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By: **Delegates Dembrow and Montague**  
Introduced and read first time: March 2, 1999  
Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Courts - Transfer of Structured Settlement Payment Rights**

3 FOR the purpose of providing for certain conditions under which a direct or indirect  
4 transfer of structured settlement payment rights is effective; requiring a certain  
5 obligor or annuity issuer to make payments to any transferee of structured  
6 settlement payment rights if the transfer has been authorized in a final order of  
7 a court based on certain findings; providing for the jurisdiction over and  
8 standing in cases involving transfers of structured settlement payment rights;  
9 requiring a certain transferee to provide certain information to the court and  
10 certain parties; providing for the application and construction of this Act; and  
11 generally relating to the transfer of structured settlement payment rights.

12 BY adding to

13 Article - Courts and Judicial Proceedings  
14 Section 5-1101 through 5-1103, inclusive, to be under the new subtitle "Subtitle  
15 11. Structured Settlements"  
16 Annotated Code of Maryland  
17 (1998 Replacement Volume)

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

20 **Article - Courts and Judicial Proceedings**

21 SUBTITLE 11. STRUCTURED SETTLEMENTS.

22 5-1101.

23 (A) A DIRECT OR INDIRECT TRANSFER OF STRUCTURED SETTLEMENT  
24 PAYMENT RIGHTS IS EFFECTIVE AS PROVIDED IN THIS SUBTITLE.

25 (B) A STRUCTURED SETTLEMENT OBLIGOR OR ANNUITY ISSUER SHALL MAKE  
26 ANY PAYMENT DIRECTLY OR INDIRECTLY TO ANY TRANSFEREE OF STRUCTURED  
27 SETTLEMENT PAYMENT RIGHTS IF THE TRANSFER HAS BEEN AUTHORIZED IN A  
28 FINAL ORDER OF A COURT BASED ON A FINDING THAT THE TRANSFER IS

1 NECESSARY, REASONABLE, OR APPROPRIATE TO ENABLE THE PAYEE, THE PAYEE'S  
2 DEPENDENTS, OR BOTH TO AVOID FINANCIAL HARDSHIP, AND THE TRANSFER IS NOT  
3 EXPECTED TO SUBJECT THE PAYEE, THE PAYEE'S DEPENDENTS, OR BOTH TO UNDUE  
4 OR UNREASONABLE FINANCIAL HARDSHIP IN THE FUTURE.

5 5-1102.

6 (A) THE CIRCUIT COURT THAT HAS JURISDICTION OVER A PERSON OR THE  
7 COUNTY IN WHICH THE ORIGINAL CLAIM OCCURRED SHALL HAVE NONEXCLUSIVE  
8 JURISDICTION OVER ANY APPLICATION FOR TRANSFER OF STRUCTURED  
9 SETTLEMENT PAYMENT RIGHTS UNDER § 5-1101 OF THIS SUBTITLE.

10 (B) THE TRANSFEREE SHALL FILE WITH THE COURT AND SERVE ON ALL  
11 INTERESTED PARTIES, A NOTICE OF THE PROPOSED TRANSFER AND THE  
12 APPLICATION FOR ITS AUTHORIZATION, INCLUDING:

13 (1) A COPY OF THE TRANSFEREE'S APPLICATION;

14 (2) A COPY OF THE TRANSFER AGREEMENT; AND

15 (3) NOTIFICATION:

16 (I) OF THE TIME AND PLACE OF THE HEARING; AND

17 (II) THAT ANY INTERESTED PARTY IS ENTITLED TO SUPPORT,  
18 OPPOSE, OR OTHERWISE RESPOND TO THE TRANSFEREE'S APPLICATION, EITHER IN  
19 PERSON OR BY COUNSEL, BY SUBMITTING WRITTEN COMMENTS TO THE COURT, OR  
20 BY PARTICIPATING IN THE HEARING.

21 (C) THE WORKERS' COMPENSATION COMMISSION OR COMMISSIONER OF  
22 INSURANCE SHALL HAVE STANDING TO RAISE, APPEAR, AND BE HEARD ON ANY  
23 MATTER RELATING TO AN APPLICATION FOR AUTHORIZATION OF A TRANSFER OF  
24 STRUCTURED SETTLEMENT PAYMENT RIGHTS UNDER THIS SUBTITLE.

25 5-1103.

26 NOTHING CONTAINED IN THIS SUBTITLE MAY BE CONSTRUED TO AUTHORIZE  
27 ANY TRANSFER OF STRUCTURED SETTLEMENT PAYMENT RIGHTS IN  
28 CONTRAVENTION OF APPLICABLE LAW OR TO GIVE EFFECT TO ANY TRANSFER OF  
29 STRUCTURED SETTLEMENT PAYMENT RIGHTS THAT IS INVALID UNDER APPLICABLE  
30 LAW.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to  
32 any transfer of structured settlement payment rights under a transfer agreement  
33 entered into on or after the effective date of this Act; provided, however, that nothing  
34 contained in this section shall imply that any transfer under a transfer agreement  
35 entered into prior to the effective date of this Act is ineffective.

36 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
37 October 1, 1999.

