

# SENATE BILL 832

C4

4r2360  
CF 4r2341

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

Introduced and read first time: January 31, 2014

Assigned to: Finance

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## A BILL ENTITLED

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.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

10           (2)     A payment made under this subsection:

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

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

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

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

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