

SENATE BILL 147

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SB 118/00 - FIN

2001 Regular Session  
11r1257  
CF 11r1461

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By: **Senators Kelley, Currie, DeGrange, Hooper, McFadden, Mitchell,  
Pinsky, Stone, and Teitelbaum**

Introduced and read first time: January 18, 2001

Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **Insurers - Third Party Claimants - Notice of Payment to Claimant's Attorney**

3 FOR the purpose of altering a provision to require an insurer to provide certain  
4 written notice to certain third party claimants if payment, in a certain amount,  
5 of a certain third party liability claim is made to the claimant's attorney under  
6 certain circumstances; altering the time period within which notice must be  
7 mailed to a third party claimant; making stylistic changes; and generally  
8 relating to notice to third party claimants of payment by insurers to a claimant's  
9 attorney.

10 BY repealing and reenacting, with amendments,  
11 Article - Insurance  
12 Section 4-117  
13 Annotated Code of Maryland  
14 (1997 Volume and 2000 Supplement)

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

17 **Article - Insurance**

18 4-117.

19 (a) At the time of payment, if the payment has been specifically authorized by  
20 the claimant's attorney, an insurer [may] SHALL provide written notice to a third  
21 party claimant of payment of \$2,000 or more in settlement of a third party liability  
22 claim for bodily injury if:

23 (1) the claimant is an individual; and

24 (2) the payment is delivered to the claimant's attorney by check, draft, or  
25 other means.

26 (b) The notice [provided under] REQUIRED BY subsection (a) of this section  
27 shall be sent by regular mail [at least] NO MORE THAN 5 working days after payment

1 is delivered under subsection (a)(2) of this section to the claimant at the last known  
2 address of the claimant.

3 (c) The insurer may provide notice to the claimant by a copy of the letter of  
4 transmittal to the claimant's attorney.

5 (d) This section may not be construed to create:

6 (1) a cause of action for any person against an insurer based on the  
7 insurer's failure to provide the notice [under] REQUIRED BY this section; or

8 (2) a defense for any party against a cause of action based on the  
9 insurer's failure to provide the notice [under] REQUIRED BY this section.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 October 1, 2001.