

(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 ~~INSURED~~ 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.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A PERSON MAY NOT BRING OR PURSUE AN ACTION UNDER § 3-1701 OF THE COURTS ARTICLE IN A COURT UNLESS THE PERSON COMPLIES WITH THIS SECTION.

(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO AN ACTION:

(I) WITHIN THE SMALL CLAIM JURISDICTION OF THE DISTRICT COURT UNDER § 4-405 OF THE COURTS ARTICLE;

(II) IF THE INSURED AND THE INSURER AGREE TO WAIVE THE REQUIREMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION; OR

(III) UNDER A COMMERCIAL INSURANCE POLICY ON A CLAIM WITH RESPECT TO WHICH THE APPLICABLE LIMIT OF LIABILITY EXCEEDS \$1,000,000.