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**By: Delegates Dembrow, Flanagan, and Genn**

Introduced and read first time: January 17, 1997

Assigned to: Judiciary

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A BILL ENTITLED

1 AN ACT concerning

2 **Personal Injury Claims - Subrogation - Reduction**

3 FOR the purpose of requiring that the amount for which certain persons have a right of  
4 subrogation for health care benefits paid or payable on behalf of an injured person  
5 be reduced by a certain amount related to the amount of attorney's fees incurred by  
6 the injured person in a personal injury claim; providing for the application of this  
7 Act; and generally relating to a requirement that the amount of a person's right of  
8 subrogation for health care benefits paid or payable be reduced under certain  
9 circumstances.

10 BY adding to

11 Article - Courts and Judicial Proceedings  
12 Section 11-111  
13 Annotated Code of Maryland  
14 (1995 Replacement Volume and 1996 Supplement)

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

17 **Article - Courts and Judicial Proceedings**

18 11-111.

19 (A) THIS SECTION APPLIES TO ANY RIGHT OF SUBROGATION FOR PAYMENT  
20 OF HEALTH CARE BENEFITS PAID OR PAYABLE UNDER A POLICY OF HEALTH  
21 INSURANCE, AS DEFINED IN § 1-101 OF THE INSURANCE ARTICLE, OR ANY SYSTEM  
22 OF SELF-INSURANCE OR INDEMNIFICATION FOR HEALTH CARE.

23 (B) IN A SUBROGATION CLAIM ARISING OUT OF A CLAIM FOR PERSONAL  
24 INJURY, THE AMOUNT PERMITTED TO BE RECOVERED FOR HEALTH CARE BENEFITS  
25 PAID OR PAYABLE ON BEHALF OF THE INJURED PERSON SHALL BE REDUCED BY  
26 THE AMOUNT THAT IS DETERMINED BY:

27 (1) DIVIDING THE AMOUNT OF THE TOTAL RECOVERY IN THE CLAIM  
28 FOR PERSONAL INJURY INTO THE TOTAL AMOUNT OF THE ATTORNEY'S FEES  
29 INCURRED BY THE INJURED PERSON FOR SERVICES RENDERED IN CONNECTION  
30 WITH THE INJURED PERSON'S CLAIM; AND

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1                   (2) MULTIPLYING THE RESULT UNDER PARAGRAPH (1) OF THIS  
2 SUBSECTION BY THE AMOUNT OF THE SUBROGATION CLAIM.

3                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed  
4 only prospectively and may not be applied or interpreted to have any effect on or  
5 application to any case filed before the effective date of this Act.

6                   SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 October 1, 1997.