

SENATE BILL 156

C4, D3

71r0455

By: **Senators Kelley, Colburn, Conway, Exum, Hooper, Jacobs, Jones, Miller, Mooney, and Rosapepe**

Introduced and read first time: January 25, 2007

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: February 14, 2007

CHAPTER _____

1 AN ACT concerning

2 **Insurers – Third Party Claimants – Notice of Payment to Claimant’s Attorney**

3 FOR the purpose of requiring, instead of authorizing, an insurer to provide certain
4 notice to certain third party claimants if payment, in a certain amount, of a
5 certain third party liability claim is made to the claimant’s attorney under
6 certain circumstances; altering the time period within which notice must be
7 sent to a third party claimant; making conforming changes; and generally
8 relating to notice to third party claimants of payment by insurers to a
9 claimant’s attorney.

10 BY repealing and reenacting, with amendments,
11 Article – Insurance
12 Section 4–117
13 Annotated Code of Maryland
14 (2003 Replacement Volume and 2006 Supplement)

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

17 **Article – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 4-117.

2 (a) At the time of payment, if the payment has been specifically authorized
3 by the claimant's attorney, an insurer [may] **SHALL** provide written notice to a third
4 party claimant of payment of \$2,000 or more in settlement of a third party liability
5 claim for bodily injury if:

6 (1) the claimant is an individual; and

7 (2) the payment is delivered to the claimant's attorney by check, draft,
8 or other means.

9 (b) The notice [provided under] **REQUIRED BY** subsection (a) of this section
10 shall be sent by regular mail [at least] **NO MORE THAN 5** working days after payment
11 is delivered under subsection (a)(2) of this section to the claimant at the last known
12 address of the claimant.

13 (c) The insurer may provide notice to the claimant by a copy of the letter of
14 transmittal to the claimant's attorney.

15 (d) This section may not be construed to create:

16 (1) a cause of action for any person against an insurer based on the
17 insurer's failure to provide the notice [under] **REQUIRED BY** this section; or

18 (2) a defense for any party against a cause of action based on the
19 insurer's failure to provide the notice [under] **REQUIRED BY** this section.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2007.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.