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Bulletin: Property and Casualty 04-18-A

To: Property and Casualty Insurers

**Re: Revised Mandatory Coverage Offer and Waivers for Private Passenger
Motor Vehicle Liability Insurance in the State of Maryland**

Date: November 10, 2004

Bulletin 04-18 was withdrawn by the Administration on October 5, 2004 pending the issuance of this revised and modified Bulletin. The purpose of this Bulletin is:

- to identify the form for the mandatory offering of coverage for the claims of family members which property and casualty insurers must utilize in connection with renewals of certain binders or policies of private passenger motor vehicle liability insurance effective on or after January 1, 2005;
- to identify the new forms which property and casualty insurers must utilize in connection with a first-time waiver of PIP or UM Coverage made after January 1, 2005.

I. Background

Section 19-504.1 of the Insurance Article was enacted by Chapter 127, Acts 2004 and signed into law by Governor Ehrlich on April 27, 2004. The new law became effective on October 1, 2004. This law provides that, where the liability coverage purchased under a policy or binder of private passenger motor vehicle liability insurance exceeds the statutory minimums, the insurer must offer the first named insured the opportunity to purchase coverage for claims made by a family member in the same amount as the coverage for claims made by non-family members. This Mandatory Offering of Family Member Coverage must be made on a form required by the Commissioner. The statute specifically requires that the form is to clearly and concisely explain "the nature, extent, benefit, and cost..." of the coverage being offered. *See*

Insurance Article, §19-504.1(c)(3)(i). The Mandatory Offering must be made as to all private passenger motor vehicle insurance policies and binders issued, delivered, or renewed in the State on or after January 1, 2005. The Mandatory Offering of Family Member Coverage applies only to those private passenger motor vehicle policies under which the limits of liability exceed the statutory minimums (20/40/15). ***Hence, no Form need be provided to any insured with respect to any policy or binder issued or renewed where the limits of liability are not in excess of the statutory minimums. Similarly, no Form need be provided to any insured with respect to any policy or binder issued or renewed where the insurer is automatically increasing the liability coverage for family members to match the limits of coverage for non-family members at no additional charge to the insured.***

Sections 19-506 and 19-510 of the Insurance Article require that waivers of coverage for personal injury protection ("PIP") and uninsured motorist claims ("UM") be made on forms required by the Commissioner. Waivers for those coverages currently must be made on a form entitled "Notice Concerning the Waiver of Personal Injury Protection (PIP) Coverage – Private Passenger Automobile Liability Insurance" and a form entitled "Notice Concerning Waiver of Increased Limits of Uninsured Motorist Coverage - Private Passenger Motor Vehicle Liability Insurance" which are in the Compliance Guide. The Commissioner has made revisions to those Forms.

II. Forms Required for the Mandatory Offering of Family Member Liability Coverage, PIP Waivers and UM Coverage Waivers For Renewal Business.

A. Stand-Alone Form for Mandatory Offering of Family Member Liability Coverage at Renewal.

For all binders or policies of private passenger motor vehicle insurance renewing on or after January 1, 2005, insurers must offer Family Member Coverage to the first named insured on the stand-alone Form attached hereto as Exhibit 1. The stand-alone Family Member Coverage Form for Renewal Business is entitled: "**Mandatory Offer of Increased Liability Coverage for Claims of Family Members for Private Passenger Motor Vehicle Liability Insurance in the State of Maryland (Renewal Business)**". The stand-alone Family Member Coverage Form for Renewal Business has one Part, entitled: "**Offer of Increased Liability Coverage for Claims of Family Members (Renewal)**".

The stand-alone Family Member Liability Coverage Form for Renewal Business must be provided to the insured at least 17 days prior to the date on which the premium for the coverage, if accepted, is due. The stand-alone Family Member Liability Coverage Form for Renewal Business may be sent as a separate mailing to first named insureds or may be included in the insurer's standard renewal packet. Please note that the stand-alone Family Member Liability Coverage Form for Renewal Business allows the insured to accept the offer of coverage by paying, when due, the additional premium charged for the Family Member Liability Coverage.

An insurer that currently automatically provides or intends to automatically increase liability coverage for family members under binders or policies of private passenger motor vehicles insurance renewing on or after January 1, 2005 without charging additional premium

for the increase in coverage *is not required* to send the stand-alone Family Member Liability Coverage Form for Renewal Business to the first named insured. Such insurers will, however, be required to amend their policy forms to reflect the automatic increase in coverage and to notify their insureds at renewal of the change in coverage. This requirement does not apply to those policies that currently do not exclude Family Member Liability Coverage in excess of the statutorily mandated limits. Furthermore, with respect to such policies, the insurer need not provide the stand-alone Family Member Liability Coverage Form to its first named insureds.

