
By: **Senator Hollinger**
Introduced and read first time: January 23, 2002
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Uninsured Motorist Insurers - Settlement Offers - Consent or Refusal to**
3 **Consent to Acceptance**

4 FOR the purpose of clarifying the method by which an uninsured motorist insurer
5 must send written consent to acceptance, or refusal to consent to acceptance, of
6 a settlement offer to certain injured persons; and generally relating to
7 uninsured motorist insurers and settlement offers.

8 BY repealing and reenacting, with amendments,
9 Article - Insurance
10 Section 19-511
11 Annotated Code of Maryland
12 (1997 Volume and 2001 Supplement)

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

15 **Article - Insurance**

16 19-511.

17 (a) If an injured person receives a written offer from a motor vehicle insurance
18 liability insurer or that insurer's authorized agent to settle a claim for bodily injury or
19 death, and the amount of the settlement offer, in combination with any other
20 settlements arising out of the same occurrence, would exhaust the bodily injury or
21 death limits of the applicable liability insurance policies, bonds, and securities, the
22 injured person shall send by certified mail, to any insurer that provides uninsured
23 motorist coverage for the bodily injury or death, a copy of the liability insurer's
24 written settlement offer.

25 (b) Within 60 days after receipt of the notice required under subsection (a) of
26 this section, the uninsured motorist insurer shall [send] **SERVE ON THE INJURED**
27 **PERSON BY PERSONAL SERVICE OR CERTIFIED MAIL** [to the injured person]:

1 (1) written consent to acceptance of the settlement offer and to the
2 execution of releases; or

3 (2) written refusal to consent to acceptance of the settlement offer.

4 (c) Within 30 days after a refusal to consent to acceptance of a settlement offer
5 under subsection (b)(2) of this section, the uninsured motorist insurer shall pay to the
6 injured person the amount of the settlement offer.

7 (d) (1) Payment as described in subsection (c) of this section shall preserve
8 the uninsured motorist insurer's subrogation rights against the liability insurer and
9 its insured.

10 (2) Receipt by the injured person of the payment described in subsection
11 (c) of this section shall constitute the assignment, up to the amount of the payment, of
12 any recovery on behalf of the injured person that is subsequently paid from the
13 applicable liability insurance policies, bonds, and securities.

14 (e) The injured person may accept the liability insurer's settlement offer and
15 execute releases in favor of the liability insurer and its insured without prejudice to
16 any claim the injured person may have against the uninsured motorist insurer:

17 (1) on receipt of written consent to acceptance of the settlement offer and
18 to the execution of releases; or

19 (2) if the uninsured motorist insurer has not met the requirements of
20 subsection (b) or subsection (c) of this section.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2002.