

SENATE BILL 1027

C4

2lr3316

By: **Senator Stone**

Introduced and read first time: February 22, 2012

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Insurance – Uninsured Motorist Coverage – Waiver of**
3 **Mandatory Deduction**

4 FOR the purpose of requiring an insurer that issues a policy of motor vehicle liability
5 insurance that provides uninsured motorist coverage to waive a certain
6 mandatory deduction from the amount payable for damages to property for a
7 certain insured who makes a certain claim for property damage to a motor
8 vehicle covered under the policy; and generally relating to uninsured motorist
9 coverage.

10 BY repealing and reenacting, without amendments,
11 Article – Insurance
12 Section 19–509(a) and (c) and 20–602(a) and (b)(1)
13 Annotated Code of Maryland
14 (2011 Replacement Volume)

15 BY repealing and reenacting, with amendments,
16 Article – Insurance
17 Section 19–509(e)
18 Annotated Code of Maryland
19 (2011 Replacement Volume)

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

22 **Article – Insurance**

23 19–509.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

11 (c) In addition to any other coverage required by this subtitle, each motor
12 vehicle liability insurance policy issued, sold, or delivered in the State after July 1,
13 1975, shall contain coverage for damages, subject to the policy limits, that:

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

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

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

24 (i) shall at least equal:

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

27 2. **SUBJECT TO PARAGRAPH (3) OF THIS**
28 **SUBSECTION**, the coverage provided to a qualified person under Title 20, Subtitle 6 of
29 this article; and

30 (ii) may not exceed the amount of liability coverage provided
31 under the policy.

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

1 **(3) AN INSURER SHALL WAIVE THE \$250 MANDATORY**
2 **DEDUCTION PROVIDED FOR IN § 20-602(B)(1)(I) OF THIS ARTICLE, FROM THE**
3 **AMOUNT PAYABLE FOR DAMAGES TO PROPERTY, FOR AN INSURED WHO:**

4 **(I) HAS A DISABILITY FOR WHICH THE INSURED RECEIVES**
5 **DISABILITY PAYMENTS FROM THE STATE OR FEDERAL GOVERNMENT OR UNDER**
6 **A PENSION PLAN OF THE INSURED'S EMPLOYER; AND**

7 **(II) MAKES A CLAIM, UNDER THE UNINSURED MOTORIST**
8 **COVERAGE PROVIDED IN A MOTOR VEHICLE LIABILITY INSURANCE POLICY**
9 **ISSUED BY THE INSURER, FOR PROPERTY DAMAGE TO A MOTOR VEHICLE**
10 **COVERED UNDER THE POLICY.**

11 20-602.

12 (a) The maximum amount payable from the Fund, exclusive of interest and
13 costs, for claims filed under this subtitle arising from one accident is:

14 (1) \$20,000 on account of injury to or death of one individual;

15 (2) subject to the limit specified in item (1) of this subsection, \$40,000
16 on account of injury to or death of more than one individual; and

17 (3) \$15,000 for damages to property.

18 (b) (1) The following deductions shall be made from the smaller of the
19 applicable maximum amount under subsection (a) of this section and the amount of
20 the judgment:

21 (i) \$250 from a judgment or part of a judgment for damages to
22 property; and

23 (ii) the total amount that the claimant has received or is likely
24 to receive:

25 1. from any source toward payment of the settlement or
26 judgment;

27 2. toward payment of a judgment against a person
28 against whom the claimant has a cause of action, arising out of the same accident, for
29 damages for bodily injury or death or damage to property;

30 3. under a policy affording indemnity for damage to or
31 destruction of property of the applicant; and

1 4. by reason of the accident out of which the claim arises
2 under any workers' compensation law.

3 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
4 October 1, 2012.