

**FOR IMMEDIATE RELEASE: July 24, 2015**

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**Court Directs NH Insurance Department to Close NH Medical Malpractice Joint Underwriting Association**

**Concord, NH** – The Merrimack County Superior Court today released an order appointing Insurance Commissioner Roger A. Sevigny as receiver of the New Hampshire Medical Malpractice Joint Underwriting Association (the JUA). The court order comes in response to a new law directing the wind-down and closure of the JUA through a court-supervised receivership process.

The JUA is the state’s risk-sharing plan for medical malpractice insurance. It was established by the NH Insurance Commissioner in 1976 to make medical malpractice insurance available to the growing number of medical providers who had difficulty purchasing coverage from private insurers. The lack of available coverage made it difficult to attract and retain medical professionals in New Hampshire, which limited access to medical care and treatment for New Hampshire citizens.

Last December, a legislative committee asked the New Hampshire Insurance Department to determine whether there was still a need for a government risk-sharing plan to provide medical malpractice insurance. After a public hearing with testimony from all interested stakeholders, the Insurance Department determined that medical malpractice coverage was readily available from private insurers.

As a result of the Department’s determination, the Legislature passed House Bill 508, calling for an orderly wind-down of the JUA. The bill, which Governor Hassan signed into law on Monday, directs Commissioner Sevigny to “facilitate the orderly resolution of the obligations of the JUA and transition of policyholders to coverage in the private market.”

As required by this bill, the Insurance Department filed pleadings with the Merrimack County Superior Court to begin the court’s supervision of the closure of the JUA. The court’s order establishes the Commissioner as receiver and approves the appointment of a special deputy, who will oversee the wind-down effort.

In accordance with HB 508, policyholders who have existing coverage with the JUA will be able to retain their existing policies until those policies expire. (The day-to-day operations of the JUA will continue to be managed by the existing administrator, under the management of the special deputy; policyholders should see no change in the level of service during the wind-down process.) Policyholders whose policies expire in 2015 may be able to renew their JUA coverage for the short term, but all policies will terminate no later than December 31, 2016. Policyholders are advised to explore their options for coverage from private insurers.

In addition, under the bill, policyholders with JUA “claims-made” coverage may elect “tail coverage” under the terms of their policies if they are eligible or, instead, receive a return of a portion of paid premium reflecting the cost of this coverage. A temporary hardship fund will be set up to help policyholders who have difficulty purchasing insurance from private insurers after their JUA policies expire. Many JUA policyholders currently pay below-market rates for their coverage.

“Almost four decades ago, the New Hampshire Insurance Department, in cooperation with the state Legislature, acted to make medical malpractice insurance available in order to ensure New Hampshire residents had access to needed care,” said Commissioner Sevigny. “Today, thanks to a competitive insurance marketplace, health care providers now have access to coverage without state intervention. We are pleased to see that the free market has resolved this issue, and we will carry out the Legislature’s wishes to close the JUA as provided in HB 508. Policyholders and patients alike can be assured that the Department and the special deputy will act under the court’s supervision to have an orderly wind down of the business of the JUA and resolution of all claims.”

The court order may be found on the Insurance Department’s website:

[http://www.nh.gov/insurance/legal/nhid\\_nhmmjua\\_recvrshp.htm](http://www.nh.gov/insurance/legal/nhid_nhmmjua_recvrshp.htm)

The New Hampshire Insurance Department’s mission is to promote and protect the public good by ensuring the existence of a safe and competitive insurance marketplace through the development and enforcement of the insurance laws of the State of New Hampshire. For more information about the Department, visit [www.nh.gov/insurance](http://www.nh.gov/insurance).

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