

FORMS – APPROVED

AUGUST 14, 2020

COMMERCIAL AUTOMOBILE

LI-CA-2020-368

MARYLAND REVISED UNINSURED MOTORISTS COVERAGE ENDORSEMENT APPROVED; EFFECTIVE DATE REVISED

KEY MESSAGE

The Maryland Insurance Administration has approved filing [CA-2020-OUM1](#) as amended.

BACKGROUND

In circular [LI-CA-2020-293](#), we announced, in part, that we had added "loss of use" to the definition of "Property Damage" in CA 21 13, Maryland Uninsured Motorists Coverage, and filed these revisions as an amendment to filing [CA-2020-OUM1](#).

ISO ACTION

We have revised the proposed effective date of filing [CA-2020-OUM1](#) from October 1, 2020 to January 1, 2021.

INSURANCE DEPARTMENT ACTION

The Maryland Insurance Administration has approved filing [CA-2020-OUM1](#) as amended.

EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies effective on or after January 1, 2021.

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number [CA-2020-OUM1](#), not this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

RATING SOFTWARE IMPACT

New attribute being introduced with this revision:

- A new edition date of an existing form number is being introduced.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2019-057](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

REVISION DISTRIBUTION

We will issue a Notice to Portfolioholders with an edition date of 1-21 (or the earliest possible subsequent date), along with any new and/or revised forms.

RELATED LOSS COSTS REVISION

We are announcing in a separate circular the implementation of a corresponding loss costs revision. Please refer to the Reference(s) block for identification of that circular.

REFERENCE(S)

- [LI-CA-2020-369](#) (08/14/2020) Maryland Revised Uninsured Motorists Coverage (Includes Underinsured Motorists Coverage) Loss Costs To Be Implemented
- [LI-CA-2020-293](#) (07/10/2020) Maryland Revised Uninsured Motorists Coverage Endorsement Amended
- [LI-CA-2020-147](#) (03/12/2020) Maryland Revised Uninsured Motorists Coverage Endorsement Filed
- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Final copy of [CA 21 13 10 20](#)

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARYLAND UNINSURED MOTORISTS COVERAGE

For a covered "auto" licensed or principally garaged in, or "auto dealers operations" conducted in, Maryland, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the Policy effective on the inception date of the Policy unless another date is indicated below.

Named Insured:

Endorsement Effective Date:

SCHEDULE

Limit Of Insurance: \$

Each "Accident"

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured", or "property damage", caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle".
2. We will pay under this coverage only if Paragraph **a.** or **b.** below applies:
 - a.** The limit of any applicable liability bonds or policies has been exhausted by payment of judgments or settlements; or
 - b.** A tentative settlement has been made between an "insured" and the insurer of the vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle" and we:
 - (1) Have been given prompt written notice of such tentative settlement by certified mail;
 - (2) Have sent to the "insured" a written refusal to consent to acceptance of the settlement offer within 60 days after receipt of notification; and
 - (3) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after the written refusal of the settlement offer.
3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us unless we:
 - a.** Received reasonable notice of the pendency of the "suit" resulting in the judgment; and
 - b.** Had a reasonable opportunity to protect our interests in the "suit".

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
 - a.** The Named Insured and any "family members".

- b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".
2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":
- a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".
 - c. The Named Insured for "property damage" only.

C. Exclusions

This insurance does not apply to any of the following:

- 1. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
- 2. The direct or indirect benefit of any insurer of property.
- 3. "Bodily injury" sustained by:
 - a. An individual Named Insured while "occupying" or when struck by any vehicle owned by that Named Insured that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form;
 - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form; or
 - c. Any "family member" while "occupying" or when struck by any vehicle owned by the Named Insured that is insured for Uninsured Motorists Coverage on a primary basis under any other Coverage Form or policy.
- 4. Property of an "insured" contained in or struck by any vehicle owned by that "insured" that is not a covered "auto".
- 5. The first \$250 of the amount of "property damage" to the property of each "insured" as the result of any one "accident".
- 6. Punitive or exemplary damages.
- 7. "Bodily injury" or "property damage" arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

This exclusion applies to the extent that the Limit of Insurance exceeds the minimum limit required for Uninsured Motorists Coverage by the Transportation Article of the Annotated Code of Maryland.

D. Limit Of Insurance

- 1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the accident, the most we will pay for all damages resulting from any one "accident" is the Limit Of Uninsured Motorists Coverage shown in the Schedule or Declarations.
- 2. For a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle", our Limit of Insurance shall be reduced by all sums paid because of "bodily injury" by or for anyone who is legally responsible, including all sums paid or payable under this Policy's Covered Autos Liability Coverage.
- 3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage form or any Medical Payments Coverage endorsement.

