
By: Delegates Leopold, V. Mitchell, McClenahan, Love, Kach, Crumlin, Bissett, W. R. Baker, Holt, Bonsack, Cadden, Schade, Bozman, Edwards, Baldwin, Beck, Ciliberti, Cryor, Eckardt, Faulkner, Flanagan, D. Hughes, Jacobs, Kittleman, Klima, La Vay, McKee, Morgan, Mossburg, Ports, Rzepkowski, and Stocksdale

Introduced and read first time: January 22, 1997

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 Insurance - Motor Vehicle Accident Compensation and Cost Savings Act

3 FOR the purpose of altering the minimum requirements for personal compensation
 4 coverage in motor vehicle insurance; repealing certain provisions concerning
 5 primary coverage in motor vehicle insurance; imposing certain obligations on a
 6 motor vehicle insurer concerning the applicability of coverage of personal
 7 compensation benefits, conformance with certain laws of other jurisdictions, and
 8 payment of personal compensation benefits; establishing certain requirements
 9 concerning multiple coverages, priority of benefits, and coordination of benefits;
 10 establishing certain tort and legal liability standards under certain circumstances;
 11 establishing a certain right of subrogation for a motor vehicle insurer; setting certain
 12 limitations for causes of action for injury with reference to payment of personal
 13 compensation benefits; imposing certain requirements on the garnishing of personal
 14 compensation benefits; prohibiting a motor vehicle insurer from canceling, failing to
 15 renew, or increasing premiums of an insured under certain circumstances;
 16 permitting the commencement of an action for payment of benefits under certain
 17 circumstances; authorizing a motor vehicle insurer to require mental and physical
 18 examinations of an insured and to verify an insured's entitlement to benefits under
 19 certain circumstances; authorizing the Maryland Insurance Commissioner to adopt
 20 certain regulations under this Act; providing for certain arbitration procedures;
 21 requiring a motor vehicle insurer to reflect certain cost savings in the insurer's rates
 22 for coverage under certain circumstances; defining certain terms; providing for a
 23 certain effective date; and generally relating to insurance and the Motor Vehicle
 24 Accident Compensation and Cost Savings Act.

25 BY repealing

26 Article - Insurance
 27 Section 19-501 through 19-514, inclusive, and the subtitle "Subtitle 5. Motor
 28 Vehicle Insurance - Primary Coverage"
 29 Annotated Code of Maryland
 30 (1996 Volume)
 31 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

2

1 BY adding to
2 Article - Insurance
3 Section 19-501 through 19-523, inclusive, to be under the new subtitle "Subtitle 5.
4 Motor Vehicle Accident Compensation and Cost Savings Act"
5 Annotated Code of Maryland
6 (1996 Volume)
7 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

8 BY repealing and reenacting, with amendments,
9 Article - Transportation
10 Section 17-103
11 Annotated Code of Maryland
12 (1992 Replacement Volume and 1996 Supplement)

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

15 **Article - Insurance**

16 [Subtitle 5. Motor Vehicle Insurance - Primary Coverage.]

17 [19-501.

18 (a) In this subtitle the following words have the meanings indicated.

19 (b) (1) "Motor vehicle" means a vehicle, including a trailer, that is operated or
20 designed for operation on a public road by any power other than animal or muscular
21 power.

22 (2) "Motor vehicle" does not include:

23 (i) a bus as defined in § 11-105 of the Transportation Article; or

24 (ii) a taxicab as defined in § 11-165 of the Transportation Article.

25 (c) (1) "Motor vehicle accident" means an occurrence involving a motor vehicle
26 that results in damage to property or injury to a person.

27 (2) "Motor vehicle accident" does not include an occurrence that is caused
28 intentionally by or at the direction of the insured.

29 (d) "Named insured" means the person denominated in the declarations in a
30 motor vehicle liability insurance policy.]

31 [19-502.

32 (a) This subtitle does not affect Title 17 of the Transportation Article.

33 (b) Neither this subtitle nor Title 17 of the Transportation Article prevents an
34 insurer from issuing, selling, or delivering motor vehicle liability insurance policies that
35 provide liability coverage in excess of the requirements of the Maryland Vehicle Law.

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1 (c) (1) This subtitle does not prohibit an insurer from providing benefits for
2 Christian Science care and treatment.

3 (2) Expenses for Christian Science care and treatment constitute economic
4 loss for purposes of this subtitle.

5 (d) This subtitle does not affect the right of a person to claim and sue for damages
6 or losses that the person sustains as the result of a motor vehicle accident.]

7 [19-503.

8 (a) The Commissioner may adopt regulations to carry out this subtitle.

9 (b) The Commissioner may review any motor vehicle liability insurance policy
10 issued, sold, or delivered in the State to determine whether it complies with this subtitle
11 and regulations adopted under this subtitle.]

12 [19-504.

13 Each motor vehicle liability insurance policy issued, sold, or delivered in the State
14 shall provide the minimum liability coverage specified in Title 17 of the Transportation
15 Article.]

16 [19-505.

17 (a) Unless waived in accordance with § 19-506 of this subtitle, each insurer that
18 issues, sells, or delivers a motor vehicle liability insurance policy in the State shall provide
19 coverage for the medical, hospital, and disability benefits described in this section for
20 each of the following individuals:

21 (1) except for individuals specifically excluded under § 27-XXX of this
22 article:

23 (i) the first named insured, and any family member of the first named
24 insured who resides in the first named insured's household, who is injured in any motor
25 vehicle accident, including an accident that involves an uninsured motor vehicle or a
26 motor vehicle the identity of which cannot be ascertained; and

27 (ii) any other individual who is injured in a motor vehicle accident
28 while using the insured motor vehicle with the express or implied permission of the
29 named insured;

30 (2) an individual who is injured in a motor vehicle accident while occupying
31 the insured motor vehicle as a guest or passenger; and

32 (3) an individual who is injured in a motor vehicle accident that involves the
33 insured motor vehicle:

34 (i) as a pedestrian; or

35 (ii) while in, on, or alighting from a vehicle that is operated by animal
36 or muscular power.

37 (b) (1) In this subsection, "income" means:

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1 (i) wages, salaries, tips, commissions, professional fees, and other
2 earnings from work or employment;

3 (ii) earnings from a business or farm owned individually, jointly, or in
4 partnership; and

5 (iii) to the extent earnings are paid or payable in property or services
6 instead of in cash, the reasonable value of the property or services.

7 (2) The minimum medical, hospital, and disability benefits provided by an
8 insurer under this section shall include up to \$2,500 for:

9 (i) payment of all reasonable and necessary expenses that arise from a
10 motor vehicle accident and that are incurred within 3 years after the accident for
11 necessary prosthetic devices and ambulance, dental, funeral, hospital, medical,
12 professional nursing, surgical, and x-ray services;

13 (ii) payment of benefits for 85% of income lost:

14 1. within 3 years after, and resulting from, a motor vehicle
15 accident; and

16 2. by an injured individual who was earning or producing
17 income when the accident occurred; and

18 (iii) payments made in reimbursement of reasonable and necessary
19 expenses incurred within 3 years after a motor vehicle accident for essential services
20 ordinarily performed for the care and maintenance of the family or family household by
21 an individual who was injured in the accident and not earning or producing income when
22 the accident occurred.

23 (3) As a condition of providing loss of income benefits under this
24 subsection, an insurer may require the injured individual to furnish the insurer with
25 reasonable medical proof of the injury causing loss of income.

26 (c) (1) An insurer may exclude from the coverage described in this section
27 benefits for:

28 (i) an individual, otherwise insured under the policy, who:

29 1. intentionally causes the motor vehicle accident resulting in
30 the injury for which benefits are claimed;

31 2. is a nonresident of the State and is injured as a pedestrian in
32 a motor vehicle accident that occurs outside of the State;

33 3. is injured in a motor vehicle accident while operating or
34 voluntarily riding in a motor vehicle that the individual knows is stolen; or

35 4. is injured in a motor vehicle accident while committing a
36 felony or while violating § 21-904 of the Transportation Article; or

5

1 (ii) the named insured or a family member of the named insured who
2 resides in the named insured's household for an injury that occurs while the named
3 insured or family member is occupying an uninsured motor vehicle owned by:

4 1. the named insured; or

5 2. an immediate family member of the named insured who
6 resides in the named insured's household.

7 (2) In the case of motorcycles, an insurer may:

8 (i) exclude the economic loss benefits described in this section; or

9 (ii) offer the economic loss benefits with deductibles, options, or
10 specific exclusions.]

11 [19-506.

12 (a) (1) If the first named insured does not wish to obtain the benefits described
13 in § 19-505 of this subtitle, the first named insured shall make an affirmative written
14 waiver of those benefits.

15 (2) If the first named insured does not make an affirmative written waiver
16 under this section, the insurer shall provide the coverage described in § 19-505 of this
17 subtitle.

18 (b) (1) As to a private passenger motor vehicle liability insurance policy, a
19 waiver made under this section constitutes a waiver of all the benefits described in §
20 19-505 of this subtitle, whether provided under the first named insured's policy or any
21 other private passenger motor vehicle liability insurance policy issued in the State.

22 (2) Subject to paragraph (3) of this subsection, a waiver made under this
23 section is binding on the following individuals covered by the policy:

24 (i) each named insured;

25 (ii) each listed driver; and

26 (iii) each member of the first named insured's family residing in the
27 first named insured's household who is at least 16 years old.

28 (3) An individual listed in paragraph (2)(ii) or (iii) of this subsection may
29 recover the benefits described in § 19-505 of this subtitle under another private passenger
30 motor vehicle liability insurance policy if that individual:

31 (i) is the first named insured under the other policy;

32 (ii) has not waived the benefits described in § 19-505 of this subtitle
33 under the other policy; and

34 (iii) is not a named insured under any other private passenger motor
35 vehicle liability insurance policy under which a waiver of the benefits described in §
36 19-505 of this subtitle is in effect.

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1 (c) A waiver made under this section is not effective unless, prior to the waiver,
 2 the insurer gives the first named insured written notice of the nature, extent, and cost of
 3 the coverage described in § 19-505 of this subtitle.

4 (d) (1) A waiver made under this section shall be made on the form that the
 5 Commissioner requires.

6 (2) The form may be part of the insurance contract.

