
By: Delegates Dembrow, Flanagan, and Genn

Introduced and read first time: January 17, 1997

Assigned to: Judiciary

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 1997

CHAPTER _____

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 under certain circumstances; providing
 7 for the application of this Act; defining a certain term; and generally relating to a
 8 requirement that the amount of a person's right of subrogation for health care
 9 benefits paid or payable to an injured person be reduced under certain
 10 circumstances.

11 BY adding to

12 Article - Courts and Judicial Proceedings

13 Section 11-111

14 Annotated Code of Maryland

15 (1995 Replacement Volume and 1996 Supplement)

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

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

18 **Article - Courts and Judicial Proceedings**

19 11-111.

20 (A) IN THIS SECTION, "PAYOR" HAS THE SAME MEANING STATED IN § 19-1501
 21 OF THE HEALTH - GENERAL ARTICLE.

22 ~~(A)~~ (B) THIS SECTION APPLIES TO ANY RIGHT OF SUBROGATION FOR
 23 PAYMENT OF HEALTH CARE BENEFITS PAID OR PAYABLE BY A PAYOR UNDER A
 24 POLICY OF HEALTH INSURANCE, AS DEFINED IN § 1-101 OF THE INSURANCE

2
1 ARTICLE, OR ANY SYSTEM OF SELF-INSURANCE OR INDEMNIFICATION FOR HEALTH
2 CARE.

3 ~~(B)~~ (C) UNLESS A SUBROGEE APPEARS, IN PERSON OR BY ITS ATTORNEY, IN
4 AN ACTION FOR PERSONAL INJURY, IN A SUBROGATION CLAIM ARISING OUT OF A
5 CLAIM FOR PERSONAL INJURY, THE AMOUNT PERMITTED TO BE RECOVERED FOR
6 HEALTH CARE BENEFITS PAID OR PAYABLE ON BEHALF OF THE INJURED PERSON
7 SHALL BE REDUCED BY THE AMOUNT THAT IS DETERMINED BY:

8 (1) DIVIDING THE AMOUNT OF THE TOTAL RECOVERY IN THE CLAIM
9 FOR PERSONAL INJURY INTO THE TOTAL AMOUNT OF THE ATTORNEY'S FEES
10 INCURRED BY THE INJURED PERSON FOR SERVICES RENDERED IN CONNECTION
11 WITH THE INJURED PERSON'S CLAIM; AND

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

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed
15 only prospectively and may not be applied or interpreted to have any effect on or
16 application to any ~~case filed~~ personal injury case filed before the effective date of this
17 Act.

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