

SENATE BILL 57

C4

8lr0021

(PRE-FILED)

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

Requested: September 19, 2017

Introduced and read first time: January 10, 2018

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Medical Professional Liability Insurance Policies – Technical**
3 **Correction**

4 FOR the purpose of correcting an erroneous cross-reference relating to the notice
5 requirements to which a medical professional liability insurer that cancels a policy
6 for nonpayment of a deductible is subject; and generally relating to medical
7 professional liability insurance policies.

8 BY repealing and reenacting, with amendments,

9 Article – Insurance

10 Section 19–114

11 Annotated Code of Maryland

12 (2017 Replacement Volume)

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

15 **Article – Insurance**

16 19–114.

17 (a) Each insurer that issues or delivers a medical professional liability insurance
18 policy in the State shall offer at a minimum, in addition to the basic policy, additional
19 policies with deductibles in the following amounts:

20 (1) \$25,000;

21 (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 [§ 27-602] §
10 **27-603** of this article.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2018.