

**62F.04 AUTHORIZATION TO ISSUE INSURANCE.**

Subdivision 1. **Commissioner's determination.** If the commissioner determines after a hearing that medical malpractice insurance cannot be made available for either physicians, hospitals or other specific types of health care providers in the voluntary market, the commissioner shall authorize the association to issue medical malpractice insurance on a primary basis for physicians, hospitals or other health care providers. If the commissioner determines after a hearing that insurance issued by the association can be made available in the voluntary market, the commissioner shall revoke the association's authorization to issue that insurance which can be made available.

Subd. 1a. [Repealed, 2002 c 307 art 1 s 2]

Subd. 2. **Association's duty.** If the association is authorized by the commissioner to issue insurance, it shall:

(a) issue or cause to be issued insurance policies to applicants, including incidental coverages, subject to limits as specified in the plan of operation but not to exceed \$1,000,000 for each claimant under one policy and \$3,000,000 for all claimants under one policy in any one year;

(b) underwrite the insurance and adjust and pay losses with respect thereto, or appoint service companies to perform those functions;

(c) assume reinsurance from its members; and

(d) cede reinsurance.

Subd. 2a. **Higher limits for long-term care providers.** In addition to the policies described in subdivision 2, the association may issue policies to long-term care providers who are members of an activated class with limits not to exceed \$2,000,000 for each claimant under one policy and \$4,000,000 for all claimants under one policy in any one year, provided that the association finds that the applicant needs the higher limits in order to conduct its business. Prudent business practice or mere desire to have higher limits is not a sufficient standard for the association to issue such policies.

Subd. 3. **Avoidance of grave risk.** Because the activities of certain persons or entities present a risk that is so great, the association shall not offer insurance coverage to any person or entity the board of directors of the association determines is outside the intended scope and purpose of the association because of the gravity of the risk of offering insurance coverage.

**History:** 1976 c 242 s 5; 1986 c 444; 1986 c 455 s 18; 1996 c 446 art 1 s 44; 2002 c 307 art 1 s 1; 2004 c 212 s 1