

STATE OF NEBRASKA

DEPARTMENT OF INSURANCE
Timothy J. Hall
Director



January 4, 1999
CB-96

E. Benjamin Nelson
Governor

BULLETIN

SUBJECT: IMPACT OF THE NEBRASKA HOSPITAL-MEDICAL LIABILITY ACT ON EXCLUSIONARY OR RESTRICTIVE POLICY PROVISIONS

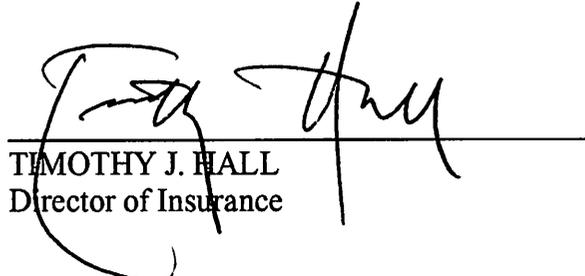
Medical Professional Liability filings made with the Nebraska Department of Insurance are subject to unique compliance requirements when the coverage provided will insure health care providers who are eligible for qualification under the Nebraska Hospital-Medical Liability Act include physicians, nurse anesthetists, hospitals and other entities authorized by law to provide medical services by physicians or nurse anesthetists.

The Act provides for eligible healthcare providers to utilize their medical professional liability insurance as evidence of financial responsibility when electing to participate in the Excess Liability Fund. When this occurs, the medical professional liability insurer and health care provider are considered to have, conclusively and without qualification, accepted the provisions of the Act. The Act specifies that any provision in a policy, which has been filed as evidence of financial responsibility, which attempts to limit or modify the liability of the insurer contrary to the provisions of the Act shall be void.

If the Department determines, at the time medical professional liability filings are submitted, that the insureds under the policy will include health care providers who are eligible for participation under the Act, the Department will attempt to identify any provisions of the filing which would limit or modify the liability contrary to the provisions of the Act and have the insurer remove or revise those provisions.

It is important for insurers to recognize that if language in their policy is contrary to the Act, and the policy is filed as evidence of financial responsibility under the Act, those provisions attempting to limit or modify liability contrary to the Act will be void pursuant to §44-2836(4).

The provisions of the Act are set out at §44-2801 to §44-2855.


TIMOTHY J. HALL
Director of Insurance