

CHAPTER 175  
FORMERLY  
SENATE BILL NO. 294

AN ACT TO AMEND TITLE 6, CHAPTER 27, OF THE DELAWARE CODE BY PROHIBITING PHYSICIANS FROM ENTERING INTO AGREEMENTS NOT TO COMPETE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Chapter 27, Title 6, Delaware Code, by adding thereto a new Section 2707 which shall read as follows:

"§2707. Agreements Not to Compete.

(a) Any covenant not to compete provision of an employment, partnership, or corporate agreement between and/or among physicians which restricts the right of a physician to practice medicine in a particular locale and/or for a defined period of time, upon the termination of the principal agreement of which the said provision is a part, shall be void; except that all other provisions of such an agreement shall be enforceable at law, including provisions which require the payment of damages in an amount that is reasonably related to the injury suffered by reason of termination of the principal agreement. Provisions which require the payment of damages upon termination of the principal agreement may include, but not be limited to, damages related to competition."

Section 2. The provisions of this Act shall not apply to agreements entered into prior to the effective date of this Act.

Section 3. This Act shall become effective upon its enactment into law.

Approved July 13, 1983.