

(c) (1) On finding a violation of this subtitle, the Commissioner may require an insurer or nonprofit health service plan to make restitution to each claimant who has suffered actual economic damage because of the violation.

(2) [Restitution] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, RESTITUTION may not exceed the amount of actual economic damage sustained, subject to the limits of any applicable policy.

(3) FOR A VIOLATION OF § 27-303(9) OF THIS SUBTITLE, THE COMMISSIONER MAY REQUIRE RESTITUTION TO AN INSURED FOR THE FOLLOWING:

(I) ACTUAL DAMAGES, WHICH ACTUAL DAMAGES MAY NOT EXCEED THE LIMITS OF ANY APPLICABLE POLICY;

(II) EXPENSES AND LITIGATION COSTS INCURRED BY THE INSURED IN PURSUING AN ADMINISTRATIVE COMPLAINT UNDER § 27-303(9) OF THIS SUBTITLE, INCLUDING REASONABLE ATTORNEY'S FEES; AND

(III) INTEREST ON ALL ACTUAL DAMAGES, EXPENSES, AND LITIGATION COSTS INCURRED BY THE INSURED COMPUTED:

1. AT THE RATE ALLOWED UNDER § 11-107(A) OF THE COURTS ARTICLE; AND

2. FROM THE DATE ON WHICH THE INSURED'S CLAIM WOULD HAVE BEEN PAID IF THE INSURER ACTED IN GOOD FAITH.

(4) THE AMOUNT OF ATTORNEY'S FEES RECOVERED FROM AN INSURER UNDER PARAGRAPH (3) OF THIS SUBSECTION MAY NOT EXCEED ONE-THIRD OF THE ACTUAL DAMAGES RECOVERED.

SUBTITLE 10. PROPERTY AND CASUALTY INSURANCE - FIRST-PARTY CLAIMS.

27-1001.

(A) IN THIS SECTION, "GOOD FAITH" MEANS AN INFORMED JUDGMENT BASED ON HONESTY AND DILIGENCE SUPPORTED BY EVIDENCE THE INSURER KNEW OR SHOULD HAVE KNOWN AT THE TIME THE INSURER MADE A DECISION ON A CLAIM.

(B) THIS SECTION APPLIES ONLY TO ACTIONS UNDER § 3-1701 OF THE COURTS ARTICLE.