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Bulletin 147

PAYMENT OF SURCHARGE TO
THE INDIANA PATIENT'S COMPENSATION FUND

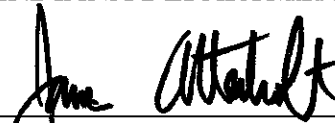
This bulletin is addressed to all insurers, risk managers and surplus lines agents that collect and remit surcharge payments under Indiana's Medical Malpractice Act to the Patient's Compensation Fund (PCF). The Commissioner of the Indiana Department of Insurance is charged with administering the provisions of the Medical Malpractice Act. The provisions of Bulletin 118 that are in conflict with this bulletin are hereby withdrawn.

Pursuant to IC 34-18-5-3, the insurer, risk manager or surplus lines agent (hereinafter collectively referred to as "insurer") shall collect the surcharge due to the PCF. The surcharge is due to the PCF within thirty (30) days after the premium for the insurance coverage has been received by the insurer. Bulletin 118 stated that the Department will presume that premium was received by the insurer no later than the effective date of the policy. Based upon communications with insurers, the Department believes that this assumption puts an undue burden on the insurer. Therefore, the Department's revised presumption is that premium was received by the insurer no later than thirty (30) days from the policy effective date. Based upon this revised presumption, surcharge is due to the PCF on the earlier of:

- (1) thirty (30) days from the insurer's actual receipt; or
- (2) sixty (60) days from the policy effective date.

If the surcharge is remitted late to the PCF, the insurer is liable for penalties provided by IC 34-18-3-5 and IC 34-18-5-3. Insurers will be automatically assessed a penalty if the submission to the PCF indicates that it was not filed timely. The Department will conduct periodic reviews to determine compliance with this Bulletin.

INDIANA DEPARTMENT OF INSURANCE



James Atterholt, Commissioner