

(PRE-FILED)

By: **Delegates Pendergrass, Hammen, Hurson, Conroy, Marriott, F. Turner,
Sossi, Hubbard, Bobo, and Madaleno**

Requested: September 9, 2004

Introduced and read first time: January 12, 2005

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Medical Professional Liability Insurance - Consideration Paid to Insurance**
3 **Producers - Limitations**

4 FOR the purpose of establishing certain limitations on the commission, fee, reward,
5 rebate, or other consideration that may be paid to an insurance producer for
6 soliciting, negotiating, or selling medical professional liability insurance in the
7 State; requiring an insurance producer, before expiration of a policy of medical
8 professional liability insurance, to make a renewal offer on behalf of the insurer
9 to the insured under certain circumstances; providing that existing obligations
10 or contract rights may not be impaired by this Act; providing for the application
11 of this Act; and generally relating to medical professional liability insurance and
12 insurance producers.

13 BY adding to
14 Article - Insurance
15 Section 10-130.1
16 Annotated Code of Maryland
17 (2003 Replacement Volume and 2004 Supplement)

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

20 **Article - Insurance**

21 10-130.1.

22 (A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A COMMISSION, FEE,
23 REWARD, REBATE, OR OTHER CONSIDERATION PAID TO AN INSURANCE PRODUCER
24 FOR SOLICITING, NEGOTIATING, OR SELLING MEDICAL PROFESSIONAL LIABILITY
25 INSURANCE IN THE STATE MAY NOT EXCEED:

26 (1) 5% OF THE PREMIUM OR CHARGE FOR THE INSURANCE FOR A NEW
27 POLICY; OR

1 (2) 2.5% OF THE PREMIUM OR CHARGE FOR THE INSURANCE FOR A
2 RENEWAL POLICY.

3 (B) UNLESS AN INSURER OR AN INSURED ELECTS NOT TO RENEW A POLICY
4 OF MEDICAL PROFESSIONAL LIABILITY INSURANCE, AN INSURANCE PRODUCER,
5 BEFORE EXPIRATION OF THE POLICY, SHALL MAKE A RENEWAL OFFER ON BEHALF
6 OF THE INSURER TO THE INSURED.

7 SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing
8 obligation or contract right may not be impaired in any way by this Act.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall apply to
10 commissions, fees, rewards, rebates, or other consideration payable for soliciting,
11 negotiating, or selling medical professional liability insurance policies issued or
12 renewed on or after the effective date of this Act.

13 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2005.