

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1328 (Delegate Hill)

Economic Matters

**Civil Actions - Liability of Insurer for Expenses, Litigation Costs, and
Interest**

This bill authorizes an insured to recover costs and expenses, including reasonable attorney's fees, from an insurer in a civil action to determine insurance coverage or entitlement to payment for a covered loss, if the court finds in favor of the insured. A prevailing insured may recover interest at the legal rate on costs and expenses incurred by the insured from the date the claim was submitted. The bill provides that these provisions may not be construed to limit the right to maintain an action for damages otherwise available.

The bill is to be construed prospectively only; it would not apply to a cause of action arising before October 1, 2000, the bill's effective date.

Fiscal Summary

State Effect: None. The bill would not directly affect governmental operations or finances.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: The legal rate of interest on a judgment is 10% per annum on the amount of the judgment.

Background: Litigation costs and attorney's fees are generally not recoverable in civil actions.

Additional Information

Prior Introductions: Substantially similar bills were introduced in the 1998 and 1999 sessions. In 1998, HB 1030 received an unfavorable report from the House Judiciary Committee. In 1999, HB 244 received an unfavorable report from the House Economic Matters Committee.

Cross File: None.

Information Source(s): Maryland Insurance Administration, Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - March 13, 2000
cm/jr

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