

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 270
Finance

(Senator Hollinger)

Uninsured Motorist Insurers - Settlement Offers - Consent or Refusal to Consent
to Acceptance

This bill requires an uninsured motorist insurer to provide the notice that must be given to a person injured in an accident by personal service or certified mail.

Fiscal Summary

State Effect: The bill would not materially affect the finances or operations of the Maryland Insurance Administration.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: An injured person must send a copy of a motor vehicle liability insurer's written settlement offer by certified mail to any insurer that provides uninsured motorist coverage for the bodily injury or death if: (1) the injured person receives a written offer from a liability insurer to settle a claim for bodily injury or death; and (2) the amount of the settlement offer, in combination with any other settlements arising out of the same occurrence, would exhaust the bodily injury or death limits of the applicable liability insurance policies, bonds, and securities.

Within 60 days after receiving the required notice from the insured, the uninsured motorist insurer must send to the injured person: (1) written consent to acceptance of the

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

Within 30 days after a refusal to consent, the uninsured motorist insurer must pay the injured person the amount of the settlement offer. Payment preserves the uninsured motorist insurer's subrogation rights against the liability insurer and its insured. Receipt by the injured person of the payment constitutes the assignment, up to the amount of the payment, of any recovery on behalf of the injured person that is subsequently paid from the applicable liability insurance policies, bonds, and securities.

The injured person may accept the liability insurer's settlement offer and execute releases in favor of the liability insurer and its insured without prejudice to any claim the injured person may have against the uninsured motorist insurer: (1) on receipt of written consent to an acceptance of the settlement offer and to the execution of the releases; or (2) if the uninsured motorist insurer has failed to send the required materials or has failed to pay the injured person the amount of the settlement offer.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Automobile Insurance Fund, Maryland Insurance Administration, Department of Legislative Services

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Analysis by: Ryan Wilson

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510