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**Financial Institutions &  
Insurance Committee**

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**HB 1225**

**Brief Description:** Regulating medical malpractice liability insurance policies.

**Sponsors:** Representatives Schual-Berke, Cody, Lantz, Fromhold, Moeller, Simpson, P. Sullivan, Morrell, Williams, Linville, Clibborn, Kagi and Ormsby.

**Brief Summary of Bill**

- Requires insurers to provide at least 90 days notice of cancellation or nonrenewal of medical malpractice liability insurance policies.

**Hearing Date:** 2/17/05

**Staff:** Jon Hedegard (786-7127).

**Background:**

With certain exceptions, state insurance law requires insurance policies to be renewable. An insurer is exempt from this requirement if the insurer provides the insured with written notice that it proposes to refuse to renew the insurance policy. Generally, the cancellation notice must be actually delivered or mailed to the insured no fewer than 45 days before the effective date of the cancellation. Shorter notice periods are specified for cancellation based on nonpayment of premiums (10 days) and for cancellation of fire insurance policies under certain circumstances (five days). The written notice must state the actual reason for cancellation of the insurance policy.

**Summary of Bill:**

The mandatory notice period for cancellation or nonrenewal of medical malpractice liability insurance policies is increased from 45 days to 90 days before the effective date of the cancellation or nonrenewal. An insurer must actually deliver or mail to the insured a written notice of cancellation of a medical malpractice liability insurance policy. For policies the insurer chooses to not renew, the notice must state that the insurer will not renew the policy upon its expiration date.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.