

## FILING A CIVIL ACTION FOR A FIRST PARTY PROPERTY & CASUALTY CLAIM OR AN INDIVIDUAL DISABILITY CLAIM

A Maryland consumer who has a property and casualty insurance policy (property and casualty insurance includes automobile, homeowners, fire and/or dwelling, inland marine, commercial liability policies) or an individual disability policy (a policy that provides for lost income, revenue, or proceeds in the event that an illness, accident, or injury results in a disability that impairs an insured's ability to work or otherwise generate income, revenue, or proceeds that the insurance is intended to replace) that was issued, sold or delivered in Maryland and believes that his/her property and casualty insurer or his/her individual disability insurer failed to act in good faith in making a decision regarding his/her first-party insurance claim may seek special damages against the insurer by filing a civil complaint, in addition to or in place of filing an administrative consumer complaint with the Maryland Insurance Administration (MIA).

The Insurance Article defines good faith as making a 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 the claim. If the Maryland consumer files a civil complaint and the insurer is found to have failed to act in good faith, the insured may be entitled to an award with enhanced damages. Such enhanced damages may include, in addition to the actual contract damages, litigation expenses, including reasonable attorneys' fees not to exceed one third of the actual damages payable to the insured, and interest at the post-judgment rate.

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: "A Guide for Consumers Filing a 27-1001 Civil Complaint."

This consumer guide should be used for educational purposes only. It is not intended to provide legal advice or opinions regarding coverage under a specific policy or contract; nor should it be construed as an endorsement of any product, service, person, or organization mentioned in this guide.

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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.



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INSURANCE  
ADMINISTRATION

## EDUCATING & PROTECTING 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*
- *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.

## 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