

2010 SESSION

INTRODUCED

10100819D

SENATE BILL NO. 511

Offered January 13, 2010

Prefiled January 13, 2010

A *BILL to amend the Code of Virginia by adding in Chapter 2 of Title 38.2 a section numbered 38.2-236, relating to notification of settlement payment.*

Patron—Norment

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 2 of Title 38.2 a section numbered 38.2-236 as follows:

§ 38.2-236. Notice of settlement payment.

A. Upon the payment of at least \$5,000 in settlement or satisfaction of any third-party liability claim or judgment, the insurer or self-insured entity shall mail to the claimant or judgment creditor a notice of such payment as set forth in subsection B at the same time payment is made by the insurer or self-insured entity to an attorney or other representative of the claimant or judgment creditor.

B. The notice required pursuant to subsection A shall be mailed to the last known address of the claimant or judgment creditor and shall contain the following language:

"Pursuant to § 38.2-236 of the Code of Virginia, you are hereby notified that a payment was sent today by (insert name of insurer or self-insured entity) to your attorney or other representative (insert name, address, and telephone number of attorney or other representative known to insurer or self-insured entity), in satisfaction of your claim against (insert name of insured).

If you have any questions, please contact your attorney or other representative."

C. Nothing in subsection A or B shall (i) create any cause of action for any person against an insurer or self-insured entity based upon a failure to provide notice as required by this section or the provision of a defective notice, (ii) establish a defense for any person to any cause of action based on a failure to provide notice as required by this section or the provision of a defective notice, and (iii) invalidate or in any way affect the settlement or satisfaction for which the payment was made by the insurer or self-insured entity.

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