

HOUSE BILL 5

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HB 1172/16 – ECM

(PRE-FILED)

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CF SB 403

By: **Delegates Barkley, Davis, Brooks, Jameson, Carey, Waldstreicher, Aumann, Glenn, Branch, Robinson, and Lisanti**

Requested: June 14, 2016

Introduced and read first time: January 11, 2017

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: January 31, 2017

CHAPTER _____

1 AN ACT concerning

2 **Private Passenger Motor Vehicle Liability Insurance – Enhanced Underinsured**
3 **Motorist Coverage**

4 FOR the purpose of authorizing a certain insured to elect to obtain certain enhanced
5 underinsured motorist coverage, instead of certain uninsured motorist coverage,
6 under a private passenger motor vehicle liability insurance policy under certain
7 circumstances; requiring certain insurers to offer certain enhanced underinsured
8 motorist coverage under certain circumstances; providing for the characteristics of
9 the enhanced underinsured motorist coverage, including the amounts of the
10 coverage, what an insurer may exclude from the coverage, and the limits of liability
11 under the coverage; requiring an injured person and a certain insurer to take certain
12 actions regarding a certain settlement offer under certain circumstances;
13 ~~establishing a certain exception to a certain limitation on duplicate or supplemental~~
14 ~~recovery of certain benefits~~ altering a certain prohibition on the recovery of benefits
15 under certain coverages; prohibiting, with a certain exception, a person from
16 recovering benefits under certain coverages from more than one motor vehicle
17 liability insurance policy or insurer on a supplemental basis; defining a certain term;
18 providing for the application of this Act; and generally relating to private passenger
19 motor vehicle liability insurance and enhanced underinsured motorist coverage.

20 BY renumbering

21 Article – Insurance

22 Section 19–509.1

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 to be Section 19–509.2
2 Annotated Code of Maryland
3 (2011 Replacement Volume and 2016 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – Insurance
6 Section 19–509, 19–510, 19–511, and 19–513
7 Annotated Code of Maryland
8 (2011 Replacement Volume and 2016 Supplement)

9 BY adding to
10 Article – Insurance
11 Section 19–509.1 and 19–511.1
12 Annotated Code of Maryland
13 (2011 Replacement Volume and 2016 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Insurance
16 Section 19–509.2
17 Annotated Code of Maryland
18 (2011 Replacement Volume and 2016 Supplement)
19 (As enacted by Section 1 of this Act)

20 BY repealing and reenacting, with amendments,
21 Article – Transportation
22 Section 17–103(b)
23 Annotated Code of Maryland
24 (2012 Replacement Volume and 2016 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
26 That Section(s) 19–509.1 of Article – Insurance of the Annotated Code of Maryland be
27 renumbered to be Section(s) 19–509.2.

28 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
29 as follows:

30 **Article – Insurance**

31 19–509.

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

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

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

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

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

6 (b) The uninsured motorist coverage required by this section does not apply to a
7 motor vehicle liability insurance policy:

8 (1) that insures a motor vehicle that:

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

11 [(2)] (II) is exempt from registration under § 13-402(c)(10) of the
12 Transportation Article; OR

13 (2) IF THE FIRST NAMED INSURED UNDER A POLICY OR BINDER OF
14 PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE HAS ELECTED TO
15 OBTAIN ENHANCED UNDERINSURED MOTORIST COVERAGE UNDER § 19-509.1 OF
16 THIS SUBTITLE INSTEAD OF THE UNINSURED MOTORIST COVERAGE REQUIRED
17 UNDER THIS SECTION.

18 (c) In addition to any other coverage required by this subtitle, each motor vehicle
19 liability insurance policy issued, sold, or delivered in the State after July 1, 1975, shall
20 contain coverage for damages, subject to the policy limits, that:

21 (1) the insured is entitled to recover from the owner or operator of an
22 uninsured motor vehicle because of bodily injuries sustained in a motor vehicle accident
23 arising out of the ownership, maintenance, or use of the uninsured motor vehicle; and

24 (2) a surviving relative of the insured, who is described in § 3-904 of the
25 Courts Article, is entitled to recover from the owner or operator of an uninsured motor
26 vehicle because the insured died as the result of a motor vehicle accident arising out of the
27 ownership, maintenance, or use of the uninsured motor vehicle.

