

OBTAIN ADDITIONAL INFORMATION FROM ITS INSURED, THE INSURED'S EMPLOYER, OR ANY OTHER NONPROVIDER THIRD PARTY.

(2) IF OBTAINING ADDITIONAL INFORMATION RESULTS IN A DELAY IN PAYING A CLAIM, THE INSURER OR NONPROFIT HEALTH SERVICE PLAN SHALL PAY INTEREST IN ACCORDANCE WITH THE PROVISIONS OF § 15-1005(D) OF THIS SUBTITLE.

(E) PENALTY.

THE COMMISSIONER MAY IMPOSE A PENALTY NOT EXCEEDING \$500 ON AN INSURER OR NONPROFIT HEALTH SERVICE PLAN THAT VIOLATES THIS SECTION.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 354Z(f), 470U(f), and 477AA(f).

Subsection (d)(2) of this section is revised to clarify the obligation of an insurer and a nonprofit health service plan to pay interest under § 15-1005(d) of this subtitle when a delay in paying a claim results from obtaining additional information.

In subsection (d)(2) of this section, the former references to a "uniform" claim are deleted as surplusage.

Defined terms: "Commissioner" § 1-101

"Insurer" § 1-101

"Person" § 1-101

15-1005. PROMPT PAYMENT OF CLAIMS.

(A) SCOPE OF SECTION.

THIS SECTION DOES NOT APPLY WHEN THERE IS A GOOD FAITH DISPUTE ABOUT THE LEGITIMACY OF A CLAIM OR THE APPROPRIATE AMOUNT OF REIMBURSEMENT.

(B) APPLICATION TO THIRD PARTY ADMINISTRATORS.

TO THE EXTENT CONSISTENT WITH THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA), 29 U.S.C. 1001, ET SEQ., THIS SECTION APPLIES TO AN INSURER OR NONPROFIT HEALTH SERVICE PLAN THAT ACTS AS A THIRD PARTY ADMINISTRATOR.

(C) REQUIRED.

WITHIN 30 DAYS AFTER RECEIPT OF A CLAIM FOR REIMBURSEMENT FROM A PERSON ENTITLED TO REIMBURSEMENT UNDER § 15-701(A) OF THIS TITLE OR FROM A HOSPITAL OR RELATED INSTITUTION, AS THOSE TERMS ARE DEFINED IN § 19-301 OF THE HEALTH - GENERAL ARTICLE, AN INSURER OR NONPROFIT HEALTH SERVICE PLAN SHALL:

(1) PAY THE CLAIM IN ACCORDANCE WITH THIS SECTION; OR