

HOUSE BILL 312

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SB 147/01 - FIN

2003 Regular Session
3r1190
CF 3r0413

By: **Delegates Krysiak and Kirk**

Introduced and read first time: January 31, 2003

Assigned to: Economic Matters

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

10 BY repealing and reenacting, with amendments,

11 Article - Insurance

12 Section 4-117

13 Annotated Code of Maryland

14 (1997 Volume and 2002 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, 2003.