We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law. However, this applies only to that amount for which the provider of the workers' compensation benefits has not been reimbursed.

4. We will not pay for a "loss" which is paid or payable under Physical Damage Coverage.

E. Changes In Conditions

The Conditions are changed for Uninsured Motorists Coverage as follows:

1. **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are replaced by the following:

For any covered "auto" the Named Insured owns, this Coverage Form provides primary insurance. However, when used with the Auto Dealers Coverage Form, this Coverage Form will be secondary over any other collectible insurance available to the Named Insured's customers while a covered "auto" the Named Insured owns is being used as a "replacement vehicle". For any covered "auto" the Named Insured does not own, the insurance provided by this Coverage Form is excess over any other collectible primary uninsured motorists coverage but only to the extent that the Limit of Insurance under this Coverage Form exceeds the limit of such other collectible primary uninsured motorists insurance.

If this Coverage Form and any other Coverage Form or policy providing similar insurance apply to the same "accident", the maximum Limit of Insurance under all Coverage Forms or policies shall be the highest applicable Limit of Insurance under any one Coverage Form or policy.

When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

2. **Duties In The Event Of Accident, Claim, Suit Or Loss** in the Business Auto and Motor Carrier Coverage Forms and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** in the Auto Dealers Coverage Form are changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved; and
- b. Promptly notify us if a "suit" is brought. We request that a copy of any legal papers served accompany the notice.
- c. A person seeking Uninsured Motorists Coverage must:
 - (1) Promptly notify us in writing, by certified mail, of a tentative settlement between the "insured" and the insurer of the "uninsured motor vehicle";
 - (2) Allow us to send to the "insured", within 60 days after the receipt of notification, a written refusal to consent to acceptance of the settlement offer; and
 - (3) Allow us to advance payment to that "insured", within 30 days after the written refusal to consent to acceptance of the settlement offer, in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such "uninsured motor vehicle".

3. **Transfer Of Rights Of Recovery Against Others To Us** is changed by adding the following:

Our rights do not apply under this provision with respect to Uninsured Motorists Coverage if we:

- a. Have been given prompt written notice of a tentative settlement, by certified mail, between an "insured" and the insurer of an "uninsured motor vehicle"; and
- b. Fail to send the "insured" a written refusal to consent to acceptance of the settlement offer within 60 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement offer within 30 days after a written refusal to consent to acceptance of the settlement offer:

- a. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Uninsured Motorists Coverage; and
- b. We also have a right to recover the advanced payment.

If we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption, who is a resident of such Named Insured's household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Property damage" means injury or destruction of:
 - a. A covered "auto", including loss of use;
 - b. Property contained in the covered "auto" and owned by the Named Insured or, if the Named Insured is an individual, any "family member"; or
 - c. Property contained in the covered "auto" and owned by anyone else "occupying" the covered "auto".
4. "Replacement vehicle" means a vehicle that is loaned by or rented from an auto repair facility or dealer to use while a vehicle owned by the Named Insured's customer is not in use because of its breakdown, repair, servicing or damage.
5. "Uninsured motor vehicle" means a land motor vehicle or "trailer":
 - a. For which no liability policy or other form of security accepted by the Motor Vehicle Administrator provides at least the amounts specified by the financial responsibility law of Maryland; and

- b. That is an underinsured motor vehicle. An underinsured motor vehicle is a land motor vehicle or "trailer" for which:

- (1) With respect to damages for "bodily injury" only, the sum of the limits of liability under all liability bonds or policies applicable at the time of the "accident" is equal to or greater than the limit specified by the financial responsibility law of Maryland, but the sum of the limits for bodily injury liability is either:

- (a) Less than the limit of liability for this coverage; or

- (b) Reduced by payment to other persons injured in the "accident" to an amount less than the limit of liability for this coverage.

- (2) With respect to damages for "property damage" only, the sum of the limits of liability under all liability bonds or policies applicable at the time of the "accident" is equal to or greater than the limit specified by the financial responsibility law of Maryland, but that sum is less than the Limit of Insurance of this coverage.

- c. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
- d. That is a hit-and-run vehicle and neither the driver nor owner can be identified.

The vehicle must:

- (1) Hit an "insured", a covered "auto" or a vehicle an "insured" is "occupying"; or
- (2) Cause an "accident" resulting in "bodily injury" or "property damage" without hitting an "insured", a covered "auto" or a vehicle an "insured" is "occupying".

However, "uninsured motor vehicle" does not include any vehicle designed for use mainly off public roads while not on public roads.