

It is an unfair claim settlement practice and a violation of this subtitle for an insurer or nonprofit health service plan, when committed with the frequency to indicate a general business practice, to:

(16) fail to meet the requirements of Title 15, Subtitle 10B of this article for preauthorization for a health care service; [or]

(17) fail to comply with the provisions of Title 15, Subtitle 10A of this article; OR

(18) FAIL TO ACT IN GOOD FAITH, AS DEFINED UNDER § 27-1001 OF THIS TITLE, IN SETTLING A FIRST-PARTY CLAIM UNDER A POLICY OF PROPERTY AND CASUALTY INSURANCE.

27-305.

(a) The Commissioner may impose a penalty:

(1) not exceeding \$2,500 for each violation of § 27-303 of this subtitle or a regulation adopted under § 27-303 of this subtitle; AND

(2) NOT EXCEEDING \$125,000 FOR EACH VIOLATION OF § 27-303 (9) OF THIS SUBTITLE OR A REGULATION ADOPTED UNDER § 27-303(9) OF THIS SUBTITLE.

(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