
By: **Delegate Barve**

Introduced and read first time: February 11, 2000

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Insurance - Personal Injury Protection Claims**

3 FOR the purpose of prohibiting certain insurers from denying or reducing a certain
4 claim except under certain circumstances; limiting what a certain insurer may
5 consider in making a certain determination; and generally relating to personal
6 injury protection claims.

7 BY repealing and reenacting, with amendments,
8 Article - Insurance
9 Section 19-505
10 Annotated Code of Maryland
11 (1997 Volume and 1999 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 19-505.

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

20 (1) except for individuals specifically excluded under § 27-606 of this
21 article:

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

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

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

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

5 (i) as a pedestrian; or

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

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

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

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

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

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

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

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

22 1. within 3 years after, and resulting from, a motor vehicle
23 accident; and

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

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

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

34 (C) (1) IN DETERMINING WHETHER A CLAIMANT'S MEDICAL, HOSPITAL,
35 AND DISABILITY EXPENSES UNDER SUBSECTION (B) OF THIS SECTION ARE
36 NECESSARY, AN INSURER MAY NOT DENY OR REDUCE A CLAIM UNLESS:

1 (I) THE DETERMINATION TO DENY OR REDUCE THE CLAIM IS
2 BASED ON THE FINDINGS OF A HEALTH CARE PROVIDER WHO HAS PERSONALLY
3 EXAMINED THE CLAIMANT; AND

4 (II) THE INSURER HAS PROCEDURES IN PLACE TO ALLOW FOR THE
5 RESOLUTION OF ANY DISPUTE CONCERNING THE MEDICAL NECESSITY OR
6 APPROPRIATENESS OF CARE RENDERED TO A CLAIMANT BY HEALTH CARE
7 PROVIDERS THAT ARE INDEPENDENT OF THE CLAIMANT AND THE INSURER.

8 (2) IN DETERMINING WHETHER NECESSARY MEDICAL, HOSPITAL, OR
9 DISABILITY EXPENSES UNDER SUBSECTION (B) OF THIS SECTION ARE REASONABLE,
10 AN INSURER MAY ONLY CONSIDER THE FEES THAT THE BILLING HEALTH CARE
11 PROVIDER CHARGES FOR THE SAME OR SIMILAR SERVICES.

12 [(c)] (D) (1) An insurer may exclude from the coverage described in this
13 section benefits for:

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

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

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

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

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

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

26 1. the named insured; or

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

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

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

31 (ii) offer the economic loss benefits with deductibles, options, or
32 specific exclusions.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 October 1, 2000.