
By: **Delegate Redmer**

Introduced and read first time: March 3, 2003

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Courts - Abatement or Dismissal of Civil Action Against Insurer -**
3 **Interpretation of Insurance Article**

4 FOR the purpose of requiring a court to abate or dismiss a certain civil action filed
5 against an insurer authorized to do business in the State under certain
6 circumstances; authorizing a court to abate or dismiss the civil action under
7 certain circumstances; requiring the court to refer certain issues or claims to the
8 Insurance Commissioner under certain circumstances; providing that the
9 statute of limitations for the civil action is tolled for a certain period of time;
10 providing for the length of any period of abatement of the civil action; providing
11 that any relief awarded may be considered adequate under certain
12 circumstances; and generally relating to the abatement or dismissal by a court
13 of a certain civil action filed against an insurer.

14 BY adding to
15 Article - Courts and Judicial Proceedings
16 Section 6-411
17 Annotated Code of Maryland
18 (2002 Replacement Volume)

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

21 **Article - Courts and Judicial Proceedings**

22 6-411.

23 (A) IN THIS SECTION, "COMMISSIONER" MEANS THE MARYLAND INSURANCE
24 COMMISSIONER.

25 (B) THIS SECTION APPLIES ONLY TO A CIVIL ACTION FILED AGAINST AN
26 INSURER AUTHORIZED TO DO BUSINESS IN THE STATE IN WHICH:

27 (1) A CLAIMANT SEEKS RECOVERY OF DAMAGES ON BEHALF OF A CLASS
28 OF CLAIMANTS; AND

1 (2) THE INTERPRETATION, APPLICATION, OR VIOLATION OF A
2 PROVISION OF THE INSURANCE ARTICLE APPLIES TO ONE OR MORE DEFENDANTS.

3 (C) A COURT SHALL ABATE OR DISMISS AN ACTION SUBJECT TO THIS SECTION
4 UNLESS THE COURT DETERMINES THAT:

5 (1) THE INTERPRETATION, APPLICATION, OR VIOLATION OF THE
6 PROVISION OF THE INSURANCE ARTICLE INVOLVES ONLY QUESTIONS OF LAW; AND

7 (2) THE COMMISSIONER MAY NOT MAKE ANY FINDINGS OF FACT OR
8 CONCLUSIONS OF LAW OR ISSUE ANY ORDERS THAT WOULD ASSIST THE COURT IN
9 RESOLVING THE ACTION.

10 (D) (1) A COURT MAY ABATE OR DISMISS AN ACTION SUBJECT TO THIS
11 SECTION IF THE COURT DETERMINES THAT THE COMMISSIONER MAY ORDER ALL OR
12 PART OF THE RELIEF THAT THE CLAIMANT SEEKS.

13 (2) THE COURT SHALL SPECIFY IN ITS ORDER OF ABATEMENT OR
14 DISMISSAL THE SPECIFIC PROVISIONS OF THE INSURANCE ARTICLE ON WHICH THE
15 COURT BASES THE ORDER.

16 (E) A COURT THAT ABATES OR DISMISSES AN ACTION SUBJECT TO THIS
17 SECTION:

18 (1) SHALL REFER SPECIFIC ISSUES OR CLAIMS WITHIN THE
19 COMMISSIONER'S JURISDICTION TO THE COMMISSIONER; AND

20 (2) MAY DIRECT THE COMMISSIONER TO REPORT TO THE COURT
21 PERIODICALLY ON THE DISPOSITION OF ANY MATTERS REFERRED TO THE
22 COMMISSIONER.

23 (F) THE STATUTE OF LIMITATIONS FOR AN ACTION DISMISSED OR ABATED
24 UNDER THIS SECTION IS TOLLED FOR THE PERIOD DURING WHICH THE CLAIMANT
25 SEEKS AN ADMINISTRATIVE REMEDY.

26 (G) THE COURT SHALL PROVIDE THAT ANY PERIOD OF ABATEMENT FOR AN
27 ACTION SUBJECT TO THIS SECTION IS AT LEAST 6 MONTHS AFTER THE DATE THE
28 COURT ENTERS THE ORDER OF ABATEMENT, OR ANY OTHER REASONABLE TIME
29 THAT THE COURT DETERMINES.

30 (H) ANY RELIEF AWARDED TO A CLAIMANT IN ACTION SUBJECT TO THIS
31 SECTION MAY BE CONSIDERED ADEQUATE EVEN IF THE RELIEF DOES NOT INCLUDE
32 EXEMPLARY DAMAGES, MULTIPLE DAMAGES, ATTORNEY'S FEES, OR COURT COSTS.

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