Affordability and Availability of Medical Professional Liability Insurance Public Hearing

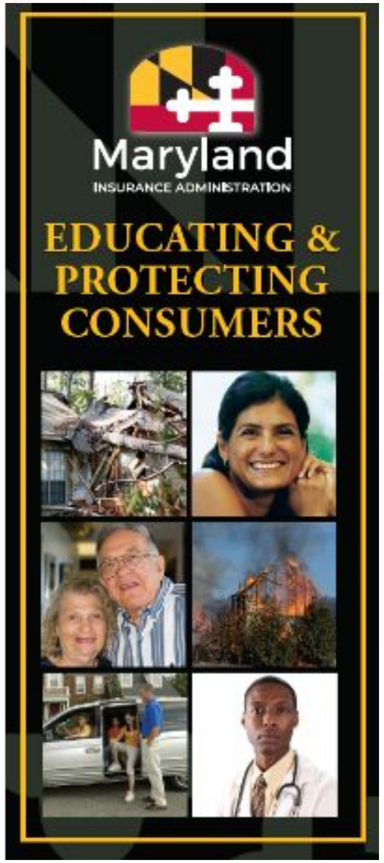
July 29, 2026

This presentation does not provide legal advice. You should discuss specific questions with your trusted financial advisor or insurance producer.

What is the Maryland Insurance Administration

The Maryland Insurance Administration (MIA) is the state agency that regulates insurance in Maryland. The MIA:

- Licenses insurers and insurance producers (agents or brokers).
- Examines the business practices of licensees to ensure compliance.
- Monitors solvency of insurers.
- Reviews/approves insurance policy forms and insurance rules to ensure compliance with state statutes and regulations.
- Reviews insurance rates to ensure rates are not inadequate, excessive or unfairly discriminatory.
- Investigates consumer and provider complaints and allegations of fraud.
- Educates Maryland residents on insurance issues and products and explains their rights and obligations.



Video: How the MIA can help

What is the Maryland Insurance Administration

If you feel that your insurer or insurance producer acted improperly, you have the right to file a complaint. Examples of improper actions include:

- Improperly denying or delaying payment of all or portions of a claim;
- Improperly terminating your insurance policy;
- Raising your insurance premiums without proper notice;
- Making false statements to you in connection with the sale of insurance or processing of insurance claims; and,
- Overcharging you for services, including premium finance charges.

Agenda

- **MIA Presentation on the Affordability and Availability of Medical Professional Liability Insurance in Maryland and Elsewhere**
  - Medical Professional Liability Insurance Basics
  - MIA’s 2025 Availability and Affordability of Health Care Professional Liability Insurance Report and the State of the Maryland Market
- **MCIC Presentation**
- **Maryland Hospital Association Presentation**
- **Medical Mutual Presentation**
- **Public Comments**
  - Registered Speakers
  - Unregistered Speakers, as time allows

What is Medical Professional Liability Insurance?

Definition: Also known as medical malpractice insurance, it covers legal defense expenses, settlements, and indemnity payouts if a patient is injured due to a provider's alleged negligence, misdiagnosis, and/or error. Where sexual abuse and molestation (SAM) coverage is provided, either via a dedicated SAM liability policy or specific endorsement, providers, medical directors and/or facility owners may be defended and indemnified for claims of sexual abuse, misconduct, and/or assault.

Key Components:

- **Defense Costs**: Attorney fees, court costs, and expert witness fees.
- **Indemnity**: The payout to the injured party if a settlement or judgment is reached.

Maryland Legal Requirements

No mandatory insurance requirement: Maryland’s licensing laws do not legally require physicians to carry medical malpractice insurance to practice medicine.

The "Going Bare" Rule: Physicians who choose to practice without coverage must:[1]

- Notify patients in writing at their first visit.
- Obtain patient signatures as part of informed consent.
- Post a notice of their lack of coverage in their place of practice.

Real-World Necessity:
Without insurance, personal assets and business cash flow are entirely at risk.

[1] Health Occupations Article § 14-508

When is Insurance Required in Maryland?

Although not mandated by the state, health care providers will generally be required to carry it if they wish to:

- **Obtain Hospital Credentialing**: Major Maryland health systems typically require doctors to carry coverage before granting admitting privileges.
- **Join Insurance Panels**: Most managed care networks and health insurance panels require providers to carry coverage to participate.

Types of Policies (Occurrence vs. Claims-Made)

Occurrence Policy: Covers any malpractice incidents that occur during the policy period, regardless of when the lawsuit is actually filed.