B. PIP and UM Coverage Waivers Occurring After January 1, 2005 on Policies or Binders Issued Before January 1, 2005.

Insurers who are in possession of executed PIP and/or UM Waivers on forms previously approved by the Commissioner with respect to binders or policies issued or delivered prior to January 1, 2005 are **not** required to replace those waivers. However, if no waiver of PIP or UM Coverage is in place as of January 1, 2005 but, after January 1, 2005, the first named insured elects to waive PIP or UM Coverage, the new waiver(s) must be made on the new form(s).

Specifically, all new waivers of PIP made after January 1, 2005 with respect to a policy or binder of private passenger motor vehicle insurance issued in this State prior to January 1, 2005 must be made on the stand-alone Form attached hereto as Exhibit 2. That Form is entitled: **"Mandatory Personal Injury Protection Waiver for Private Passenger Motor Vehicle Liability Insurance in the State of Maryland."** The Post-January 1, 2005 PIP Waiver Form consists of one Part: **"Notice and Waiver of Personal Injury Protection (PIP) Coverage."**

Similarly, all new waivers of UM Coverage made after January 1, 2005 with respect to a policy or binder of private passenger motor vehicle insurance issued in this State prior to January 1, 2005 must be made on the stand-alone Form attached hereto as Exhibit 3. The new form relating to the waiver of UM Coverage on such policies is entitled: **"Mandatory Uninsured Motorist Coverage Waiver for Private Passenger Motor Vehicle Liability Insurance in the State of Maryland."** The Post-January 1, 2005 UM Coverage Waiver Form consists of one Part: **"Notice and Waiver of Increased Limits of Uninsured Motorist Coverage."** If the insured has purchased only the statutory minimum limits, the insurer is not required to use this form. *See* §19-510(a).

III. Forms Required for Family Member Coverage, PIP Waivers and UM Coverage Waivers For New Business

Insurers must use the Form attached hereto as Exhibit 4 in connection with all new policies or binders of private passenger motor vehicle insurance issued or delivered in this State on or after January 1, 2005. Insurers may use these Forms as a three-part Form or may use each part as a separate form. The three-part Form is entitled: **"Mandatory Offer of Increased Liability Coverage for Claims of Family Members (New Business), Mandatory Personal Injury Protection Waiver, and Mandatory Uninsured Motorist Coverage Waiver For Private Passenger Motor Vehicle Liability Insurance in the State of Maryland."** Part One of the Form is entitled: **"Offer of Increased Liability Coverage for Claims of Family Members (New Business)."** Part Two of the Form is entitled: **"Notice and Waiver of Personal**

Injury Protection (PIP) Coverage." Part Three of the Form is entitled: "Notice and Waiver of Increased Limits of Uninsured Motorist Coverage."

An insurer that automatically provides limits for the claims of family members that are equal to the limits for the claims of non-family members without charging an additional premium for the family member coverage *is not required* to use Part One of the New Business Form.

IV. Questions and Answers

1. What if the company writes motorcycle insurance policies, does the Family Member Liability Coverage apply as well as the other forms?

Answer: Yes. Section 19-504.1 states that this section applies to “private passenger motor vehicle liability insurance” and a motorcycle is, by definition, a “motor vehicle” as per §11-135 of the Transportation Article. However, if the applicant or insured purchases only the minimum limits of liability coverage (20/40/15) for a motorcycle policy then the insurer need not complete these forms.

Insurers who offer liability coverage policies for motorcycles are not required to offer PIP coverage. If the insurer has filed not to offer PIP coverage for their motorcycle program, then the insurer does not need to have the applicant complete a PIP Waiver. However, the UM Waiver must be completed.

2. If an insured elects to accept the offer of Family Member Liability Coverage, does this alter the carriers obligation to pay a claim with respect to which the doctrine of parent-child immunity applies?

Answer: No. The doctrine of parent-child immunity is a defense to the underlying tort case and where the doctrine is applicable, there is no liability and thus, no coverage. §19-504.1 does nothing to alter the doctrine as it does not address the underlying liability.

