

# SENATE BILL 915

C4

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By: **Senator Jennings (By Request)**

Introduced and read first time: February 5, 2016

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Liability Insurance – Advance of Medical Expenses**

3 FOR the purpose of providing that an insurer that issues, sells, or delivers a policy of motor  
4 vehicle liability insurance in the State must pay a certain benefit to a certain  
5 individual who is injured in a collision with a motor vehicle for anticipated medical  
6 expenses under certain circumstances; providing that the benefit may not be waived;  
7 establishing that the benefit is an advance for anticipated medical expenses for  
8 certain injuries; requiring the policy to contain a certain maximum benefit that may  
9 be available within certain limits; providing that this Act may not be construed to  
10 limit the amount of damages that may be claimed or recovered under a certain policy;  
11 providing for the recovery of certain excess amounts paid under certain  
12 circumstances; altering the scope of a prohibition against recovery of certain health  
13 benefits in a certain manner; providing for the application of this Act; and generally  
14 relating to motor vehicle liability insurance.

15 BY repealing and reenacting, without amendments,  
16 Article – Insurance  
17 Section 19–507(a) and (b)  
18 Annotated Code of Maryland  
19 (2011 Replacement Volume and 2015 Supplement)

20 BY repealing and reenacting, with amendments,  
21 Article – Insurance  
22 Section 19–513(b)  
23 Annotated Code of Maryland  
24 (2011 Replacement Volume and 2015 Supplement)

25 BY adding to  
26 Article – Insurance  
27 Section 19–518  
28 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2011 Replacement Volume and 2015 Supplement)

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

**Article – Insurance**

19–507.

(a) The benefits described in § 19–505 of this subtitle shall be payable without regard to:

(1) the fault or nonfault of the named insured or the recipient of benefits in causing or contributing to the motor vehicle accident; and

(2) any collateral source of medical, hospital, or wage continuation benefits.

(b) (1) Subject to paragraph (2) of this subsection, if the insured has both coverage for the benefits described in § 19–505 of this subtitle and a collateral source of medical, hospital, or wage continuation benefits, the insurer or insurers may coordinate the policies to provide for nonduplication of benefits, subject to appropriate reductions in premiums for one or both of the policies approved by the Commissioner.

(2) The named insured may:

(i) elect to coordinate the policies by indicating in writing which policy is to be the primary policy; or

(ii) reject the coordination of policies and nonduplication of benefits.

19–513.

(b) **[Notwithstanding] EXCEPT AS PROVIDED IN § 19–518 OF THIS SUBTITLE, AND NOTWITHSTANDING** any other provision of this subtitle, a person may not recover benefits under the coverages described in §§ 19–504, 19–505, 19–509, and 19–512 of this subtitle from more than one motor vehicle liability insurance policy or insurer on a duplicative or supplemental basis.

**19–518.**

**(A) THIS SECTION APPLIES TO A POLICY OF MOTOR VEHICLE LIABILITY INSURANCE THAT IS ISSUED, SOLD, OR DELIVERED IN THE STATE, NOTWITHSTANDING ANY OTHER LAW.**

**(B) THE BENEFIT REQUIRED BY THIS SECTION MAY NOT BE WAIVED UNDER § 19–506 OR § 19–510 OF THIS SUBTITLE OR IN ANY OTHER MANNER.**

1           **(C) AN INSURER THAT ISSUES, SELLS, OR DELIVERS A POLICY OF MOTOR**  
2 **VEHICLE LIABILITY INSURANCE IN THE STATE SHALL PAY THE BENEFIT DESCRIBED**  
3 **IN SUBSECTION (D) OF THIS SECTION ON REQUEST TO AN INDIVIDUAL WHO IS**  
4 **INJURED IN A COLLISION WITH A MOTOR VEHICLE:**

5           **(1) WHILE THE INDIVIDUAL IS OCCUPYING ANOTHER MOTOR VEHICLE**  
6 **THAT IS INVOLVED IN THE COLLISION WITH THE INSURED MOTOR VEHICLE THAT IS**  
7 **AT FAULT; OR**

8           **(2) AS A PEDESTRIAN WHEN THE INDIVIDUAL IS INJURED BY THE**  
9 **INSURED MOTOR VEHICLE THAT IS AT FAULT.**

10           **(D) (1) THE BENEFIT REQUIRED UNDER THIS SECTION IS AN AMOUNT**  
11 **PAYABLE IN ADVANCE FOR THE ANTICIPATED EXPENSES OF MEDICAL TREATMENT**  
12 **FOR INJURIES SUSTAINED BY THE INDIVIDUAL AS A RESULT OF THE COLLISION.**

13           **(2) A POLICY OF MOTOR VEHICLE LIABILITY INSURANCE SHALL**  
14 **ESTABLISH A MAXIMUM AMOUNT THAT MAY BE ADVANCED IN ACCORDANCE WITH**  
15 **THIS SECTION, WHICH MAY NOT BE LESS THAN \$2,500 AND MAY NOT EXCEED**  
16 **\$10,000.**

17           **(3) THIS SUBSECTION MAY NOT BE CONSTRUED TO LIMIT THE**  
18 **AMOUNT OF DAMAGES THAT MAY BE CLAIMED OR RECOVERED UNDER A POLICY OF**  
19 **MOTOR VEHICLE LIABILITY INSURANCE BEYOND ANY AMOUNT ADVANCED UNDER**  
20 **THIS SUBSECTION.**

21           **(E) IF THE INDIVIDUAL WHO CLAIMS A BENEFIT UNDER THIS SECTION FAILS**  
22 **TO INCUR ACTUAL VERIFIED MEDICAL EXPENSES IN AN AMOUNT AT LEAST AS MUCH**  
23 **AS THE AMOUNT ADVANCED WITHIN 1 YEAR AFTER THE DATE OF THE ADVANCE, THE**  
24 **INSURER MAY RECOVER THE AMOUNT OF THE EXCESS PAYMENT FROM THE**  
25 **INDIVIDUAL.**

26           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to each  
27 policy of motor vehicle liability insurance issued, sold, delivered, or renewed in the State  
28 on or after October 1, 2016.

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