

(I) IF THE ADMINISTRATION FINDS THAT THE INSURER BREACHED AN OBLIGATION TO THE INSURED, THE ADMINISTRATION SHALL DETERMINE THE OBLIGATION OF THE INSURER TO PAY:

1. ACTUAL DAMAGES, WHICH ACTUAL DAMAGES MAY NOT EXCEED THE LIMITS OF ANY APPLICABLE POLICY; AND

2. INTEREST ON ALL ACTUAL DAMAGES INCURRED BY THE INSURED COMPUTED:

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

B. FROM THE DATE ON WHICH THE INSURED'S CLAIM SHOULD HAVE BEEN PAID; AND

(II) IF THE ADMINISTRATION ALSO FINDS THAT THE INSURER FAILED TO ACT IN GOOD FAITH, THE ADMINISTRATION SHALL ALSO DETERMINE THE OBLIGATION OF THE INSURER TO PAY:

1. EXPENSES AND LITIGATION COSTS INCURRED BY THE INSURED, INCLUDING REASONABLE ATTORNEY'S FEES, IN PURSUING RECOVERY UNDER THIS SUBTITLE; AND

2. INTEREST ON ALL EXPENSES AND LITIGATION COSTS INCURRED BY THE INSURED COMPUTED:

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

B. FROM THE APPLICABLE DATE OR DATES ON WHICH THE INSURED'S EXPENSES AND COSTS WERE INCURRED.

(3) AN INSURER MAY NOT BE FOUND TO HAVE FAILED TO ACT IN GOOD FAITH UNDER THIS SECTION SOLELY ON THE BASIS OF DELAY IN DETERMINING COVERAGE OR THE EXTENT OF PAYMENT TO WHICH THE INSURED IS ENTITLED IF THE INSURER ACTED WITHIN THE TIME PERIOD SPECIFIED BY STATUTE OR REGULATION FOR INVESTIGATION OF A CLAIM BY AN INSURER.

(4) THE AMOUNT OF THE ATTORNEY'S FEES DETERMINED TO BE PAYABLE TO AN INSURED UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY NOT EXCEED ONE-THIRD OF THE ACTUAL DAMAGES PAYABLE TO THE INSURED.