3. What if the company is offering the coverage at no cost to the insured, does the company have to use this form?

Answer: No. The company must simply notify the first named insured of this additional coverage at renewal. In addition, the company may have to amend their policy forms to reflect this coverage.

4. When must the Family Member Liability Coverage offer be made and when must the form be used?

Answer: In light of the comments received and in order to provide carriers with a phase in period for compliance along with the timing directives of the statute, the MIA is allowing carriers to choose how they wish to comply with the statute.

For policies renewing between January 1, 2005 and March 1, 2005, companies have three options: 1) send the form with the renewal package; or 2) send the form as a stand-alone form prior to renewal; or 3) send the form after the effective date of renewal with the insert attached as Exhibit #5. Please note that if the insured elects to accept the offer of Increased Family Member Liability Coverage, it is effective as of the renewal date and the company must accept the insured's acceptance even if there has been an intervening covered loss.

For policies renewing after March 1, 2005, companies have two options: 1) send the form with the renewal package; or 2) send the form as a stand-alone form prior to renewal.

Electronic copies of these forms will be posted on the Maryland Insurance Administration's website at www.mdinsurance.state.md.us under Insurer Services.

Any found to be in violation of the statutory requirements outlined in this Bulletin will be subject to administrative penalties.

Questions regarding the information provided in this bulletin or the steps required for compliance should be directed to Cathy Ruppel, Insurance Analyst, Property & Casualty Rate and Form Unit, by phone at (410) 468-2316 or by email at cruppel@mdinsurance.state.md.us.

Alfred W. Redmer, Jr.
Insurance Commissioner

EXHIBIT 1

**Mandatory Offer of Increased Liability Coverage
for Claims of Family Members for Private Passenger Motor Vehicle Liability
Insurance in the State of Maryland Offered at an Additional Premium
(Renewal Business)**

This form consists of one (1) part:

Offer of Increased Liability Coverage for Claims of Family Members (Renewal)

The executed original of this form or a reliable image thereof by way of photographic, microprocessed, magnetic, mechanical, electronic, digital or any other media that the company uses to maintain its records of insurance transactions should be kept on file.

**Offer of Increased Liability Coverage for
Claims of Family Members Offered at an
Additional Premium (Renewal Business)**

**Offer of Increased Liability Coverage for
Claims of Family Members Offered at an
Additional Premium**

Maryland law requires that a private passenger motor vehicle liability insurance policy have at least a minimum amount of coverage for both liability and uninsured motorist coverage which is \$20,000 per person/\$40,000 per accident for bodily injury and \$15,000 per accident for property damage.

State law now requires that every insurer writing private passenger motor vehicle liability insurance offer to the first named insured, under a binder or policy of private passenger liability motor vehicle 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.

The insurance company may not refuse to underwrite a first named insured because the first named insured requests or elects the liability coverage for claims made by family members in an amount equal to the coverage provided for nonfamily member claims.

Before making your decision, please read the following carefully:

Liability coverage is an agreement of the insurer to pay, in accordance with the terms and conditions of the policy, for damages arising out of bodily injury and/or property damage for which an insured under your policy becomes legally obligated to pay as a result of a covered motor vehicle accident.

Bodily injury coverage - protects the insured against claims made by others for bodily harm, sickness, or disease, including death.

Property damage – protects the insured against claims made by others for physical injury to, destruction of, or loss of use of tangible property.

PLEASE NOTE: The Family Member Liability Coverage that you may elect to purchase does not entitle you to coverage for a claim for which liability does not otherwise exist under the doctrine of parent-child immunity.

The following limits of liability coverage for family members are available to the first named insured at the following cost(s):

Limits of Coverage:

**\$ _____
(per person/per occurrence for bodily injury
and/or property damage or one figure
identifying it as a combined single limit)**

**Cost(s) of Family Member Liability Coverage
(this amount is in addition to your regular
premium):**

\$ _____

**To ACCEPT this Offer of increased Liability
Coverage for Claims of Family Members, you
should contact your agent or company
representative by telephone or in writing to
request this additional coverage;**

OR

**You should make payment no later than
(Date) in the amount listed above to
(Direct where payment should be sent).**

**If you take no action, your coverage will
remain the same as it is currently.**

(Editorial note: These items are variable information that must be provided by the insurer. The waiver must be in 10 point boldface type per§19-504.1)*

EXHIBIT 2

**Mandatory Personal Injury Protection Waiver
for Private Passenger Motor Vehicle Liability Insurance
in the State of Maryland**

This form consists of one (1) part:

Notice and Waiver of Personal Injury Protection (PIP) Coverage

This form must be signed and dated whether the insured accepts or rejects PIP.

