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Combined Bulletin 2021-1 and 2021-2

To: Companies Authorized by the Commissioner of Insurance to Offer Professional Liability Insurance to Kansas Health Care Providers
From: Clark Shultz, Executive Director, Health Care Stabilization Fund
Date: July 28, 2021
Subject: New Base Liability Requirements and Surcharge Rates

On May 19, Kansas governor Laura Kelly signed Senate Bill 78 which increases the base liability insurance that defined health care providers are required to obtain from an insurer. The current base liability of \$200,000 per claim changes to \$500,000 for all new health care providers and policies that renew on and after January 1, 2022. **All defined health care providers will be required to obtain base liability coverage of \$500,000 purchased after that date.**

The new law also changes the current 3 options that are offered by the Stabilization Fund to just 2 options as shown below:

Current Health Care Stabilization Fund options available to health care providers through 12-31-2021

Current Option 1. \$100,000 single judgment or settlement, \$300,000 aggregate annual limitation, through 12-31-2021.

Current Option 2. \$300,000 single judgment or settlement, \$900,000 aggregate annual limitation, through 12-31-2021.

Current Option 3. \$800,000 single judgment or settlement, \$2,400,000 aggregate annual limitation, through 12-31-2021.

Future Health Care Stabilization Fund options available to health care providers **effective January 1, 2022**

Option 1. \$500,000 single judgment or settlement, \$1,500,000 aggregate annual limitation, available January 1, 2022.

Option 2. \$1,500,000 single judgment or settlement, \$4,500,000 aggregate annual limitation, available January 1, 2022.

The Kansas Health Care Stabilization Fund Board of Governors is considering surcharge rates and options that will take effect on January 1, 2022. We will be sending a Bulletin with the new surcharge rates when those rates become available. We anticipate this will occur in mid-September.

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