

HOUSE BILL 1363

C4

4r2341
CF SB 832

By: **Delegates Mitchell, Aumann, Barkley, Braveboy, Davis,
Haddaway–Riccio, Impallaria, Jameson, Minnick, Schulz, and Vaughn**

Introduced and read first time: February 10, 2014

Assigned to: Rules and Executive Nominations

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:

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.