

**STATES WITH "JOINT UNDERWRITING ASSOCIATIONS" FOR MEDICAL MALPRACTICE INSURANCE**

Exhibit No. 17  
 Date 3-4-05  
 Bill No. HB 331

**Assessment Of Policyholders & Carrier Association Members - Deficits & Recoupment (Reimbursement)**

State	Assessment Of Policyholders For Deficits	Startup Cost Assessment Of Commercial Carriers	Recoupment (Reimbursement) By Commercial Carriers Of Costs & Assessments
Arizona	Policyholder Assessments For Deficits: Surcharges on policies	Carrier Startup Costs: Preliminary assessment of carrier members	Recoupment By Carriers: Premium tax credit in the year following an assessment, at 20% per year for five years
Delaware	Policyholder Assessments For Deficits: Surcharges on policies	Carrier Startup Costs: Preliminary assessment of carrier members	Recoupment By Carriers: Deduction from past or future premium taxes due the state of Delaware
Florida	Policyholder Assessments For Deficits: Premium contingency assessment	Carrier Startup Costs: No direct provision in statute	Recoupment By Carriers: None. Remaining deficits would be fully- absorbed by the participating insurance companies, by payment in proportionate part of net direct premiums of member carriers
Hawaii	Policyholder Assessments For Deficits: Assessment upon JUA policyholders or a premium rate increase applied prospectively	Carrier Startup Costs: Required participation by each carrier, by payment in proportion to net direct premiums of member carriers	Recoupment By Carriers: Assessment upon JUA policyholders or a premium rate increase applied prospectively
Iowa	Policyholder Assessments For Deficits: Advance payment of "Stabilization Reserve Fund" assessment by policyholders of JUA to avoid deficits, in addition to policy premiums.	Carrier Startup Costs: Preliminary assessment of carrier members. Required contribution where sufficient funds are not available for sound operation of the carrier Association.	Recoupment By Carriers: Deduction from past or future premium taxes due the State of Iowa
Kansas	Policyholder Assessments For Deficits: Advance payment of Health Care Stabilization Fund assessment by policyholders of JUA to avoid any deficit occurring, in addition to premium payments	Carrier Startup Costs: No Association form provided by statute and the Plan is now established. A separate "Health Care Stabilization Fund" for excess coverage was first established and became operational and in effect for a period of time. Later, the JUA was formed and is funded out of the surplus of the excess coverage fund, eliminating the necessity of carrier participation except in the formation of the original plan of operation, which costs have already been expended.	Recoupment By Carriers: Not applicable.
Kentucky	Policyholder Assessments For Deficits: No statutory provision.	Carrier Startup Costs: No statutory provision. The JUA is operational and hence no further startup costs are involved.	Recoupment By Carriers: No statutory provision.

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<b>Minnesota</b>	<b>Policyholder Assessments For Deficits:</b> Advance payment of "Stabilization Reserve Fund" assessment by policyholders of JUA to avoid deficits, in addition to policy premiums, plus surcharge, if necessary.	<b>Carrier Startup Costs:</b> Preliminary assessment of carrier members	<b>Recoupment By Carriers:</b> Either applying a surcharge on policyholders of the JUA or by deducting each carrier's share of the deficit from past or future premium taxes due the state of Minnesota.
<b>Mississippi</b>	<b>Policyholder Assessments For Deficits:</b> No statutory provision.	<b>Carrier Startup Costs:</b> No statutory provision except that the JUA is required to be on a self-supporting basis without subsidy from its members. As the JUA is already operational, there are no further startup costs	<b>Recoupment By Carriers:</b> No statutory provision except that the JUA is required to be on a self-supporting basis without subsidy from its members..
<b>Missouri</b>	<b>Policyholder Assessments For Deficits:</b> Surcharges on policies	<b>Carrier Startup Costs:</b> Preliminary assessment of carrier members.	<b>Recoupment By Carriers:</b> From a surcharge on policyholders of JUA or by the carriers deducting their share of the deficit from past or future premium taxes due the state of Mississippi. Any excess funds at the end of each year are paid proportionately to: (1) the general fund to the extent that the credit against premium tax liability has been granted; and (2) to members which have been assessed but have not received tax credits
<b>Nevada</b>	<b>Policyholder Assessments For Deficits:</b> Assessment of policyholders.	<b>Carrier Startup Costs:</b> Assessment of carrier Association members in the proportion that the net direct written premiums of the member for the preceding calendar year bear to the net direct written premiums of all members of the association for the preceding calendar year.	<b>Recoupment By Carriers:</b> Assessment on policyholder of the JUA
<b>New Hampshire</b>	<b>Policyholder Assessments For Deficits:</b> An assessment on policyholders or a surcharge on policyholder premiums.	<b>Carrier Startup Costs:</b> Assessment on carrier association members.	<b>Recoupment By Carriers:</b> An assessment on policyholders or a surcharge on policyholder premiums.
<b>New York</b>	<b>Policyholder Assessments For Deficits:</b> Advance payment of "Stabilization Reserve Fund" assessment to avoid deficits, in addition to policy premiums, plus surcharge, if necessary.	<b>Carrier Startup Costs:</b> Preliminary assessment of carrier members	<b>Recoupment By Carriers:</b> Stabilization reserve fund, funded by health care provider policyholder assessments Association.

