

---

**By: Delegates Frank and V. Mitchell**

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

---

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 1997

---

CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Motor Vehicle Liability Insurance - Benefits Under Personal Injury Protection**  
3 **Coverage - Notice to Insureds**

4 FOR the purpose of clarifying the content and the manner of delivery of the notice that  
5 a motor vehicle liability insurer shall provide to an insured concerning the filing of  
6 a claim for benefits under personal injury protection coverage under certain  
7 circumstances; providing for the effective ~~dates~~ date of this Act; and generally  
8 relating to the notice to insureds concerning benefits under personal injury  
9 protection coverage in motor vehicle liability insurance.

10 ~~BY repealing and reenacting, with amendments,~~  
11 ~~Article 48A - Insurance Code~~  
12 ~~Section 544~~  
13 ~~Annotated Code of Maryland~~  
14 ~~(1994 Replacement Volume and 1996 Supplement)~~

15 BY repealing and reenacting, with amendments,  
16 Article - Insurance  
17 Section 19-508  
18 Annotated Code of Maryland  
19 (1996 Volume)  
20 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

21 **Preamble**

22 ~~WHEREAS, Chapter 339 of the Acts of the General Assembly of 1977 was enacted~~  
23 ~~to require a motor vehicle liability insurer to notify an insured who had been injured in a~~

2

1 motor vehicle accident of the amount of time available for filing of a claim for benefits  
2 under personal injury protection coverage; and

3 WHEREAS, The General Assembly did not intend for this notification to apply to  
4 any other type of first party claim for benefits other than benefits under the personal  
5 injury protection coverage; and

6 WHEREAS, The General Assembly finds it necessary now to clarify the intent of  
7 Chapter 339; now, therefore,

8 SECTION 1. ~~BE IT ENACTED BY THE GENERAL ASSEMBLY OF~~  
9 ~~MARYLAND, That the Laws of Maryland read as follows:~~

10 **~~Article 48A—Insurance Code~~**

11 ~~544.~~

12 (a) All payments of benefits described under § 539 of this subtitle shall be made  
13 periodically as the claims therefor arise and within 30 days after satisfactory proof thereof  
14 is received by the insurer subject to the following limitations:

15 (1) The coverages described in § 539 of this subtitle may prescribe a period  
16 of not less than 12 months after the date of accident within which the original claim for  
17 benefits must be presented to the insurer.

18 (2) The coverages described in § 539 of this subtitle may provide that in any  
19 instance where a lapse occurs in the period of total disability or in the medical treatment  
20 of an injured person who has received benefits under such coverage or coverages and such  
21 person subsequently claims additional benefits based upon an alleged recurrence of the  
22 injury for which the original claim for benefits was made, the insurer may require  
23 reasonable medical proof of such alleged recurrence; provided, that in no event shall the  
24 aggregate benefits payable to any person exceed the maximum limits prescribed in the  
25 policy.

26 (b) Payments of benefits which are not made in accordance with this section and  
27 which are overdue shall bear simple interest at the rate of 1.5 percent per month.

28 (c) Whenever an insurer providing benefits under § 539 of this subtitle receives  
29 written notice from an insured of the occurrence of an accident ~~FOR WHICH BENEFITS~~  
30 ~~MAY BE AVAILABLE UNDER § 539 OF THIS SUBTITLE~~, the insurer shall notify that  
31 insured ~~BY MAIL~~ of the latest date on which claim may be filed ~~FOR BENEFITS UNDER~~  
32 ~~§ 539 OF THIS SUBTITLE~~ as provided in subsection (a)(1) of this section.

33 (D) ~~AN INSURER IS NOT REQUIRED UNDER SUBSECTION (C) OF THIS SECTION~~  
34 ~~TO SEND ANY NOTICE TO THE INSURED AS TO ANY FIRST PARTY CLAIM FOR~~  
35 ~~BENEFITS OTHER THAN THE BENEFITS UNDER § 539 OF THIS SUBTITLE.~~

36 SECTION 2. ~~AND BE IT FURTHER ENACTED~~ BE IT ENACTED BY THE  
37 GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

3

1 **Article - Insurance**

2 19-508.

3 (a) (1) Subject to paragraphs (2) and (3) of this subsection, an insurer shall  
4 make all payments of the benefits described in § 19-505 of this subtitle periodically as  
5 claims for the benefits arise and within 30 days after the insurer receives satisfactory  
6 proof of claim.

7 (2) A policy that contains the coverage described in § 19-505 of this subtitle  
8 may:

9 (i) set a period of not less than 12 months after the date of the motor  
10 vehicle accident within which the original claim for benefits must be filed with the  
11 insurer; and

12 (ii) provide that if, after a lapse in the period of total disability or in  
13 the medical treatment of an injured individual who has received benefits under that  
14 coverage, the individual claims additional benefits based on an alleged recurrence of the  
15 injury for which the original claim for benefits was made, the insurer may require  
16 reasonable medical proof of the alleged recurrence.

17 (3) The aggregate benefits payable to an individual under this subsection  
18 may not exceed the maximum limits stated in the policy.

19 (b) (1) When an insurer that provides the benefits described in § 19-505 of this  
20 subtitle receives written notice from an insured of the occurrence of a motor vehicle  
21 accident FOR WHICH BENEFITS MAY BE AVAILABLE UNDER § 19-505 OF THIS  
22 SUBTITLE, the insurer shall notify the insured BY MAIL of the latest date on which a  
23 claim may be filed FOR BENEFITS UNDER § 19-505 OF THIS SUBTITLE as provided in  
24 subsection (a)(2)(i) of this section.

25 (2) AN INSURER IS NOT REQUIRED UNDER PARAGRAPH (1) OF THIS  
26 SUBSECTION TO SEND ANY NOTICE TO THE INSURED AS TO ANY FIRST PARTY CLAIM  
27 FOR BENEFITS OTHER THAN THE BENEFITS UNDER § 19-505 OF THIS SUBTITLE.

28 (c) Payments of benefits that are not made in accordance with this section and  
29 that are overdue shall bear simple interest at the rate of 1.5% per month.

30 ~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall~~  
31 ~~take effect June 1, 1997.~~

32 ~~SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act~~  
33 ~~shall take effect October 1, 1997.~~

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
35 January 1, 1998.