28 (d) The uninsured motorist coverage required by this section shall be in the form
29 and subject to the conditions that the Commissioner approves.

30 (e) (1) The uninsured motorist coverage contained in a motor vehicle liability
31 insurance policy:

32 (i) shall at least equal:

1 1. the amounts required by Title 17 of the Transportation
2 Article; and

3 2. the coverage provided to a qualified person under Title 20,
4 Subtitle 6 of this article; and

5 (ii) may not exceed the amount of liability coverage provided under
6 the policy.

7 (2) Unless waived in accordance with § 19–510 of this subtitle, the amount
8 of uninsured motorist coverage provided under a private passenger motor vehicle liability
9 insurance policy shall equal the amount of liability coverage provided under the policy.

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

12 (1) the named insured or a family member of the named insured who
13 resides in the named insured’s household for an injury that occurs when the named insured
14 or family member is occupying or is struck as a pedestrian by an uninsured motor vehicle
15 that is owned by the named insured or an immediate family member of the named insured
16 who resides in the named insured’s household; and

17 (2) the named insured, a family member of the named insured who resides
18 in the named insured’s household, and any other individual who has other applicable motor
19 vehicle insurance for an injury that occurs when the named insured, family member, or
20 other individual is occupying or is struck as a pedestrian by the insured motor vehicle while
21 the motor vehicle is operated or used by an individual who is excluded from coverage under
22 § 27–609 of this article.

23 (g) The limit of liability for an insurer that provides uninsured motorist coverage
24 under this section is the amount of that coverage less the amount paid to the insured, that
25 exhausts any applicable liability insurance policies, bonds, and securities, on behalf of any
26 person that may be held liable for the bodily injuries or death of the insured.

27 (h) (1) A policy that, as its primary purpose, provides coverage in excess of
28 other valid and collectible insurance or qualified self–insurance may include the uninsured
29 motorist coverage provided for in this section.

30 (2) The uninsured motorist coverage required by this section is primary to
31 any right to recovery from the Maryland Automobile Insurance Fund under Title 20,
32 Subtitle 6 of this article.

33 (i) An endorsement or provision that protects the insured against damages
34 caused by an uninsured motor vehicle that is contained in a policy issued and delivered in
35 the State is deemed to cover damages caused by a motor vehicle insured by a liability
36 insurer that is insolvent or otherwise unable to pay claims to the same extent and in the
37 same manner as if the damages were caused by an uninsured motor vehicle.

1 (j) A provision in a motor vehicle liability insurance policy issued after July 1,
2 1975, about coverage for damages sustained by the insured as a result of the operation of
3 an uninsured motor vehicle that requires a dispute between the insured and the insurer to
4 be submitted to binding arbitration is prohibited and is of no legal effect.

5 **19-509.1.**

6 (A) IN THIS SECTION, "UNDERINSURED MOTOR VEHICLE" MEANS A MOTOR
7 VEHICLE THAT HAS LIABILITY COVERAGE IN AN AMOUNT LESS THAN, MORE THAN,
8 OR EQUAL TO THE UNINSURED MOTORIST COVERAGE PROVIDED UNDER THE
9 INSURED PARTY'S MOTOR VEHICLE LIABILITY INSURANCE POLICY.

10 (B) THE ENHANCED UNDERINSURED MOTORIST COVERAGE REQUIRED BY
11 THIS SECTION DOES NOT APPLY TO A MOTOR VEHICLE LIABILITY INSURANCE
12 POLICY:

13 (1) THAT INSURES A MOTOR VEHICLE THAT:

14 (I) IS NOT SUBJECT TO REGISTRATION UNDER § 13-402 OF THE
15 TRANSPORTATION ARTICLE BECAUSE IT IS NOT DRIVEN ON A HIGHWAY; OR

16 (II) IS EXEMPT FROM REGISTRATION UNDER § 13-402(C)(10) OF
17 THE TRANSPORTATION ARTICLE; OR

18 (2) WHEN A FIRST NAMED INSURED UNDER A POLICY OR BINDER OF
19 PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE HAS NOT ELECTED TO
20 OBTAIN ENHANCED UNDERINSURED MOTORIST COVERAGE UNDER THIS SECTION
21 INSTEAD OF THE UNINSURED MOTORIST COVERAGE REQUIRED UNDER § 19-509 OF
22 THIS SUBTITLE.

