

HOUSE BILL 162

C4

9lr0067

By: **Chair, Economic Matters Committee (By Request – Departmental – Maryland Insurance Administration)**

Introduced and read first time: January 23, 2019

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Medical Professional Liability Insurance Policies – Mandated Deductible Levels**
3 **– Limitation**

4 FOR the purpose of limiting the requirement that insurers that issue or deliver a medical
5 professional liability insurance policies in the State offer, in addition to the basic
6 policy, additional policies with certain deductibles to insurers that issue or deliver a
7 policy with an annual premium of a certain amount or more; and generally relating
8 to medical professional liability insurance policies.

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 19–114
12 Annotated Code of Maryland
13 (2017 Replacement Volume and 2018 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
15 That the Laws of Maryland read as follows:

16 **Article – Insurance**

17 19–114.

18 (a) Each insurer that issues or delivers a medical professional liability insurance
19 policy in the State **WITH AN ANNUAL PREMIUM OF \$5,000 OR MORE** shall offer at a
20 minimum, in addition to the basic policy, additional policies with deductibles in the
21 following amounts:

22 (1) \$25,000;

23 (2) \$50,000; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) \$100,000.

2 (b) In a policy with a deductible described in subsection (a) of this section, the
3 insurer shall apply the deductible only to the liability of the insured under the policy.

4 (c) (1) An insurer that issues or delivers a medical professional liability
5 insurance policy with a deductible described in subsection (a) of this section may cancel the
6 policy for nonpayment of the deductible when the deductible is due and payable under the
7 policy.

8 (2) A medical professional liability insurer that cancels a policy under
9 paragraph (1) of this subsection is subject to the notice provisions under § 27–603 of this
10 article.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2019.