

WES MOORE  
Governor

ARUNA MILLER  
Lt. Governor



**Maryland**

INSURANCE ADMINISTRATION

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202

Direct Dial: 410-468-2000 Fax: 410-468-2020

1-800-492-6116 TTY: 1-800-735-2258

[www.insurance.maryland.gov](http://www.insurance.maryland.gov)

KATHLEEN A. BIRrane  
Commissioner

TAMMY R.J. LONGAN  
Acting Deputy Commissioner

## **BULLETIN 23-12**

**DATE:** September 1, 2023

**TO:** All Property & Casualty insurers writing private passenger motor vehicle liability insurance in Maryland; All Property & Casualty insurance producers authorized to sell private passenger motor vehicle liability insurance in Maryland; and, all other interested parties

**RE:** House Bill 0128 (Chapter 514) / Private Passenger Motor Vehicle Liability Insurance – Enhanced Underinsured Motorist Coverage – Opt-Out Option

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This Bulletin provides important information for all Property & Casualty insurers and producers with respect to the passage of House Bill 0128 of the 2023 legislative session, Private Passenger Motor Vehicle Liability Insurance – Enhanced Underinsured Motorist Coverage (“EUIM”). The new law becomes effective on October 1, 2023, and is applicable to all **new** private passenger automobile quotes, binders and policies issued, sold or delivered in the State on or after July 1, 2024.

The law requires the Maryland Insurance Administration (“Insurance Administration”) to develop a form for making the mandatory offer of EUIM coverage. Section 19-509.1 (e) of the Insurance Article requires insurers to make the offer using the “form required by the Insurance Commissioner.” The Insurance Administration developed a draft of the form and previously posted the draft on our website for solicitation of comments from interested parties. The comment period closed on July 25, 2023 and the Insurance Administration reviewed each comment received. Based upon the comments, the original draft form has been revised and is attached to this Bulletin as the final form required by the Insurance Commissioner to be used by all private passenger motor vehicle liability insurers.

The Insurance Administration thanks everyone who participated in the legislative process and in the post-legislative dialogue concerning EUIM. We remind all private passenger motor vehicle liability insurers to submit the EUIM coverage form and corresponding rate / rule filing for review by the Property & Casualty Rates and Forms Unit. We encourage insurers to make these filings as a stand-alone form filing and a stand-alone rate / rule filing in order to expedite our review by March 1, 2024.

Please direct any questions or concerns regarding this Bulletin to Property and Casualty Acting Associate Commissioner Marciniak at 410.468.2119 or [Danilsa.Marciniak@Maryland.gov](mailto:Danilsa.Marciniak@Maryland.gov).

KATHLEEN A. BIRRANE  
Commissioner

By: SIGNATURE ON ORIGINAL

Danilsa Marciniak  
Acting Associate Commissioner  
Property & Casualty Division

**YOU HAVE AN IMPORTANT DECISION TO MAKE  
THAT WILL AFFECT YOUR AUTO INSURANCE COVERAGE AND  
PREMIUM.**

Under Maryland law, auto insurance policies must include *uninsured motorist and underinsured motorist* (UM/UIM) coverage. UM/UIM coverage protects you and other covered individuals if you are in an accident with an at-fault driver who is uninsured or whose liability limit is less than your UM/UIM limit, or if the at-fault driver cannot be identified. You have decisions to make about **how much** UM/UIM coverage you want and **what kind** of coverage you want. Once you make these decisions, they will continue to apply each time your policy renews, unless you change them in writing.

**IMPORTANT: YOUR CHOICE ON THIS FORM WILL AFFECT YOUR PREMIUM AND YOUR BENEFITS. YOUR SIGNATURE AT THE END OF THIS FORM CONFIRMS YOUR CHOICE.**

**PLEASE READ THE ENTIRE FORM CAREFULLY BEFORE SIGNING.**

<p><b>OPTION #1: YOUR POLICY <u>INCLUDES ENHANCED UNDERINSURED MOTORISTS COVERAGE (“EUIM”) WITHIN THE TOTAL PREMIUM OF:</u></b></p> <p>[\$_____.]</p>	<p><b>If you select Option #1, the amount of Enhanced UIM coverage that you carry will be the same as the amount of liability coverage that you choose. In the event of a covered claim, the amount available will not be reduced by the amount of any insurance the at-fault party has.</b></p>
<p><b>OPTION # 2: IF YOU OPT-OUT OF EUIM COVERAGE AND SELECT STANDARD UNINSURED / UNDERINSURED MOTORISTS (“UM/UIM”) COVERAGE, YOUR POLICY PREMIUM WILL BE:</b></p> <p>[\$_____.]</p>	<p><b>If you select Option #2, the amount of underinsured motorist coverage that you carry will be the same as the amount of liability coverage that you choose. In the event of a covered claim, the amount available will be reduced by the amount of insurance that the at-fault party has.</b></p>

**OPTION #3: IF YOU ELECT TO WAIVE YOUR UM/UIM COVERAGE TO LESS THAN YOUR LIABILITY LIMITS, YOUR POLICY PREMIUM WILL BE:**

[\$\_\_\_\_\_.]

**THIS PREMIUM IS BASED ON YOUR CHOSEN COVERAGE UM/UIM COVERAGE LIMIT OF:**

[\$\_\_\_\_\_.]

**If you select Option #3, you will not have uninsured motorist coverage in the same amount as your liability coverage. This means that you will have less protection for yourself if an uninsured motorist injures you than you are buying to protect yourself against the claims of others when you are at fault for an accident. However, you will still have UM/UIM coverage in at least the mandatory minimum amount of \$30,000 per person and \$60,000 per accident for bodily injury, and \$15,000 for property damage. This amount of UM/UIM coverage is required by law.**

**An insurer may not refuse to underwrite your policy because you refuse to waive EUIM coverage pursuant to this option.**

**IMPORTANT NOTE:** You may be able to achieve increased protection against uninsured motorists at a lower cost by choosing option #2 and raising your policy's liability coverage limit. Ask for the cost of that option to fully inform your choices.

I UNDERSTAND AND AGREE THAT THE SELECTION I AM MAKING BELOW APPLIES TO THE POLICY OR BINDER OF INSURANCE DESCRIBED BELOW **AND** TO ALL FUTURE RENEWALS OF THE POLICY, UNLESS I NOTIFY THE COMPANY IN WRITING TO CHANGE MY SELECTION. THE EFFECTIVE DATE OF SUCH A CHANGE IS NO EARLIER THAN THE DATE THE COMPANY RECEIVES MY WRITTEN NOTIFICATION.

**IMPORTANT NOTE:** IF YOU DO NOT SIGN BELOW AND MAKE A SELECTION OF ONE OF THE THREE OPTIONS LISTED, YOUR INSURER MUST PROVIDE YOU WITH OPTION 1 – EUIM (within the premium shown for Option # 1 above).

I choose Option #1 and understand that my policy includes EUIM coverage within the premium shown for Option #1 above.

I affirmatively opt-out of Option #1 and choose Option #2, Standard UM/UIM coverage included within the premium shown for Option #2 above.

I affirmatively opt-out of Option #1 and choose Option #3, UM/UIM coverage waived to an amount less than my liability limits, but not less than the mandatory minimum liability limits.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

First Named Insured:

Policy Number or Binder Number:

Insurance Company:

Producer Name and Code:

**IMPORTANT NOTE:** This form applies to each new policy of private passenger motor vehicle insurance issued, sold or delivered in the State on or after July 1, 2024. It does not apply to the renewal of a private passenger motor vehicle insurance policy issued, sold or delivered in the State prior to July 1, 2024.