

of the tort claims act. Senator Hess reported that the Ways and Means Committee felt that since this committee had spent a great deal of time discussing the tort claims act, this committee was in a better position to work with the financing.

Senator Gaines suggested mandating all local units of government to carry \$25,000 minimum liability policy, patterned after the required basic coverage in medical malpractice. The committee discussed whether Senate Bill 316 could be used as a vehicle for the financing of the tort claims act.

Senator Berman stated that there were three basic points to consider; the basic type of insurance coverage, whether through an insurance company or a self-insurance plan; catastrophic incidents; and the establishment of assessments to build up the statewide insurance fund. He suggested some of these matters could be left to the rules and regulations of the insurance commissioner.

Senator Gaines suggested that, as in the medical malpractice insurance, a lid of perhaps ten million dollars be placed on the statewide reserve fund. Committee discussion followed.

Senator Berman moved to draft a bill, to be introduced by the Ways and Means Committee, providing an option of providing insurance up to \$25,000 or have the local unit self-insure to that amount, and that the commissioner of insurance establish a surcharge rate for those units of government which are self-insured; establishing a lid of ten million dollars as in medical malpractice on the reserve fund; Senator Gaines seconded the motion. After committee discussion, the motion carried.

Senator Hess moved that this committee request an interim study to monitor the functioning of the tort claims act, to study the premium rate structure; what role the insurance commissioner will play in this situation; the manner in which self-insurers are able to pay off judgments; and the role of the Special Claims Committee. Senator Parrish seconded the motion, and the motion carried.

The chairman appointed a subcommittee of Senator Hess and Senator Gaines to work with Art Griggs in drafting the bill pertaining to the funding of the tort claims act.

The chairman announced that after the bill is drafted, a hearing will be set up in which interested persons will be invited to appear.

The meeting adjourned.

These minutes were read and approved
by the committee on 4-28-79.