23 (C) (1) AN INSURER SHALL OFFER ENHANCED UNDERINSURED
24 MOTORIST COVERAGE AT THE TIME OF PURCHASE OF A PRIVATE PASSENGER MOTOR
25 VEHICLE LIABILITY INSURANCE POLICY.

26 (2) THE FIRST NAMED INSURED UNDER A POLICY OR BINDER OF
27 PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE MAY ELECT TO
28 OBTAIN ENHANCED UNDERINSURED MOTORIST COVERAGE INSTEAD OF THE
29 UNINSURED MOTORIST COVERAGE REQUIRED UNDER § 19-509 OF THIS SUBTITLE.

30 ~~(2)~~ (3) UNLESS THE FIRST NAMED INSURED AFFIRMATIVELY
31 MAKES A CHANGE IN WRITING, THE ELECTION TO OBTAIN ENHANCED
32 UNDERINSURED MOTORIST COVERAGE APPLIES TO ALL SUBSEQUENT RENEWALS OF
33 COVERAGE AND TO ALL OTHER POLICIES OR ENDORSEMENTS THAT EXTEND,

1 CHANGE, SUPERSEDE, OR REPLACE AN EXISTING PRIVATE PASSENGER MOTOR
2 VEHICLE INSURANCE POLICY ISSUED TO THE FIRST NAMED INSURED.

3 (D) IN ADDITION TO ANY OTHER COVERAGE REQUIRED BY THIS SUBTITLE,
4 EACH PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE POLICY ISSUED,
5 SOLD, OR DELIVERED IN THE STATE ON OR AFTER JULY 1, 2018, TO AN INSURED
6 THAT ELECTS TO OBTAIN ENHANCED UNDERINSURED MOTORIST COVERAGE
7 INSTEAD OF THE UNINSURED MOTORIST COVERAGE REQUIRED UNDER § 19-509 OF
8 THIS SUBTITLE, SHALL CONTAIN COVERAGE FOR DAMAGES, SUBJECT TO THE
9 POLICY LIMITS, THAT:

10 (1) THE INSURED IS ENTITLED TO RECOVER FROM THE OWNER OR
11 OPERATOR OF AN UNDERINSURED MOTOR VEHICLE BECAUSE OF BODILY INJURIES
12 SUSTAINED IN A MOTOR VEHICLE ACCIDENT ARISING OUT OF THE OWNERSHIP,
13 MAINTENANCE, OR USE OF THE UNDERINSURED MOTOR VEHICLE; AND

14 (2) A SURVIVING RELATIVE OF THE INSURED, WHO IS DESCRIBED IN §
15 3-904 OF THE COURTS ARTICLE, IS ENTITLED TO RECOVER FROM THE OWNER OR
16 OPERATOR OF AN UNDERINSURED MOTOR VEHICLE BECAUSE THE INSURED DIED AS
17 THE RESULT OF A MOTOR VEHICLE ACCIDENT ARISING OUT OF THE OWNERSHIP,
18 MAINTENANCE, OR USE OF THE UNDERINSURED MOTOR VEHICLE.

19 (E) THE OFFER OF ENHANCED UNDERINSURED MOTORIST COVERAGE
20 REQUIRED BY THIS SECTION SHALL BE IN ON THE FORM AND SUBJECT TO THE
21 CONDITIONS THAT THE COMMISSIONER APPROVES REQUIRES.

22 (F) (1) THE ENHANCED UNDERINSURED MOTORIST COVERAGE
23 CONTAINED IN A PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE
24 POLICY:

25 (I) SHALL AT LEAST EQUAL:

26 1. THE AMOUNTS REQUIRED BY TITLE 17 OF THE
27 TRANSPORTATION ARTICLE; AND

28 2. THE COVERAGE PROVIDED TO A QUALIFIED PERSON
29 UNDER TITLE 20, SUBTITLE 6 OF THIS ARTICLE; AND

30 (II) MAY NOT EXCEED THE AMOUNT OF LIABILITY COVERAGE
31 PROVIDED UNDER THE POLICY.

