

SENATE BILL 832

C4

4r2360
CF HB 1363

By: **Senators Kelley, Brinkley, Feldman, Glassman, Kittleman, Klausmeier, Mathias, and Pugh**

Introduced and read first time: January 31, 2014

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: March 11, 2014

CHAPTER _____

1 AN ACT concerning

2 **Health Care Provider Malpractice Insurance – Scope of Coverage**

3 FOR the purpose of repealing a prohibition on the inclusion, in a policy that insures a
4 health care provider against damages due to medical injury arising from
5 providing or failing to provide health care, of coverage for the defense of a
6 health care provider in a certain disciplinary hearing; repealing a provision of
7 law that authorizes a policy providing coverage for the defense of a health care
8 provider in a certain disciplinary hearing to be offered and priced separately
9 from a policy insuring a health care provider against damages due to medical
10 injury; and generally relating to malpractice insurance coverage for health care
11 providers.

12 BY repealing and reenacting, with amendments,
13 Article – Insurance
14 Section 19–104
15 Annotated Code of Maryland
16 (2011 Replacement Volume and 2013 Supplement)

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

19 **Article – Insurance**

20 19–104.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) Each policy that insures a health care provider against damages due to
2 medical injury arising from providing or failing to provide health care shall contain
3 provisions that:

4 (1) are consistent with the requirements of Title 3, Subtitle 2A of the
5 Courts Article; and

6 (2) authorize the insurer, without restriction, to negotiate and effect a
7 compromise of claims within the limits of the insurer's liability, if the entire amount
8 settled on is to be paid by the insurer.

9 (b) (1) An insurer may make payments to or on behalf of claimants for
10 reasonable hospital and medical costs, loss of wages, and expenses for rehabilitation
11 services and treatment, within the limits of the insurer's liability, before a final
12 disposition of the claim.

13 (2) A payment made under this subsection:

14 (i) is not an admission of liability to or of damages sustained by
15 a claimant; and

16 (ii) does not prejudice the insurer or any other party with
17 respect to any right, claim, or defense.

18 [(c) (1) A policy issued or delivered under subsection (a) of this section
19 may not include coverage for the defense of a health care provider in a disciplinary
20 hearing arising out of the practice of the health care provider profession.

21 (2) A policy providing coverage for the defense of a health care
22 provider in a disciplinary hearing arising out of the practice of the health care
23 provider's profession may be offered and priced separately from a policy issued or
24 delivered under subsection (a) of this section.]

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2014.