SUMMARY OF LEGISLATION AND SURVEY QUESTIONS

I. The cap on non-economic damages was revised under AS 09.17.010.

• Before 8/7/97, the cap was $500,000 for each claim based on a separate incident or injury. Damages for disfigurement or severe physical impairment were excluded from the cap.
• After 8/7/97, the cap was reduced to $400,000 or the injured person’s life expectancy in years multiplied by $8,000, whichever is greater. For permanent physical impairment or severe disfigurement, a cap was introduced of $1,000,000 or the person’s life expectancy in years multiplied by $25,000, whichever is greater.

1. a) What effect has the revised cap on non-economic damages had on the amount of insurance business written by your company in Alaska?
   - _____ increased policy count
   - _____ increased premium written
   - _____ no change
   - _____ other (explain)  

   b) If any effect has been noticed, what lines of business were affected?
   - _____ Physician/Surgeon
   - _____ Hospital
   - _____ Architect professional liability
   - _____ Engineers professional liability
   - _____ Lawyers professional liability
   - _____ Other professional liability
   - _____ Products liability
   - _____ Pollution liability
   - _____ Employment Practices liability
   - _____ Auto liability
   - _____ Auto property damage liability
   - _____ Other liability (explain)

   c) If no effect has been noticed to date, what effect is anticipated in the future on the availability of liability insurance provided by your company in Alaska?
   - _____ increased policy count
   - _____ increased premium written
   - _____ no change
   - _____ other (explain)

2. a) What effect has the revised cap on non-economic damages had on the cost of insurance coverage written by your company in Alaska?
   - _____ increased liability rates
   - _____ no change
   - _____ decrease in incurred claim amounts
   - _____ other (explain)

   b) If any effect has been noticed, what lines of business were affected and by how much?
   - _____ Physician/Surgeon
   - _____ Hospital
   - _____ Architect professional liability
   - _____ Engineers professional liability
   - _____ Lawyers professional liability
   - _____ Other professional liability
   - _____ Products liability
   - _____ Pollution liability
   - _____ Employment Practices liability
   - _____ Auto liability
   - _____ Auto property damage liability
   - _____ Other liability (explain)

   c) If no effect has been noticed to date, what effect is anticipated in the future on the cost of liability insurance provided by your company in Alaska?
3. Do you have any other comments on the effect of the cap on non-economic damages as it relates to the cost and availability of liability insurance provided by your company in Alaska?

II. **A cap on punitive damages became effective August 7, 1997 under AS 09.17.020.**

Punitive damages may not exceed the greater of $500,000 or three times the compensatory damages with two exceptions:

- if the defendant’s action was motivated by financial gain and the adverse consequences were known to the defendant, then punitive damages may not exceed the greater of $7,000,000, four times the compensatory damages, or four times the aggregate amount of financial gain;
- in an action against an employer to recover damages for unlawful employment practice, punitive damages may not exceed
  1) $200,000 if there are less than 100 employees
  2) $300,000 if there are 100 or more but less than 200 employees
  3) $400,000 if there are 200 or more but less than 500 employees
  4) $500,000 if there are 500 or more employees

1. a) Do any liability policies sold by your company, or companies, cover punitive damages?
   _____ yes Answer parts b) and c).
   _____ no Skip to Question III. 2.

b) What effect has the cap on punitive damages had on the amount of liability insurance business written by your company in Alaska?
   _____ increased policy count  _____ decreased policy count
   _____ increased premium written  _____ decreased premium written
   _____ no change  _____ don’t know
   _____ other (explain)___________________________________________________

c) If any effect has been noticed, what lines of business were affected?
   _____ Physician/Surgeon  _____ Products liability
   _____ Hospital  _____ Pollution liability
   _____ Architect professional liability  _____ Employment Practices liability
   _____ Engineers professional liability  _____ Auto liability
   _____ Lawyers professional liability  _____ Auto property damage liability
   _____ Other professional liability  _____ Other liability (explain)
   (explain)____________________ ___________________________

