



SPONSOR: Sen. Poore & Rep. Chukwuocha
Sen. Townsend

DELAWARE STATE SENATE
153rd GENERAL ASSEMBLY

SENATE SUBSTITUTE NO. 1
FOR
SENATE BILL NO. 189
AS AMENDED BY
SENATE AMENDMENT NO. 1

ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO UNFAIR PRACTICES IN THE INSURANCE BUSINESS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 2322, Title 18 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2322 Release of claim or settlement agreement by injured persons in motor vehicle accidents

(a) A release of a claim of an individual for injuries resulting from a motor vehicle accident, signed by the individual within 30 days of the motor vehicle accident without the assistance or guidance of an attorney at law, and without any power of attorney to or contract of employment with an attorney at law, with reference to recovery of damages resulting from the accident, may be rescinded by the injured individual within 15 days after the date on which the individual signed the document, or, if no release is signed, within 15 days from the cashing of a settlement check or transfer of electronic funds.

(b) For a rescission under subsection (a) of this section to be effective, all of the following must be satisfied:

(1) The notice of rescission must be in writing to the releasee, or to the releasee's legal representative or insurance carrier.

(2) The injured individual must return to the releasee or releasee's legal representative or insurance carrier any check or settlement proceeds received by the injured individual.

(3) The items required by paragraphs (b)(1) and (b)(2) of this section must be sent to the releasee or releasee's legal representative or insurance carrier no later than 10 days after the expiration of the 15-day rescission period confirmed by certified mail, certificate of mailing, ACH tracking number, or other recognized method of funds tracking.

(c) An insurer may withhold payment of any future settlement proceeds until it has received confirmation that any check or settlement proceeds have been returned as required under paragraph (b)(2) of this section.

(d) A release of liability executed within 30 days of the motor vehicle accident giving rise to the claim for personal injury must contain a notice of the individual's right to rescind the release, stated conspicuously and separately on the release or settlement check. If no release or settlement check exists, the required language must be provided to the individual via written communication.

Section 2. This Act takes effect 6 months after its enactment into law.