7 (3) The form shall clearly and concisely explain in 10 point boldface type:

8 (i) the nature, extent, and cost of the coverage that would be provided
 9 under the policy if not waived by the first named insured;

10 (ii) each effect of a waiver as stated in subsection (b) of this section;

11 (iii) that a failure of the first named insured to make a waiver requires
 12 an insurer to provide the coverage described in § 19-505 of this subtitle;

13 (iv) that an insurer may not refuse to underwrite a person because the
 14 person refuses to waive the coverage described in § 19-505 of this subtitle; and

15 (v) that a waiver made under this section must be an affirmative
 16 written waiver.

17 (e) A waiver made under this section by a person that is insured continuously by
 18 the Maryland Automobile Insurance Fund is effective until the waiver is withdrawn in
 19 writing.

20 (f) (1) An insurer may not refuse to underwrite a person because the person
 21 refuses to waive the coverage described in § 19-505 of this subtitle.

22 (2) An insurer that violates this subsection is subject to the penalties
 23 provided by §§ 4-113 and 4-114 of this article.]

24 [19-507.

25 (a) The benefits described in § 19-505 of this subtitle shall be payable without
 26 regard to:

27 (1) the fault or nonfault of the named insured or the recipient of benefits in
 28 causing or contributing to the motor vehicle accident; and

29 (2) any collateral source of medical, hospital, or wage continuation benefits.

30 (b) (1) Subject to paragraph (2) of this subsection, if the insured has both
 31 coverage for the benefits described in § 19-505 of this subtitle and a collateral source of
 32 medical, hospital, or wage continuation benefits, the insurer or insurers may coordinate
 33 the policies to provide for nonduplication of benefits, subject to appropriate reductions in
 34 premiums for one or both of the policies approved by the Commissioner.

35 (2) The named insured may:

36 (i) elect to coordinate the policies by indicating in writing which policy
 37 is to be the primary policy; or

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1 (ii) reject the coordination of policies and nonduplication of benefits.

2 (c) An insurer that issues a policy that contains the coverage described in §
3 19-505 of this subtitle may not impose a surcharge for a claim or payment made under
4 that coverage and, at the time the policy is issued, shall notify the policyholder in writing
5 that a surcharge may not be imposed for a claim or payment made under that coverage.

6 (d) An insurer that provides the benefits described in § 19-505 of this subtitle
7 does not have a right of subrogation and does not have a claim against any other person
8 or insurer to recover any benefits paid because of the alleged fault of the other person in
9 causing or contributing to a motor vehicle accident.]

10 [19-508.

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

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

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

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

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

27 (b) When an insurer that provides the benefits described in § 19-505 of this
28 subtitle receives written notice from an insured of the occurrence of a motor vehicle
29 accident, the insurer shall notify the insured of the latest date on which a claim may be
30 filed as provided in subsection (a)(2)(i) of this section.

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

33 [19-509.

34 (a) In this section, "uninsured motor vehicle" means a motor vehicle:

35 (1) the ownership, maintenance, or use of which has resulted in the bodily
36 injury or death of an insured; and

37 (2) for which the sum of the limits of liability under all valid and collectible
38 liability insurance policies, bonds, and securities applicable to bodily injury or death:

39 (i) is less than the amount of coverage provided under this section; or

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1 (ii) has been reduced by payment to other persons of claims arising
2 from the same occurrence to an amount less than the amount of coverage provided under
3 this section.

4 (b) The uninsured motorist coverage required by this section does not apply to a
5 motor vehicle liability insurance policy that insures a motor vehicle that:

6 (1) is not subject to registration under § 13-402 of the Transportation
7 Article because it is not driven on a highway; or

8 (2) is exempt from registration under § 13-402(c)(10) of the Transportation
9 Article.

10 (c) In addition to any other coverage required by this subtitle, each motor vehicle
11 liability insurance policy issued, sold, or delivered in the State after July 1, 1975, shall
12 contain coverage for damages, subject to the policy limits, that:

13 (1) the insured is entitled to recover from the owner or operator of an
14 uninsured motor vehicle because of bodily injuries sustained in a motor vehicle accident
15 arising out of the ownership, maintenance, or use of the uninsured motor vehicle; and

16 (2) a surviving relative of the insured, who is described in § 3-904 of the
17 Courts Article, is entitled to recover from the owner or operator of an uninsured motor
18 vehicle because the insured died as the result of a motor vehicle accident arising out of
19 the ownership, maintenance, or use of the uninsured motor vehicle.

20 (d) The uninsured motorist coverage required by this section shall be in the form
21 and subject to the conditions that the Commissioner approves.

22 (e) (1) The uninsured motorist coverage contained in a motor vehicle liability
23 insurance policy:

24 (i) shall at least equal:

25 1. the amounts required by Title 17 of the Transportation
26 Article; and

27 2. the coverage provided to a qualified person under Title 20,
28 Subtitle 6 of this article; and

29 (ii) may not exceed the amount of liability coverage provided under
30 the policy.

31 (2) Unless waived in accordance with § 19-510 of this subtitle, the amount
32 of uninsured motorist coverage provided under a private passenger motor vehicle liability
33 insurance policy shall equal the amount of liability coverage provided under the policy.

34 (f) An insurer may exclude from the uninsured motorist coverage required by this
35 section benefits for:

36 (1) the named insured or a family member of the named insured who resides
37 in the named insured's household for an injury that occurs when the named insured or
38 family member is occupying or is struck as a pedestrian by an uninsured motor vehicle

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1 that is owned by the named insured or an immediate family member of the named insured
2 who resides in the named insured's household; and

3 (2) the named insured, a family member of the named insured who resides
4 in the named insured's household, and any other individual who has other applicable
5 motor vehicle insurance for an injury that occurs when the named insured, family
6 member, or other individual is occupying or is struck as a pedestrian by the insured motor
7 vehicle while the motor vehicle is operated or used by an individual who is excluded from
8 coverage under § 27-XXX of this article.

9 (g) The limit of liability for an insurer that provides uninsured motorist coverage
10 under this section is the amount of that coverage less the amount paid to the insured, that
11 exhausts any applicable liability insurance policies, bonds, and securities, on behalf of any
12 person that may be held liable for the bodily injuries or death of the insured.

13 (h) (1) A policy that, as its primary purpose, provides coverage in excess of
14 other valid and collectible insurance or qualified self-insurance may include the
15 uninsured motorist coverage provided for in this section.

16 (2) The uninsured motorist coverage required by this section is primary to
17 any right to recovery from the Maryland Automobile Insurance Fund under Title 20,
18 Subtitle 6 of this article.

19 (i) An endorsement or provision that protects the insured against damages
20 caused by an uninsured motor vehicle that is contained in a policy issued and delivered in
21 the State is deemed to cover damages caused by a motor vehicle insured by a liability
22 insurer that is insolvent or otherwise unable to pay claims to the same extent and in the
23 same manner as if the damages were caused by an uninsured motor vehicle.

24 (j) A provision in a motor vehicle liability insurance policy issued after July 1,
25 1975, about coverage for damages sustained by the insured as a result of the operation of
26 an uninsured motor vehicle that requires a dispute between the insured and the insurer to
27 be submitted to binding arbitration is prohibited and is of no legal effect.]

28 [19-510.

29 (a) This section applies only when the liability coverage under a policy or binder
30 of private passenger motor vehicle liability insurance exceeds the amount required under
31 § 17-103 of the Transportation Article.

32 (b) (1) If the first named insured under a policy or binder of private passenger
33 motor vehicle liability insurance does not wish to obtain uninsured motorist coverage in
34 the same amount as the liability coverage provided under the policy or binder, the first
35 named insured shall make an affirmative written waiver of having uninsured motorist
36 coverage in the same amount as the liability coverage.

37 (2) If the first named insured does not make an affirmative written waiver
38 under this section, the insurer shall provide uninsured motorist coverage in an amount
39 equal to the amount of the liability coverage provided under the policy or binder.

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1 (c) A waiver made under this section is not effective unless, prior to the waiver,
2 the insurer gives the first named insured written notice of the nature, extent, benefit, and
3 cost of the level of the uninsured motorist coverage being waived.

4 (d) (1) A waiver made under this section shall be made on the form that the
5 Commissioner requires.

6 (2) The form may be part of the insurance contract.

7 (3) The form shall clearly and concisely explain in 10 point boldface type:

8 (i) the nature, extent, benefit, and cost of the level of the uninsured
9 motorist coverage that would be provided under the policy if not waived by the first
10 named insured;

11 (ii) that a failure of the first named insured to make a waiver requires
12 an insurer to provide uninsured motorist coverage in an amount equal to the amount of
13 the liability coverage provided under the policy or binder of private passenger motor
14 vehicle liability insurance;

15 (iii) that an insurer may not refuse to underwrite a person because the
16 person refuses to waive the excess uninsured motorist coverage under this section; and

17 (iv) that a waiver made under this section must be an affirmative
18 written waiver.

19 (4) Subject to the Commissioner's approval, a waiver made under this
20 section may be made on the same form as the waiver made under § 19-506 of this subtitle.

21 (e) A waiver made under this section by a person that is insured continuously by
22 an insurer or by the Maryland Automobile Insurance Fund is effective until the waiver is
23 withdrawn in writing.

24 (f) (1) An insurer may not refuse to underwrite a person because the person
25 refuses to waive the excess uninsured motorist coverage under this section.

26 (2) An insurer that violates this subsection is subject to the penalties
27 provided by §§ 4-113 and 4-114 of this article.]

28 [19-511.

29 (a) If an injured person receives a written offer from a motor vehicle insurance
30 liability insurer or that insurer's authorized agent to settle a claim for bodily injury or
31 death, and the amount of the settlement offer, in combination with any other settlements
32 arising out of the same occurrence, would exhaust the bodily injury or death limits of the
33 applicable liability insurance policies, bonds, and securities, the injured person shall send
34 by certified mail, to any insurer that provides uninsured motorist coverage for the bodily
35 injury or death, a copy of the liability insurer's written settlement offer.

36 (b) Within 60 days after receipt of the notice required under subsection (a) of this
37 section, the uninsured motorist insurer shall send to the injured person:

38 (1) written consent to acceptance of the settlement offer and to the
39 execution of releases; or

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1 (2) written refusal to consent to acceptance of the settlement offer.

2 (c) Within 30 days after a refusal to consent to acceptance of a settlement offer
3 under subsection (b)(2) of this section, the uninsured motorist insurer shall pay to the
4 injured person the amount of the settlement offer.

