

Department of Legislative Services  
Maryland General Assembly  
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 236

(Senator Kelley)

Finance

Economic Matters

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Motor Vehicle Liability Insurance - Personal Injury Protection Coverage -  
Waiver

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This bill provides that a waiver of personal injury protection (PIP) coverage under a motor vehicle liability insurance policy made by a person that is insured continuously by an insurer is effective until the waiver is withdrawn in writing.

The bill takes effect June 1, 2004.

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Fiscal Summary

**State Effect:** None. The bill codifies the Maryland Insurance Administration's current interpretation of the law.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** If the first named insured does not wish to obtain PIP coverage, the insured must make an affirmative written waiver. Without an affirmative written waiver, the insurer must provide PIP coverage. Generally, a waiver covers each named insured, listed driver, and member of the first named insured's family residing in the household who is at least 16. A waiver of PIP coverage made by a person that is insured continuously by the Maryland Automobile Insurance Fund is effective until the waiver is withdrawn in writing.

**Background:** Under PIP coverage, insurers pay medical, hospital, and disability benefits for individuals injured in a motor vehicle accident.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 692 (Delegate Feldman) – Economic Matters.

**Information Source(s):** Maryland Insurance Administration, Maryland Automobile Insurance Fund, Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2004  
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