

House Bill 425

AN ACT concerning

Civil Actions - Liability of Insurer - Failure to Act in Good Faith

FOR the purpose of authorizing the recovery ~~by an insured, in certain civil actions between an insured and an insurer,~~ of actual damages, expenses, litigation costs, and interest in first-party claims against property and casualty insurers under certain circumstances; requiring the court to make certain findings before the insured may recover certain damages, expenses, costs, and interest from the insurer; providing that the interest is to be computed at a certain rate and from a certain date; requiring a clerk of a court to file a copy of certain verdicts and other dispositions with the Maryland Insurance Administration; providing that a failure to act in good faith under certain circumstances constitutes an unfair claim settlement practice for certain purposes; providing for certain penalties; providing for certain restitution in certain proceedings under certain circumstances; providing for certain procedures; providing for a certain appeal to a circuit court from a final decision under certain circumstances; providing for the tolling of certain limitations under certain circumstances; requiring the Administration to report annually on certain matters to the General Assembly on or before a certain date; defining certain terms; providing for the application of this Act; and generally relating to ~~a civil cause of action between an insured and an insurer,~~ certain proceedings concerning property and casualty insurers who fail to act in good faith in settling a first-party claim under certain circumstances.

BY repealing and reenacting, with amendments,

Article 1 - Rules of Interpretation

Section 32

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

BY adding to

Article - Courts and Judicial Proceedings

Section 3-1701 to be under the new subtitle "Subtitle 17. Liability of Insurer";
and 5-118

Annotated Code of Maryland

(2006 Replacement Volume)

BY repealing and reenacting, with amendments,

Article - Insurance

Section 27-303(7) and (8), 27-304(16) and (17), and 27-305(a) and (c)

Annotated Code of Maryland

(2006 Replacement Volume and 2006 Supplement)