

Chapter 268

(Senate Bill 604)

AN ACT concerning

Motor Vehicle Insurance – Uninsured Motorist Coverage – Effect of Consent to Offer of Settlement

FOR the purpose of providing that written consent by an uninsured motorist insurer to acceptance of a certain settlement offer may not be construed to limit the right of the uninsured motorist insurer to raise certain issues in an action against the uninsured motorist insurer and does not constitute an admission by the uninsured motorist insurer as to any issue raised in the action; and generally relating to uninsured motorist coverage.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 19–511

Annotated Code of Maryland

(2011 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Insurance

19–511.

(a) If an injured person receives a written offer from a motor vehicle insurance liability insurer or that insurer's authorized agent to settle a claim for bodily injury or death, and the amount of the settlement offer, in combination with any other settlements arising out of the same occurrence, would exhaust the bodily injury or death limits of the applicable liability insurance policies, bonds, and securities, the injured person shall send by certified mail, to any insurer that provides uninsured motorist coverage for the bodily injury or death, a copy of the liability insurer's written settlement offer.

(b) Within 60 days after receipt of the notice required under subsection (a) of this section, the uninsured motorist insurer shall send to the injured person:

(1) written consent to acceptance of the settlement offer and to the execution of releases; or

(2) written refusal to consent to acceptance of the settlement offer.

(c) Within 30 days after a refusal to consent to acceptance of a settlement offer under subsection (b)(2) of this section, the uninsured motorist insurer shall pay to the injured person the amount of the settlement offer.

(d) (1) Payment as described in subsection (c) of this section shall preserve the uninsured motorist insurer's subrogation rights against the liability insurer and its insured.

(2) Receipt by the injured person of the payment described in subsection (c) of this section shall constitute the assignment, up to the amount of the payment, of any recovery on behalf of the injured person that is subsequently paid from the applicable liability insurance policies, bonds, and securities.

(e) The injured person may accept the liability insurer's settlement offer and execute releases in favor of the liability insurer and its insured without prejudice to any claim the injured person may have against the uninsured motorist insurer:

(1) on receipt of written consent to acceptance of the settlement offer and to the execution of releases; or

(2) if the uninsured motorist insurer has not met the requirements of subsection (b) or subsection (c) of this section.

(F) WRITTEN CONSENT BY AN UNINSURED MOTORIST INSURER TO ACCEPTANCE OF A SETTLEMENT OFFER UNDER SUBSECTION (B)(1) OF THIS SECTION:

(1) MAY NOT BE CONSTRUED TO LIMIT THE RIGHT OF THE UNINSURED MOTORIST INSURER TO RAISE ANY ISSUE RELATING TO LIABILITY OR DAMAGES IN AN ACTION AGAINST THE UNINSURED MOTORIST INSURER; AND

(2) DOES NOT CONSTITUTE AN ADMISSION BY THE UNINSURED MOTORIST INSURER AS TO ANY ISSUE RAISED IN AN ACTION AGAINST THE UNINSURED MOTORIST INSURER.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2012.

Approved by the Governor, May 2, 2012.