

AN ACT to repeal and re-enact, with amendments, Section 540 of Article 48A of the Annotated Code of Maryland (1972 Replacement Volume and 1972 Supplement), title "Insurance Code," subtitle "Motor Vehicle Casualty Insurance - Required Primary Coverage," to allow coordination and non-duplication of economic loss and certain collateral benefits [[when both types of benefits are provided by the same insurer under certain conditions]] under certain conditions when the insured is covered by both types of benefits. [[.]] and permitting the named insured to elect or reject coordination and non-duplication.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section 540 of Article 48A of the Annotated Code of Maryland (1972 Replacement Volume and 1972 Supplement), title "Insurance Code," subtitle "Motor Vehicle Casualty Insurance - Required Primary Coverage," be and it is hereby repealed and re-enacted, with amendments, to read as follows:

540.

The benefits required under § 539 of this article shall be payable without regard to the fault or nonfault of the named insured or the recipient in causing or contributing to the accident, and without regard to any collateral source of medical, hospital, or wage continuation benefits. [[PROVIDED, HOWEVER, THAT WHERE THE BENEFITS REQUIRED UNDER § 539 AND THE SAID COLLATERAL BENEFITS ARE AVAILABLE UNDER COVERAGES WRITTEN OR UNDERWRITTEN, OR RE-INSURED, DIRECTLY OR INDIRECTLY, BY THE SAME INSURER, THE INSURER MAY, SUBJECT TO APPROPRIATE REDUCTIONS IN PREMIUMS FOR ONE OR BOTH OF SAID COVERAGES APPROVED BY THE INSURANCE COMMISSIONER, COORDINATE THE POLICIES TO PROVIDE FOR NON-DUPLICATION OF SUCH BENEFITS.]] WHERE THE INSURED HAS COVERAGE FOR BOTH THE BENEFITS REQUIRED UNDER SECTION 539 AND THE COLLATERAL BENEFITS [[ARE AVAILABLE UNDER COVERAGES WRITTEN OR UNDERWRITTEN, OR RE-INSURED, DIRECTLY OR INDIRECTLY, BY THE SAME INSURER]] THE INSURER OR INSURERS MAY COORDINATE THE POLICIES TO PROVIDE FOR NON-DUPLICATION OF SUCH BENEFITS; SUBJECT, HOWEVER, TO APPROPRIATE REDUCTIONS IN PREMIUMS FOR ONE OR BOTH OF SAID COVERAGES APPROVED BY THE INSURANCE COMMISSIONER, AND THE NAMED INSURED SHALL HAVE THE RIGHT TO ELECT OR REJECT THE COORDINATION OF POLICIES AND NON-DUPLICATION OF BENEFITS, [[AS OFFERED BY THE INSURER.]] IF THE INSURED ELECTS TO COORDINATE, HE SHALL INDICATE IN WRITING WHICH POLICY IS TO BECOME PRIMARY. An insurer paying benefits pursuant to § 539 of this article shall have no right of subrogation and no claim against any other person or insurer to recover any such benefits by reason of the alleged fault of such other person in causing or contributing to the accident.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1973.

Approved May 24, 1973.