Circuit Court for Baltimore City
Case No. 24-C-18-004042

UNREPORTED

IN THE COURT OF SPECIAL APPEALS

OF MARYLAND

No. 3488

September Term, 2018

JERMAINE GOODWYN

v.

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

Fader, C.J.,
Reed,
Shaw Geter,

JJ.

Opinion by Fader, C.J.

Filed: March 18, 2020

Section 19-513(e) of the Insurance Article (Repl. 2017; Supp. 2019) requires that the "benefits payable" under underinsured motorist coverage be reduced to the extent that the insured has recovered related, unreimbursed workers' compensation benefits.[1] The appellant, Jermaine Goodwyn, contends that the appellee, State Farm Mutual Automobile Insurance Company, used the wrong definition of "benefits payable" in determining that it did not owe him any underinsured motorist benefits. Based on the plain language of the statute, we agree with State Farm. We will, therefore, affirm the Circuit Court for Baltimore City's entry of summary judgment in favor of State Farm.

BACKGROUND

The Statutory Scheme

Since 1973, motor vehicle insurance carriers in Maryland have been required "'to offer certain minimum uninsured motorist coverage in every motor vehicle policy issued' in this State." *Kurtz v. Erie Ins. Exch.*, 157 Md. App. 143, 147 (2004) (quoting *Waters v. U.S. Fidelity & Guar. Co.*, 328 Md. 700, 710 (1992)). Maryland's uninsured motorist statutes, which are set forth in §§ 19-509 through 19-511 of the Insurance Article, were "enacted as part of a broad comprehensive statutory scheme governing motor vehicle insurance," *Revis v. Md. Auto. Ins. Fund*, 322 Md. 683, 687 (1991), for the purposes of, among other things, "providing . . . coverage for certain types . . . of economic loss" and "prohibiting the duplication of benefits," 1972 Md. Laws, ch. 73; *see Erie Ins. v. Curtis*,

[1] Unreimbursed workers' compensation benefits are benefits paid to the worker by the worker's compensation carrier for which the carrier has not been reimbursed. *See Parry v. Allstate Ins.*, 408 Md. 130, 136-37 (2009) (citing Md. Code Ann., Lab. & Empl. § 9-902 (2008 Repl.)).

330 Md. 160, 175 (1993). Although the statutes "refer[] only to 'uninsured' motorist coverage," *GEICO v. Comer*, 419 Md. 89, 91 n.1 (2011), "the statutory scheme . . . includes uninsured and underinsured coverage,"[2] *State Farm Mut. Auto Ins. v. Crisfulli*, 156 Md. App. 515, 522 (2004).

Section 19-509 sets forth general requirements of uninsured and underinsured motorist coverage. Section 19-509(g) defines the carrier's "limit of liability" for such coverage as "the amount of that coverage less the amount paid to the insured, that exhausts any applicable liability insurance policies, bonds, and securities, on behalf of any person that may be held liable for the bodily injuries or death of the insured." In other words, where an insured receives any proceeds from a tortfeasor's insurer, his or her own insurer's "limit of liability" is reduced by the amount of those proceeds.

In cases where the insured also receives workers' compensation benefits, § 19-513(e) provides for a further reduction:

> Benefits payable under the coverage[] described in §[] 19-509 of this subtitle shall be reduced to the extent that the recipient has recovered benefits under the workers' compensation laws of a state or the federal government for which the provider of the workers' compensation benefits has not been reimbursed.

[2] "The terms 'uninsured motorist' and 'underinsured motorist' are used often interchangeably." *Connors v. GEICO*, 442 Md. 466, 474 n.4 (2015). "'Uninsured motorist' coverage" applies when an insured's collision involves "a motorist who does not carry any liability insurance coverage," whereas "underinsured motorist" coverage applies when a collision involves "a motorist who carries liability insurance, but whose insurance coverage is less than the insured's underinsured motorist coverage." *Id.* For purposes of Maryland's motor vehicle insurance statutes, "the word 'uninsured' . . . includes 'underinsured.'" *Comer*, 419 Md. at 91 n.1.

Factual Background

Mr. Goodwyn was on foot and about to enter his company vehicle when he was struck by a car being driven by Sharda Crenshaw. He sustained injuries as a result of the accident. Ms. Crenshaw was insured—coincidentally, also by State Farm—under a policy with applicable limits of $30,000. In a settlement, State Farm agreed to pay those policy limits to Mr. Goodwyn.

Because the accident occurred while Mr. Goodwyn was working, he also pursued a claim for workers' compensation benefits, for which he ultimately received $45,759.42. By agreement, Mr. Goodwyn used $9,844.19 of his recovery from Ms. Crenshaw's insurance policy to reimburse a portion of the workers' compensation lien, leaving a total of $35,915.23 in unreimbursed workers' compensation benefits.

State Farm insured the company vehicle Mr. Goodwyn was about to enter under a policy that provides underinsured motorist coverage up to a limit, as relevant here, of $50,000 per person. The relevant insuring agreement provides that State Farm "will pay compensatory damages . . . an insured is legally entitled to recover from the owner or driver of an uninsured motor vehicle . . . caused by an accident arising out of the ownership, maintenance, or use of an uninsured motor vehicle." (emphasis removed). Included in the policy's definition of an "uninsured motor vehicle" is a vehicle that is insured, but under a policy for which "the limits are less than required by" Maryland law.

