
By: **Delegate Love**
Introduced and read first time: February 12, 1999
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Liability Insurance - Uninsured Motorist Coverage -**
3 **Deductible**

4 FOR the purpose of requiring each policy of motor vehicle liability insurance that
5 contains uninsured motorist coverage to state on the policy the amount of any
6 deductible that applies to the uninsured motorist coverage.

7 BY repealing and reenacting, with amendments,
8 Article - Insurance
9 Section 19-509
10 Annotated Code of Maryland
11 (1997 Volume and 1998 Supplement)

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

14 **Article - Insurance**

15 19-509.

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

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

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

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

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

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

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

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

7 (c) In addition to any other coverage required by this subtitle, each motor
8 vehicle liability insurance policy issued, sold, or delivered in the State after July 1,
9 1975, shall contain coverage for damages, subject to the policy limits, that:

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

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

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

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

22 (i) shall at least equal:

23 1. the amounts required by Title 17 of the Transportation
24 Article; and

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

27 (ii) may not exceed the amount of liability coverage provided under
28 the policy.

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

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

35 (1) the named insured or a family member of the named insured who
36 resides in the named insured's household for an injury that occurs when the named

1 insured or family member is occupying or is struck as a pedestrian by an uninsured
2 motor vehicle that is owned by the named insured or an immediate family member of
3 the named insured who resides in the named insured's household; and

4 (2) the named insured, a family member of the named insured who
5 resides in the named insured's household, and any other individual who has other
6 applicable motor vehicle insurance for an injury that occurs when the named insured,
7 family member, or other individual is occupying or is struck as a pedestrian by the
8 insured motor vehicle while the motor vehicle is operated or used by an individual
9 who is excluded from coverage under § 27-606 of this article.

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

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

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

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

27 (j) A provision in a motor vehicle liability insurance policy issued after July 1,
28 1975, about coverage for damages sustained by the insured as a result of the
29 operation of an uninsured motor vehicle that requires a dispute between the insured
30 and the insurer to be submitted to binding arbitration is prohibited and is of no legal
31 effect.

32 (K) EACH POLICY OF MOTOR VEHICLE LIABILITY INSURANCE THAT CONTAINS
33 THE UNINSURED MOTORIST COVERAGE DESCRIBED BY THIS SECTION SHALL STATE
34 ON THE POLICY THE AMOUNT OF ANY DEDUCTIBLE THAT APPLIES TO THE
35 UNINSURED MOTORIST COVERAGE.

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
37 October 1, 1999.