The executed original of this form or a reliable image thereof by way of photographic, microprocessed, magnetic, mechanical, electronic, digital or any other media that the company uses to maintain its records of insurance transactions should be kept with the original application.

A copy of this form becomes part of the policy unless an endorsement is attached to the policy reflecting the insured's choices.

Notice and Waiver of Personal Injury Protection (PIP) Coverage

Notice Concerning the Waiver of Personal Injury Protection (PIP) Coverage in Maryland (Private Passenger Automobile Liability Insurance)

You have the choice of purchasing certain Personal Injury Protection (PIP) Coverages. Before deciding whether to purchase or waive this coverage, please read the following carefully.

Full PIP coverage provides the following protection, without regard to fault:

1. It covers you and members of your family residing with you who are injured in **any** motor vehicle accident; anyone injured while **in** your vehicle; and pedestrians injured **by** your vehicle.
2. The **minimum** coverage is \$2,500 (*you may purchase more**) and may be used to cover:
 - a. All reasonable and necessary medical expenses incurred within 3 years of injury; and
 - b. 85 percent of actually incurred lost wages; or
 - c. If the injured person is not employed at the time of injury, any reasonable and necessary expenses to provide for essential services which that person would have provided for the care and maintenance of his or her family or household.

If you do **not** sign the waiver, you will automatically receive the full PIP protection described above. Your PIP premium will be \$_____ (*annually/policy period**).

You may only waive PIP coverage for:

1. The name insured (you);
2. All listed drivers on the policy; and

3. Members of your family who are 16 years of age or older and reside with you in your household.

The waiver prevents the **named** insured (you) from collecting PIP benefits under **any** motor vehicle liability insurance policy issued in the State of Maryland or another form of security authorized to be used in place of a motor vehicle liability insurance policy.

The waiver prevents individuals described in category 2 or 3 above from collecting PIP benefits under your policy. In addition, if these individuals are involved in a motor vehicle accident, the waiver prevents these individuals from collecting PIP benefits under any other policy of motor vehicle liability insurance issued in the state of Maryland or another form of security authorized to be used in place of a motor vehicle liability insurance policy unless the individual:

- Is the first named insured under the other policy;
- Has not waived PIP benefits under the other policy; and
- Is not a named insured under any policy of motor vehicle liability insurance where a waiver of PIP benefits is in effect.

The waiver does not impair the rights of other individuals such as pedestrians or minor children from collecting PIP under your policy.

If you decide to sign the waiver, your PIP premium will be _____ percent of the full PIP coverage. The total premium will be \$ _____ (*annually/semiannually**).

If you decide **not** to sign the waiver, your insurance company may not refuse to write your insurance coverage.

(*Editorial note: These items are variable information that must be provided by the insurer to fit the situation.)

EXHIBIT 2

Waiver of Personal Injury Protection (PIP) Coverage (Private Passenger Automobile Liability Insurance)

I hereby confirm that I have fully read and understood the attached notice, required by Section 19-506 of the Insurance Article, and I understand and agree that

_____ (*insert company name***), in reliance upon my signature as the first named insured/applicant, will NOT provide the Personal Injury Protection (PIP) Coverage _____ (*insert the section of the policy which would otherwise provide PIP coverage***), required by Section 19-505 and described in the attached notice provided to me with this waiver. This coverage is waived for any injury which may be sustained by:

1. Anyone listed as a named insured on the policy;
2. All drivers listed on the policy; and
3. All members of the named insured's family living in the insured's household who are 16 years of age or older.

I further understand and agree that the waiver of Personal Injury Protection (PIP) benefits under the policy being applied for waives coverage for PIP benefits for anyone described above under any other policy issued in the State of Maryland or another form of security authorized to be used in place of a motor vehicle liability insurance policy, unless the individual is:

- Is the first named insured under the other policy; and
- Has not waived PIP benefits under the other policy; and
- Is not a named insured under any policy of motor vehicle liability insurance where a waiver of PIP benefits is in effect.

