

FAQs Regarding Maryland PIP and UM/UIM Coverage

Maryland PIP:

Question: Does Maryland require mandatory Personal Injury Protection (“PIP”) coverage?

Answer: Yes (Md. Code Ann., Insurance §19-505), PIP coverage is required on all vehicles registered in the State of Maryland. The minimum amount of PIP coverage required by law is \$2,500.00 and the statute generally requires benefits to be paid within thirty (30) days after the insurer receives satisfactory proof of the claim. PIP coverage can be waived in accordance with Md. Code Ann., Insurance, §19-506.

Question: Who is ineligible to collect on a PIP claim?

Answer:

- 1) a person who intentionally causes an accident;
- 2) a person who is injured while operating or riding in a known stolen vehicle;
- 3) a person who is injured while in the commission of a felony;
- 4) a pedestrian injured outside of Maryland who is not a Maryland resident;
- 5) motorcycles (may be excluded);
- 6) a named insured if occupying uninsured motor vehicle that is owned by the named insured or member of the immediate family residing in the household; and
- 7) state owned vehicles (not required to maintain PIP)

Question: Are buses and taxicabs required to carry PIP?

Answer: No, buses and taxicabs are not required to maintain PIP as they are exempt.

Question: Are you allowed to subrogate PIP claims?

Answer: No, it is expressly prohibited by the Maryland PIP statute. Pursuant to Md. Code Ann., Insurance 19-507(d), an insurer that provides PIP does not have the right of subrogation and does not have a claim against any other person insurer to recover any benefits paid due to the alleged fault of the other person in causing or contributing to a motor vehicle accident.

Question: Can a company driver, injured in a company vehicle, recover PIP benefits from the auto policy on his or her personal vehicle?

Answer: It depends which benefit is paid first. The PIP payer gets a credit for workers’ comp actually paid, so if a driver has received more than the available PIP limits in workers’ compensation benefits, then he/she cannot recover any PIP. The opposite is not true and workers’ comp. gets no credit for PIP paid, so claimants often claim PIP first and, once paid, then file for workers’ compensation. However, if PIP and comp. are from the same source (single insurer has auto and comp or the company is self-insured or has a high deductible/SIR), and, if a PIP claim is filed at or before a workers’ comp. claim, then the payer can voluntarily pay medical costs as comp and either reduce or potentially avoid paying PIP.

Question: Can a company driver, injured in a company vehicle, recover PIP benefits if he/she has made a workers’ compensation claim?

Answer: If a workers’ compensation claim is filed first, the employer can always pay workers’ compensation first, even if a PIP claim is subsequently filed. The PIP payer gets a credit for workers’ comp actually paid, so if a driver has received more than the available PIP limits in workers’ compensation benefits, then he/she cannot recover any PIP. The opposite is not true and comp gets no credit for PIP paid, so claimants often claim PIP first and once paid then file for workers’ compensation. However, if PIP and comp are from the same source (single insurer has auto and comp or the company is self-insured or has a high deductible/SIR), and, if a PIP claim is filed at or before a workers’ comp claim, then the payer can voluntarily pay medical costs as comp and either reduce or potentially avoid paying PIP.

Question: Can a company waive PIP coverage for members of the public (i.e. passengers or pedestrians)?

Answer: No. In the event that PIP coverage is available, members of the public would be entitled to it.

Question: Can a company waive PIP coverage for its drivers.

Answer: Yes. A company can make an affirmative written waiver of PIP benefits. The waiver must be made by way of the exact approved form required by the statute. Such a waiver made pursuant to the statute is binding on “[a]ll listed drivers on the policy.” Issues can arise as to what this language in the approved form means, which is not the same language in the statute allowing for the waiver.

Question: Does a defendant in a regular bodily injury case get a credit for PIP benefits paid to a plaintiff?

Answer: No. PIP is considered a collateral source. There is no credit and it is inadmissible evidence at a civil trial.

Maryland UM-UIM:

Question: Does Maryland require mandatory Uninsured (“UM”) Motorist Coverage?

Answer: Yes. By default, unless otherwise waived, UM coverage will be the same as the liability coverage. The minimum policy requirements in Maryland are at least \$30,000 per person; \$60,000 per occurrence; and \$15,000 property damage coverage. Commercial policies often provide for a Single Combined Limit for UM/UIM of \$75,000 (reflecting the \$60,000 per occurrence limit and \$15,000 property damage limit).

Question: Are you allowed to “stack” UM coverage from separate policies?

Answer: Yes. Beginning July 1, 2018, insurance companies must offer an “Enhanced UIM Policy” (EUIM). . Driver’s must opt-in to this coverage. This allows individuals who are injured by an uninsured or underinsured driver to “stack” insurance coverage. Individuals can hypothetically recover the full value of the at-fault driver’s liability insurance coverage and the full value of your EUIM coverage up to the policy limits or value of damages. If the insured does not elect to purchase an EUIM policy, then UM coverage is not stackable.

Question: Are there any exemptions to the UM coverage requirements?

Answer: Yes. State owned vehicles, buses, taxicabs, and off-road vehicles can be exempt.

Question: Can a company waive UM coverage?

Answer: Yes, but not completely. Any waiver must be in writing and be in the form required by the statute. A waiver cannot reduce the limits of coverage lower than the applicable minimum limits of financial responsibility (i.e., \$30,000/\$60,000/\$15,000, or a \$75,000 Single Combined Limit). In addition a commercial policy can also provide for lower UM/UIM limits than liability limits without a waiver.

Question: Can a company exclude UM coverage for its employees?

Answer: No, but a company can partially waive UM coverage as indicated in the preceding answer.

Question: Can a UM coverage obligation be off-set or reduced?

Answer: Yes. UM coverage will be reduced by: a) the amount of coverage paid by the primary policy (i.e. tortfeasor’s policy) and b) the amount of any comp benefits received and not repaid by claimant.

Question: Are you allowed to have UM limits that are greater than limits of your liability coverage?

Answer: No, your UM limits must be equal to or less than your liability coverage.