

HOUSE BILL 1348

C4

6lr3288
CF SB 854

By: **Delegates Brooks, Barkley, Glenn, Haynes, Jones, Lam, and Mautz**

Introduced and read first time: February 12, 2016

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Uninsured Motor Vehicle Coverage – Exclusion**

3 FOR the purpose of providing that certain uninsured motorist coverage does not apply to a
4 certain policy that provides motor vehicle liability insurance for a vehicle that is
5 involved in a collision with an insured motor vehicle under certain circumstances;
6 providing that an insurer may exclude from certain uninsured motorist coverage
7 benefits for a collision that involves a motor vehicle that leaves the scene of the
8 collision except under certain circumstances; providing that refusal to pay a certain
9 uninsured motorist claim under certain circumstances is not an unfair claims
10 settlement practice or a violation of certain provisions; providing for the application
11 of this Act; and generally relating to motor vehicle liability insurance.

12 BY repealing and reenacting, without amendments,
13 Article – Insurance
14 Section 19–509(a)
15 Annotated Code of Maryland
16 (2011 Replacement Volume and 2015 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Insurance
19 Section 19–509(b) and (f) and 27–303
20 Annotated Code of Maryland
21 (2011 Replacement Volume and 2015 Supplement)

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

24 **Article – Insurance**

25 19–509.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In this section, “uninsured motor vehicle” means a motor vehicle:

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

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

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

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

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

13 (1) is not subject to registration under § 13–402 of the Transportation
14 Article because it is not driven on a highway; [or]

15 (2) is exempt from registration under § 13–402(c)(10) of the Transportation
16 Article; **OR**

17 **(3) IS INVOLVED IN A COLLISION WITH A MOTOR VEHICLE THAT**
18 **LEAVES THE SCENE OF THE COLLISION WITH AN INSURED VEHICLE WITHOUT**
19 **PROVIDING ANY INFORMATION ON OWNERSHIP OR FINANCIAL RESPONSIBILITY TO**
20 **THE OWNER OF THE INSURED VEHICLE OR OTHER PARTIES WHO ARE INVOLVED IN**
21 **THE COLLISION.**

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

24 (1) the named insured or a family member of the named insured who
25 resides in the named insured’s household for an injury that occurs when the named insured
26 or family member is occupying or is struck as a pedestrian by an uninsured motor vehicle
27 that is owned by the named insured or an immediate family member of the named insured
28 who resides in the named insured’s household; [and]

29 (2) the named insured, a family member of the named insured who resides
30 in the named insured’s household, and any other individual who has other applicable motor
31 vehicle insurance for an injury that occurs when the named insured, family member, or
32 other individual is occupying or is struck as a pedestrian by the insured motor vehicle while
33 the motor vehicle is operated or used by an individual who is excluded from coverage under
34 § 27–609 of this article; **AND**

1 **(3) A COLLISION INVOLVING A MOTOR VEHICLE THAT LEAVES THE**
2 **SCENE OF THE COLLISION UNLESS:**

3 **(I) THE COLLISION INVOLVES ACTUAL DIRECT PHYSICAL**
4 **CONTACT BETWEEN THE INSURED VEHICLE AND THE MOTOR VEHICLE THAT LEAVES**
5 **THE SCENE OF THE COLLISION;**

6 **(II) 1. THE OWNER OR OPERATOR OF THE MOTOR VEHICLE**
7 **THAT LEAVES THE SCENE OF THE COLLISION IS IDENTIFIED; OR**

8 **2. THE MOTOR VEHICLE THAT LEAVES THE SCENE OF**
9 **THE COLLISION IS IDENTIFIED BY ITS LICENSE NUMBER; AND**

10 **(III) THE INSURED OR ANOTHER ON BEHALF OF THE INSURED**
11 **REPORTS THE COLLISION TO A LAW ENFORCEMENT AGENCY WITH JURISDICTION**
12 **OVER THE MATTER WITHIN 7 BUSINESS DAYS AFTER THE COLLISION.**

13 27–303.

14 **(A) It is an unfair claim settlement practice and a violation of this subtitle for an**
15 **insurer, nonprofit health service plan, or health maintenance organization to:**

16 (1) misrepresent pertinent facts or policy provisions that relate to the claim
17 or coverage at issue;

18 (2) refuse to pay a claim for an arbitrary or capricious reason based on all
19 available information;

20 (3) attempt to settle a claim based on an application that is altered without
21 notice to, or the knowledge or consent of, the insured;

22 (4) fail to include with each claim paid to an insured or beneficiary a
23 statement of the coverage under which payment is being made;

24 (5) fail to settle a claim promptly whenever liability is reasonably clear
25 under one part of a policy, in order to influence settlements under other parts of the policy;

26 (6) fail to provide promptly on request a reasonable explanation of the basis
27 for a denial of a claim;

28 (7) fail to meet the requirements of Title 15, Subtitle 10B of this article for
29 preauthorization for a health care service;

30 (8) fail to comply with the provisions of Title 15, Subtitle 10A of this article;

1 (9) fail to act in good faith, as defined under § 27–1001 of this title, in
2 settling a first–party claim under a policy of property and casualty insurance; or

3 (10) fail to comply with the provisions of § 16–118 of this article.

4 **(B) IT IS NOT AN UNFAIR CLAIMS SETTLEMENT PRACTICE OR A VIOLATION**
5 **OF THIS SUBTITLE FOR AN INSURER TO REFUSE TO PAY AN UNINSURED MOTORIST**
6 **CLAIM IF THE INSURED FAILS TO COMPLY WITH § 19–509 OF THIS ARTICLE.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to each
8 motor vehicle liability insurance policy that is issued, sold, delivered, or renewed in the
9 State on or after October 1, 2016.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2016.