I, the first named insured/applicant, have fully read and understood the above noted information and hereby: (*check one of the following*)

request full PIP coverage be applicable to the policy or binder of insurance described below, on all future renewals of the policy and on all replacement policies unless I notify the company in writing to the contrary, with the effective date of such change being no earlier than the receipt date by the company of my written notification.

affirmatively waive the benefits required by Section 19-505 of the Insurance Article (PIP). I understand and agree that this waiver of coverage shall be applicable to the policy or binder of insurance described below, on all future renewals of the policy and on all replacement policies unless I notify the company in writing to the contrary, with the effective date of such change being no earlier than the receipt date by the company of my written notification.

First Named Insured/Applicant

Signature of First Named Insured/Applicant

_____ _____
Date *Policy/Binder #*

Insurer

_____ _____
Producer Name *Producer Code*

(** Editorial note: These items are variable information that must be provided by the insurer. The waiver must be in 10 point boldface type per §19-506(d)(3)).

EXHIBIT 3

**Mandatory Uninsured Motorist Coverage Waiver
for Private Passenger Motor Vehicle Liability Insurance**

In the State of Maryland

This form consists of one (1) part:

Notice and Waiver of Increased Limits of Uninsured Motorist Coverage

This form must be signed and dated whether the insured accepts or rejects UM.

The executed original of this form or a reliable image thereof by way of photographic, microprocessed, magnetic, mechanical, electronic, digital or any other media that the company uses to maintain its records of insurance transactions should be kept with the original application.

A copy of this form becomes part of the policy unless an endorsement is attached to the policy reflecting the insured's choices.

Notice and Waiver of Increased Limits of Uninsured Motorist Coverage

Notice Concerning the Waiver of Increased Limits of Uninsured Motorist Coverage in Maryland (Private Passenger Motor Vehicle Liability Coverage)

Maryland law now requires that every insurer writing private passenger motor vehicle liability insurance provide uninsured motorist coverage in an amount equal to the amount of liability limits provided under the policy, unless waived by the first named insured. Maryland law also requires that a policy have at least a minimum amount of coverage for both liability and uninsured motorist coverage which is \$20,000 per person/\$40,000 per accident for bodily injury and \$15,000 per accident for property damage.

If you elected to purchase liability coverage in excess of the minimum amounts stated above, Maryland law entitles you to waive that amount of uninsured motorist coverage that exceeds the minimum amounts required by law. You, as the first named insured, must make an affirmative written waiver to do so. You may then choose other available lower uninsured motorists limits but not less than the minimum amount required by law.

In the event you fail to make an affirmative written waiver, the insurance company must provide uninsured motorist coverage in an amount equal to the liability coverage.

The insurance company is prohibited from refusing to issue an insurance policy because the insured refuses to make a waiver of the excess uninsured motorist coverage.

Before making your decision, please read the following carefully: **uninsured motorist coverage** provides protection against owners or operators of uninsured motor vehicles. A motor vehicle is uninsured if:

1. There is no liability insurance or other security applicable to the motor vehicle to pay for damages sustained by others because of an accident; or
2. There is liability insurance or other security applicable to the motor vehicle to pay for such damages but the amount available is less than your uninsured motorist coverage; or

3. It is hit by a vehicle and the owner or operator of that vehicle cannot be identified.

Uninsured motorists coverage is payable if the accident is the result of the ownership, maintenance or use of the uninsured motor vehicle and you are legally entitled to recover damages from its owner or operator.

Uninsured motorists - bodily injury protection covers you and your family members residing in your household for injuries sustained in an accident involving an uninsured motor vehicle unless it is owned by you or your resident relative(s). Any other person is also covered while occupying your insured automobile.

Uninsured motorists - property damage protection covers your insured automobile if it is damaged in an accident (subject to any applicable deductible) involving an uninsured motor vehicle that is not owned by you or your resident relative(s). It also insures your property, the property of your resident relative(s) and other persons occupying your insured automobile if it is contained in your automobile at the time of an accident involving an uninsured motor vehicle.

In order to make an affirmative waiver of uninsured motorists coverage limits equal to the liability limits of the policy, you must sign an affirmative waiver and submit it to your company. In the event you fail to make an affirmative written waiver, the insurance company must provide uninsured motorist coverage in an amount equal to the liability coverage.

EXHIBIT 3

Waiver of Increased Limits of Uninsured Motorist Coverage in Maryland (Private Passenger Motor Vehicle Liability Coverage)

I confirm that I have fully read and understood the attached notice.

This is to certify that I am the first named insured/applicant. I have been offered uninsured motorists coverage in amounts equal to my liability limits of \$_____ / \$_____ (bodily injury) and \$_____ (property damage) or \$_____ (a combined single limit) at a total premium of \$_____ (annually/policy period*).

