

## VISIT THE MIA

Consumers may access this agency and its consumer materials in several ways:

- Download from our web site, [www.insurance.maryland.gov](http://www.insurance.maryland.gov), on the Consumer Publications page
- Call or write us to have copies mailed to you

## FILING A CIVIL ACTION FOR A FIRST PARTY PROPERTY & CASUALTY CLAIM

As of October 1, 2007, a Maryland consumer who believes that their property and casualty insurer failed to act in good faith in refusing to settle their first-party insurance claim may seek special damages against the insurer, both in a private civil lawsuit against the insurer and in an administrative consumer complaint made with the Maryland Insurance Administration (MIA).

If a consumer alleges that the failure to pay the first party property and casualty claim was made in the absence of “good faith,” then the consumer can file a civil law suit seeking to recover, in addition to the value of the claim, up to the policy limits: the costs of litigation, including attorneys’ fees up to 1/3 of the amount of the actual damages, plus interest at the post-judgment rate. Some lawsuits that allege the absence of good faith and seek these special damages must first be submitted to the Maryland Insurance Administration (MIA) for review and decision before the suit can proceed in court. An explanation of when a consumer can seek these special damages, when a lawsuit has to be filed with the MIA, and how to make that filing are explained in a separate MIA publication: “Filing a Civil Action for a First Party Property & Casualty Claim - Insurer’s Civil Liability for Failure to Act in Good Faith (Section 27-1001 Complaint).”

In addition, a Maryland consumer who believes their insurer did not act in “good faith” in denying their first-party property and casualty claim, may submit an administrative consumer complaint to the MIA. If the Commissioner finds that the insurer did not act in good faith with regard to the first-party claim, the Commissioner may sanction the insurer by imposing a financial penalty and, in addition, ordering the insurer to pay:

- the value of the claim, up to the policy limits,
- the costs of litigation, including attorneys’ fees up to 1/3 of the amount of the actual damages,
- plus interest at the post-judgment rate.

**Persons with disabilities may request this document in an alternative format. Requests should be submitted in writing to the Director of Public Affairs at the address listed below.**

Any reproductions of this material must be made in conformance with the MIA’s Policy for Reproduction of Publications, available on the Consumer Publications page of our web site.



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[www.insurance.maryland.gov](http://www.insurance.maryland.gov)

**Lawrence J. Hogan, Jr.**  
Governor

**Boyd K. Rutherford**  
Lt. Governor

# INSURANCE ASSISTANCE

## FOR MARYLAND CONSUMERS



## WHO WE ARE

The Maryland Insurance Administration (MIA) is the state agency that regulates the business of insurance in the State of Maryland. If you have a question about insurance or experience a problem, contact the MIA.

## HOW WE HELP CONSUMERS

The MIA provides assistance to consumers, businesses, health care providers (including doctors and hospitals), and producers (agents or brokers) in all areas of insurance, including life, health, disability, automobile, homeowners, and property.

The MIA produces consumer guides, rate comparisons and frequently asked questions related to various types of insurance. The following is a sample list of available publications:

- *Consumer Guide to Homeowners Insurance*
- *Consumer Guide to Auto Insurance*
- *Health Premiums for Small Employers*
- *Annual Premiums for Medicare Supplement Policies*
- *Insurance Preparedness Guide for Natural Disasters*

## INVESTIGATION OF COMPLAINTS

The MIA can educate you about your rights and investigate written allegations that your insurance carrier, insurance producer (agent or broker), or another entity (engaged in the business of insurance) has violated state law. Violations may include:

- Denying authorization for medically necessary services
- Improperly denying or delaying payment of all or portions of a claim
- Improperly terminating your insurance policy
- Raising your insurance premiums without the proper notice or in excess of what the law allows

- Making false statements to you in connection with the sale of insurance or the processing of insurance claims
- Overcharging you for services, including premium finance charges.

## THIS IS WHAT WE CAN DO

- Provide information about different types of insurance coverages
- Suggest to you actions or procedures that you may take which may help resolve your insurance problem
- Forward a copy of your complaint to the insurance company, if appropriate
- Obtain information or explanations on your behalf from the insurance company or its representatives. This may involve written and verbal contact with such companies or persons
- Investigate a company's action(s) to determine compliance with state law, regulations and policy contracts
- Take corrective action against a company if it violated a state law, regulation or policy which the MIA enforces.

## THIS IS WHAT WE CANNOT DO

- Serve as your personal legal representative, offer legal advice, or represent you in court
- Intervene in a pending lawsuit
- Make a medical decision as to the extent of an individual's disability in a disability insurance claim
- Make a decision in disputes between you and an insurance company to determine;
  1. Who is negligent or at fault
  2. The facts surrounding the claim (that is, who might be telling the truth in the matter when accounts of that matter differ)
  3. The value of a claim or the amount of money owed to you

4. Any other factual disagreements between you and another party, unless the dispute involves a violation of law
- Address complaints or inquiries involving insurance contracts which are not regulated by the State of Maryland. This includes the following:
    - Self-funded or self-insured plans
    - Medical Assistance (Medicaid)
    - Medicare and Medicare HMO's
    - Federal Employee Health Benefit Programs
    - Uniformed Services Family Health Plans
    - Workers' compensation
    - Contracts issued and delivered to the policyholder in another state
  - Ask the Motor Vehicle Administration to defer a fine pending the investigation of your complaint

## TO FILE A COMPLAINT

If you are interested in filing a complaint, you will find complete instructions and forms on our web site under Consumer Information. Or, you may contact us at the address and phone number on the back of this brochure.

## RAPID RESPONSE PROGRAM

The MIA's Rapid Response Program is designed to help certain consumers resolve property and casualty claims (i.e. auto and homeowners claims, including those made under commercial lines policies) quickly and without having to file a formal written complaint. For more information about this program, please contact us at 410-468-2340 or 800-492-6116 ext. 2340. Participation in the Rapid Response Program is voluntary and does not affect your rights to file a formal complaint.