d) If no effect has been noticed to date, what effect is anticipated in the future on the availability of liability insurance provided by your company in Alaska?
   _____ increased policy count  _____ decreased policy count
   _____ increased premium written  _____ decreased premium written
   _____ no change  _____ don’t know
   _____ other (explain)___________________________________________________
2. a) What effect has the cap on punitive damages had on the cost of liability insurance coverage written by your company in Alaska?
   - [ ] increased liability rates
   - [ ] decreased liability rates
   - [ ] no change
   - [ ] don’t know
   - [ ] decrease in incurred claim amounts
   - [ ] other (explain) ____________________________

   b) If any effect has been noticed, what lines of business were affected and by how much?
   - [ ] Physician/Surgeon
   - [ ] Products liability
   - [ ] Hospital
   - [ ] Pollution liability
   - [ ] Architect professional liability
   - [ ] Employment Practices liability
   - [ ] Engineers professional liability
   - [ ] Auto liability
   - [ ] Lawyers professional liability
   - [ ] Auto property damage liability
   - [ ] Other professional liability
   - [ ] Other liability (explain) ____________________________

   c) If no effect has been noticed to date, what effect is anticipated in the future on the cost of liability insurance provided by your company in Alaska?
   - [ ] increased liability rates
   - [ ] decreased liability rates
   - [ ] no change
   - [ ] don’t know
   - [ ] decrease in incurred claim amounts
   - [ ] other (explain) ____________________________

3. Do you have any other comments on the effect of the cap on punitive damages as it relates to the cost and availability of liability insurance provided by your company in Alaska?

III. A new section, AS 09.30.070, was added to exclude prejudgment interest for future economic damages, future non-economic damages, or punitive damages.

1. What effect has the exclusion of prejudgment interest had on the amount of insurance business written by your company in Alaska?
   - [ ] increased policy count
   - [ ] decreased policy count
   - [ ] increased premium written
   - [ ] decreased premium written
   - [ ] no change
   - [ ] don’t know
   - [ ] decrease in incurred claim amounts
   - [ ] other (explain) ____________________________

   b) If any effect has been noticed, what lines of business were affected?
   - [ ] Physician/Surgeon
   - [ ] Products liability
   - [ ] Hospital
   - [ ] Pollution liability
   - [ ] Architect professional liability
   - [ ] Employment Practices liability
   - [ ] Engineers professional liability
   - [ ] Auto liability
   - [ ] Lawyers professional liability
   - [ ] Auto property damage liability
   - [ ] Other professional liability
   - [ ] Other liability (explain) ____________________________
c) If no effect has been noticed to date, what effect is anticipated in the future on the availability of liability insurance provided by your company in Alaska?

- increased policy count
- decreased policy count
- increased premium written
- decreased premium written
- no change
- don’t know
- other (explain)

2. a) What effect has the exclusion of prejudgment interest had on the cost of liability insurance coverage written by your company in Alaska?

- increased liability rates
- decreased liability rates
- no change
- don’t know
- decrease in incurred claim amounts
- other (explain)

b) If any effect has been noticed, what lines of business were affected and by how much?

- Physician/Surgeon
- Products liability
- Hospital
- Pollution liability
- Architect professional liability
- Employment Practices liability
- Engineers professional liability
- Auto liability
- Lawyers professional liability
- Auto property damage liability
- Other professional liability
- Other liability (explain)

C) If no effect has been noticed to date, what effect is anticipated in the future on the cost of liability insurance provided by your company in Alaska?

- increased liability rates
- decreased liability rates
- no change
- don’t know
- decrease in incurred claim amounts

3. Do you have any other comments on the effect of the exclusion of prejudgment interest as it relates to the cost and availability of liability insurance provided by your company in Alaska?

IV. A new section, AS 09.65.096, was added to ensure that hospitals that comply with disclosure requirements are not liable for the negligence of emergency room physicians who are acting as independent contractors.

1. Does your company sell hospital liability policies?

- Yes Answer Question IV.2.
- No Skip to Section V.

2. For a hospital liability policy sold before August 7, 1997, did your policy cover negligence of emergency room physicians acting as independent contractors?

- Yes Answer Question IV.3.
- No Skip to Section V.
3. For a hospital liability policy sold on or after August 7, 1997, was the policy revised to exclude coverage for the negligence of emergency room physicians acting as independent contractors?

- Yes Answer Question IV.4.
- No Skip to Section V.

4. Were the rates reduced due to the reduction in coverage?

- Yes By how much? _______________%
- No

V. The statute of repose for bringing action for personal injury, death, or property damage due to construction and design defects was reduced from 15 to 10 years, AS 09.10.055.