I, the first named insured/applicant, have fully read and understood the above noted information and hereby: (*check one of the following*)

affirmatively waive this offer and instead elect to purchase lower uninsured motorists limits of \$_____ / \$_____ (bodily injury) and \$_____ (property damage) or \$_____ (combined single limit), subject to the minimum limits required by Maryland law. I understand that the cost of this coverage will be calculated by the insurer and billed to me.

affirmatively accept this offer.

I understand and agree that this election shall be construed to be applicable to the policy or binder of insurance described below, on all future renewals of the policy and on all replacement policies unless I notify the company in writing to the contrary, with the effective date of such change being no earlier than the receipt date by the company of my written notification.

First Named Insured/Applicant

Signature of First Named Insured/Applicant

_____ _____
Date *Policy/Binder #*

Insurer

_____ _____
Producer Name *Producer Code*

(* Editorial note: These items are variable information that must be provided by the insurer. The waiver must be in 10 point boldface type per §19-510(d)(3)).

Exhibit 4

Mandatory Offer of Increased Liability Coverage for Claims of Family Members at an Additional Premium (New Business), Mandatory Personal Injury Protection Waiver, and Mandatory Uninsured Motorist Coverage Waiver for Private Passenger Motor Vehicle Liability Insurance in the State of Maryland

This form consists of three (3) parts:

Part 1: Offer of Increased Liability Coverage for Claims of Family Members (New Business)

Part 2: Notice and Waiver of Personal Injury Protection (PIP) Coverage

Part 3: Notice and Waiver of Increased Limits of Uninsured Motorist Coverage

All three parts of the form must be signed and dated whether the insured accepts or rejects them.

The executed original of this form or a reliable image thereof by way of photographic, microprocessed, magnetic, mechanical, electronic, digital or any other media that the company uses to maintain its records of insurance transactions should be kept with the original application.

A copy of this form becomes a part of and must be attached to the policy if one or more parts are waived or requested -- unless an endorsement is attached to the policy reflecting the insured's choices.

Exhibit 4

Part 1: Offer of Increased Liability Coverage for Claims of Family Members at an Additional Premium (New Business)

Offer of Increased Liability Coverage for Claims of Family Members

Maryland law requires that a private passenger motor vehicle liability insurance policy have at least a minimum amount of coverage for both liability and uninsured motorist coverage which is \$20,000 per person/\$40,000 per accident for bodily injury and \$15,000 per accident for property damage.

State law now requires that every insurer writing private passenger motor vehicle liability insurance offer to the first named insured, under a binder or policy of private passenger liability motor vehicle 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.

The insurance company may not refuse to underwrite a first named insured because the first named insured requests or elects the liability coverage for claims made by family members in an amount equal to the coverage provided for nonfamily member claims.

Before making your decision, please read the following carefully:

Liability coverage is an agreement of the insurer to pay, in accordance with the terms and conditions of the policy, for damages arising out of bodily injury and/or property damage for which an insured under your policy becomes legally obligated to pay as a result of a covered motor vehicle accident.

Bodily injury coverage - protects the insured against claims made by others for bodily harm, sickness, or disease, including death.

Property damage - protects the insured against claims made by others for physical injury to, destruction of, or loss of use of tangible property.

PLEASE NOTE: The Family Member Liability Coverage that you may elect to purchase does not entitle you to coverage for a claim for which liability does not otherwise exist under the doctrine of parent-child immunity.

The following limits of liability coverage for family members are available to the first named insured at the following cost(s):

Limits of Coverage:

\$ (per person/per occurrence for bodily injury and/or property damage or one figure identifying it as a combined single limit)

Cost(s) of Family Member Liability Coverage (this amount is in addition to your regular premium):

\$

I, the first named insured on the policy described below, hereby ACCEPT the Offer contained herein to increase the limits of liability for the claims of family members under the policy.

I, the first named insured on the policy described below, hereby REJECT the Offer contained herein to increase the limits of liability for the claims of family members under the policy.

I understand that this election, once made, applies not only to the policy described below, but to all future renewals of the policy and on all replacement policies, unless I notify the company in writing of my desire to increase the limits of liability for claims of family members. Any such change will be effective only as of the date that the company receives my written notification.

