

Replacement Volume and 1975 Supplement) to read as follows:

Article 48A - Insurance Code

482A. HEALTH CARE MALPRACTICE INSURANCE.

(A) EVERY POLICY INSURING A HEALTH CARE PROVIDER AGAINST DAMAGES DUE TO MEDICAL INJURY ARISING OR RESULTING FROM THE RENDERING OR FAILURE TO RENDER HEALTH CARE SHALL CONTAIN PROVISIONS CONSISTENT WITH THE REQUIREMENTS OF SUBTITLE 2A OF TITLE 3 OF THE COURTS ARTICLE.

(B) EVERY SUCH POLICY SHALL CONTAIN PROVISIONS AUTHORIZING THE INSURER, WITHOUT RESTRICTION, TO NEGOTIATE AND EFFECT A COMPROMISE OF CLAIMS WITHIN THE LIMITS OF THE INSURER'S LIABILITY, IF THE ENTIRE AMOUNT SETTLED UPON IS TO BE PAID BY THE INSURER.

(C) THE INSURER IS AUTHORIZED TO MAKE PAYMENTS TO OR ON BEHALF OF CLAIMANTS FOR REASONABLE HOSPITAL AND MEDICAL COSTS, LOSS OF WAGES, AND EXPENSES FOR REHABILITATION SERVICES AND TREATMENT, WITHIN THE LIMITS OF THE INSURER'S LIABILITY, IN ADVANCE OF AN ULTIMATE DISPOSITION OF THE CLAIM. SUCH PAYMENTS SHALL NOT CONSTITUTE AN ADMISSION OF LIABILITY TO OR OF DAMAGES SUFFERED BY THE CLAIMANT, AND SHALL NOT PREJUDICE THE INSURER OR ANY OTHER PARTY WITH RESPECT TO ANY RIGHT, CLAIM, OR DEFENSE.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 5-109 of Article - Courts and Judicial Proceedings, of the Annotated Code of Maryland (1974 Volume and 1975 Supplement) be and it is hereby repealed and reenacted, with amendments, to read as follows:

Article - Courts and Judicial Proceedings

5-109.

An action for damages for an injury arising out of the rendering of or failure to render professional services by a [physician] HEALTH CARE PROVIDER, AS DEFINED IN §3-2A01 OF THIS ARTICLE shall be filed (1) within five years of the time the injury was committed or (2) within three years of the date when the injury was discovered, whichever is the shorter. [In no event shall this time run against a minor until he has attained majority.] IF THE CLAIMANT WAS UNDER 16 YEARS OF AGE AT THE TIME THE INJURY WAS COMMITTED, THE TIME SHALL COMMENCE WHEN HE REACHES THE AGE OF 16. FILING OF A CLAIM WITH THE HEALTH CLAIMS ARBITRATION OFFICE IN ACCORDANCE WITH §3-2A04 OF THIS ARTICLE SHALL BE DEEMED THE FILING OF AN ACTION FOR PURPOSES OF THIS SECTION.