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By: **Delegates Morhaim, Boutin, and Zirkin**  
Introduced and read first time: February 2, 2005  
Assigned to: Judiciary

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A BILL ENTITLED

1 AN ACT concerning

2 **Health Care Malpractice Claims - Structured Settlements and Annuities**

3 FOR the purpose of authorizing a court to order that certain judgments or awards be  
4 paid in the form of annuities or other appropriate financial instruments or in  
5 periodic payments under certain circumstances; authorizing the claimant or  
6 plaintiff and the defendant to submit to the court within a certain period of time  
7 a proposal to comply with the court's order; providing for the applicability of this  
8 Act; and generally relating to structured settlements for judgments or awards of  
9 health care malpractice claims.

10 BY adding to

11 Article - Courts and Judicial Proceedings  
12 Section 3-2A-11  
13 Annotated Code of Maryland  
14 (2002 Replacement Volume and 2004 Supplement)

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

17 **Article - Courts and Judicial Proceedings**

18 3-2A-11.

19 (A) (1) THIS SECTION APPLIES TO AN AWARD OR A VERDICT UNDER THIS  
20 SUBTITLE FOR A CAUSE OF ACTION ARISING ON OR AFTER JUNE 1, 2005.

21 (2) THIS SECTION DOES NOT APPLY IF THE CLAIMANT OR PLAINTIFF  
22 AND THE DEFENDANT AGREE TO AN ALTERNATIVE PAYMENT METHOD.

23 (3) IF THE CLAIMANT OR PLAINTIFF AND THE DEFENDANT NOTIFY THE  
24 COURT WITHIN 30 DAYS OF THE ENTRY OF THE AWARD OR VERDICT THAT THEY  
25 HAVE AGREED TO AN ALTERNATIVE PAYMENT METHOD, THE COURT SHALL ENTER  
26 THE TERMS OF THE AGREEMENT ON THE RECORD AS PART OF THE AWARD OR  
27 JUDGMENT.

1 (B) (1) FOR A JUDGMENT OR AWARD SUBJECT TO PERIODIC PAYMENTS  
2 UNDER THIS SECTION, THE COURT MAY ORDER THAT:

3 (I) ALL OR PART OF THE FUTURE ECONOMIC DAMAGES PORTION  
4 OF THE AWARD SHALL BE PAID IN THE FORM OF ANNUITIES OR OTHER APPROPRIATE  
5 FINANCIAL INSTRUMENTS; OR

6 (II) THE JUDGMENT OR AWARD SHALL BE PAID IN PERIODIC  
7 PAYMENTS CONSISTENT WITH THE NEEDS OF THE PLAINTIFF, FUNDED IN FULL BY  
8 THE DEFENDANT OR THE DEFENDANT'S INSURER AND EQUAL WHEN PAID TO THE  
9 AMOUNT REQUIRED UNDER THIS SECTION.

10 (2) (I) WITHIN 30 DAYS OF THE JUDGEMENT OR AWARD, THE  
11 CLAIMANT OR PLAINTIFF AND THE DEFENDANT MAY SUBMIT TO THE COURT A  
12 PROPOSAL TO COMPLY WITH THIS SECTION.

13 (II) THE COURT SHALL CONSIDER A PROPOSAL SUBMITTED UNDER  
14 THIS PARAGRAPH.

15 (III) THE COURT MAY ORDER THE DEFENDANT TO COMPLY WITH  
16 THE TERMS OF A PROPOSAL SUBMITTED UNDER THIS PARAGRAPH, WITH ANY  
17 MODIFICATIONS THE COURT CONSIDERS APPROPRIATE.

18 (3) THE COURT:

19 (I) IS NOT REQUIRED TO ACCEPT A PROPOSAL SUBMITTED UNDER  
20 THIS SECTION; AND

21 (II) MAY ORDER PAYMENTS UNDER THIS SECTION IN A MANNER  
22 THE COURT CONSIDERS FAIR AND APPROPRIATE.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 June 1, 2005.