5 (d) (1) Payment as described in subsection (c) of this section shall preserve the
6 uninsured motorist insurer's subrogation rights against the liability insurer and its
7 insured.

8 (2) Receipt by the injured person of the payment described in subsection (c)
9 of this section shall constitute the assignment, up to the amount of the payment, of any
10 recovery on behalf of the injured person that is subsequently paid from the applicable
11 liability insurance policies, bonds, and securities.

12 (e) The injured person may accept the liability insurer's settlement offer and
13 execute releases in favor of the liability insurer and its insured without prejudice to any
14 claim the injured person may have against the uninsured motorist insurer:

15 (1) on receipt of written consent to acceptance of the settlement offer and
16 to the execution of releases; or

17 (2) if the uninsured motorist insurer has not met the requirements of
18 subsection (b) or subsection (c) of this section.]

19 [19-512.

20 (a) (1) Each insurer that issues, sells, or delivers a motor vehicle insurance
21 policy in the State shall offer collision coverage for damage to insured motor vehicles
22 subject to deductibles of \$50 to \$250 in \$50 increments.

23 (2) Collision coverage shall provide insurance, without regard to fault,
24 against accidental property damage to the insured motor vehicle caused by physical
25 contact of the insured motor vehicle with another motor vehicle or other object or by
26 upset of the insured motor vehicle, if the motor vehicle accident occurs in a state, Canada,
27 or Mexico.

28 (b) (1) In this subsection, "passenger car" means a motor vehicle that is:

29 (i) a Class A (passenger) vehicle under § 13-912 of the
30 Transportation Article; or

31 (ii) a Class M (multipurpose) vehicle under § 13-937 of the
32 Transportation Article used primarily for transporting passengers.

33 (2) If a private passenger motor vehicle insurance policy issued, sold, or
34 delivered in the State includes collision coverage under this section, the motor vehicles
35 insured under that coverage shall include any passenger car that is rented by an insured
36 for a period of 30 days or less under a rental agreement as otherwise defined in § 14-2101
37 of the Commercial Law Article.

38 (3) Each insurer that provides a private passenger motor vehicle insurance
39 policy that includes collision coverage shall give the insured a separate notice written in
40 boldface type that the insured does not need a collision damage waiver or any additional

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1 collision coverage when renting a passenger car for a period of 30 days or less during the
2 term of the policy.

3 (4) An insurer may not deny coverage to an insured for collision damage to
4 a rental passenger car because:

5 (i) the motor vehicle accident involved an uninsured motorist; or

6 (ii) the identity of the motor vehicle causing the damage cannot be
7 ascertained.

8 (c) An insurer may offer to provide to the insured coverage for damages incurred
9 by the insured as a result of the loss of use of a rental vehicle that sustains collision
10 damage while rented by the insured.]

11 [19-513.

12 (a) This section does not prohibit a nonprofit health service plan or an authorized
13 insurer, with the approval of the Commissioner, from providing medical, hospital, and
14 disability benefits in connection with motor vehicle accidents.

15 (b) Notwithstanding any other provision of this subtitle, a person may not recover
16 benefits under the coverages described in §§ 19-504, 19-505, 19-509, and 19-512 of this
17 subtitle from more than one motor vehicle liability insurance policy or insurer on a
18 duplicative or supplemental basis.

19 (c) (1) The insurer of a motor vehicle for which the coverage described in §
20 19-505 of this subtitle is in effect shall pay the benefits described in § 19-505 of this
21 subtitle to an individual who is injured in a motor vehicle accident:

22 (i) while occupying the insured motor vehicle; or

23 (ii) by the insured motor vehicle as a pedestrian, while in, on, or
24 alighting from a vehicle powered by animal or muscular power, or while on or alighting
25 from an animal.

26 (2) An insurer may not pay benefits under paragraph (1) of this subsection
27 to an individual who is in violation of § 17-103 of the Transportation Article.

28 (d) (1) The insurer under a policy that contains the coverages described in §§
29 19-505 and 19-509 of this subtitle shall pay the benefits described in §§ 19-505 and
30 19-509 to an individual insured under the policy who is injured in a motor vehicle
31 accident:

32 (i) while occupying a motor vehicle for which the coverages described
33 in §§ 19-505 and 19-509 of this subtitle are not in effect; or

34 (ii) by a motor vehicle for which the coverages described in §§ 19-505
35 and 19-509 of this subtitle are not in effect as a pedestrian, while in, on, or alighting from
36 a vehicle powered by animal or muscular power, or while on or alighting from an animal.

37 (2) Benefits payable under paragraph (1) of this subsection shall be reduced
38 to the extent of any medical or disability benefits coverage that is:

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1 (i) applicable to the motor vehicle for which the coverages described
2 in §§ 19-505 and 19-509 of this subtitle are not in effect; and

3 (ii) collectible from the insurer of that motor vehicle.

4 (e) Benefits payable under the coverages described in §§ 19-505 and 19-509 of
5 this subtitle shall be reduced to the extent that the recipient has recovered benefits under
6 the workers' compensation laws of a state or the federal government.]

7 [19-514.

8 Authorized insurers that issue, sell, or deliver motor vehicle liability or physical
9 damage insurance policies in the State shall arbitrate and settle all motor vehicle physical
10 damage claims between the authorized insurers in accordance with an automobile
11 subrogation program sponsored by the intercompany arbitration organization chosen by
12 the authorized insurer that requests the arbitration.]

13 SUBTITLE 5. MOTOR VEHICLE ACCIDENT COMPENSATION AND COST SAVINGS ACT.

14 19-501.

15 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
16 INDICATED.

17 (B) "ACCIDENTAL BODILY INJURY" MEANS BODILY INJURY, SICKNESS, OR
18 DISEASE, INCLUDING DEATH RESULTING FROM BODILY INJURY, SICKNESS, OR
19 DISEASE, ARISING OUT OF THE OPERATION OR USE OF A MOTOR VEHICLE, OR
20 WHILE OCCUPYING A VEHICLE, WHICH IS ACCIDENTAL AS TO THE PERSON INJURED.

21 (C) (1) "ADDED PERSONAL COMPENSATION" MEANS AN OPTIONAL POLICY,
22 PLAN, OR COVERAGE FOR PERSONAL COMPENSATION.

23 (2) "ADDED PERSONAL COMPENSATION" INCLUDES BENEFITS WITH AN
24 AGGREGATE LIMIT OF \$250,000 PER PERSON, INCLUDING \$25,000 OF BASIC PERSONAL
25 COMPENSATION BENEFITS, TO CONSIST OF:

26 (I) MEDICAL EXPENSES;

27 (II) UP TO \$1,000 PER WEEK OF LOSS OF INCOME FROM WORK;

28 (III) UP TO \$300 PER WEEK OF REPLACEMENT SERVICES LOSS; AND

29 (IV) IF DEATH IS PROXIMATELY AND DIRECTLY CAUSED BY A
30 MOTOR VEHICLE AND OCCURS WITHIN 1 YEAR OF THE DATE OF THE ACCIDENT, A
31 DEATH BENEFIT OF \$25,000 PAYABLE TO THE DEPENDENTS, IF ANY, OR, IF NONE, TO
32 THE HEIRS OR ESTATE OF THE DECEDENT.

33 (D) (1) "BASIC PERSONAL COMPENSATION" MEANS A POLICY, PLAN, OR
34 COVERAGE FOR PERSONAL COMPENSATION THAT PROVIDES BENEFITS FOR LOSS
35 RESULTING FROM ACCIDENTAL BODILY INJURY, SUBJECT TO A DEDUCTIBLE OF \$250
36 WITH RESPECT TO CLAIMS BY THE NAMED INSURED OR A RESIDENT RELATIVE.

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1 (2) "BASIC PERSONAL COMPENSATION" INCLUDES THE FOLLOWING
2 ELEMENTS WITH AN AGGREGATE LIMIT OF \$25,000 PER PERSON EXCEPT AS
3 ADJUSTED UNDER THIS SUBTITLE:

4 (I) MEDICAL EXPENSES, SUBJECT TO ANY DEDUCTIBLE
5 APPLICABLE ONLY TO THE NAMED INSURED AND TO RESIDENT RELATIVES OF THE
6 NAMED INSURED;

7 (II) LOSS OF INCOME FROM WORK, NOT TO EXCEED \$500 PER WEEK
8 STARTING AFTER THE FIRST WEEK OF DISABILITY;

9 (III) REPLACEMENT SERVICES LOSS, NOT TO EXCEED \$100 PER
10 WEEK; AND

11 (IV) A DEATH BENEFIT OF \$5,000, PAYABLE TO THE DEPENDENTS, IF
12 ANY, OR, IF NONE, TO THE HEIRS OR ESTATE OF THE DECEDENT, IF THE DEATH OF
13 AN INJURED PERSON IS DIRECTLY AND PROXIMATELY CAUSED BY AN ACCIDENTAL
14 BODILY INJURY AND OCCURS WITHIN 1 YEAR OF THE DATE OF THE INJURY.

15 (E) (1) "CAUSE OF ACTION FOR INJURY" MEANS A CLAIM FOR ACCIDENTAL
16 BODILY INJURY FOR ECONOMIC OR NONECONOMIC LOSS, OR BOTH, CAUSED BY THE
17 NEGLIGENT CONDUCT OR INTENTIONAL MISCONDUCT OF ANOTHER PERSON.

18 (2) "CAUSE OF ACTION FOR INJURY" INCLUDES A CLAIM BY ANY
19 PERSON OTHER THAN A PERSON SUFFERING ACCIDENTAL BODILY INJURY BASED
20 ON SUCH INJURY.

21 (F) (1) "COLLATERAL SOURCES" MEANS ALL BENEFITS ONE RECEIVES OR
22 IS ENTITLED TO RECEIVE AS REIMBURSEMENT OF LOSS BECAUSE OF AN INJURY
23 FROM SOURCES OTHER THAN BASIC PERSONAL COMPENSATION.

24 (2) "COLLATERAL SOURCES" DOES NOT INCLUDE AMOUNTS ONE
25 RECEIVED OR IS ENTITLED TO RECEIVE:

26 (I) IN DISCHARGE OF FAMILIAL OBLIGATIONS OR SUPPORT;

27 (II) BY REASON OF ANOTHER'S DEATH, EXCEPT THAT THERE IS
28 SUBTRACTED FROM LOSS IN CALCULATING NET LOSS THOSE AMOUNTS RECEIVED
29 FROM SOCIAL SECURITY OR WORKERS' COMPENSATION; OR

30 (III) AS GRATUITIES, SUCH AS ANY PAYMENT MADE BY AN
31 EMPLOYER TO HIS EMPLOYEE OR AN EMPLOYEE'S SURVIVORS WHICH MAY NOT IN
32 ANY EVENT BE REGARDED AS A GRATUITY.