First Named Insured/Applicant

Signature of First Named Insured/Applicant

Date

Policy/Binder #

Exhibit 4

Insurer

Producer Name

Producer Code

(Editorial note: These items are variable information that must be provided by the insurer. The waiver must be in 10 point boldface type per§19-504.1).*

Part 2: Notice and Waiver of Personal Injury Protection (PIP) Coverage

Notice Concerning the Waiver of Personal Injury Protection (PIP) Coverage in Maryland (Private Passenger Automobile Liability Insurance)

You have the choice of purchasing certain Personal Injury Protection (PIP) Coverages. Before deciding whether to purchase or waive this coverage, please read the following carefully.

Full PIP coverage provides the following protection, without regard to fault:

1. It covers you and members of your family residing with you who are injured in **any** motor vehicle accident; anyone injured while **in** your vehicle; and pedestrians injured **by** your vehicle.
2. The **minimum** coverage is \$2,500 (*you may purchase more**) and may be used to cover:
 - a. All reasonable and necessary medical expenses incurred within 3 years of injury; and
 - b. 85 percent of actually incurred lost wages; or
 - c. If the injured person is not employed at the time of injury, any reasonable and necessary expenses to provide for essential services which that person would have provided for the care and maintenance of his or her family or household.

If you do **not** sign the waiver, you will automatically receive the full PIP protection described above. Your PIP premium will be \$_____ (*annually/policy period**).

You may only waive PIP coverage for:

1. The name insured (you);
2. All listed drivers on the policy; and

3. Members of your family who are 16 years of age or older and reside with you in your household.

The waiver prevents the **named** insured (you) from collecting PIP benefits under **any** motor vehicle liability insurance policy issued in the State of Maryland or another form of security authorized to be used in place of a motor vehicle liability insurance policy.

The waiver prevents individuals described in category 2 or 3 above from collecting PIP benefits under your policy. In addition, if these individuals are involved in a motor vehicle accident, the waiver prevents these individuals from collecting PIP benefits under any other policy of motor vehicle liability insurance issued in the state of Maryland or another form of security authorized to be used in place of a motor vehicle liability insurance policy unless the individual:

- Is the first named insured under the other policy;
- Has not waived PIP benefits under the other policy; and
- Is not a named insured under any policy of motor vehicle liability insurance where a waiver of PIP benefits is in effect.

The waiver does not impair the rights of other individuals such as pedestrians or minor children from collecting PIP under your policy.

If you decide to sign the waiver, your PIP premium will be _____ percent of the full PIP coverage. The total premium will be \$ _____ (*annually/semiannually**).

If you decide **not** to sign the waiver, your insurance company may not refuse to write your insurance coverage.

(*Editorial note: These items are variable information that must be provided by the insurer to fit the situation.)

EXHIBIT 4

Waiver of Personal Injury Protection (PIP) Coverage (Private Passenger Automobile Liability Insurance)

I hereby confirm that I have fully read and understood the attached notice, required by Section 19-506 of the Insurance Article, and I understand and agree that

_____ (*insert company name***), in reliance upon my signature as the first named insured/applicant, will NOT provide the Personal Injury Protection (PIP) Coverage _____ (*insert the section of the policy which would otherwise provide PIP coverage***), required by Section 19-505 and described in the attached notice provided to me with this waiver. This coverage is waived for any injury which may be sustained by:

1. Anyone listed as a named insured on the policy;
2. All drivers listed on the policy; and
3. All members of the named insured's family living in the insured's household who are 16 years of age or older.

I further understand and agree that the waiver of Personal Injury Protection (PIP) benefits under the policy being applied for waives coverage for PIP benefits for anyone described above under any other policy issued in the State of Maryland or another form of security authorized to be used in place of a motor vehicle liability insurance policy, unless the individual is:

- Is the first named insured under the other policy; and
- Has not waived PIP benefits under the other policy; and
- Is not a named insured under any policy of motor vehicle liability insurance where a waiver of PIP benefits is in effect.

I, the first named insured/applicant, have fully read and understood the above noted information and hereby: (*check one of the following*)

request full PIP coverage be applicable to the policy or binder of insurance described below, on all future renewals of the policy and on all replacement policies unless I notify the company in writing to the contrary, with the effective date of such change being no earlier than the receipt date by the company of my written notification.

affirmatively waive the benefits required by Section 19-505 of the Insurance Article (PIP). I understand and agree that this waiver of coverage shall be applicable to the policy or binder of insurance described below, on all future renewals of the policy and on all replacement policies unless I notify the company in writing to the contrary, with the effective date of such change being no earlier than the receipt date by the company of my written notification.

