

SENATE BILL 389

D3

71r2449

By: **Senator Stone**

Introduced and read first time: February 2, 2007

Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 21, 2007

CHAPTER _____

1 AN ACT concerning

2 **Civil Actions – Liability of Insurer – ~~Failure to Act in Good~~ Bad Faith**

3 FOR the purpose of authorizing an insured, in a certain civil action between an
4 insured and an insurer, to recover certain damages, expenses and litigation
5 costs, and interest computed at a certain rate and from a certain date, ~~and~~
6 ~~actual compensatory damages~~, if the court finds that the insurer ~~failed to act in~~
7 ~~good faith~~ acted in bad faith; requiring an insured to send a certain notice to the
8 insurer before filing a certain civil action; providing for the application and
9 construction of this Act; and generally relating to the liability of an insurer for
10 ~~failure to act in good~~ acting in bad faith.

11 BY adding to

12 Article – Courts and Judicial Proceedings

13 Section 3–1701 to be under the new subtitle “Subtitle 17. Liability of Insurer”

14 Annotated Code of Maryland

15 (2006 Replacement Volume)

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

18 **Article – Courts and Judicial Proceedings**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~(2)~~ **(5)** **INTEREST ON ALL EXPENSES AND LITIGATION COSTS**
2 **INCURRED BY THE INSURED, COMPUTED:**

3 **(I) AT THE RATE ALLOWED UNDER § 11-107(A) OF THIS**
4 **ARTICLE; AND**

5 **(II) FROM THE DATE THE CLAIM THAT WAS THE SUBJECT OF**
6 **THE CIVIL ACTION WAS SUBMITTED TO INSURER OR THE INSURER’S AGENT; ~~AND~~**

7 ~~**(III) ACTUAL COMPENSATORY DAMAGES.**~~

8 ~~(c)~~ **(D)** **THIS SECTION DOES NOT LIMIT THE RIGHT OF ANY PERSON**
9 **TO MAINTAIN A CIVIL ACTION FOR DAMAGES OTHERWISE AVAILABLE UNDER**
10 **ANY OTHER PROVISION OF LAW.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2007.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.