33 (G) "COMMISSIONER" HAS THE MEANING STATED IN § 1-101 OF THIS ARTICLE.

34 (H) "DEPENDENT" MEANS ANY PERSON RELATED TO ANOTHER PERSON BY
35 BLOOD, MARRIAGE, ADOPTION, OR OTHERWISE WHO RESIDES IN THE SAME
36 HOUSEHOLD AS SUCH PERSON AT THE TIME OF THE ACCIDENTAL BODILY INJURY,
37 AND RECEIVES FINANCIAL OR SERVICES SUPPORT FROM HIM OR HER.

38 (I) "DRIVING UNDER THE INFLUENCE OF ALCOHOL OR ILLEGAL DRUGS"
39 REFERS TO CONDUCT THAT IS UNLAWFUL UNDER § 21-902 OF THE

15

1 TRANSPORTATION ARTICLE WHEN THE CONDUCT CAUSES OR SUBSTANTIALLY
2 CONTRIBUTES TO THE HARM CLAIMED FOR.

3 (J) "ECONOMIC LOSS" MEANS MEDICAL EXPENSES, LOSS OF INCOME FROM
4 WORK, AND REPLACEMENT SERVICES LOSS INCURRED BY OR ON BEHALF OF AN
5 INJURED PERSON AS THE RESULT OF AN ACCIDENTAL BODILY INJURY TO THE
6 INJURED PERSON.

7 (K) "GOVERNMENT UNIT" MEANS THE UNITED STATES GOVERNMENT OR
8 ANY FEDERAL AGENCY, OR THE GOVERNMENT OF THE STATE OR ANY AGENCY OF
9 THE STATE.

10 (L) (1) "INJURED PERSON" MEANS A PERSON WHO SUSTAINS ACCIDENTAL
11 BODILY INJURY.

12 (2) "INJURED PERSON" INCLUDES, IF APPROPRIATE, THE PERSONAL
13 REPRESENTATIVE OF AN ESTATE.

14 (M) (1) "LOSS OF INCOME FROM WORK" MEANS 80% OF LOSS OF INCOME AN
15 INJURED PERSON WOULD HAVE EARNED THROUGH WORK DURING THE PERIOD OF
16 DISABILITY, REDUCED BY ANY INCOME:

17 (I) FROM SUBSTITUTE WORK ACTUALLY PERFORMED BY THE
18 INJURED PERSON; OR

19 (II) THAT THE INJURED PERSON WOULD HAVE EARNED FROM
20 AVAILABLE APPROPRIATE SUBSTITUTE WORK WHICH THE INJURED PERSON WAS
21 CAPABLE OF PERFORMING BUT UNREASONABLY FAILED TO UNDERTAKE.

22 (2) "LOSS OF INCOME FROM WORK" DOES NOT INCLUDE ANY LOSS
23 AFTER THE DEATH OF AN INJURED PERSON, AND PAYMENT FOR THE PERIOD OF
24 DISABILITY IS NOT TO EXCEED 2 YEARS FROM THE DATE OF THE ACCIDENT.

25 (N) (1) "MEDICAL EXPENSES" MEANS REASONABLE EXPENSES INCURRED
26 BY AN INJURED PERSON FOR NECESSARY MEDICAL, SURGICAL, X-RAY, DENTAL,
27 AMBULANCE, HOSPITAL, MEDICAL REHABILITATION, AND PROFESSIONAL NURSING
28 SERVICES.

29 (2) "MEDICAL EXPENSES" INCLUDES:

30 (I) EXPENSES FOR EYEGLASSES, HEARING AIDS, AND PROSTHETIC
31 DEVICES; AND

32 (II) EXPENSES INCURRED ON BEHALF OF AN INJURED PERSON BY
33 A PARENT OR GUARDIAN IF THE INJURED PERSON IS A MINOR OR INCOMPETENT,
34 OR BY A SURVIVING SPOUSE IF THE INJURED PERSON IS DECEASED.

35 (3) "MEDICAL EXPENSES" DOES NOT INCLUDE:

36 (I) UNLESS MEDICALLY REQUIRED, THAT PORTION OF THE
37 CHARGE FOR A ROOM IN ANY HOSPITAL, CLINIC, CONVALESCENT OR NURSING
38 HOME, EXTENDED CARE FACILITY, OR ANY SIMILAR FACILITY IN EXCESS OF THE

16

1 REASONABLE AND CUSTOMARY CHARGE FOR SEMIPRIVATE ACCOMMODATIONS;
2 OR

3 (II) TREATMENT, SERVICES, PRODUCTS, OR PROCEDURES THAT
4 ARE EXPERIMENTAL IN NATURE, FOR RESEARCH OR NOT PRIMARILY DESIGNED TO
5 SERVE A MEDICAL PURPOSE, OR NOT COMMONLY AND CUSTOMARILY RECOGNIZED
6 THROUGHOUT THE MEDICAL PROFESSION AND WITHIN THE UNITED STATES AS
7 APPROPRIATE FOR TREATMENT OF ACCIDENTAL BODILY INJURY.

8 (O) "MEDICAL REHABILITATION" MEANS REHABILITATION SERVICES
9 REASONABLY NECESSARY AND DESIGNED TO REDUCE THE DISABILITY AND
10 DEPENDENCE OF AN INJURED PERSON AND TO RESTORE SUCH PERSON, TO THE
11 EXTENT REASONABLY POSSIBLE, TO THE PERSON'S PREACCIDENT LEVEL OF
12 PHYSICAL FUNCTIONING.

13 (P) "MOTOR VEHICLE" MEANS:

14 (1) A VEHICLE OF A KIND REQUIRED TO BE REGISTERED UNDER THE
15 LAWS OF THIS STATE RELATING TO MOTOR VEHICLES, OTHER THAN A VEHICLE
16 WITH THREE OR FEWER LOAD BEARING WHEELS; OR

17 (2) A VEHICLE WITH FOUR OR MORE LOAD BEARING WHEELS,
18 INCLUDING A TRAILER, DESIGNED FOR OPERATION UPON A PUBLIC ROADWAY BY
19 OTHER THAN MUSCULAR POWER, EXCEPT A VEHICLE USED EXCLUSIVELY UPON
20 STATIONARY RAILS OR TRACKS.

21 (Q) "MOTOR VEHICLE INSURER" MEANS AN INSURER OR QUALIFIED
22 SELFINSURER PROVIDING INSURANCE ON MOTOR VEHICLES.

23 (R) (1) "NONECONOMIC LOSS" MEANS ANY LOSS OTHER THAN ECONOMIC
24 LOSS.

25 (2) "NONECONOMIC LOSS" INCLUDES PAIN, SUFFERING,
26 INCONVENIENCE, MENTAL ANGUISH, AND OTHER NONECONOMIC DAMAGE
27 OTHERWISE RECOVERABLE UNDER THE LAW OF THIS STATE.

28 (S) "OCCUPYING" MEANS TO BE IN OR UPON A MOTOR VEHICLE OR
29 ENGAGED IN THE IMMEDIATE ACT OF ENTERING INTO OR ALIGHTING FROM THE
30 MOTOR VEHICLE.

31 (T) (1) "OPERATION OR USE" MEANS OPERATION OR USE OF A MOTOR
32 VEHICLE AS A MOTOR VEHICLE.

33 (2) "OPERATION OR USE" DOES NOT INCLUDE MANUFACTURING, SALE,
34 OR MAINTENANCE OF A MOTOR VEHICLE, INCLUDING REPAIRING, SERVICING,
35 WASHING, LOADING, OR UNLOADING, UNLESS THE CONDUCT OCCURS WHILE
36 OCCUPYING IT.

37 (U) (1) "OWNER" MEANS THE PERSON OR PERSONS IN WHOSE NAME THE
38 MOTOR VEHICLE HAS BEEN REGISTERED.

39 (2) "OWNER" INCLUDES:

17

1 (I) IF NO REGISTRATION IS IN EFFECT AT THE TIME OF AN
2 ACCIDENT INVOLVING THE MOTOR VEHICLE, THE PERSON OR PERSONS HOLDING
3 LEGAL TITLE TO THE MOTOR VEHICLE; AND

4 (II) IN THE EVENT THE MOTOR VEHICLE IS THE SUBJECT OF A
5 SECURITY AGREEMENT OR LEASE WITH OPTION TO PURCHASE WITH THE DEBTOR
6 OR LESSEE HAVING THE RIGHT OF POSSESSION, THE DEBTOR OR LESSEE.

7 (3) "OWNER" DOES NOT INCLUDE THE UNITED STATES OF AMERICA OR
8 ANY FEDERAL AGENCY, EXCEPT WITH RESPECT TO MOTOR VEHICLES FOR WHICH
9 THE FEDERAL GOVERNMENT HAS ELECTED TO PROVIDE INSURANCE.

10 (V) "PERSON" INCLUDES AN ORGANIZATION, PUBLIC OR PRIVATE.

11 (W) "PERSONAL COMPENSATION" MEANS A POLICY, PLAN, OR COVERAGE
12 WHICH IS OBLIGATED TO PROVIDE BASIC AND, IF PURCHASED, ADDED
13 COMPENSATION BENEFITS, REGARDLESS OF FAULT, FOR LOSS RESULTING FROM
14 ACCIDENTAL BODILY INJURY.

15 (X) "PERSONAL COMPENSATION INSURED" MEANS:

16 (1) THE FIRST PERSON IDENTIFIED BY NAME AS AN INSURED UNDER A
17 POLICY PROVIDING PERSONAL COMPENSATION, THE SPOUSE OF THE PERSON IF A
18 RESIDENT OF THE SAME HOUSEHOLD, OR ANY OTHER RESIDENT RELATIVE OF THE
19 SAME HOUSEHOLD; OR

20 (2) WITH RESPECT TO ACCIDENTS WITHIN THIS STATE, ANY PERSON
21 WHO SUSTAINS ACCIDENTAL BODILY INJURY WHILE OCCUPYING OR THROUGH
22 BEING STRUCK BY A MOTOR VEHICLE INSURED FOR PERSONAL COMPENSATION.