32 (2) THE AMOUNT OF ENHANCED UNDERINSURED MOTORIST
33 COVERAGE PROVIDED UNDER A PRIVATE PASSENGER MOTOR VEHICLE LIABILITY

1 INSURANCE POLICY SHALL EQUAL THE AMOUNT OF LIABILITY COVERAGE PROVIDED
2 UNDER THE POLICY.

3 (G) AN INSURER MAY EXCLUDE FROM THE ENHANCED UNDERINSURED
4 MOTORIST COVERAGE REQUIRED BY THIS SECTION BENEFITS FOR:

5 (1) THE NAMED INSURED OR A FAMILY MEMBER OF THE NAMED
6 INSURED WHO RESIDES IN THE NAMED INSURED'S HOUSEHOLD FOR AN INJURY
7 THAT OCCURS WHEN THE NAMED INSURED OR FAMILY MEMBER IS OCCUPYING OR IS
8 STRUCK AS A PEDESTRIAN BY AN UNDERINSURED MOTOR VEHICLE THAT IS OWNED
9 BY THE NAMED INSURED OR AN IMMEDIATE FAMILY MEMBER OF THE NAMED
10 INSURED WHO RESIDES IN THE NAMED INSURED'S HOUSEHOLD; AND

11 (2) THE NAMED INSURED, A FAMILY MEMBER OF THE NAMED
12 INSURED WHO RESIDES IN THE NAMED INSURED'S HOUSEHOLD, AND ANY OTHER
13 INDIVIDUAL WHO HAS OTHER APPLICABLE MOTOR VEHICLE INSURANCE FOR AN
14 INJURY THAT OCCURS WHEN THE NAMED INSURED, FAMILY MEMBER, OR OTHER
15 INDIVIDUAL IS OCCUPYING OR IS STRUCK AS A PEDESTRIAN BY THE INSURED MOTOR
16 VEHICLE WHILE THE MOTOR VEHICLE IS OPERATED OR USED BY AN INDIVIDUAL
17 WHO IS EXCLUDED FROM COVERAGE UNDER § 27-609 OF THIS ARTICLE.

18 (H) THE LIMIT OF LIABILITY FOR AN INSURER THAT PROVIDES ENHANCED
19 UNDERINSURED MOTORIST COVERAGE UNDER THIS SECTION:

20 (1) IS SUBJECT TO § 19-511.1 OF THIS SUBTITLE; AND

21 (2) IS THE AMOUNT OF THAT COVERAGE WITHOUT ANY REDUCTION
22 FOR THE AMOUNT PAID TO THE INSURED, THAT EXHAUSTS ANY APPLICABLE
23 LIABILITY INSURANCE POLICIES, BONDS, AND SECURITIES, ON BEHALF OF ANY
24 PERSON THAT MAY BE HELD LIABLE FOR THE BODILY INJURIES OR DEATH OF THE
25 INSURED.

26 (I) (1) A POLICY THAT, AS ITS PRIMARY PURPOSE, PROVIDES COVERAGE
27 IN EXCESS OF OTHER VALID AND COLLECTIBLE INSURANCE OR QUALIFIED
28 SELF-INSURANCE MAY INCLUDE THE ENHANCED UNDERINSURED MOTORIST
29 COVERAGE PROVIDED FOR IN THIS SECTION.

30 (2) THE ENHANCED UNDERINSURED MOTORIST COVERAGE
31 REQUIRED BY THIS SECTION IS PRIMARY TO ANY RIGHT TO RECOVERY FROM THE
32 MARYLAND AUTOMOBILE INSURANCE FUND UNDER TITLE 20, SUBTITLE 6 OF THIS
33 ARTICLE.

