

CHAPTER 348

(House Bill 264)

AN ACT concerning

Automobile Insurance Rate Reduction Act of 1996 Insurance Fraud

FOR the purpose of ~~reducing the cost of automobile insurance; prohibiting certain persons from employing or compensating others for the purpose of soliciting or attempting to solicit clients for those persons; prohibiting a person from soliciting, for personal gain, another person to sue or to retain a lawyer; authorizing certain actions against certain insurers under certain circumstances prohibiting a person from soliciting, for personal gain, another person to seek health care from a health care practitioner; requiring that the Insurance Fraud Division of the Maryland Insurance Administration notify certain professional licensing boards or disciplinary bodies of evidence of insurance fraud or gross overutilization of health care services; requiring that certain professional licensing boards revoke the license of licensees convicted of insurance fraud; authorizing the Insurance Commissioner to determine that certain automobile insurance rates are excessive under certain circumstances; requiring certain insurers to verify certain data under certain circumstances; permitting certain automobile insurance coverages to be waived under certain circumstances; requiring certain insurers to offer certain insurance benefits as managed care benefits; authorizing certain insurers to offer certain benefits as managed care benefits; clarifying that an insurer paying certain benefits shall be primary to insurers paying certain collateral benefits, and that the insurer paying collateral benefits may collect from the primary insurer under certain circumstances; providing that payments and charges for soft tissue injuries may not exceed a certain amount under certain circumstances; providing that certain insurers shall contract with peer review organizations for the purpose of reviewing certain claims; establishing procedures for the use of peer review organizations; requiring that certain payments of automobile insurance benefits shall be reduced by the amount of certain collateral benefits under certain circumstances; requiring evidence of physical contact before benefits for uninsured motorist coverage under an automobile insurance policy may be paid; limiting written communications by lawyers to prospective clients under certain circumstances; requiring the Health Care Access and Cost Commission to develop a payment system for soft tissue injuries by a certain date; requiring the Health Care Access and Cost Commission to adopt regulations establishing practice parameters for soft tissue injuries by a certain date; providing for the use of the payment system and practice parameters by automobile insurers; limiting the right of a person operating a vehicle without insurance to recover certain losses under certain circumstances; authorizing an insurer to cancel and rescind an insurance policy or to deny first party benefits, to an insured who has made certain misrepresentations in the application for automobile insurance under certain circumstances; establishing a pilot program for an accident reporting unit in Baltimore City; defining certain terms; and generally relating to efforts to reduce the costs of and reform automobile insurance insurance fraud.~~