

# MedChi

*The Maryland State Medical Society*

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TO: The Honorable Dereck E. Davis, Chairman  
Members, House Economic Matters Committee  
The Honorable Michael D. Smigiel, Sr.

FROM: Joseph A. Schwartz, III  
Pamela Metz Kasemeyer  
J. Steven Wise

DATE: March 9, 2010

RE: **SUPPORT** – House Bill 492 – *Motor Vehicle Liability Insurance – Personal Injury Protection Coverage – Minimum Benefits*

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The Maryland State Medical Society (MedChi), which represents over 7,300 Maryland physicians and their patients, supports House Bill 492.

House Bill 492 increases the limits for personal injury protection (PIP) coverage which is a part of every Maryland automobile liability insurance policy. For almost 40 years, PIP coverage has been \$2,500 per person and House Bill 492 would increase it to \$50,000. PIP is “no fault” insurance and it compensates anyone injured in an automobile accident regardless of fault. Any person who is in a vehicle involved in an accident may receive up to \$2,500 for medical fees or lost wages. The original notion behind PIP was that if individuals could be fairly and quickly compensated for their economic losses, they would be less inclined to file a liability lawsuit.

House Bill 492 would raise PIP coverage to \$50,000. While this is a dramatic increase, it must be remembered that the PIP coverage has not been adjusted in nearly 40 years. More importantly, if an injured person files a lawsuit against the at fault party, the at fault driver is only required by Maryland law to carry a “liability” insurance policy responding to a \$20,000 claim. Hence, if House Bill 492 is enacted, an injured person could obtain greater benefits through PIP than normally would be available in a liability lawsuit.

The Honorable Dereck E. Davis

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MedChi believes that the amount of PIP coverage deserves to be adjusted and would request a favorable report on House Bill 492.

**For more information call:**

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