

Chapter 460

(Senate Bill 82)

AN ACT concerning

Maryland Automobile Insurance Fund – Claims for Bodily Injury or Death – Payment Limitation

FOR the purpose of increasing the maximum amounts payable from the Maryland Automobile Insurance Fund for certain claims on account of injury to or death of one individual and of more than one individual arising from a motor vehicle accident; providing for the allocation of certain penalties among certain funds on or after a certain date; providing for the application of this Act; and generally relating to claims against the Maryland Automobile Insurance Fund.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 20–602

Annotated Code of Maryland

(2011 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Transportation

Section 17–106(e)

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)

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

Article – Insurance

20–602.

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

(1) ~~[\$20,000]~~ **\$30,000** on account of injury to or death of one individual;

(2) subject to the limit specified in item (1) of this subsection, ~~[\$40,000]~~ **\$60,000** on account of injury to or death of more than one individual; and

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

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

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

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

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

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

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

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

(2) For the purposes of this subtitle, medical, hospital, funeral, or other benefits paid or payable for the applicant under the Maryland Workers' Compensation Act shall be considered to be received or receivable by the claimant.

(c) The Fund may recover any amount paid out of the Fund that exceeds the amount authorized under this subtitle by bringing an action against the person that received the excess payment.

(d) (1) Notwithstanding any workers' compensation law or similar law to the contrary, whenever the amount of a payment by the Fund has been reduced by the amount of benefits paid or to be paid in accordance with a workers' compensation law or similar law, the employer of an injured person or decedent and the insurer of that employer is not entitled to a lien on payment from the Fund.

(2) Workers' compensation benefits may not be reduced because of the reduced payment from the Fund.

Article – Transportation

17-106.

(e) (1) (i) In addition to any other penalty provided for in the Maryland Vehicle Law, if the required security for a vehicle terminates or otherwise lapses during its registration year, the Administration may assess the owner of the vehicle with a penalty of \$150 for each vehicle without the required security for a period of 1 to 30 days. If a fine is assessed, beginning on the 31st day the fine shall increase by a rate of \$7 for each day.

(ii) Each period during which the required security for a vehicle terminates or otherwise lapses shall constitute a separate violation.

(iii) The penalty imposed under this subsection may not exceed \$2,500 for each violation in a 12-month period.

(2) (i) A penalty assessed under this subsection shall be paid as follows:

1. 70% to be allocated as provided in subparagraphs (ii) through [(iv)] (VI) of this paragraph; and

2. 30% to the Administration, which may be used by the Administration, subject to subsection (f) of this section, to provide funding for contracts with independent agents to assist in the recovery of evidences of registration as authorized in subsection (d)(3) of this section.

(ii) For the fiscal year beginning July 1, 2001, the percentage of the penalties specified under subparagraph (i)1 of this paragraph shall be allocated among the Vehicle Theft Prevention Fund, the Motor Vehicle Registration Enforcement Fund, the School Bus Safety Enforcement Fund, the Transportation Trust Fund, and the General Fund as follows:

1. \$400,000 to the Motor Vehicle Registration Enforcement Fund;

2. \$600,000 to the School Bus Safety Enforcement Fund;

3. \$2,000,000 to the Vehicle Theft Prevention Fund;

4. \$9,600,000 to the Transportation Trust Fund; and

5. The balance to the General Fund.

(iii) For the fiscal year beginning July 1, 2002, the percentage of the penalties specified under subparagraph (i)1 of this paragraph shall be allocated among the Vehicle Theft Prevention Fund, the Maryland Automobile Insurance Fund, the Motor Vehicle Registration Enforcement Fund, the School Bus Safety Enforcement Fund, and the General Fund as follows:

- Enforcement Fund;
1. \$400,000 to the Motor Vehicle Registration
 2. \$600,000 to the School Bus Safety Enforcement Fund;
 3. \$2,000,000 to the Vehicle Theft Prevention Fund;
 4. \$2,000,000 to the Maryland Automobile Insurance
Fund; and
 5. The balance to the General Fund.

