
By: **Senators Stone and Della**

Introduced and read first time: February 2, 2005

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowner's Insurance - Mediation - Valuation of Property**

3 FOR the purpose of requiring the Maryland Insurance Commissioner to adopt
4 regulations that establish a mediation process in the Maryland Insurance
5 Administration between a consumer and an insurer that issues or delivers a
6 homeowner's insurance policy for the settlement of claims involving property
7 damage and the determination of the loss value of the property; allowing the
8 Commissioner to establish qualifications for persons requesting mediation
9 services and for individuals applying to serve as mediators; allowing the
10 Commissioner to contract with qualified individuals to provide mediation
11 services; defining certain terms; and generally relating to the establishment of a
12 mediation process for the valuation of property under homeowner's insurance.

13 BY adding to
14 Article - Insurance
15 Section 27-304.2
16 Annotated Code of Maryland
17 (2002 Replacement Volume and 2004 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 27-304.2.

22 (A) (1) IN THE SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
23 INDICATED.

24 (2) "MEDIATION PROCESS" MEANS A VOLUNTARY PROCESS IN WHICH A
25 MEDIATOR HELPS PRIVATE PARTIES RESOLVE DISPUTES IN A CONFIDENTIAL AND
26 NONADVERSARIAL SETTING.

1 (3) "MEDIATOR" MEANS AN IMPARTIAL PERSON WHO IS TRAINED TO
2 HELP PEOPLE FIND MUTUALLY ACCEPTABLE SOLUTIONS TO SHARED PROBLEMS
3 AND HAS NO POWER TO IMPOSE A SOLUTION.

4 (B) THE COMMISSIONER SHALL ADOPT REGULATIONS THAT ESTABLISH A
5 MEDIATION PROCESS IN THE ADMINISTRATION BETWEEN A CONSUMER AND AN
6 INSURER THAT ISSUES OR DELIVERS A HOMEOWNER'S INSURANCE POLICY FOR:

7 (1) THE SETTLEMENT OF CLAIMS INVOLVING PROPERTY DAMAGE; AND

8 (2) THE DETERMINATION OF THE LOSS VALUE OF THE PROPERTY.

9 (C) THE COMMISSIONER MAY:

10 (1) ESTABLISH QUALIFICATIONS FOR A PERSON REQUESTING
11 MEDIATION SERVICES FROM THE ADMINISTRATION;

12 (2) ESTABLISH QUALIFICATIONS FOR AN INDIVIDUAL APPLYING TO
13 SERVE AS A MEDIATOR IN THE ADMINISTRATION; AND

14 (3) CONTRACT WITH ANY QUALIFIED INDIVIDUAL TO PROVIDE
15 MEDIATION SERVICES FOR QUALIFIED MEDIATION APPLICANTS.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
17 effect October 1, 2005.