34 (J) AN ENDORSEMENT OR A PROVISION THAT PROTECTS THE INSURED
35 AGAINST DAMAGES CAUSED BY AN UNDERINSURED MOTOR VEHICLE THAT IS

1 CONTAINED IN A POLICY ISSUED AND DELIVERED IN THE STATE IS DEEMED TO
2 COVER DAMAGES CAUSED BY A MOTOR VEHICLE INSURED BY A LIABILITY INSURER
3 THAT IS INSOLVENT OR OTHERWISE UNABLE TO PAY CLAIMS TO THE SAME EXTENT
4 AND IN THE SAME MANNER AS IF THE DAMAGES WERE CAUSED BY AN
5 UNDERINSURED MOTOR VEHICLE.

6 (K) A PROVISION IN A PRIVATE PASSENGER MOTOR VEHICLE LIABILITY
7 INSURANCE POLICY ISSUED ON OR AFTER JULY 1, 2018, ABOUT COVERAGE FOR
8 DAMAGES SUSTAINED BY THE INSURED AS A RESULT OF THE OPERATION OF AN
9 UNDERINSURED MOTOR VEHICLE THAT REQUIRES A DISPUTE BETWEEN THE
10 INSURED AND THE INSURER TO BE SUBMITTED TO BINDING ARBITRATION IS
11 PROHIBITED AND IS OF NO LEGAL EFFECT.

12 19-509.2.

13 (A) A final judgment in an action for personal injury protection coverage under a
14 motor vehicle liability insurance policy does not preclude a subsequent action for uninsured
15 or underinsured motorist coverage arising out of the same motor vehicle accident or
16 occurrence.

17 (B) A FINAL JUDGMENT IN AN ACTION FOR PERSONAL INJURY PROTECTION
18 COVERAGE UNDER A PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE
19 POLICY DOES NOT PRECLUDE A SUBSEQUENT ACTION FOR ENHANCED
20 UNDERINSURED MOTORIST COVERAGE ARISING OUT OF THE SAME MOTOR VEHICLE
21 ACCIDENT OR OCCURRENCE.

22 19-510.

23 (a) This section applies only when:

24 (1) the liability coverage under a policy or binder of private passenger
25 motor vehicle liability insurance exceeds the amount required under § 17-103 of the
26 Transportation Article; AND

27 (2) THE FIRST NAMED INSURED UNDER A POLICY OR BINDER OF
28 PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE HAS NOT ELECTED TO
29 OBTAIN ENHANCED UNDERINSURED MOTORIST COVERAGE UNDER § 19-509.1 OF
30 THIS SUBTITLE INSTEAD OF THE UNINSURED MOTORIST COVERAGE REQUIRED
31 UNDER § 19-509 OF THIS SUBTITLE.

32 (b) (1) If the first named insured under a policy or binder of private passenger
33 motor vehicle liability insurance does not wish to obtain uninsured motorist coverage in the
34 same amount as the liability coverage provided under the policy or binder, the first named
35 insured shall make an affirmative written waiver of having uninsured motorist coverage in
36 the same amount as the liability coverage.

1 (2) If the first named insured does not make an affirmative written waiver
2 under this section, the insurer shall provide uninsured motorist coverage in an amount
3 equal to the amount of the liability coverage provided under the policy or binder.

4 (c) A waiver made under this section is not effective unless, prior to the waiver,
5 the insurer gives the first named insured written notice of the nature, extent, benefit, and
6 cost of the level of the uninsured motorist coverage being waived.

7 (d) (1) A waiver made under this section shall be made on the form that the
8 Commissioner requires.

9 (2) The form may be part of the insurance contract.

10 (3) The form shall clearly and concisely explain in 10 point boldface type:

11 (i) the nature, extent, benefit, and cost of the level of the uninsured
12 motorist coverage that would be provided under the policy if not waived by the first named
13 insured;

14 (ii) that a failure of the first named insured to make a waiver
15 requires an insurer to provide uninsured motorist coverage in an amount equal to the
16 amount of the liability coverage provided under the policy or binder of private passenger
17 motor vehicle liability insurance;

18 (iii) that an insurer may not refuse to underwrite a person because
19 the person refuses to waive the excess uninsured motorist coverage under this section; and

20 (iv) that a waiver made under this section must be an affirmative
21 written waiver.

22 (4) Subject to the Commissioner's approval, a waiver made under this
23 section may be made on the same form as the waiver made under § 19-506 of this subtitle.