23 (Y) "PERSONAL COMPENSATION INSURER" MEANS AN INSURER OR
24 QUALIFIED SELFINSURER PROVIDING PERSONAL COMPENSATION.

25 (Z) (1) "REPLACEMENT SERVICES LOSS" MEANS EXPENSES REASONABLY
26 INCURRED IN OBTAINING ORDINARY AND NECESSARY SERVICES FROM OTHERS
27 WHO ARE NOT MEMBERS OF THE INJURED PERSON'S HOUSEHOLD. REPLACEMENT
28 SERVICES LOSS IS NOT DUE IF THE INJURED PERSON IS ENTITLED TO RECEIVE
29 PERSONAL COMPENSATION BENEFITS FOR LOSS OF INCOME FROM WORK FOR THE
30 SAME TIME PERIOD.

31 (2) "REPLACEMENT SERVICES LOSS" DOES NOT INCLUDE ANY LOSS
32 AFTER THE DEATH OF AN INJURED PERSON, AND PAYMENT FOR THE PERIOD OF
33 DISABILITY UNDER BASIC PERSONAL PROTECTION IS NOT TO EXCEED 2 YEARS
34 FROM THE DATE OF ACCIDENTAL BODILY INJURY.

35 (AA) (1) "RESIDENT RELATIVE" MEANS A PERSON RELATED TO THE OWNER
36 OF A MOTOR VEHICLE BY BLOOD, MARRIAGE, ADOPTION, OR OTHERWISE, AND
37 RESIDING IN THE SAME HOUSEHOLD.

38 (2) "RESIDENT RELATIVE" INCLUDES A PERSON WHO RESIDES IN THE
39 SAME HOUSEHOLD AS THE OWNER IF HE OR SHE USUALLY MAKES HIS OR HER
40 HOME IN THE SAME FAMILY UNIT, EVEN THOUGH TEMPORARILY LIVING
41 ELSEWHERE.

18

1 (BB) (1) "SERIOUS INJURY" MEANS AN ACCIDENTAL BODILY INJURY WHICH
2 RESULTS IN DEATH, DISMEMBERMENT, A SIGNIFICANT AND PERMANENT LOSS OF
3 AN IMPORTANT BODY FUNCTION CAUSED BY A CONTINUING INJURY WHICH IS
4 PHYSICAL IN NATURE, OR SIGNIFICANT AND PERMANENT DISFIGUREMENT WHICH
5 IS USUALLY VISIBLE WHILE CLOTHED AND RESULTS IN SUBJECTION OF THE
6 INJURED PERSON TO MENTAL OR EMOTIONAL SUFFERING.

7 (2) "SERIOUS INJURY" DOES NOT INCLUDE SOFT TISSUE INJURIES,
8 INCLUDING BUT NOT LIMITED TO SPRAINS OR STRAINS.

9 (CC) "UNCOMPENSATED ECONOMIC LOSS" MEANS THAT PORTION OF
10 ECONOMIC LOSS ARISING OUT OF AN ACCIDENTAL BODILY INJURY OF AN INJURED
11 PERSON WHICH EXCEEDS THE BENEFITS PROVIDED BY PERSONAL COMPENSATION,
12 EXCEPT FOR LOSS ON ACCOUNT OF THE APPLICATION OF A DEDUCTIBLE UNDER
13 SUCH A POLICY, AND COLLATERAL SOURCES.

14 (DD) "UNINSURED MOTORIST" MEANS THE OWNER OF A MOTOR VEHICLE
15 UNINSURED FOR THE MINIMUM MOTOR VEHICLE INSURANCE REQUIRED BY THIS
16 STATE'S LAW.

17 19-502.

18 (A) IT IS THE FINDING OF THE GENERAL ASSEMBLY THAT CURRENTLY THE
19 RIGHT OF CONSUMERS TO BE COMPENSATED FOR LOSSES FROM A MOTOR VEHICLE
20 ACCIDENT IS LIMITED BY FACTORS OVER WHICH THE VICTIM HAS NO CONTROL.
21 THE RECOVERY IS DEPENDENT ON, AMONG OTHER THINGS, THE CONDUCT OF THE
22 OTHER DRIVER, THE AMOUNT OF LIABILITY INSURANCE, IF ANY, CARRIED BY THE
23 OTHER DRIVER, AND THE FINANCIAL RESOURCES, IF ANY, OF THE OTHER DRIVER.
24 TWO INDIVIDUALS WHO HAVE RECEIVED IDENTICAL INJURIES MAY RECOVER
25 VERY DIFFERENT AMOUNTS. MANY INDIVIDUALS, PARTICULARLY THE LARGE
26 NUMBER OF MOTORISTS INVOLVED IN ONE-CAR ACCIDENTS, RECEIVE NO
27 COMPENSATION FOR THEIR LOSSES AT ALL. ANY COMPENSATION IS OFTEN
28 DELAYED MANY MONTHS BECAUSE OF LAWSUITS.

29 (B) THIS SUBTITLE PROVIDES THAT CONSUMERS WILL HAVE PERSONAL
30 COMPENSATION INSURANCE WHICH WILL BE AVAILABLE TO THEMSELVES AND
31 THEIR FAMILY MEMBERS AND GUEST PASSENGERS WITHOUT REGARD TO FAULT.
32 CONSUMERS WILL BE REQUIRED ALSO TO CARRY MINIMUM BODILY INJURY
33 LIABILITY AND PROPERTY DAMAGE LIABILITY INSURANCE, AND THEY MAY
34 PURCHASE OPTIONAL COVERAGES.

35 (C) CONSUMERS WILL RETAIN THE ABILITY TO SEEK DAMAGES BASED ON
36 FAULT IN SERIOUS INJURY CASES FOR NONECONOMIC LOSS AND FOR
37 UNCOMPENSATED ECONOMIC LOSS IN ALL CASES, AND THEY WILL CONTINUE TO BE
38 ABLE TO SUE DRUNK OR DRUGGED DRIVERS, AS NOW.

39 (D) SIGNIFICANT CONSUMER COST SAVINGS ARE EXPECTED BECAUSE
40 NONECONOMIC LOSSES CAN NO LONGER BE RECOVERED IN MOST NUISANCE AND
41 MINOR INJURY CASES. SAVINGS ARE TO BE PASSED ON TO CONSUMERS BY WAY OF
42 THE RATES THEY PAY.

19

1 (E) CONSUMERS ARE ALSO PROTECTED BECAUSE LEGITIMATE PERSONAL
2 COMPENSATION CLAIMS MUST BE PAID PROMPTLY AND POLICY CANCELLATION
3 AND PREMIUM INCREASES ARE PROHIBITED UNDER SOME CIRCUMSTANCES.

4 19-503.

5 (A) EVERY MOTOR VEHICLE REQUIRED TO BE REGISTERED IN THIS STATE
6 SHALL BE INSURED FOR BASIC PERSONAL COMPENSATION, FOR AT LEAST \$20,000
7 PER PERSON AND \$40,000 PER ACCIDENT OF BODILY INJURY LIABILITY COVERAGE
8 AND FOR AT LEAST \$10,000 OF PROPERTY DAMAGE LIABILITY.

9 (B) (1) EVERY PRIMARY MOTOR VEHICLE INSURANCE POLICY WRITTEN IN
10 THIS STATE IS DEEMED TO INCLUDE AT LEAST ALL BASIC PERSONAL
11 COMPENSATION COVERAGE, BODILY INJURY LIABILITY COVERAGE, AND PROPERTY
12 DAMAGE LIABILITY INSURANCE REQUIRED BY THIS SUBTITLE.

13 (2) COVERAGE COMPLYING WITH THE REQUIREMENTS OF SUBSECTION
14 (A) OF THIS SECTION SATISFIES THE REQUIREMENTS OF THIS STATE'S FINANCIAL
15 RESPONSIBILITY LAW, NOTWITHSTANDING ANY LAW TO THE CONTRARY.

16 (C) (1) EVERY MOTOR VEHICLE INSURER SHALL MAKE AVAILABLE, AT THE
17 OPTION OF A NAMED INSURED, ADDED PERSONAL COMPENSATION COVERAGE.

18 (2) THE EXERCISE OF THE OPTION NOT TO PURCHASE ADDED
19 PERSONAL COMPENSATION BY A NAMED INSURED OR AN APPLICANT SHALL BE
20 BINDING ON ALL PERSONAL COMPENSATION INSUREDS COVERED UNDER THE
21 POLICY.

22 (3) NOTHING CONTAINED IN THIS SUBTITLE PREVENTS A MOTOR
23 VEHICLE INSURER FROM ALSO MAKING AVAILABLE OTHER OR ADDITIONAL
24 ADDED COMPENSATION BENEFITS IN COVERAGES AND AMOUNTS OTHER THAN
25 THOSE PRESCRIBED IN § 19-501(C) OF THIS SUBTITLE.

26 (4) AN APPLICANT OR INSURED MAY NOT BE REQUIRED TO PURCHASE
27 A LESSER AMOUNT THAN PROVIDED FOR IN § 19-501(C) OF THIS SUBTITLE.

28 (D) MOTOR VEHICLES WITH THREE OR FEWER LOAD BEARING WHEELS ARE
29 NOT REQUIRED TO BE INSURED FOR PERSONAL COMPENSATION, BUT ARE
30 REQUIRED TO COMPLY WITH OTHERWISE APPLICABLE FINANCIAL RESPONSIBILITY
31 REQUIREMENTS.

32 (E) MOTOR VEHICLE INSURERS ARE AUTHORIZED TO WRITE PERSONAL
33 COMPENSATION INSURANCE WITHOUT ANY DEDUCTIBLE OR SUBJECT TO
34 REASONABLE DEDUCTIBLES UNDER THIS SUBTITLE.

35 19-504.

36 (A) A MOTOR VEHICLE INSURER SHALL PAY PERSONAL COMPENSATION
37 BENEFITS FOR ACCIDENTAL BODILY INJURY OF A PERSONAL COMPENSATION
38 INSURED SUSTAINED WITHIN THE UNITED STATES OF AMERICA, ITS TERRITORIES
39 OR POSSESSIONS, OR CANADA.

