

WILLIAM DONALD SCHAEFER, Governor

excluded from coverage under a policy from recovering certain benefits under the policy under certain circumstances; prohibiting a person excluded from coverage from operating the vehicle unless separately insured; making a stylistic change; and generally relating to voluntary exclusions by certain insureds of certain individuals from coverage under certain automobile insurance policies.

BY adding to

Article 48A - Insurance Code  
Section 240C-2 and 543(f)  
Annotated Code of Maryland  
(1986 Replacement Volume and 1988 Supplement)

BY repealing and reenacting, with amendments,

Article 48A - Insurance Code  
Section 243B(a)  
Annotated Code of Maryland  
(1986 Replacement Volume and 1988 Supplement)

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

Article 48A - Insurance Code

240C-2.

(A) IF AN INSURER UNDERTAKES TO UNDERWRITE OR RENEW A POLICY OF PRIVATE PASSENGER AUTOMOBILE INSURANCE UNDER WHICH MORE THAN 1 INDIVIDUAL IS INSURED, THE FIRST NAMED INSURED MAY REQUEST THAT THE INSURER EXCLUDE 1 OR MORE INDIVIDUALS IN THE INSURED'S HOUSEHOLD FROM ALL COVERAGE UNDER THE POLICY WHEN THE VEHICLE IS OPERATED BY THE SPECIFICALLY NAMED INDIVIDUAL. A PERSON EXCLUDED FROM THE POLICY MAY NOT OPERATE THE VEHICLE UNLESS THE PERSON IS INSURED UNDER A SEPARATE POLICY.

(B) THE NUMBER OF INDIVIDUALS EXCLUDED UNDER THIS SECTION SHALL BE LESS THAN THE TOTAL NUMBER OF INDIVIDUALS IN THE FIRST NAMED INSURED'S HOUSEHOLD THAT WOULD OTHERWISE HAVE BEEN COVERED ABSENT THE EXCLUSION.

(C) THE EXCLUSION OF INDIVIDUALS UNDER THIS SECTION:

(1) IS LIMITED TO FAMILY MEMBERS OF THE FIRST NAMED INSURED THAT:

(I) RESIDE IN THE HOUSEHOLD OF THE FIRST NAMED INSURED; AND