Claims-Made Policy: Covers incidents only if the alleged malpractice occurs after the policy's retroactive date and if the claim is filed in court during the policy period.

- **Tail Coverage**: Purchased when retiring or switching carriers to cover claims made after a Claims-Made policy has ended.

Policy Features and Standard Coverage Limits in Maryland

Standard Limits: The most common limits of liability purchased in Maryland are $1 million per claim with an annual aggregate cap of $3 million.

Hospital Requirements: These limits ($1M \ $3M) are typically the minimum required by most Maryland hospitals.

Deductibles: State law requires insurers to offer policyholders deductibles of $25,000, $50,000, and $100,000 (for policies with annual premiums of $5,000 or more).[1]

[1] Insurance Article § 19-114

Factors that can Influence Premiums

Rates vary significantly based on individual risk profiles and state utilization:

- **Medical Specialty**: Low-risk specialties (e.g., Family Practice without surgery) cost much less than high-risk fields (e.g., OBGyn, General Surgery).
- **Claims History**: Providers with previous malpractice, SAM claims or payouts face higher premiums.
- **Location**: Urban centers and jurisdictions with higher historical payout histories may see higher rates.

The MIA's 2025 Availability and Affordability of Health Care Professional Liability Insurance Report

Maryland’s Medical Professional Liability Insurance Market Generally

Market Status: Maryland's medical professional liability insurance market is relatively stable, with continued availability and steady premiums across the state. However, there are concerns regarding the concentration of the market amongst Surplus Lines insurers and Risk Retention Groups (RRGs). Admitted insurers accounted for 42.67% of the total written premium, while Surplus Lines insurers and RRGs accounted for 22.76% and 34.57% respectively (approximately 57% of the Maryland MPL premium in 2024). Over the last 12 years, the market share of admitted insurers has been steadily decreasing while that of RRGs and Surplus Lines insurers has been gradually increasing.

Rate Stability: Overall rates have remained flat, with no widespread premium spikes for health care providers.

Claim Volume: Lawsuits and closed claims remain substantially lower than the peak levels experienced in 2012–2013. It is worth noting that trends in claim settlement values and other economic factors warrant continued monitoring, particularly in an inflationary economy, for any adverse impact on rates in this line of business.

Highly Concentrated Market: Four insurers account for almost 65% of all written premiums in the state. In the last 9 years, the combined market share of Surplus Lines insurers and RRGs has grown by approximately 13%. The RRG market share over this time has been roughly double that of the Surplus Lines market share.

Insurer Types: Policies are actively provided by admitted insurers, Surplus Lines insurers, and RRGs.

Source: https://insurance.maryland.gov/Consumer/Appeals%20and%20Grievances%20Reports/2025-Report-on-the-Availability-and-Affordability-of-Health-Care-Proffessional-Liability-Insurance.pdf

Maryland's Market: Premium Affordability Trends

Long-term Trends: Excluding a minor 4% rate increase in 2012, rates for the state's largest admitted writer by premium volume have remained steady since 2006.

Specialty Variances: Premiums continue to vary based on specialty, practice location, and policy limits (standard base is typically $1 Million/$3 Million).

Cost Predictability: Providers have seen predictable pricing models, which should encourage potential risk bearers to look into the Maryland market.

Source: http://bit.ly/2025-Report-on-the-Availability-and-Affordability-of-Health-Care-Proffessional-Liability-Insurance

Maryland's Market: Outlook

Encouraging Environment: Stable market metrics make Maryland an attractive environment for both established providers and new entrants.

Ongoing Oversight: The MIA continues to closely monitor market developments, claim frequencies, and insurer compliance.

2025 and Past Reports: View the full 2025 MIA Availability and Affordability of Health Care Professional Liability Insurance Report, as well as reports from previous years, by visiting the Maryland Insurance Administration website: insurance.maryland.gov

Source: http://bit.ly/2025-Report-on-the-Availability-and-Affordability-of-Health-Care-Proffessional-Liability-Insurance

Questions?

Public Comments

Written Comments

Written comments will be accepted though EOD Wednesday, August 12, 2026, on the topics covered in today's meeting.

Those can be submitted via email to:

riley.williams@maryland.gov

Contact Information

Maryland Insurance Administration

800-492-6116 (toll-free)

410-468-2000 (local)

800-735-2258 (TTY)

insurance.maryland.gov

MIA WEBSITE

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Thank you