

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 156
Finance

(Senator Kelley, *et al.*)

Economic Matters

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

This bill requires an insurer to 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 the claimant is an individual and the payment is delivered to the claimant's attorney. The bill requires the notice to be sent, to the claimant's last known address, no more than five working days after payment is delivered.

Fiscal Summary

State Effect: Any changes in market conduct review could be handled with the existing budgeted resources of the Maryland Insurance Administration.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: An insurer may give notice to a third party claimant of \$2,000 or more in settlement of a third party liability claim for bodily injury if paid to the claimant's attorney. If the notice is given, it must be sent by regular mail at least five working days after payment is delivered to the claimant's attorney. The insurer may provide the notice by sending a copy of the transmittal letter sent to the claimant's attorney.

Additional Information

Prior Introductions: Identical bills were introduced during the 2000 and 1998 sessions. SB 118 of 2000 passed the Senate and received a hearing before the House Judiciary Committee, where no further action was taken. HB 1258 of 2000 was referred to the House Rules and Executive Nominations Committee, where no further action was taken. SB 476 of 1998 passed the Senate but received an unfavorable report from the House Economic Matters Committee.

Cross File: None.

Information Source(s): Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - January 29, 2007
ncs/ljm

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