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INSURANCE LAW BULLETIN

Re: Third-Party Claimant Lacks Standing To Assert Violation Of Unfair Claim Settlement Practices Act

An Administrative Law Judge (ALJ) recently held that a third-party claimant lacks standing to assert a violation of § 27-303 of the Maryland Insurance Article.

An injured party filed a complaint with the Maryland Insurance Commissioner alleging that the responsible party's insurer improperly denied a claim under a commercial general liability policy. The Commissioner denied the complaint, and the complainant requested a hearing.

After the case was referred to the Office of Administrative Hearings, the insurer moved for a summary decision, arguing that the duties imposed by § 27-303 run to insureds, not the general public. The ALJ agreed and dismissed the complaint, concluding that the complainant was not the insured, could not stand in the insured's stead and, therefore, did not have standing.

For further information or a copy of the decision, please contact **Derek B. Yarmis**, who represented the insurer in this matter, at 410.659.7762 or dyarmis@fblaw.com. Please visit our website at www.fblaw.com.

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