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Private Passenger Motor Vehicle Liability Insurance – Enhanced Underinsured Motorist Coverage – Draft Proposed Form

This draft proposed form is being exposed for public comment prior to its formal proposal into the Maryland Register. This form will be used for compliance with the changes contained in House Bill 5 – Private Passenger Motor Vehicle Liability Insurance – Enhanced Underinsured Motorist Coverage, which is effective October 1, 2017 and applicable to new business policies issued on and after July 1, 2018.

Please submit comments to Robert Baron, Associate Commissioner, Property and Casualty Unit at robert.baron@maryland.gov no later than **Wednesday, June 21, 2017**.

**Required Notice of Uninsured Motorist (“UM”) and
Enhanced Underinsured Motorist (“EUIM”) Coverage and Option Selection Form**

**Notice Concerning the UM and EUIM Coverage
Options Available in Maryland (Private Passenger
Motor Vehicle Liability Policies)**

Maryland law requires all private passenger motor vehicle liability policies to have **UM** or **EUIM** coverage limits in an amount that equals the policy’s liability coverage limit unless you elect to carry **UM** limits for less than your liability limits. The minimum required limits for both liability and **UM** or **EUIM** is \$30,000 per person / \$60,000 per accident for bodily injury and \$15,000 per accident for property damage (30/60/15).

Both **UM** and **EUIM** provide protection for you and certain other individuals under your policy arising from an accident when the at-fault vehicle is uninsured or underinsured. This form will explain the three (3) available options from which you must choose. Before making your decision, please read this form in its entirety.

OPTION 1 – Uninsured Motorists (“UM”) Coverage

UM 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 **UM** coverage; or,
3. The owner or operator of the at-fault vehicle cannot be identified.

UM 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.

UM –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.

UM – 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.

Under **OPTION 1 – UM** your coverage limit will equal the limit of your liability coverage. To select this option mark the box for **Option 1** on page two and sign your name.

OPTION 2 – Uninsured Motorists (“UM”) Coverage Waived to less than my liability limits

If your policy has liability limits higher than the mandatory minimum, you may choose this option and select **UM** limits for a lesser amount but not less than the minimum required coverage amount of \$30,000 per person / \$60,000 per accident for bodily injury and \$15,000 per accident for property damage (30/60/15).

In order to select this option, you must make an affirmative waiver of **UM** coverage limits equal to the liability limits of the policy by signing the waiver found under **OPTION 2** on page two of this form.

OPTION 3 – Enhanced Underinsured Motorists (“EUIM”) Coverage

EUIM coverage provides the same benefits as **UM** coverage but, in the event of a claim, the coverage limit is not reduced by the amount of any available

coverage from the at-fault party's insurer. To select this option mark the box for **Option 3** on page two and sign your name.

SELECT YOUR UM or EUIM COVERAGE

I confirm that I have fully read and understood this notice. By marking a box below and signing my name, I am selecting the indicated option.

I select **OPTION 1- UM**. My UM limits will equal my liability limits.

This is to certify that I am the first named insured / applicant and I have been offered UM 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*).

Signature of First Named Insured / Applicant

I select **OPTION 2- UM Coverage Waived** to less than my liability limits. My UM limits will be less than my liability limits but not less than the required minimum of \$30,000 per person / \$60,000 per accident for bodily injury and \$15,000 per accident for property damage (30/60/15)

I affirmatively waive UM limits in an amount equal to my liability limits and instead elect to purchase lower UM 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.

Signature of First Named Insured / Applicant

I select **OPTION 3 – Enhanced Underinsured Motorists (“EUIM”) Coverage**. My EUIM limit will equal my liability limits. In the event of a claim, my EUIM coverage limit will not be reduced by the amount of any available coverage from the at-fault party's insurer.

This is to certify that I am the first named insured / applicant and I have been offered EUIM 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*).

Signature of First Named Insured / Applicant

I UNDERSTAND AND AGREE THAT MY SELECTION 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.

IMPORTANT NOTE: If you do not make a selection of one of the three options listed above your insurer must provide you with **OPTION 1 – UM** coverage.

First Named Insured /Applicant:

Policy Number or Binder Number:

Insurance Company:

Producer Name and Code:

(* Editorial Note: These items are variable information that must be provided by the insurer.)