24 (e) A waiver made under this section by a person that is insured continuously by
25 an insurer or by the Maryland Automobile Insurance Fund is effective until the waiver is
26 withdrawn in writing.

27 (f) (1) An insurer may not refuse to underwrite a person because the person
28 refuses to waive the excess uninsured motorist coverage under this section.

29 (2) An insurer that violates this subsection is subject to the penalties
30 provided by §§ 4-113 and 4-114 of this article.

31 19-511.

1 **(A) THIS SECTION DOES NOT APPLY WHEN THE FIRST NAMED INSURED**
2 **UNDER A POLICY OR BINDER OF PRIVATE PASSENGER MOTOR VEHICLE LIABILITY**
3 **INSURANCE HAS ELECTED TO OBTAIN ENHANCED UNDERINSURED MOTORIST**
4 **COVERAGE UNDER § 19-509.1 OF THIS SUBTITLE INSTEAD OF THE UNINSURED**
5 **MOTORIST COVERAGE REQUIRED UNDER § 19-509 OF THIS SUBTITLE.**

6 **[(a)] (B)** If an injured person receives a written offer from a motor vehicle
7 insurance liability insurer or that insurer's authorized agent to settle a claim for bodily
8 injury or death, and the amount of the settlement offer, in combination with any other
9 settlements arising out of the same occurrence, would exhaust the bodily injury or death
10 limits of the applicable liability insurance policies, bonds, and securities, the injured person
11 shall send by certified mail, to any insurer that provides uninsured motorist coverage for
12 the bodily injury or death, a copy of the liability insurer's written settlement offer.

13 **[(b)] (C)** Within 60 days after receipt of the notice required under subsection
14 **[(a)] (B)** of this section, the uninsured motorist insurer shall send to the injured person:

15 (1) written consent to acceptance of the settlement offer and to the
16 execution of releases; or

17 (2) written refusal to consent to acceptance of the settlement offer.

18 **[(c)] (D)** Within 30 days after a refusal to consent to acceptance of a settlement
19 offer under subsection **[(b)(2)] (C)(2)** of this section, the uninsured motorist insurer shall
20 pay to the injured person the amount of the settlement offer.

21 **[(d)] (E)** (1) Payment as described in subsection **[(c)] (D)** of this section shall
22 preserve the uninsured motorist insurer's subrogation rights against the liability insurer
23 and its insured.

24 (2) Receipt by the injured person of the payment described in subsection
25 **[(c)] (D)** of this section shall constitute the assignment, up to the amount of the payment,
26 of any recovery on behalf of the injured person that is subsequently paid from the applicable
27 liability insurance policies, bonds, and securities.

28 **[(e)] (F)** The injured person may accept the liability insurer's settlement offer
29 and execute releases in favor of the liability insurer and its insured without prejudice to
30 any claim the injured person may have against the uninsured motorist insurer:

31 (1) on receipt of written consent to acceptance of the settlement offer and
32 to the execution of releases; or

33 (2) if the uninsured motorist insurer has not met the requirements of
34 subsection **[(b)] (C)** or subsection **[(c)] (D)** of this section.

1 **[(f)] (G)** Written consent by an uninsured motorist insurer to acceptance of a
2 settlement offer under subsection **[(b)(1)](C)(1)** of this section:

3 (1) may not be construed to limit the right of the uninsured motorist
4 insurer to raise any issue relating to liability or damages in an action against the uninsured
5 motorist insurer; and

6 (2) does not constitute an admission by the uninsured motorist insurer as
7 to any issue raised in an action against the uninsured motorist insurer.