First Named Insured/Applicant

Signature of First Named Insured/Applicant

Date

Policy/Binder #

Insurer

Producer Name

Producer Code

(** Editorial note: These items are variable information that must be provided by the insurer. The waiver must be in 10 point boldface type per §19-506(d)(3)).

Part 3: Notice and Waiver of Increased Limits of Uninsured Motorist Coverage

Notice Concerning the Waiver of Increased Limits of Uninsured Motorist Coverage in Maryland (Private Passenger Motor Vehicle Liability Coverage)

Maryland law now requires that every insurer writing private passenger motor vehicle liability insurance provide uninsured motorist coverage in an amount equal to the amount of liability limits provided under the policy, unless waived by the first named insured. Maryland law also requires that a policy have at least a minimum amount of coverage for both liability and uninsured motorist coverage which is \$20,000 per person/\$40,000 per accident for bodily injury and \$15,000 per accident for property damage.

If you elected to purchase liability coverage in excess of the minimum amounts stated above, Maryland law entitles you to waive that amount of uninsured motorist coverage that exceeds the minimum amounts required by law. You, as the first named insured, must make an affirmative written waiver to do so. You may then choose other available lower uninsured motorists limits but not less than the minimum amount required by law.

In the event you fail to make an affirmative written waiver, the insurance company must provide uninsured motorist coverage in an amount equal to the liability coverage.

The insurance company is prohibited from refusing to issue an insurance policy because the insured refuses to make a waiver of the excess uninsured motorist coverage.

Before making your decision, please read the following carefully: ***uninsured motorist coverage*** provides protection against owners or operators of uninsured motor vehicles. A motor vehicle is uninsured if:

1. There is no liability insurance or other security applicable to the motor vehicle to pay for damages sustained by others because of an accident; or
2. There is liability insurance or other security applicable to the motor vehicle to pay for such damages but the amount available is less than your uninsured motorist coverage; or

3. It is hit by a vehicle and the owner or operator of that vehicle cannot be identified.

Uninsured motorists coverage is payable if the accident is the result of the ownership, maintenance or use of the uninsured motor vehicle and you are legally entitled to recover damages from its owner or operator.

Uninsured motorists - bodily injury protection covers you and your family members residing in your household for injuries sustained in an accident involving an uninsured motor vehicle unless it is owned by you or your resident relative(s). Any other person is also covered while occupying your insured automobile.

Uninsured motorists - property damage protection covers your insured automobile if it is damaged in an accident (subject to any applicable deductible) involving an uninsured motor vehicle that is not owned by you or your resident relative(s). It also insures your property, the property of your resident relative(s) and other persons occupying your insured automobile if it is contained in your automobile at the time of an accident involving an uninsured motor vehicle.

In order to make an affirmative waiver of uninsured motorists coverage limits equal to the liability limits of the policy, you must sign an affirmative waiver and submit it to your company. In the event you fail to make an affirmative written waiver, the insurance company must provide uninsured motorist coverage in an amount equal to the liability coverage.

EXHIBIT 4

Waiver of Increased Limits of Uninsured Motorist Coverage in Maryland (Private

Passenger Motor Vehicle Liability Coverage)

I confirm that I have fully read and understood the attached notice.

This is to certify that I am the first named insured/applicant. I have been offered uninsured motorists coverage in amounts equal to my liability limits of \$_____ / \$_____ (bodily injury) and \$_____ (property damage) or \$_____ (combined single limit) at a total premium of \$_____ (annually/policy period*).

I, the first named insured/applicant, have fully read and understood the above noted information and hereby: (check one of the following)

affirmatively waive this offer and instead elect to purchase lower uninsured motorists limits of \$_____ / \$_____ (bodily injury) and \$_____ (property damage) or \$_____ (combined single limit), at a total premium of \$_____ (annually/policy period*), subject to the minimum limits required by Maryland law.

affirmatively accept this offer.

I understand and agree that this request shall be construed to be applicable to the policy or binder of insurance described below, on all future renewals of the policy and on all replacement policies unless I notify the company in writing to the contrary, with the effective date of such change being no earlier than the receipt date by the company of my written notification.

First Named Insured/Applicant

Signature of First Named Insured/Applicant

Date

Policy/Binder #

Insurer

Producer Name

Producer Code

(* Editorial note: These items are variable information that must be provided by the insurer. The waiver must be in 10 point boldface type per §19-510(d)(3)).

EXHIBIT 4
