

CHAPTER 131

(Senate Bill 156)

AN ACT concerning

Insurers – Third Party Claimants – Notice of Payment to Claimant's Attorney

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

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

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

Article – Insurance

4–117.

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

- (1) the claimant is an individual; and
- (2) the payment is delivered to the claimant's attorney by check, draft, or other means.

(b) The notice [provided under] **REQUIRED BY** subsection (a) of this section shall be sent by regular mail [at least] **NO MORE THAN 5** working days after payment

is delivered under subsection (a)(2) of this section to the claimant at the last known address of the claimant.

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

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

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

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

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

Approved by the Governor, April 24, 2007.