
By: **Delegates Dembrow, Flanagan, and Genn**
Introduced and read first time: February 12, 1998
Assigned to: Judiciary

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

11 BY adding to
12 Article - Courts and Judicial Proceedings
13 Section 11-112
14 Annotated Code of Maryland
15 (1995 Replacement Volume and 1997 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 11-112.

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

22 (B) THIS SECTION APPLIES TO ANY RIGHT OF SUBROGATION FOR PAYMENT
23 OF HEALTH CARE BENEFITS FOR AN INJURED PERSON PAID OR PAYABLE BY A PAYOR
24 UNDER A POLICY OF HEALTH INSURANCE, AS DEFINED IN § 1-101 OF THE INSURANCE
25 ARTICLE, OR ANY SYSTEM OF SELF-INSURANCE OR INDEMNIFICATION FOR HEALTH
26 CARE EXPENSES, IF THE AMOUNT OF THE SUBROGEE'S CLAIM AS DETERMINED
27 UNDER SUBSECTION (C) OF THIS SECTION IS VOLUNTARILY PAID BY THE INJURED
28 PERSON FROM THE INJURED PERSON'S RECOVERY IN A CLAIM FOR PERSONAL
29 INJURY.

1 (C) (1) UNLESS A SUBROGEE APPEARS, IN PERSON OR BY ITS ATTORNEY, IN
2 AN ACTION FOR PERSONAL INJURY, IN A SUBROGATION CLAIM ARISING OUT OF A
3 CLAIM FOR PERSONAL INJURY, THE AMOUNT PERMITTED TO BE RECOVERED BY A
4 PAYOR FOR HEALTH CARE BENEFITS PAID OR PAYABLE ON BEHALF OF THE INJURED
5 PERSON SHALL BE REDUCED BY THE AMOUNT THAT IS DETERMINED BY:

6 (I) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, DIVIDING
7 THE AMOUNT OF THE TOTAL RECOVERY IN THE CLAIM FOR PERSONAL INJURY INTO
8 THE TOTAL AMOUNT OF THE ATTORNEY'S FEES INCURRED BY THE INJURED PERSON
9 FOR SERVICES RENDERED IN CONNECTION WITH THE INJURED PERSON'S CLAIM;
10 AND

11 (II) MULTIPLYING THE RESULT UNDER SUBPARAGRAPH (I) OF THIS
12 PARAGRAPH BY THE AMOUNT OF THE PAYOR'S SUBROGATION CLAIM.

13 (2) THE PERCENTAGE UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION
14 MAY NOT EXCEED ONE-THIRD.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
16 construed only prospectively and may not be applied or interpreted to have any effect
17 on or application to any recovery by an injured person before the effective date of this
18 Act.

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 1998.