
By: **Senator Frosh**

Introduced and read first time: March 6, 2006

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Care Provider Rate Stabilization Fund - Eligibility for**
3 **Subsidy**

4 FOR the purpose of altering the eligibility of certain medical professional liability
5 insurance policies for a certain subsidy; and generally relating to the Maryland
6 Health Care Provider Rate Stabilization Fund.

7 BY repealing and reenacting, with amendments,
8 Article - Insurance
9 Section 19-805(b)
10 Annotated Code of Maryland
11 (2002 Replacement Volume and 2005 Supplement)

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

14 **Article - Insurance**

15 19-805.

16 (b) Subject to § 19-804(d) of this subtitle and subsection (c) of this section, the
17 subsidy provided to each policyholder shall be:

18 (1) for medical professional liability insurance policies subject to rates
19 that were approved for an initial effective date on or after January 1, 2005, but prior
20 to January 1, 2006, OR WERE PAID DURING THAT PERIOD, the amount of a premium
21 increase that is greater than 5% of the approved rates in effect 1 year prior to the
22 effective date of the policy; and

23 (2) for medical professional liability insurance policies subject to rates
24 that were approved for an initial effective date on or after January 1, 2006, a
25 percentage of the policyholder's premium for the prior year that equals the quotient,
26 measured as a percentage of the balance of the Rate Stabilization Account for the
27 current calendar year divided by the aggregate amount of premiums for medical

1 professional liability insurance that would have been paid by health care providers at
2 the approved rate during the prior calendar year.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 2006.