20

1 (B) A MOTOR VEHICLE INSURANCE POLICY ISSUED TO SATISFY THE LAW OF
2 THIS STATE SHALL ALSO SATISFY THE FINANCIAL RESPONSIBILITY LAW OF ANY
3 JURISDICTION IN WHICH THE INSURED MOTOR VEHICLE IS BEING OPERATED WITH
4 RESPECT TO AN ACCIDENT OCCURRING IN THAT JURISDICTION.

5 19-505.

6 (A) A MOTOR VEHICLE INSURER IS NOT OBLIGED TO PROVIDE PERSONAL
7 COMPENSATION BENEFITS TO OR ON BEHALF OF ANY INJURED PERSON WHO:

8 (1) WAS INVOLVED IN A MOTOR VEHICLE ACCIDENT WHILE
9 COMMITTING A FELONY OR WHILE VOLUNTARILY OCCUPYING A MOTOR VEHICLE
10 KNOWN BY THE PERSON TO BE STOLEN;

11 (2) WAS DRIVING UNDER THE INFLUENCE OF ALCOHOL OR ILLEGAL
12 DRUGS;

13 (3) WAS OPERATING OR OCCUPYING A MOTOR VEHICLE WITH THREE
14 OR FEWER LOAD BEARING WHEELS; OR

15 (4) WAS AN UNINSURED MOTORIST.

16 (B) A MOTOR VEHICLE INSURER IS NOT OBLIGED TO PROVIDE BASIC
17 PERSONAL COMPENSATION BENEFITS FOR LOSS OF INCOME FOR THE FIRST WEEK
18 OF DISABILITY.

19 19-506.

20 (A) PERSONAL COMPENSATION BENEFITS WHEN DUE ARE PAYABLE AT THE
21 OPTION OF THE MOTOR VEHICLE INSURER TO ANY OF THE FOLLOWING:

22 (1) THE INJURED PERSON;

23 (2) THE PARENT OR GUARDIAN OF THE INJURED PERSON, IF THE
24 INJURED PERSON IS A MINOR OR INCOMPETENT;

25 (3) A DEPENDENT SURVIVOR, EXECUTOR, OR ADMINISTRATOR OF THE
26 INJURED PERSON; OR

27 (4) ANY OTHER PERSON OR ORGANIZATION RENDERING THE SERVICES
28 FOR WHICH PAYMENT IS DUE.

29 (B) UNDER BASIC PERSONAL COMPENSATION AND UNDER ADDED PERSONAL
30 COMPENSATION, MEDICAL EXPENSES ARE PAYABLE FOR SERVICES PROVIDED TO
31 THE INSURED PERSON WITHIN 2 YEARS OF THE DATE OF ACCIDENTAL BODILY
32 INJURY.

33 19-507.

34 (A) REGARDLESS OF THE NUMBER OF MOTOR VEHICLES INVOLVED,
35 PERSONS COVERED, CLAIMS MADE, MOTOR VEHICLES OR PREMIUMS SHOWN ON
36 THE POLICY, OR PREMIUMS PAID, THE COVERAGE LIMITS UNDER A MOTOR
37 VEHICLE INSURANCE POLICY OR POLICIES FOR ANY ONE COVERAGE MAY NOT BE
38 ADDED TO, COMBINED WITH, OR OTHERWISE STACKED WITH ANY OTHER

21

1 COVERAGE LIMIT TO DETERMINE THE MAXIMUM LIMIT OF COVERAGE AVAILABLE
2 TO AN INJURED PERSON FOR ANY ONE ACCIDENT.

3 (B) UNLESS THE CONTRACT CLEARLY PROVIDES OTHERWISE, POLICIES OR
4 PLANS MAY ALSO PROVIDE THAT IF TWO OR MORE POLICIES, PLANS, OR
5 COVERAGES APPLY EQUALLY TO THE SAME ACCIDENT, THE HIGHEST LIMIT OF
6 LIABILITY APPLICABLE SHALL BE THE MAXIMUM AMOUNT AVAILABLE TO AN
7 INJURED PERSON UNDER ANY ONE OF SUCH POLICIES. EACH SUCH POLICY, PLAN,
8 OR COVERAGE SHALL BEAR ITS PROPORTIONATE SHARE OF THE LOSS.

9 19-508.

10 (A) PERSONS ENTITLED TO BASIC PERSONAL COMPENSATION BENEFITS
11 PROVIDED UNDER THIS SUBTITLE ARE ENTITLED TO AT LEAST THE PERSONAL
12 COMPENSATION COVERAGE UNDER THE POLICY INSURING THEM AND SHALL
13 CLAIM SUCH BENEFITS FROM INSURERS IN THE FOLLOWING ORDER OF PRIORITY
14 UP TO THE LIMITS OF PERSONAL COMPENSATION IN THE LISTED CATEGORY:

15 (1) THE PERSONAL COMPENSATION COVERING A MOTOR VEHICLE
16 INVOLVED IN THE ACCIDENT, IF THE PERSON INJURED WAS AN OCCUPANT OF OR
17 WAS STRUCK BY THE MOTOR VEHICLE AT THE TIME OF THE ACCIDENT; AND

18 (2) THE PERSONAL COMPENSATION UNDER WHICH THE INJURED
19 PERSON IS OR WAS AN INSURED.

20 (B) IF TWO OR MORE INSURERS ARE OBLIGATED TO PAY PERSONAL
21 COMPENSATION BENEFITS IN ACCORDANCE WITH THE PRIORITIES SET OUT IN
22 SUBSECTION (A) OF THIS SECTION, THE MOTOR VEHICLE INSURER AGAINST WHOM
23 THE CLAIM IS FIRST MADE SHALL PAY THE CLAIM AS IF WHOLLY RESPONSIBLE, AND
24 MAY THEREAFTER RECOVER CONTRIBUTION PRO RATA FROM ANY OTHER MOTOR
25 VEHICLE INSURER AT THE SAME PRIORITY LEVEL FOR THE COST OF THE PAYMENTS
26 AND THE PROCESSING OF THE CLAIM.

27 (C) FOR PURPOSES OF THIS SECTION, AN UNOCCUPIED PARKED MOTOR
28 VEHICLE IS NOT A MOTOR VEHICLE INVOLVED IN AN ACCIDENT UNLESS IT WAS
29 PARKED IN SUCH A WAY AS TO CAUSE UNREASONABLE RISK OF INJURY.

30 19-509.

31 (A) (1) AS TO BASIC PERSONAL COMPENSATION BENEFITS, EXCEPT AS
32 PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A MOTOR VEHICLE INSURER
33 HAS THE PRIMARY OBLIGATION TO INDEMNIFY AN INJURED PERSON. IN ORDER TO
34 AVOID DUPLICATION OF BENEFITS, SOURCES OF COVERAGE PROVIDED BY
35 PROVIDERS OTHER THAN THOSE LISTED IN THIS SUBSECTION OF BENEFITS PAID
36 FOR ACCIDENTAL BODILY INJURY SHALL BE SECONDARY TO OR IN EXCESS OF THE
37 BENEFITS PAID OR PAYABLE UNDER BASIC PERSONAL COMPENSATION.

38 (2) THE AMOUNT OF ALL BENEFITS AN INJURED PERSON RECOVERS, OR
39 IS ENTITLED TO RECOVER, UNDER A STATE MANDATED DISABILITY COVERAGE OR
40 ANY WORKERS' COMPENSATION ACT OR SIMILAR OCCUPATIONAL INJURY ACT
41 BECAUSE OF THE SAME ACCIDENTAL BODILY INJURY SHALL BE SUBTRACTED FROM

22

1 THE BASIC PERSONAL COMPENSATION OTHERWISE PAYABLE TO THE INJURED
2 PERSON.

3 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
4 ADDED PERSONAL COMPENSATION BENEFITS SHALL BE IN EXCESS OF OR
5 SECONDARY TO ALL COLLATERAL SOURCES.

6 (2) A MOTOR VEHICLE INSURER WRITING ADDED PERSONAL
7 COMPENSATION INSURANCE IS AUTHORIZED TO WRITE SUCH COVERAGE AS
8 PRIMARY TO, AS DUPLICATIVE OF, OR AS COINSURANCE WITH SUCH COLLATERAL
9 SOURCES IF IT DOES SO IN SPECIFIC LANGUAGE CLEARLY MANIFESTING AN INTENT
10 NOT TO BE IN EXCESS OF COLLATERAL SOURCES.

11 19-510.

12 (A) (1) EXCEPT IN CASES OF SERIOUS INJURY OR AS PROVIDED IN
13 SUBSECTION (B) OF THIS SECTION, FOR ANY ACCIDENTAL BODILY INJURY CAUSED
14 IN WHOLE OR IN PART BY A PERSON ARISING OUT OF THE OPERATION OR USE OF A
15 MOTOR VEHICLE, INCLUDING ANY PERSON WHO MIGHT BE HELD VICARIOUSLY
16 LIABLE, THERE SHALL BE NO CAUSE OF ACTION FOR INJURY OTHER THAN FOR
17 UNCOMPENSATED ECONOMIC LOSS.

18 (2) AN UNINSURED MOTORIST MAY NOT HAVE A CAUSE OF ACTION TO
19 RECOVER DAMAGES FOR WHICH COMPENSATION WOULD HAVE BEEN PROVIDED
20 HAD THE UNINSURED MOTORIST COMPLIED WITH THE INSURANCE LAWS OF THIS
21 STATE.

22 (B) (1) A PERSON HAS A CAUSE OF ACTION FOR ACCIDENTAL BODILY
23 INJURY REGARDLESS OF WHETHER THE INJURY IS A SERIOUS INJURY AGAINST ANY
24 NEGLIGENT PARTY WHO CAUSED THE INJURY AND WHO IS CONVICTED OF DRIVING
25 UNDER THE INFLUENCE OF ALCOHOL OR ILLEGAL DRUGS, OR OF A FELONY IN
26 CONNECTION WITH THE ACCIDENT FROM WHICH THE CLAIM ARISES.

27 (2) ANY PARTY PROVIDING PERSONAL COMPENSATION OR
28 COLLATERAL SOURCE PAYMENTS TO SUCH INJURED PERSON HAS A RIGHT OF
29 SUBROGATION AGAINST SUCH CONVICTED PARTY.

30 (3) DAMAGES RECOVERABLE IN AN ACTION BROUGHT UNDER THIS
31 SUBSECTION MAY NOT, AS A MATTER OF PUBLIC POLICY, BE INSURABLE OR
32 RECOVERABLE UNDER ANY POLICY OF LIABILITY OR UNINSURED MOTORIST
33 INSURANCE.

