

HOUSE BILL 857

C4

9lr1426

By: **Delegates Smigiel, Dwyer, and Riley**

Introduced and read first time: February 12, 2009

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Liability Insurance – Disclosure of Coverage**

3 FOR the purpose of requiring insurers under certain motor vehicle liability insurance
4 policies to disclose information about certain policies or coverage to certain
5 persons on notification of potential litigation relating to motor vehicle accidents
6 involving certain insureds; and generally relating to coverage under motor
7 vehicle liability insurance policies.

8 BY repealing and reenacting, with amendments,
9 Article – Insurance
10 Section 19–513
11 Annotated Code of Maryland
12 (2006 Replacement Volume and 2008 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 19–513.

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

20 (b) Notwithstanding any other provision of this subtitle, a person may not
21 recover benefits under the coverages described in §§ 19–504, 19–505, 19–509, and
22 19–512 of this subtitle from more than one motor vehicle liability insurance policy or
23 insurer on a duplicative or supplemental basis.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

(i) while occupying the insured motor vehicle; or

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

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

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

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

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

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

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

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

(e) Benefits payable under the coverages described in §§ 19-505 and 19-509 of this subtitle shall be reduced to the extent that the recipient has recovered benefits under the workers' compensation laws of a state or the federal government for which the provider of the workers' compensation benefits has not been reimbursed.

(F) WHENEVER AN INSURER UNDER A POLICY THAT CONTAINS THE COVERAGE DESCRIBED IN § 19-504, § 19-505, § 19-509, OR § 19-512 OF THIS SUBTITLE IS NOTIFIED OF POTENTIAL LITIGATION RELATED TO A MOTOR VEHICLE ACCIDENT INVOLVING AN INSURED UNDER THE POLICY, THE INSURER SHALL DISCLOSE TO THE PLAINTIFF OR THE PLAINTIFF'S COUNSEL THE EXISTENCE OF ANY POLICIES OR EXCESS COVERAGE OF THE INSURED KNOWN

1 TO THE INSURER THAT MAY BE AVAILABLE TO PAY A CLAIM RELATED TO THE
2 MOTOR VEHICLE ACCIDENT.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2009.