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**By: Delegate Petzold**

Requested: July 11, 1995

Introduced and read first time: January 10, 1996

Assigned to: Commerce and Government Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Civil Actions Against State - Structured Settlements**

3 FOR the purpose of authorizing the State to enter into structured settlements that the  
4 State considers feasible to resolve personal injury claims against the State; requiring  
5 the State Treasurer to adopt certain regulations, including criteria for determining  
6 the feasibility of structured settlements, for the use and selection of outside  
7 consultants, and for the use and selection of life insurance companies for  
8 purchasing annuities for structured settlements; defining a certain term; making this  
9 Act applicable to certain claims arising before or after a certain date; and generally  
10 relating to structured settlements in civil actions against the State.

11 BY adding to

12 Article - State Government

13 Section 12-108.1

14 Annotated Code of Maryland

15 (1993 Replacement Volume and 1995 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - State Government**

19 12-108.1.

20 (A) IN THIS SECTION, "STRUCTURED SETTLEMENT" MEANS A PLAN FOR THE  
21 PAYMENT OF A JUDGMENT IN WHICH AN ANNUITY POLICY PROVIDES FUNDS TO A  
22 PLAINTIFF FOR DAMAGES IN PERIODIC INSTALLMENTS.

23 (B) (1) THE STATE MAY ENTER INTO A STRUCTURED SETTLEMENT THAT  
24 THE STATE CONSIDERS FEASIBLE TO RESOLVE A PERSONAL INJURY CLAIM AGAINST  
25 THE STATE.

26 (2) A STRUCTURED SETTLEMENT SHALL INCLUDE THE PURCHASE BY  
27 THE STATE OF AN ANNUITY CONTRACT FROM A PRIVATE COMPANY FOR THE  
28 BENEFIT OF THE PLAINTIFF.

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1 (C) (1) THE STATE TREASURER SHALL ADOPT REGULATIONS TO CARRY  
2 OUT THIS SECTION.

3 (2) THE REGULATIONS SHALL INCLUDE:

4 (I) CRITERIA FOR DETERMINING THE FEASIBILITY OF  
5 STRUCTURED SETTLEMENTS, INCLUDING A LIST OF THE TYPES AND AMOUNTS OF  
6 CLAIMS IN WHICH STRUCTURED SETTLEMENTS WOULD BE APPROPRIATE;

7 (II) CRITERIA FOR THE USE AND SELECTION OF OUTSIDE  
8 CONSULTANTS TO PREPARE STRUCTURED SETTLEMENT PROPOSALS AND OTHER  
9 SERVICES; AND

10 (III) CRITERIA FOR THE USE AND SELECTION OF PRIVATE  
11 COMPANIES FOR PURCHASING ANNUITIES FOR STRUCTURED SETTLEMENTS.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to  
13 claims arising before or after the effective date of this Act that the State wishes to settle.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 October 1, 1996.