, HUELSMAN, WELCH, BUETTNER, JAUCH and C. POTTER, cosponsored by Representatives ALBERS, GREEN, KREIBICH, BALDUS, MEYER and WASSERMAN. Referred to Committee on Insurance.

- 1 **AN ACT to amend** 619.01 (7) (a) and 655.23 (4) of the statutes; **relating to:**  
2 increasing the limits for health care liability insurance.

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### *Analysis by the Legislative Reference Bureau*

The health care liability provisions of the statutes require certain health care providers, including physicians, nurse anesthetists, ambulatory surgery centers, nursing homes and hospitals, to carry health care liability insurance with liability limits of at least \$400,000 for each occurrence and at least \$1,000,000 for all occurrences in any policy year. Any portion of a medical malpractice claim that exceeds the policy limits is paid by the patients compensation fund for health care providers that are subject to the health care liability provisions. Another provision under current law requires a health care professional, other than a physician or nurse anesthetist, who is a shareholder of a service corporation and who has the authority to provide health care services that are not under the supervision or direction of a physician or nurse anesthetist to carry malpractice insurance with limits that are not less than the limits required under the health care liability provisions. For purposes of that provision, a health care professional is defined as an individual who is licensed, certified or registered by the board of nursing, the medical examining board, the optometry examining board, the pharmacy examining board, the psychology examining board or the examining board of social workers, marriage and family therapists and professional counselors. This bill raises the minimum required limits of liability coverage under the health care liability provisions of the statutes to \$1,000,000 for each occurrence and \$3,000,000 for all occurrences in any policy year for occurrences on or after July 1, 1996. The higher minimum limits apply to any health care provider subject to the health care liability provisions, as well as to any health care professional who is a shareholder in a service

corporation and who is authorized to provide health care services that are not under the supervision or direction of a physician or nurse anesthetist.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 619.01 (7) (a) of the statutes is amended to read:

2           619.01 (7) (a) *Primary coverage plans.* Health care liability insurance plans  
3 established under this paragraph shall provide minimum coverage to insureds in the  
4 amount of not less than \$200,000 for each occurrence and \$600,000 for all  
5 occurrences in any one policy year for occurrences before July 1, 1987, \$300,000 for  
6 each occurrence and \$900,000 for all occurrences in any one policy year for  
7 occurrences on or after July 1, 1987 and before July 1, 1988, and \$400,000 for each  
8 occurrence and \$1,000,000 for all occurrences in any one policy year for occurrences  
9 on or after July 1, 1988 and before July 1, 1996, and \$1,000,000 for each occurrence  
10 and \$3,000,000 for all occurrences in any one policy year for occurrences on or after  
11 July 1, 1996, for the protection of persons who are legally entitled to recover damages  
12 from the insured for errors, omissions or neglect in the performance of the insured's  
13 professional services. If an insured has excess limits liability coverage or such  
14 coverage is available to the insured, the coverage provided under such plans shall be  
15 equal to the minimum level of such excess limits coverage. If the insured does not  
16 have excess limits liability coverage and such coverage is not available to the  
17 insured, the commissioner may establish minimum levels of coverage higher than  
18 the minimum limits specified in this paragraph for such plans.

19           **SECTION 2.** 655.23 (4) of the statutes is amended to read:

20           655.23 (4) Health care liability insurance, self-insurance or a cash or surety  
21 bond under sub. (3) (d) shall be in amounts of at least \$200,000 for each occurrence

1 and \$600,000 per year for all occurrences in any one policy year for occurrences before  
2 July 1, 1987, \$300,000 for each occurrence and \$900,000 for all occurrences in any  
3 one policy year for occurrences on or after July 1, 1987 and before July 1, 1988, and  
4 \$400,000 for each occurrence and \$1,000,000 for all occurrences in any one policy  
5 year for occurrences on or after July 1, 1988 and before July 1, 1996, and \$1,000,000  
6 for each occurrence and \$3,000,000 for all occurrences in any one policy year for  
7 occurrences on or after July 1, 1996.

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(END)