

HOUSE BILL 4

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C4

2003 Regular Session
3r0240

(PRE-FILED)

By: **Delegate Pendergrass**
Requested: August 12, 2002
Introduced and read first time: January 8, 2003
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Liability Insurance - Payment of Claims - Notice to Named**
3 **Insured**

4 FOR the purpose of requiring an insurer to send written notice to a named insured if
5 the insurer pays a certain claim under a motor vehicle liability insurance policy
6 under certain circumstances; and generally relating to payment of claims under
7 motor vehicle liability insurance policies.

8 BY repealing and reenacting, without amendments,
9 Article - Insurance
10 Section 19-501
11 Annotated Code of Maryland
12 (2002 Replacement Volume and 2002 Supplement)

13 BY adding to
14 Article - Insurance
15 Section 19-517
16 Annotated Code of Maryland
17 (2002 Replacement Volume and 2002 Supplement)

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

20 **Article - Insurance**

21 19-501.

22 (a) In this subtitle the following words have the meanings indicated.

23 (b) (1) "Motor vehicle" means a vehicle, including a trailer, that is operated
24 or designed for operation on a public road by any power other than animal or
25 muscular power.

26 (2) "Motor vehicle" does not include:

1 (i) a bus as defined in § 11-105 of the Transportation Article; or

2 (ii) a taxicab as defined in § 11-165 of the Transportation Article.

3 (c) (1) "Motor vehicle accident" means an occurrence involving a motor
4 vehicle that results in damage to property or injury to a person.

5 (2) "Motor vehicle accident" does not include an occurrence that is caused
6 intentionally by or at the direction of the insured.

7 (d) "Named insured" means the person denominated in the declarations in a
8 motor vehicle liability insurance policy.

9 19-517.

10 (A) THIS SECTION APPLIES TO CLAIMS UNDER A MOTOR VEHICLE LIABILITY
11 INSURANCE POLICY FOR:

12 (1) BODILY INJURY OR DEATH ARISING FROM A MOTOR VEHICLE
13 ACCIDENT; OR

14 (2) PROPERTY OF OTHERS DAMAGED OR DESTROYED IN A MOTOR
15 VEHICLE ACCIDENT.

16 (B) IF AN INSURER PAYS A CLAIM SUBJECT TO THIS SECTION TO A PERSON
17 OTHER THAN THE NAMED INSURED, THE INSURER SHALL SEND WRITTEN NOTICE OF
18 THE PAYMENT TO THE NAMED INSURED WITHIN 30 DAYS AFTER THE PAYMENT IS
19 MADE.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
21 effect October 1, 2003.