8 **19-511.1.**

9 **(A) THIS SECTION APPLIES ONLY WHEN THE FIRST NAMED INSURED UNDER
10 A POLICY OR BINDER OF PRIVATE PASSENGER MOTOR VEHICLE LIABILITY
11 INSURANCE HAS ELECTED TO OBTAIN ENHANCED UNDERINSURED MOTORIST
12 COVERAGE UNDER § 19-509.1 OF THIS SUBTITLE INSTEAD OF THE UNINSURED
13 MOTORIST COVERAGE REQUIRED UNDER § 19-509 OF THIS SUBTITLE.**

14 **(B) IF AN INJURED PERSON RECEIVES A WRITTEN OFFER FROM A MOTOR
15 VEHICLE LIABILITY INSURER OR THAT INSURER'S AUTHORIZED AGENT TO SETTLE A
16 CLAIM FOR BODILY INJURY OR DEATH, AND THE AMOUNT OF THE SETTLEMENT
17 OFFER, IN COMBINATION WITH ANY OTHER SETTLEMENTS ARISING OUT OF THE
18 SAME OCCURRENCE, WOULD EXHAUST THE BODILY INJURY OR DEATH LIMITS OF
19 THE APPLICABLE LIABILITY INSURANCE POLICIES, BONDS, AND SECURITIES, THE
20 INJURED PERSON SHALL SEND BY CERTIFIED MAIL, TO ANY INSURER THAT
21 PROVIDES ENHANCED UNDERINSURED MOTORIST COVERAGE FOR THE BODILY
22 INJURY OR DEATH, A COPY OF THE LIABILITY INSURER'S WRITTEN SETTLEMENT
23 OFFER.**

24 **(C) WITHIN 60 DAYS AFTER RECEIPT OF THE NOTICE REQUIRED UNDER
25 SUBSECTION (B) OF THIS SECTION, THE ENHANCED UNDERINSURED MOTORIST
26 INSURER SHALL SEND TO THE INJURED PERSON:**

27 **(1) WRITTEN CONSENT TO ACCEPTANCE OF THE SETTLEMENT OFFER
28 AND TO THE EXECUTION OF RELEASES; OR**

29 **(2) WRITTEN REFUSAL TO CONSENT TO ACCEPTANCE OF THE
30 SETTLEMENT OFFER.**

31 **(D) WITHIN 30 DAYS AFTER A REFUSAL TO CONSENT TO ACCEPTANCE OF A
32 SETTLEMENT OFFER UNDER SUBSECTION (C)(2) OF THIS SECTION, THE ENHANCED
33 UNDERINSURED MOTORIST INSURER SHALL PAY TO THE INJURED PERSON THE
34 AMOUNT OF THE SETTLEMENT OFFER.**

1 **(E) (1) PAYMENT AS DESCRIBED IN SUBSECTION (D) OF THIS SECTION**
 2 **SHALL PRESERVE THE EXTENDED ENHANCED UNDERINSURED MOTORIST**
 3 **INSURER'S SUBROGATION RIGHTS AGAINST THE MOTOR VEHICLE LIABILITY**
 4 **INSURER AND ITS INSURED.**

5 **(2) RECEIPT BY THE INJURED PERSON OF THE PAYMENT DESCRIBED**
 6 **IN SUBSECTION (D) OF THIS SECTION SHALL CONSTITUTE THE ASSIGNMENT, UP TO**
 7 **THE AMOUNT OF THE PAYMENT, OF ANY RECOVERY ON BEHALF OF THE INJURED**
 8 **PERSON THAT IS SUBSEQUENTLY PAID FROM THE APPLICABLE LIABILITY**
 9 **INSURANCE POLICIES, BONDS, AND SECURITIES.**

10 **(F) THE INJURED PERSON MAY ACCEPT THE MOTOR VEHICLE LIABILITY**
 11 **INSURER'S SETTLEMENT OFFER AND EXECUTE RELEASES IN FAVOR OF THE**
 12 **LIABILITY INSURER AND ITS INSURED WITHOUT PREJUDICE TO ANY CLAIM THE**
 13 **INJURED PERSON MAY HAVE AGAINST THE ENHANCED UNDERINSURED MOTORIST**
 14 **INSURER:**

15 **(1) ON RECEIPT OF WRITTEN CONSENT TO ACCEPTANCE OF THE**
 16 **SETTLEMENT OFFER AND TO THE EXECUTION OF RELEASES; OR**

17 **(2) IF THE ENHANCED UNDERINSURED MOTORIST INSURER HAS NOT**
 18 **MET THE REQUIREMENTS OF SUBSECTION (C) OR SUBSECTION (D) OF THIS SECTION.**