34 (C) (1) IN ANY ACTION WHERE THE DEFENDANT CONTENDS THAT THE
35 PLAINTIFF'S INJURY IS NOT A SERIOUS INJURY, EITHER PARTY MAY SEEK SUMMARY
36 JUDGMENT ON THAT ISSUE.

37 (2) IF SUCH A MOTION IS MADE, THE COURT MUST DETERMINE AT
38 LEAST 30 DAYS BEFORE THE DATE SET FOR TRIAL WHETHER THERE IS ANY
39 MATERIAL ISSUE OF FACT AS TO WHETHER THE INJURY IS A SERIOUS INJURY AND,
40 IF NOT, RENDER SUMMARY JUDGMENT IN ACCORDANCE WITH THE UNDISPUTED
41 FACTS.

1 (3) IF THE FACTS REGARDING THE NATURE OF THE INJURY AND ITS
2 EFFECT ON THE PLAINTIFF ARE UNDISPUTED, THE QUESTION OF WHETHER THOSE
3 EFFECTS RENDER THE INJURY A SERIOUS INJURY IS A QUESTION OF LAW TO BE
4 DECIDED BY THE COURT.

5 (4) IF THE COURT RENDERS SUMMARY JUDGMENT ON THIS ISSUE AND
6 FINDS THAT THE PARTY AGAINST WHOM SUCH SUMMARY JUDGMENT IS RENDERED
7 HAD NO REASONABLE BASIS FOR ITS POSITION, THE COURT SHALL ASSESS AGAINST
8 SUCH PARTY THE REASONABLE COSTS AND ATTORNEY'S FEES BASED UPON ACTUAL
9 TIME INCURRED OR EXPENDED BY THE OTHER PARTY TO OBTAIN A
10 DETERMINATION ON THAT ISSUE.

11 (D) (1) IN ANY ACTION TRIED TO A JURY WHERE THE DEFENDANT
12 CONTENTS THAT THE PLAINTIFF'S INJURY IS NOT A SERIOUS INJURY BUT THE
13 DEFENDANT CONCEDED OR THE COURT DETERMINES THAT THERE IS A MATERIAL
14 ISSUE OF FACT AS TO WHETHER THE PLAINTIFF'S INJURY IS A SERIOUS INJURY
15 THEN, UPON MOTION OF THE DEFENDANT, THAT ISSUE SHALL BE SEPARATELY
16 TRIED AND ON OTHER EVIDENCE AS TO PLAINTIFFS NONECONOMIC LOSS SHALL BE
17 RECEIVED UNTIL THAT ISSUE HAS BEEN DECIDED.

18 (2) AFTER RESOLUTION OF THAT ISSUE, THE AMOUNT OF THE
19 PLAINTIFF'S NONECONOMIC LOSS MAY BE TRIED BEFORE THE SAME JURY OR A
20 DIFFERENT JURY, AS THE COURT MAY IN ITS DISCRETION DECIDE.

21 19-511.

22 (A) EXCEPT AS PROVIDED IN THIS SUBTITLE, THERE IS NO RIGHT OF
23 SUBROGATION BY A MOTOR VEHICLE INSURER FOR PERSONAL COMPENSATION
24 BENEFITS.

25 (B) A MOTOR VEHICLE INSURER IS SUBROGATED, TO THE EXTENT OF ITS
26 OBLIGATIONS, TO ALL OF THE RIGHTS OF ITS PERSONAL COMPENSATION INSURED
27 WITH RESPECT TO AN ACCIDENT CAUSED IN WHOLE OR IN PART BY:

28 (1) THE NEGLIGENCE OF AN UNINSURED MOTORIST;

29 (2) A PERSON CONVICTED OF DRIVING UNDER THE INFLUENCE OF
30 ALCOHOL OR ILLEGAL DRUGS OR OF ANY FELONY IN CONNECTION WITH THE
31 ACCIDENT; OR

32 (3) ANY PERSON WHO IS NOT AFFECTED BY THE LIMITATIONS ON TORT
33 RIGHTS AND LIABILITIES UNDER § 19-510 OF THIS SUBTITLE.

34 19-512.

35 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
36 SUBTRACTION MAY NOT BE MADE AGAINST PERSONAL COMPENSATION DUE
37 BECAUSE OF THE VALUE OF A CAUSE OF ACTION FOR INJURY.

38 (2) AFTER RECOVERY IS REALIZED UNDER A CAUSE OF ACTION, A
39 SUBTRACTION MAY BE MADE, BUT THE SUBTRACTION MAY BE NO MORE THAN THE
40 NET RECOVERY, EXCLUSIVE OF REASONABLE ATTORNEY'S FEES AND OTHER
41 REASONABLE EXPENSES INCURRED IN EFFECTING THE RECOVERY.

24

1 (B) (1) IF PAYMENT UNDER INSURANCE HAS ALREADY BEEN RECEIVED,
2 THE RECIPIENT SHALL REPAY TO THE INSURER OUT OF SUCH RECOVERY A SUM
3 EQUAL TO THE PAYMENTS RECEIVED BUT NOT MORE THAN THE REALIZED NET
4 RECOVERY.

5 (2) THE INSURER SHALL HAVE A LIEN ON THE RECOVERY TO THE
6 EXTENT PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

7 (C) FOR PERSONAL COMPENSATION, ANY REMAINDER OF THE NET
8 RECOVERY FROM SUCH CAUSE OF ACTION APPLIES PERIODICALLY AGAINST LOSS
9 AS IT ACCRUES, UNTIL AN AMOUNT EQUAL TO THE NET RECOVERY UNDER SUCH A
10 CAUSE OF ACTION HAS BEEN SUBTRACTED.

11 19-513.

12 (A) PERSONAL COMPENSATION BENEFITS, OTHER THAN THOSE FOR
13 MEDICAL EXPENSES, ARE EXEMPT FROM GARNISHMENT, ATTACHMENT,
14 EXECUTION, AND ANY OTHER PROCESS OR CLAIM TO THE EXTENT THAT WAGES OR
15 EARNINGS ARE EXEMPT UNDER ANY APPLICABLE LAW EXEMPTING WAGES OR
16 EARNINGS FROM PROCESS OR CLAIMS.

17 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN
18 AGREEMENT FOR ASSIGNMENT OF ANY RIGHT TO PERSONAL COMPENSATION
19 BENEFITS PAYABLE IN THE FUTURE OTHER THAN MEDICAL EXPENSES IS
20 UNENFORCEABLE.

21 (2) AN AGREEMENT SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION
22 MAY BE ENFORCEABLE IF THE BENEFITS ARE FOR:

23 (I) THE COST OF PRODUCTS, SERVICES, OR ACCOMMODATIONS
24 PROVIDED OR TO BE PROVIDED BY THE ASSIGNEE; OR

25 (II) LOSS OF INCOME FROM WORK OR REPLACEMENT SERVICES
26 THAT ARE ASSIGNED TO SECURE PAYMENT OF ALIMONY, MAINTENANCE, OR CHILD
27 SUPPORT.

28 (C) PERSONAL COMPENSATION BENEFITS MAY BE PAID BY THE MOTOR
29 VEHICLE INSURER DIRECTLY TO PERSONS SUPPLYING NECESSARY PRODUCTS,
30 SERVICES, OR ACCOMMODATIONS TO THE INJURED PERSON.

31 19-514.

32 (A) A MOTOR VEHICLE INSURER MAY NOT CANCEL, FAIL TO RENEW, OR
33 INCREASE THE PREMIUM OF ITS INSURED SOLELY ON ACCOUNT OF THE INSURED
34 OR ANY OTHER INJURED PERSON MAKING A CLAIM FOR PERSONAL COMPENSATION
35 BENEFITS WHEN THE PERSONAL COMPENSATION INSURED DRIVER WAS NOT AT
36 FAULT.

37 (B) (1) IF AN INSURER FAILS TO COMPLY WITH THE PROVISIONS OF
38 SUBSECTION (A) OF THIS SECTION, THE INSURER SHALL BE LIABLE TO THE INSURED
39 FOR THE COVERAGE WHICH WOULD HAVE BECOME EFFECTIVE EXCEPT FOR THE
40 FAILURE OF THE INSURER.

25

1 (2) THE LIABILITY CREATED IN PARAGRAPH (1) OF THIS SUBSECTION IS
2 IN ADDITION TO ANY OTHER PENALTIES UNDER THE LAW.

3 19-515.

4 (A) SUBJECT TO THE ARBITRATION PROVISIONS IN § 19-519 OF THIS SUBTITLE,
5 IF NO PERSONAL COMPENSATION BENEFITS HAVE BEEN PAID, AN ACTION MAY BE
6 COMMENCED AGAINST THE MOTOR VEHICLE INSURER NOT LATER THAN 2 YEARS
7 AFTER THE INJURED PERSON SUFFERS ACCIDENTAL BODILY INJURY.

8 (B) IF PERSONAL COMPENSATION BENEFITS HAVE BEEN PAID, AN ACTION
9 FOR RECOVERY OF FURTHER BENEFITS BY EITHER THE INJURED PERSON OR
10 ANOTHER CLAIMANT MAY BE COMMENCED NOT LATER THAN 2 YEARS AFTER THE
11 LAST PAYMENT OF BENEFITS.

12 19-516.

13 (A) IF THE MENTAL OR PHYSICAL CONDITION OF AN INJURED PERSON IS
14 MATERIAL TO ANY CLAIM THAT HAS BEEN MADE OR MAY BE MADE FOR PAST OR
15 FUTURE MOTOR VEHICLE INSURANCE BENEFITS, THE INJURED PERSON SHALL
16 SUBMIT TO REASONABLE MENTAL OR PHYSICAL EXAMINATIONS BY A PHYSICIAN
17 OR PHYSICIANS DESIGNATED BY THE MOTOR VEHICLE INSURER AT A REASONABLY
18 CONVENIENT TIME AND LOCATION, SUBJECT TO REGULATIONS, IF ANY, ADOPTED
19 BY THE COMMISSIONER.

20 (B) MOTOR VEHICLE INSURERS ARE AUTHORIZED TO INCLUDE PROVISIONS
21 CONSISTENT WITH SUBSECTION (A) OF THIS SECTION IN POLICIES PROVIDING ANY
22 TYPE OF MOTOR VEHICLE INSURANCE.