(iv) For each fiscal year beginning on or after July 1, 2003, the percentage of the penalties specified under subparagraph (i)1 of this paragraph shall be allocated among the School Bus Safety Enforcement Fund, the Vehicle Theft Prevention Fund, the Maryland Automobile Insurance Fund, and the General Fund as follows:

1. \$600,000 to the School Bus Safety Enforcement Fund;
2. \$2,000,000 to the Vehicle Theft Prevention Fund;
3. The amount distributed to the Maryland Automobile Insurance Fund in the prior fiscal year under the provisions of this paragraph adjusted by the change for the calendar year preceding the fiscal year in the Consumer Price Index – All Urban Consumers – Medical Care as published by the United States Bureau of Labor Statistics to the Maryland Automobile Insurance Fund; and
4. The balance to the General Fund.

(v) FOR EACH FISCAL YEAR BEGINNING ON JULY 1, 2013, THE PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (I)1 OF THIS PARAGRAPH SHALL BE ALLOCATED AMONG THE SCHOOL BUS SAFETY ENFORCEMENT FUND, THE VEHICLE THEFT PREVENTION FUND, THE MARYLAND AUTOMOBILE INSURANCE FUND, AND THE GENERAL FUND AS FOLLOWS:

1. **\$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT FUND;**
2. **\$2,000,000 TO THE VEHICLE THEFT PREVENTION FUND;**

3. \$3,400,000 TO THE MARYLAND AUTOMOBILE INSURANCE FUND; AND

4. THE BALANCE TO THE GENERAL FUND.

(VI) FOR EACH FISCAL YEAR BEGINNING ON OR AFTER JULY 1, 2014, THE PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (I)1 OF THIS PARAGRAPH SHALL BE ALLOCATED AMONG THE SCHOOL BUS SAFETY ENFORCEMENT FUND, THE VEHICLE THEFT PREVENTION FUND, THE MARYLAND AUTOMOBILE INSURANCE FUND, AND THE GENERAL FUND AS FOLLOWS:

1. \$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT FUND;

2. \$2,000,000 TO THE VEHICLE THEFT PREVENTION FUND;

3. TO THE MARYLAND AUTOMOBILE INSURANCE FUND, THE AMOUNT DISTRIBUTED TO THE MARYLAND AUTOMOBILE INSURANCE FUND IN THE PRIOR FISCAL YEAR UNDER THE PROVISIONS OF THIS PARAGRAPH ADJUSTED BY THE CHANGE FOR THE CALENDAR YEAR PRECEDING THE FISCAL YEAR IN THE CONSUMER PRICE INDEX – ALL URBAN CONSUMERS – MEDICAL CARE AS PUBLISHED BY THE UNITED STATES BUREAU OF LABOR STATISTICS; AND

4. THE BALANCE TO THE GENERAL FUND.

(3) If the Administration assesses a vehicle owner or co-owner with a penalty under this subsection, the Administration may not take any of the following actions until the penalty is paid:

(i) Reinstate a registration suspended under this subsection;

(ii) Except for a temporary registration as provided under § 13-602(a)(2) of this article, issue a new registration for any vehicle that is owned or co-owned by that person and is titled after the violation date; or

(iii) Renew a registration for a vehicle that is owned or co-owned by that person.

(4) (i) In this paragraph, “family member” means any individual whose relationship to the vehicle owner is one of those listed under § 13-810(c)(1) of this article as being exempt from paying the excise tax imposed on the transfer of a vehicle.

(ii) The monetary penalties provided in this subsection may not be avoided by transferring title to the vehicle.

(iii) Regardless of whether money or other valuable consideration is involved in the transfer, if title to a vehicle is transferred by an individual who has violated this subtitle to a family member, any suspension of the vehicle's registration that occurred before the transfer shall continue as if no transfer had occurred and a new registration may not be issued until the penalty fee is paid.

(5) An amount equal to the monetary penalties paid to the Administration under paragraph (2) of this subsection may be used by the Administration only for the enforcement of this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to claims filed based on accidents that occurred on or after October 1, 2012.

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

Approved by the Governor, May 22, 2012.