19 **(G) WRITTEN CONSENT BY AN ENHANCED UNDERINSURED MOTORIST**
 20 **INSURER TO ACCEPTANCE OF A SETTLEMENT OFFER UNDER SUBSECTION (C)(1) OF**
 21 **THIS SECTION:**

22 **(1) MAY NOT BE CONSTRUED TO LIMIT THE RIGHT OF THE ENHANCED**
 23 **UNDERINSURED MOTORIST INSURER TO RAISE ANY ISSUE RELATING TO LIABILITY**
 24 **OR DAMAGES IN AN ACTION AGAINST THE ENHANCED UNDERINSURED MOTORIST**
 25 **INSURER; AND**

26 **(2) DOES NOT CONSTITUTE AN ADMISSION BY THE UNINSURED**
 27 **MOTORIST INSURER AS TO ANY ISSUE RAISED IN AN ACTION AGAINST THE**
 28 **ENHANCED UNDERINSURED MOTORIST INSURER.**

29 19-513.

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

33 (b) **(1) [Notwithstanding] EXCEPT AS PROVIDED IN § 19-509.1 OF THIS**
 34 **SUBTITLE, AND NOTWITHSTANDING** any other provision of this subtitle, a person may

1 not recover benefits under the coverages described in §§ 19-504, 19-505, 19-509,
2 **19-509.1**, and 19-512 of this subtitle from more than one motor vehicle liability insurance
3 policy or insurer on a duplicative ~~or supplemental~~ basis.

4 **(2) EXCEPT AS PROVIDED IN § 19-509.1 OF THIS SUBTITLE, AND**
5 **NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, A PERSON MAY NOT**
6 **RECOVER BENEFITS UNDER THE COVERAGES DESCRIBED IN §§ 19-504, 19-505,**
7 **19-509, AND 19-512 OF THIS SUBTITLE FROM MORE THAN ONE MOTOR VEHICLE**
8 **LIABILITY INSURANCE POLICY OR INSURER ON A SUPPLEMENTAL BASIS.**

9 (c) (1) The insurer of a motor vehicle for which the coverage described in §
10 19-505 of this subtitle is in effect shall pay the benefits described in § 19-505 of this subtitle
11 to an individual who is injured in a motor vehicle accident:

12 (i) while occupying the insured motor vehicle; or

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

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

18 (d) (1) The insurer under a policy that contains the coverages described in §§
19 19-505 and 19-509 of this subtitle shall pay the benefits described in §§ 19-505 and
20 19-509 to an individual insured under the policy who is injured in a motor vehicle accident:

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

23 (ii) by a motor vehicle for which the coverages described in §§
24 19-505 and 19-509 of this subtitle are not in effect as a pedestrian, while in, on, or alighting
25 from a vehicle powered by animal or muscular power, or while on or alighting from an
26 animal.

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

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

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

32 (e) Benefits payable under the coverages described in §§ 19-505 and 19-509 of
33 this subtitle shall be reduced to the extent that the recipient has recovered benefits under

1 the workers' compensation laws of a state or the federal government for which the provider
2 of the workers' compensation benefits has not been reimbursed.

3 **Article – Transportation**

4 17–103.

5 (b) The security required under this subtitle shall provide for at least:

6 (1) The payment of claims for bodily injury or death arising from an
7 accident of up to \$30,000 for any one person and up to \$60,000 for any two or more persons,
8 in addition to interest and costs;

9 (2) The payment of claims for property of others damaged or destroyed in
10 an accident of up to \$15,000, in addition to interest and costs;

11 (3) Unless waived under § 19–506 of the Insurance Article or rejected
12 under § 19–506.1 of the Insurance Article, the benefits described under § 19–505 of the
13 Insurance Article as to basic required primary coverage;

14 (4) The benefits required under § 19–509 **OR § 19–509.1** of the Insurance
15 Article as to required additional coverage; and

16 (5) For vehicles subject to the provisions of § 25–111.1 of this article, the
17 security requirements adopted under 49 C.F.R., Part 387.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act applies to each policy
19 of private passenger motor vehicle insurance issued, sold, or delivered in the State on or
20 after July 1, 2018.

21 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.