23 (C) IF AN INSURER HAS REQUESTED A PERSON RECEIVING PERSONAL
24 COMPENSATION BENEFITS TO UNDERGO MEDICAL OR REHABILITATION SERVICES
25 AND THAT PERSON UNREASONABLY REFUSES TO COMPLY WITH THE REQUEST, THE
26 INSURER MAY, ON WRITTEN NOTICE, SUSPEND ALL FUTURE BENEFITS UNTIL THE
27 PERSON COMPLIES WITH THE REQUEST.

28 (D) MOTOR VEHICLE INSURERS ARE AUTHORIZED TO REVIEW MEDICAL
29 EXPENSES PRIOR TO, DURING, AND AFTER THE COURSE OF TREATMENT OF AN
30 INJURED PERSON, TO ENSURE THAT THEY ARE BOTH REASONABLE AND
31 NECESSARY.

32 19-517.

33 (A) IF AN INSURER PROVIDING BENEFITS UNDER THIS SUBTITLE REQUESTS
34 VERIFICATION OF ENTITLEMENT TO BENEFITS, AN EMPLOYER SHALL FURNISH TO
35 THE INSURER PERTINENT INFORMATION ON A FORM APPROVED BY THE
36 COMMISSIONER REGARDING AN EMPLOYEE WHO HAS FILED A CLAIM FOR
37 PERSONAL COMPENSATION BENEFITS.

38 (B) (1) EACH PHYSICIAN, HOSPITAL, CLINIC, OR OTHER MEDICAL
39 INSTITUTION PROVIDING, BEFORE OR AFTER AN INJURY RESULTING FROM A
40 MOTOR VEHICLE ACCIDENT ON WHICH A CLAIM IS BASED, ANY PRODUCTS,
41 SERVICES, OR ACCOMMODATIONS IN RELATION TO THAT OR ANY OTHER INJURY,
42 OR IN RELATION TO A CONDITION CLAIMED TO BE CONNECTED WITH THAT OR ANY

26

1 OTHER INJURY SHALL, IF REQUESTED BY THE MOTOR VEHICLE INSURER AGAINST
2 WHOM THE CLAIM HAS BEEN MADE, FURNISH ALL REQUESTED DOCUMENTATION
3 AND A WRITTEN REPORT OF THE HISTORY, CONDITION, AND TREATMENT, AND THE
4 DATES AND COSTS OF THE TREATMENT, OF THE INJURED PERSON.

5 (2) THE INSURER MAY REQUIRE THAT THE INFORMATION BE
6 PROVIDED TOGETHER WITH A SWORN STATEMENT THAT THE TREATMENT OR
7 SERVICES RENDERED WERE REASONABLE AND NECESSARY WITH RESPECT TO THE
8 INJURY SUSTAINED AND IDENTIFYING WHICH PORTION OF THE EXPENSES FOR
9 SUCH TREATMENT OR SERVICES WERE INCURRED AS A RESULT OF SUCH INJURY.

10 (3) EACH PHYSICIAN, HOSPITAL, CLINIC, OR OTHER MEDICAL
11 INSTITUTION SHALL ALSO PROMPTLY PRODUCE AND PERMIT THE INSPECTION AND
12 COPYING OF ITS RECORDS REGARDING THE HISTORY, CONDITION, AND
13 TREATMENT, AND THE DATES AND COSTS OF TREATMENT.

14 (4) THE SWORN STATEMENT MAY READ AS FOLLOWS:

15 "UNDER PENALTY OF PERJURY I DECLARE THAT I HAVE READ THE
16 FOREGOING AND THE FACTS ALLEGED ARE TRUE, TO THE BEST OF MY KNOWLEDGE
17 AND BELIEF."

18 (5) A CAUSE OF ACTION FOR VIOLATION OF A PHYSICIAN-PATIENT
19 PRIVILEGE OR INVASION OF THE RIGHT OF PRIVACY MAY NOT BE ALLOWED
20 AGAINST ANY PHYSICIAN, HOSPITAL, CLINIC, OR OTHER MEDICAL INSTITUTION
21 COMPLYING WITH THE PROVISIONS OF THIS SUBSECTION.

22 (6) THE PERSON REQUESTING RECORDS AND ANY SWORN STATEMENT
23 UNDER THIS SUBSECTION SHALL PAY ALL REASONABLE COSTS CONNECTED WITH
24 THE REQUEST.

25 (C) IN THE EVENT OF ANY DISPUTE REGARDING THE MOTOR VEHICLE
26 INSURER'S RIGHT TO DISCOVERY OF FACTS ABOUT AN INJURED PERSON, IF THE
27 DISPUTE IS NOT REFERRED TO ARBITRATION UNDER THIS SUBTITLE, A COURT OF
28 RECORD MAY ENTER AN ORDER FOR DISCOVERY AS JUSTICE REQUIRES.

29 19-518.

30 THE COMMISSIONER MAY ADOPT REGULATIONS TO PROVIDE EFFECTIVE
31 ADMINISTRATION OF THIS SUBTITLE THAT ARE CONSISTENT WITH ITS PURPOSES,
32 INCLUDING REGULATIONS THAT AUTHORIZE MOTOR VEHICLE INSURERS TO WRITE
33 PERSONAL COMPENSATION INSURANCE WITH REASONABLE DEDUCTIBLES HIGHER
34 OR LOWER IN AMOUNT THAN PROVIDED IN THIS SUBTITLE.

35 19-519.

36 (A) ANY DISPUTE WITH RESPECT TO PERSONAL COMPENSATION COVERAGE
37 BETWEEN A MOTOR VEHICLE INSURER AND AN INJURED PERSON, OR THE
38 DEPENDENTS OF THE PERSON, SHALL BE SUBMITTED TO ARBITRATION.

39 (B) AFTER ANY PARTY TO THE DISPUTE REQUESTS ARBITRATION, EACH
40 PARTY SHALL SELECT AN ARBITRATOR AND THE TWO ARBITRATORS SO NAMED
41 SHALL SELECT A THIRD ARBITRATOR.

27

1 (C) THE WRITTEN DECISION OF ANY TWO ARBITRATORS IS BINDING ON
2 EACH PARTY TO THE DISPUTE.

3 19-520.

4 (A) (1) EACH MOTOR VEHICLE INSURER AUTHORIZED TO TRANSACT
5 BUSINESS IN THIS STATE SHALL FILE WITH THE COMMISSIONER, AS A CONDITION OF
6 ITS CONTINUED TRANSACTION OF BUSINESS WITHIN THIS STATE, A FORM
7 APPROVED BY THE COMMISSIONER DECLARING THAT ANY CONTRACT OF PRIMARY
8 MOTOR VEHICLE INSURANCE, WHEREVER ISSUED, COVERING THE MAINTENANCE
9 OR USE OF A MOTOR VEHICLE WHILE THE MOTOR VEHICLE IS IN THIS STATE, IS
10 DEEMED TO PROVIDE BASIC PERSONAL COMPENSATION AND MINIMUM BODILY
11 INJURY AND PROPERTY DAMAGE LIABILITY INSURANCE AT LEVELS REQUIRED BY
12 THE LAW OF THIS STATE.

13 (2) CONSISTENT WITH PARAGRAPH (1) OF THIS SUBSECTION, ANY
14 UNAUTHORIZED INSURER MAY ALSO FILE A FORM.

15 (B) ANY PERSON INVOLVED IN ANY MOTOR VEHICLE ACCIDENT IN THIS
16 STATE IS SUBJECT TO THE TORT AND LIABILITY LIMITATIONS IN THIS SUBTITLE.

17 19-521.

18 IF § 19-510 OF THIS SUBTITLE IS FOUND TO BE UNCONSTITUTIONAL OR
19 INVALID, IT IS TO BE CONCLUSIVELY PRESUMED THAT THE LEGISLATURE WOULD
20 NOT HAVE ENACTED THE REMAINDER OF THIS SUBTITLE WITHOUT THESE
21 LIMITATIONS, AND THE ENTIRE SUBTITLE IS INVALID.

22 19-522.

23 (A) ANY PREDICTED OR REALIZED REDUCTION IN INCURRED CLAIMS, LOSS
24 ADJUSTMENT EXPENSES, OR GENERAL EXPENSES THAT RESULT FROM ISSUING
25 INSURANCE POLICIES IN THE STATE UNDER THIS SUBTITLE SHALL BE PROMPTLY
26 REFLECTED IN AN INSURER'S RATE FOR MOTOR VEHICLE INSURANCE COVERAGE.

27 (B) IF § 19-510 OF THIS SUBTITLE IS RULED UNCONSTITUTIONAL IN WHOLE OR
28 IN PART, AN INSURER MAY RECOUP ANY RESULTING LOSSES.

29 (C) THE COMMISSIONER IS AUTHORIZED TO ENFORCE THE PROVISIONS OF
30 THIS SUBTITLE.

31 19-523.

32 THIS SUBTITLE MAY BE CITED AS THE MOTOR VEHICLE ACCIDENT
33 COMPENSATION AND COST SAVINGS ACT.

34 **Article - Transportation**

35 17-103.

36 (a) (1) Except as provided in paragraph (2) of this subsection, the form of
37 security required under this subtitle is a vehicle liability insurance policy written by an
38 insurer authorized to write these policies in this State.

28

1 (2) The Administration may accept another form of security in place of a
2 vehicle liability insurance policy if it finds that the other form of security adequately
3 provides the benefits required by subsection (b) of this section.

4 (3) The Administration shall, by regulation, assess each self-insurer an
5 annual sum which may not exceed \$750, and which shall be used for actuarial studies and
6 audits to determine financial solvency.

7 (b) The security required under this subtitle shall provide for at least:

8 (1) The payment of claims for bodily injury or death arising from an
9 accident of up to \$20,000 for any one person and up to \$40,000 for any two or more
10 persons, in addition to interest and costs;

11 (2) The payment of claims for property of others damaged or destroyed in
12 an accident of up to \$10,000, in addition to interest and costs; AND

13 (3) [Unless waived, the benefits described under Article 48A, § 539 of the
14 Code as to basic required primary coverage; and

15 (4) The benefits required under [Article 48A, § 541 of the Code as to
16 required additional coverage] TITLE 19, SUBTITLE 5 OF THE INSURANCE ARTICLE AS
17 TO PERSONAL COMPENSATION COVERAGE.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 1998.