

(PRE-FILED)

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By: **Senator Brochin**  
 Requested: November 10, 2004  
 Introduced and read first time: January 12, 2005  
 Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **Medical Professional Liability Insurance - Policies with Deductibles**

3 FOR the purpose of requiring insurers that offer policies of medical professional  
 4 liability insurance in the State to offer, in addition to a basic policy, policies with  
 5 deductibles in certain amounts; requiring certain deductibles to be applied only  
 6 to damages paid by an insurer for a claim made under a policy of medical  
 7 professional liability insurance; prohibiting certain deductibles from being  
 8 applied to the costs of defending the claim; requiring an insurer to pay a certain  
 9 claim in full and collect the amount of the deductible from the insured under  
 10 certain circumstances; requiring the Maryland Insurance Administration to  
 11 make a certain report to certain committees of the General Assembly on or  
 12 before a certain date; and generally relating to policies of medical professional  
 13 liability insurance.

14 BY adding to  
 15 Article - Insurance  
 16 Section 19-114  
 17 Annotated Code of Maryland  
 18 (2002 Replacement Volume and 2004 Supplement)

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

21 **Article - Insurance**

22 19-114.

23 (A) EACH INSURER THAT OFFERS POLICIES OF MEDICAL PROFESSIONAL  
 24 LIABILITY INSURANCE IN THE STATE SHALL OFFER, IN ADDITION TO A BASIC POLICY,  
 25 POLICIES WITH DEDUCTIBLES IN THE FOLLOWING AMOUNTS:

26 (1) \$10,000;

27 (2) \$25,000;

1 (3) \$50,000; AND

2 (4) \$100,000.

3 (B) A DEDUCTIBLE UNDER SUBSECTION (A) OF THIS SECTION:

4 (1) SHALL BE APPLIED ONLY TO DAMAGES PAID BY AN INSURER FOR A  
5 CLAIM MADE UNDER A POLICY OF MEDICAL PROFESSIONAL LIABILITY INSURANCE;  
6 AND

7 (2) MAY NOT BE APPLIED TO THE COSTS OF DEFENDING THE CLAIM,  
8 INCLUDING ATTORNEY'S FEES AND COURT COSTS.

9 (C) IF A CLAIM MADE UNDER A POLICY OF MEDICAL PROFESSIONAL LIABILITY  
10 INSURANCE EXCEEDS THE DEDUCTIBLE UNDER THE POLICY, THE INSURER SHALL  
11 PAY THE CLAIM IN FULL AND COLLECT THE AMOUNT OF THE DEDUCTIBLE FROM  
12 THE INSURED.

13 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Insurance  
14 Administration shall report to the Senate Finance Committee and the House  
15 Economic Matters Committee on or before November 30, 2007, in accordance with §  
16 2-1246 of the State Government Article, on the implementation of this Act.

17 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 October 1, 2005.