HOUSE BILL 715

C4
2lr2182
CF SB 604

By: **Delegate Feldman**
Introduced and read first time: February 8, 2012
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Insurance – Uninsured Motorist Coverage – Effect of Consent**
3 **to Offer of Settlement**

4 FOR the purpose of providing that written consent by an uninsured motorist insurer
5   to acceptance of a certain settlement offer may not be construed to limit the
6   right of the uninsured motorist insurer to raise certain issues in an action
7   against the uninsured motorist insurer and does not constitute an admission by
8   the uninsured motorist insurer as to any issue raised in the action; and
9   generally relating to uninsured motorist coverage.

10 BY repealing and reenacting, with amendments,
11   Article – Insurance
12   Section 19–511
13   Annotated Code of Maryland
14   (2011 Replacement Volume)

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

Article – Insurance

18   19–511.

19   (a) If an injured person receives a written offer from a motor vehicle
20 insurance liability insurer or that insurer's authorized agent to settle a claim for
21 bodily injury or death, and the amount of the settlement offer, in combination with
22 any other settlements arising out of the same occurrence, would exhaust the bodily
23 injury or death limits of the applicable liability insurance policies, bonds, and
24 securities, the injured person shall send by certified mail, to any insurer that provides
25 uninsured motorist coverage for the bodily injury or death, a copy of the liability
26 insurer's written settlement offer.

1   (b)   Within 60 days after receipt of the notice required under subsection (a) of
2   this section, the uninsured motorist insurer shall send to the injured person:

3   (1)   written consent to acceptance of the settlement offer and to the
4   execution of releases; or

5   (2)   written refusal to consent to acceptance of the settlement offer.

6   (c)   Within 30 days after a refusal to consent to acceptance of a settlement
7   offer under subsection (b)(2) of this section, the uninsured motorist insurer shall pay to
8   the injured person the amount of the settlement offer.

9   (d)   (1)   Payment as described in subsection (c) of this section shall
10 preserve the uninsured motorist insurer's subrogation rights against the liability
11 insurer and its insured.

12   (2)   Receipt by the injured person of the payment described in
13 subsection (c) of this section shall constitute the assignment, up to the amount of the
14 payment, of any recovery on behalf of the injured person that is subsequently paid
15 from the applicable liability insurance policies, bonds, and securities.

16   (e)   The injured person may accept the liability insurer's settlement offer and
17 execute releases in favor of the liability insurer and its insured without prejudice to
18 any claim the injured person may have against the uninsured motorist insurer:

19   (1)   on receipt of written consent to acceptance of the settlement offer
20 and to the execution of releases; or

21   (2)   if the uninsured motorist insurer has not met the requirements of
22 subsection (b) or subsection (c) of this section.

23   **(F)   WRITTEN CONSENT BY AN UNINSURED MOTORIST INSURER TO**
24 **ACCEPTANCE OF A SETTLEMENT OFFER UNDER SUBSECTION (B)(1) OF THIS**
25 **SECTION:**

26   **(1)   MAY NOT BE CONSTRUED TO LIMIT THE RIGHT OF THE**
27 **UNINSURED MOTORIST INSURER TO RAISE ANY ISSUE RELATING TO LIABILITY**
28 **OR DAMAGES IN AN ACTION AGAINST THE UNINSURED MOTORIST INSURER; AND**

29   **(2)   DOES NOT CONSTITUTE AN ADMISSION BY THE UNINSURED**
30 **MOTORIST INSURER AS TO ANY ISSUE RAISED IN AN ACTION AGAINST THE**
31 **UNINSURED MOTORIST INSURER.**

32   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 2012.