

# SENATE BILL 457

C4

5lr1195

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By: **Senator Zirkin**

Introduced and read first time: February 6, 2015

Assigned to: Judicial Proceedings

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## A BILL ENTITLED

1 AN ACT concerning

2 **Liability Insurance – Reservation of Rights for Failure to Cooperate –**  
3 **Prohibition**

4 FOR the purpose of prohibiting an insurer from disclaiming coverage under a policy of  
5 liability insurance on the ground that the insured or a certain person has breached  
6 the policy by failing to cooperate with the insurer or by not giving the insurer  
7 required notice; and generally relating to reservations of rights by insurers and  
8 policies of liability insurance.

9 BY repealing and reenacting, with amendments,  
10 Article – Insurance  
11 Section 19–110  
12 Annotated Code of Maryland  
13 (2011 Replacement Volume and 2014 Supplement)

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

16 **Article – Insurance**

17 19–110.

18 An insurer may **NOT** disclaim coverage on a liability insurance policy on the ground  
19 that the insured or a person claiming the benefits of the policy through the insured has  
20 breached the policy by failing to cooperate with the insurer or by not giving the insurer  
21 required notice [only if the insurer establishes by a preponderance of the evidence that the  
22 lack of cooperation or notice has resulted in actual prejudice to the insurer].

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 2015.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