1. a) What effect has the revised statute of repose had on the amount of insurance business written by your company in Alaska?

- increased policy count
- increased premium written
- no change
- other (explain) ________________

b) If any effect has been noticed, what lines of business were affected?

- Physician/Surgeon
- Hospital
- Architect professional liability
- Engineers professional liability
- Lawyers professional liability
- Other professional liability
- Products liability
- Pollution liability
- Employment Practices liability
- Auto liability
- Auto property damage liability
- Other liability

(explain) ________________

c) If no effect has been noticed to date, what effect is anticipated in the future on the availability of liability insurance provided by your company in Alaska?

- increased policy count
- increased premium written
- no change
- other (explain) ________________

4. a) What effect has the revised statute of repose had on the cost of liability insurance coverage written by your company in Alaska?

- increased liability rates
- no change
- decrease in incurred claim amounts
- other (explain) ________________

b) If any effect has been noticed, what lines of business were affected and by how much?

- Physician/Surgeon
- Hospital
- Architect professional liability
- Engineers professional liability
- Lawyers professional liability
- Other professional liability
- Products liability
- Pollution liability
- Employment Practices liability
- Auto liability
- Auto property damage liability
- Other liability

(explain) ________________

c) If no effect has been noticed to date, what effect is anticipated in the future on the cost of liability insurance provided by your company in Alaska?
3. Do you have any other comments on the effect of the revised statute of repose as it relates to the cost and availability of liability insurance provided by your company in Alaska?

VI. AS 09.30.070(a) revised the rate of interest on judgments, including prejudgment interest, from 10.5% per year to 3% above the 12th Federal Reserve District discount rate in effect on January 2 of the year in which the judgment is entered.

1. a) What effect has the revised interest rate had on the amount of insurance business written by your company in Alaska?

   _____ increased policy count  _____ decreased policy count
   _____ increased premium written  _____ decreased premium written
   _____ no change  _____ don’t know
   _____ other (explain)____________________

   b) If any effect has been noticed, what lines of business were affected?

   _____ Physician/Surgeon  _____ Products liability
   _____ Hospital  _____ Pollution liability
   _____ Architect professional liability  _____ Employment Practices liability
   _____ Engineers professional liability  _____ Auto liability
   _____ Lawyers professional liability  _____ Auto property damage liability
   _____ Other professional liability  _____ Other liability (explain)
   (explain)____________________

   c) If no effect has been noticed to date, what effect is anticipated in the future on the availability of liability insurance provided by your company in Alaska?

   _____ increased policy count  _____ decreased policy count
   _____ increased premium written  _____ decreased premium written
   _____ no change  _____ don’t know
   _____ other (explain)____________________

2. a) What effect has the revised interest rate had on the cost of liability insurance coverage written by your company in Alaska?

   _____ increased liability rates  _____ decreased liability rates
   _____ no change  _____ don’t know
   _____ decrease in incurred claim amounts  _____ other (explain)

   b) If any effect has been noticed, what lines of business were affected and by how much?

   _____ Physician/Surgeon  _____ Products liability
   _____ Hospital  _____ Pollution liability
   _____ Architect professional liability  _____ Employment Practices liability
   _____ Engineers professional liability  _____ Auto liability
   _____ Lawyers professional liability  _____ Auto property damage liability
   _____ Other professional liability  _____ Other liability (explain)
   (explain)____________________

   _____ decreased liability rates
c) If no effect has been noticed to date, what effect is anticipated in the future on the cost of liability insurance provided by your company in Alaska?

- increased liability rates
- decreased liability rates
- no change
- don’t know
- decrease in incurred claim amounts
- other (explain)

3. Do you have any other comments on the effect of the revised interest rate as it relates to the cost and availability of liability insurance provided by your company in Alaska?

CONTACT INFORMATION

Name of person completing the survey: _____________________________________________________
Title: ________________________________________________________________________________
Phone: _______________________________________________________________________________
Fax: ________________________________________________________________________________
E-mail: _______________________________________________________________________________
Contact address: _______________________________________________________________________

One survey may be completed for each individual company or for a group of companies in the aggregate.

- Individual
- Group

NAIC Group Code:
NAIC Company Code(s) and Company Name(s): (use separate sheet if needed)