

SENATE BILL 604

C4

2lr2051
CF HB 715

By: **Senators Kelley, Middleton, and Pugh**
Introduced and read first time: February 3, 2012
Assigned to: Finance

Committee Report: Favorable
Senate action: Adopted
Read second time: March 20, 2012

CHAPTER _____

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:

17 **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

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 bodily injury or death, and the amount of the settlement offer, in combination with
2 any other settlements arising out of the same occurrence, would exhaust the bodily
3 injury or death limits of the applicable liability insurance policies, bonds, and
4 securities, the injured person shall send by certified mail, to any insurer that provides
5 uninsured motorist coverage for the bodily injury or death, a copy of the liability
6 insurer's written settlement offer.

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

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

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

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

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

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

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

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

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

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

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

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.