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

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

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A BILL ENTITLED

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 of this Act; and generally relating to  
8 the notice to insureds concerning benefits under personal injury protection coverage  
9 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  
24 motor vehicle accident of the amount of time available for filing of a claim for benefits  
25 under personal injury protection coverage; and

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

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

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

3 **Article 48A - Insurance Code**

4 544.

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

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

11 (2) The coverages described in § 539 of this subtitle may provide that in any  
12 instance where a lapse occurs in the period of total disability or in the medical treatment  
13 of an injured person who has received benefits under such coverage or coverages and such  
14 person subsequently claims additional benefits based upon 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 such alleged recurrence; provided, that in no event shall the  
17 aggregate benefits payable to any person exceed the maximum limits prescribed in the  
18 policy.

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

21 (c) Whenever an insurer providing benefits under § 539 of this subtitle receives  
22 written notice from an insured of the occurrence of an accident FOR WHICH BENEFITS  
23 MAY BE AVAILABLE UNDER § 539 OF THIS SUBTITLE, the insurer shall notify that  
24 insured BY MAIL of the latest date on which claim may be filed FOR BENEFITS UNDER  
25 § 539 OF THIS SUBTITLE as provided in subsection (a)(1) of this section.

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

29 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
30 read as follows:

31 **Article - Insurance**

32 19-508.

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

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

26 (D) AN INSURER IS NOT REQUIRED UNDER SUBSECTION (C) O

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

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

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

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

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

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

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

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