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<b>Ohio</b>	<b>Policyholder Assessments For Deficits:</b> Advance payment of "Stabilization Reserve Fund" assessment to avoid deficits, in addition to policy premiums. Assessment of JUA policyholders upon determination that the JUA will be unable to pay its incurred obligations.	<b>Carrier Startup Costs:</b> Preliminary assessment of carrier members	<b>Recoupment By Carriers:</b> Assessments upon carrier Association members to cure a deficit, the assessments may be recouped by increasing its commercial insurance policyholders' rates.
<b>Pennsylvania</b>	<b>Policyholder Assessments For Deficits:</b> Pennsylvania statutes are not fully online and the statute is not available at this time.	<b>Carrier Startup Costs:</b> Pennsylvania statutes are not fully online and the statute is not available at this time.	<b>Recoupment By Carriers:</b> Pennsylvania statutes are not fully online and the statute is not available at this time.
<b>Rhode Island</b>	<b>Policyholder Assessments For Deficits:</b> Advance payment of "Stabilization Reserve Fund" assessment to avoid deficits, in addition to policy premiums.	<b>Carrier Startup Costs:</b> No specific provision in statute for startup costs.	<b>Recoupment By Carriers:</b> Either from a surcharge on policyholders of JUA or by the insurer Association members deducting their share of the deficit from past or future taxes due the state of Rhode Island.
<b>South Carolina</b>	<b>Policyholder Assessments For Deficits:</b> Prospective premium increases, assessment and/or retrospective premium increase paid by existing policyholders of JUA	<b>Carrier Startup Costs:</b> Preliminary assessment of carrier members	<b>Recoupment By Carriers:</b> By one or both of the following: (1) an assessment upon the policyholders, which may not exceed one additional annual premium at the then current rate; (2) a rate increase applicable prospectively.
<b>Texas</b>	<b>Policyholder Assessments For Deficits:</b> Advance payment of "Stabilization Reserve Fund" assessment to avoid deficits, in addition to policy premiums, plus additional assessment, if necessary.	<b>Carrier Startup Costs:</b> Preliminary assessment of carrier members	<b>Recoupment By Carriers:</b> To the extent a member has paid one or more assessments and has not received reimbursement from then a credit against premium shall be allowed. The tax credit shall be allowed at a rate of 20 percent per year for five successive years following the year in which said deficit was sustained and at the option of the insurer may be taken over an additional number of years.

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<b>Vermont</b>	<b>Policyholder Assessments For Deficits:</b> Premium contingency assessment in addition to policy premiums	<b>Carrier Startup Costs:</b> The board of directors of an association may require all members to contribute on a temporary basis to the financial requirements of the association	<b>Recoupment By Carriers:</b> From prospective premium increases and contingency assessment from policyholders of JUA, with an explicit prohibition on recoupment from policyholders of Association member insurance companies, plus such recoupment as authorized under the JUA plan. In no event shall a deficit incurred by an association be charged directly or indirectly to any insured other than a policyholder insured through an association
<b>Virginia</b>	<b>Policyholder Assessments For Deficits:</b> No provision.	<b>Carrier Startup Costs:</b> Preliminary assessment of carrier members.	<b>Recoupment By Carriers:</b> Such recoupment as authorized by the plan of operation
<b>West Virginia</b>	<b>Policyholder Assessments For Deficits:</b> Contribution from a reserve fund or a prospective rate increase, in addition to policy premiums.	<b>Carrier Startup Costs:</b> Assessment of carrier members pursuant to the plan of operation	<b>Recoupment By Carriers:</b> By one or more of the following: (1) A contribution from a reserve fund, if any, until the same is exhausted; (2) A prospective rate increase; a credit against the premium taxes, in equal amounts per year for three successive years following the assessment or that the option of the member insurer, the premium tax credit may be taken over an additional number of years, such tax credit being applicable only to general revenue funds
<b>Wisconsin</b>	<b>Policyholder Assessments For Deficits:</b> Prospective premium rate increases	<b>Carrier Startup Costs:</b> Assessment by board in an amount sufficient to remedy any insufficiency in sound financial operations.	<b>Recoupment By Carriers:</b> Prospective premium rate increases on policyholders of association

**Montana Medical Legal Panel - February 28, 2005**