



February 23, 2017

COMMERCIAL AUTO PROGRAM OPTIONAL PIP WAIVER APPROVED IN MD

BACKGROUND

The Maryland Insurance Administration issued Bulletin 16-27 regarding the passage of Senate Bill 0784 / House Bill 0900 – Motor Vehicle Insurance – Personal Injury Protection – Rejection of Coverage. This legislation creates new §19-506.1 of the Article, which allows qualified applicants or policyholders to elect a full rejection of Personal Injury Protection (PIP) benefits.

To meet the requirements of a qualified applicant or policyholder:

1. The policy the applicant/policyholder is applying for provides coverage that does not exceed the minimum liability coverage specified in § 17-103 (B) of the Transportation Article; **and**
2. Prior to the application, the applicant/policyholder was insured by an insurer other than the Maryland Automobile Insurance Fund; **and**
3. The insurer under the prior policy canceled the policy before the end of the policy's term.

MSO ACTION

We submitted an optional rule in the Maryland State Section of the Commercial Auto manual and endorsement MCA 814 (10 16) - **PERSONAL INJURY PROTECTION WAIVER-MARYLAND** to the Maryland Insurance Administration. The MIA has now approved the filings.

EFFECTIVE DATE

Immediately

COMPANY ACTION

Offer of this full PIP waiver is not mandatory, however:

If you **elect not to offer** the option of a full rejection of PIP benefits to your qualified applicants and policyholders, you may continue to use the current PIP waiver form. This form is available on the MIA's website at: <http://insurance.maryland.gov/Insurer/Documents/bulletins/2011pcforms-pipwaiverfinal.pdf>.

If you **elect to offer** the option of a full rejection of PIP benefits to your qualified applicants and policyholders, you must use the Required Notice of Personal Injury Protection (PIP) Coverage and Option Selection Form. This form is available on the MIA's website at:

<http://insurance.maryland.gov/Insurer/Documents/rates-and-forms/Required-Notice-of-Personal-Injury-Protection-Coverage.pdf>

DISTRIBUTION

The revised Commercial Auto MD State Section manual page and new endorsement MCA 814 (10 16) will be added to the CD-ROM. Affiliated companies may access them through our website: www.msonet.com.

QUESTIONS

Contact Pepper Treuvey at (800) 935-6900.