

# HOUSE BILL 162

C4

9lr0067

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

Introduced and read first time: January 23, 2019

Assigned to: Economic Matters

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Committee Report: Favorable

House action: Adopted

Read second time: February 14, 2019

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Medical Professional Liability Insurance Policies – Mandated Deductible Levels**  
3 **– Limitation**

4 FOR the purpose of limiting the requirement that insurers that issue or deliver a medical  
5 professional liability insurance policies in the State offer, in addition to the basic  
6 policy, additional policies with certain deductibles to insurers that issue or deliver a  
7 policy with an annual premium of a certain amount or more; and generally relating  
8 to medical professional liability insurance policies.

9 BY repealing and reenacting, with amendments,  
10 Article – Insurance  
11 Section 19–114  
12 Annotated Code of Maryland  
13 (2017 Replacement Volume and 2018 Supplement)

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

16 **Article – Insurance**

17 19–114.

18 (a) Each insurer that issues or delivers a medical professional liability insurance  
19 policy in the State **WITH AN ANNUAL PREMIUM OF \$5,000 OR MORE** shall offer at a

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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 minimum, in addition to the basic policy, additional policies with deductibles in the  
2 following amounts:

3 (1) \$25,000;

4 (2) \$50,000; and

5 (3) \$100,000.

6 (b) In a policy with a deductible described in subsection (a) of this section, the  
7 insurer shall apply the deductible only to the liability of the insured under the policy.

8 (c) (1) An insurer that issues or delivers a medical professional liability  
9 insurance policy with a deductible described in subsection (a) of this section may cancel the  
10 policy for nonpayment of the deductible when the deductible is due and payable under the  
11 policy.

12 (2) A medical professional liability insurer that cancels a policy under  
13 paragraph (1) of this subsection is subject to the notice provisions under § 27–603 of this  
14 article.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 October 1, 2019.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.