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§19–506.1.

(a) (1) Notwithstanding §§ 19–505 and 19–506 of this subtitle, a first named insured is not required to obtain coverage for the benefits described in §§ 19–505 and 19–506 of this subtitle under a motor vehicle liability insurance policy that:

(i) provides coverage that does not exceed the minimum liability coverage specified in § 17–103(b) of the Transportation Article; and

(ii) 1. subject to paragraph (2) of this subsection, is issued, sold, or delivered by the Maryland Automobile Insurance Fund; or

2. subject to paragraph (3) of this subsection, is issued, sold, or delivered by an insurer other than the Maryland Automobile Insurance Fund.

(2) The Maryland Automobile Insurance Fund shall offer a first named insured, at the time of application for a policy described in paragraph (1)(i) of this subsection, the option to reject coverage for the benefits described in §§ 19–505 and 19–506 of this subtitle if, prior to the application, the applicant has not been insured continuously by the Maryland Automobile Insurance Fund for at least 1 year.

(3) An insurer other than the Maryland Automobile Insurance Fund may offer a first named insured, at the time of application for a policy described in paragraph (1)(i) of this subsection, the option to reject coverage for the benefits described in §§ 19–505 and 19–506 of this subtitle if:

(i) prior to the application, the applicant was insured by an insurer other than the Maryland Automobile Insurance Fund; and

(ii) the insurer under the prior policy canceled the policy before the end of the policy's term.

(b) At the time of application for a policy described in subsection (a)(1)(i) of this section, the first named insured shall elect in writing to:

(1) obtain coverage for the benefits described in § 19–505 of this subtitle;

(2) waive coverage for the benefits described in § 19–505 of this subtitle in accordance with § 19–506 of this subtitle; or

(3) reject coverage for the benefits described in §§ 19–505 and 19–506 of this subtitle in accordance with this section.

(c) (1) The election under subsection (b) of this section shall be made on the form that the Commissioner requires.

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

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

(i) that the first named insured must elect in writing to:

1. obtain coverage for the benefits described in § 19–505 of this subtitle;

2. waive coverage for the benefits described in § 19–505 of this subtitle in accordance with § 19–506 of this subtitle; or

3. reject coverage for the benefits described in §§ 19–505 and 19–506 of this subtitle in accordance with this section;

(ii) the nature, extent, and cost of coverage for the benefits described in §§ 19–505 and 19–506 of this subtitle if not rejected by the first named insured;

(iii) that the election to reject coverage for the benefits described in §§ 19–505 and 19–506 of this subtitle in accordance with this section is effective until the end of the policy's term unless the first named insured:

1. withdraws the rejection in writing;

2. obtains a motor vehicle liability insurance policy for the insured motor vehicle from another insurer; or

3. increases any coverage under the policy to an amount that exceeds the minimum liability coverage specified in § 17–103(b) of the Transportation Article; and

(iv) that on renewal of the policy, unless the first named insured notifies the insurer in writing that the first named insured wishes to obtain coverage for the benefits described in § 19–505 of this subtitle, the insurer shall provide the coverage described in § 19–506 of this subtitle.

(d) (1) A rejection of coverage for the benefits described in §§ 19–505 and 19–506 of this subtitle in accordance with this section is effective until the end of the policy's term unless the first named insured:

(i) withdraws the rejection in writing;

(ii) obtains a motor vehicle liability insurance policy for the insured motor vehicle from another insurer; or

(iii) increases any coverage under the policy to an amount that exceeds the minimum liability coverage specified in § 17–103(b) of the Transportation Article.

(2) On renewal of the policy, unless the first named insured notifies the insurer in writing that the first named insured wishes to obtain coverage for the benefits described in § 19–505 of this subtitle, the insurer shall provide the coverage described in § 19–506 of this subtitle.

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