

(f) Within 60 days of receipt of a request for reimbursement from the Fund, the Commissioner shall disburse money from the Rate Stabilization Account on a quarterly basis to medical professional liability insurers to be used to provide a rate reduction, credit, or refund to health care providers.

(g) In anticipation of reimbursement or on reimbursement from the Rate Stabilization Account, a medical professional liability insurer shall provide a rate reduction, credit, or refund to a policyholder as follows:

(1) for premiums paid on an installment basis, the rate reduction or credit shall be applied against the base premium rate due on the next installment; and

(2) if the amount of the rate reduction or credit is more than the amount due on the next installment, or if a policy is paid in full, the policyholder may elect that either a refund be issued, or that a credit be applied against the base premium rate due on the policyholder's next renewal.

(h) [During] EXCEPT FOR THE SUBSIDY PROVIDED UNDER SUBSECTION (B)(3) OF THIS SECTION, DURING the period in which disbursements are made from the Rate Stabilization Account to pay for health care provider rate reductions, credits, or refunds:

(1) a disbursement from the Rate Stabilization Account to a medical professional liability insurer conducting business as a mutual company shall be reduced by the value of a dividend that may be issued by the insurer; and

(2) a disbursement may not be made from the Rate Stabilization Account to the Medical Mutual Liability Insurance Society of Maryland during any period for which the Commissioner has determined, under § 24-212 of this article, that the surplus of the Society is excessive.

(i) The Commissioner or the Commissioner's designee shall conduct an annual audit to verify the information submitted by a medical professional liability insurer applying for reimbursement from the Rate Stabilization Account.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007. It shall remain effective for a period of 3 years and, at the end of June 30, 2010, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, April 24, 2007.