

Malpractice Insurance

The problems faced by physicians across the country in obtaining adequate malpractice insurance has spawned new confidence schemes designed to prey on the unwary.

Director of the State Division of Banking, Securities, Small Loans and Corporations, Miles S. Schlosberg, recently warned that Alaska has not escaped these attempts to capitalize on a difficult situation.

A plan has been offered to physicians in Alaska promising legal defense and payments of

judgments in malpractice suits.

Known as the Physicians Defense Plan, the company is headquartered in Van Nuys, Calif. This plan requires a substantial investment by Alaskan physicians with only the company's assurance that it will be able to meet its promised obligations.

The plan is not offered by an insurance company registered in Alaska, nor has the offering been registered with the state's Division of Banking and

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Securities. The Physician's Defense Plan was the subject of a cease and desist order issued by the state's Banking and Securities Division, on Aug. 20, 1975.

Schlosberg went on to say that Commissioner of Commerce & Economic Development, Tony Motley, chairman of the governor's medical malpractice commission, has cautioned his Division of Insurance and Division of Banking and Securities to exercise special care in matters pertaining to the extremely complex issue.

Physicians and other professionals who are solicited with this type of offering should check with the Department of Commerce & Economic Development, Division of Banking and Securities, Pouch D, Juneau, AK 99811 (465-2523 or 465-2526) prior to investing.