

policy or binder of private passenger motor vehicle liability insurance liability coverage for claims made by family members in a certain amount under certain circumstances; requiring that the offer be made on a certain form; specifying the contents of the form; prohibiting an insurer from refusing to underwrite a first named insured because the first named insured requests or elects liability coverage for claims of family members in a certain amount; establishing certain penalties for violation of a certain provision of this Act; requiring the Insurance Commissioner to make a certain study and provide a certain report by a certain date; providing for the application of this Act; and generally relating to liability coverage for claims of family members under private passenger motor vehicle liability insurance.

BY adding to

Article – Insurance

Section 19–504.1

Annotated Code of Maryland

(2002 Replacement Volume and 2003 Supplement)

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

Article – Insurance

19–504.1.

(A) THIS SECTION APPLIES ONLY WHEN THE LIABILITY COVERAGE UNDER A POLICY OR BINDER OF PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE EXCEEDS THE AMOUNT REQUIRED UNDER § 17–103 OF THE TRANSPORTATION ARTICLE.

(B) AN INSURER SHALL OFFER TO THE FIRST NAMED INSURED UNDER A POLICY OR BINDER OF PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE LIABILITY COVERAGE FOR CLAIMS MADE BY A FAMILY MEMBER IN THE SAME AMOUNT AS THE LIABILITY COVERAGE FOR CLAIMS MADE BY A NONFAMILY MEMBER UNDER THE POLICY OR BINDER.

(C) (1) AN OFFER MADE UNDER THIS SECTION SHALL BE MADE ON THE FORM THAT THE COMMISSIONER REQUIRES.

(2) THE FORM MAY BE PART OF THE INSURANCE APPLICATION, POLICY, CONTRACT, OR BINDER.

(3) THE FORM SHALL CLEARLY AND CONCISELY EXPLAIN IN 10 POINT BOLDFACE TYPE:

(I) THE NATURE, EXTENT, BENEFIT, AND COST OF THE AMOUNT OF LIABILITY COVERAGE FOR CLAIMS MADE BY FAMILY MEMBERS THAT IS AVAILABLE TO THE FIRST NAMED INSURED; AND

(II) THAT AN INSURER MAY NOT REFUSE TO UNDERWRITE A FIRST NAMED INSURED BECAUSE THE FIRST NAMED INSURED REQUESTS OR ELECTS THE