Mr. Goodwyn's Action Against State Farm

Mr. Goodwyn filed an action against State Farm in the Circuit Court for Baltimore City to recover benefits allegedly owed to him under his employer's underinsured motorist

policy. The critical issue in the litigation was the proper interpretation of the term "benefits payable" in § 19-513(e):

- State Farm contended that "benefits payable" means the amount of benefits potentially owed under its underinsured motorist coverage. As set forth in § 19-509(g), State Farm argued, that amount is $20,000, which is its policy limit of $50,000, less the $30,000 recovered from Ms. Crenshaw's insurance policy. Because that amount is less than the $35,915.23 Mr. Goodwyn received in unreimbursed workers' compensation benefits, State Farm calculated that it does not owe Mr. Goodwyn any coverage;

- Mr. Goodwyn contended that "benefits payable" means his total damages, which he alleged are approximately $90,000 to $100,000, less the $30,000 recovered from Ms. Crenshaw's insurance policy. Subtracting $35,915.23 from that amount would leave at least $24,084.77 in available coverage, although Mr. Goodwyn acknowledged that State Farm's potential liability is separately capped at $20,000 pursuant to § 19-509(g).

The parties filed cross motions for summary judgment as to the meaning of "benefits payable." After a hearing, the court entered a written order in which it agreed with State Farm. Mr. Goodwyn appealed.

DISCUSSION

We review an appeal from a grant of summary judgment without deference to determine "whether the moving party is entitled to judgment as a matter of law." *Bank of N.Y. Mellon v. Georg*, 456 Md. 616, 651 (2017) (quoting *Chateau Foghorn LP v. Hosford*, 455 Md. 462, 482 (2017)).

THE CIRCUIT COURT CORRECTLY GRANTED SUMMARY JUDGMENT TO STATE FARM.

This dispute turns on an issue of statutory interpretation. "The cardinal rule of statutory construction is to ascertain and effectuate the intent of the General Assembly." *Md. Ins. Admin. v. State Farm Mut. Auto. Ins.*, 451 Md. 323, 335 (2017) (quoting *Bottini*

v. Dep't of Fin., 450 Md. 177, 187 (2016)); *see Revis*, 322 Md. at 686 (observing that the "ultimate aim is to effect the legislative intent" of the statute). "[W]e look first to the language of the statute, giving it its natural and ordinary meaning." *Md. Ins. Admin.*, 451 Md. at 335 (quoting *Bottini*, 450 Md. at 187). We do so because "the General Assembly is presumed to have meant what it said and said what it meant." *Id.* In discerning "the 'normal, plain meaning of the language of the statute,'" we read its language "as a whole so that no word, clause, sentence or phrase is rendered surplusage, superfluous, meaningless or nugatory." *Duffy v. CBS Corp.*, 458 Md. 206, 229 (2018) (quoting *Koste v. Town of Oxford*, 431 Md. 14, 25-26 (2013)). Where appropriate, we will also consider "the context of the entire statutory scheme of which [a statute] is a part," and will "avoid a construction of the statute that is unreasonable, illogical, or inconsistent with common sense." *Wireless One v. Mayor & City Council of Balt.*, 465 Md. 588, 606 (2019) (quoting *Lillian C. Blentlinger, LLC v. Cleanwater Linganore, Inc.*, 456 Md. 272, 295 (2017)).

"If the words of the statute, construed according to their common and everyday meaning, are clear and unambiguous and express a plain meaning, we will give effect to the statute as it is written." *Md. Ins. Admin.*, 451 Md. at 335 (quoting *Bottini*, 450 Md. at 187-88). In other words, "[i]f the language of a statute is clear and unambiguous, we 'need not look beyond the statute's provisions and our analysis ends.'" *Koste*, 431 Md. at 26 (quoting *Barbre v. Pope*, 402 Md. 157, 173 (2007)).

> Although not required, it is often prudent to examine the legislative history to confirm that our plain language interpretation of a statute is correct. *See, e.g., Brown*[*v. State*], 454 Md. [546,] 551 [2017] ("Occasionally we see fit to examine extrinsic sources of legislative intent merely as a check of our reading of a statute's plain language. In such instances, we may find useful

> the context of a statute, the overall statutory scheme, and archival legislative history of relevant enactments.").

Neal v. Balt. City Bd. of School Comm'rs, ___ Md. ___, No. 21, Sept. Term, 2019 (Feb. 28, 2020). But where the ordinary tools of statutory construction produce but one reasonable interpretation of a statute's plain language, we may also stop right there.

Applying these principles, we return to the statutory scheme applicable to underinsured motorist benefits, beginning with § 19-509. Under § 19-509(c), all motor vehicle liability insurance policies issued, sold, or delivered in Maryland must provide underinsured motorist coverage. General provisions applicable to that coverage are provided in § 19-509, with additional or related provisions contained in §§ 19-509.1, 509.2, 510, 511, and 511.1. Most notably for our purposes, § 19-509(g) provides that an insurer's "limit of liability" for underinsured motorist coverage "is the amount of that coverage less the amount paid to the insured, that exhausts any applicable liability insurance policies, bonds, and securities, on behalf of any person that may be held liable for the bodily injuries or death of the insured." Here, the amount of coverage provided under the applicable State Farm underinsured motorist coverage is $50,000 per person. By operation of § 19-509(g), therefore, State Farm's "limit of liability" is calculated by subtracting the "amount paid to [Mr. Goodwyn] . . . on behalf of [Ms. Crenshaw]," which was $30,000. State Farm's limit of liability for underinsured motorist coverage is thus $20,000.

Section 19-513 contains a collection of several different restrictions on the recovery of different types of motor vehicle insurance benefits. For example, § 19-513(b) prohibits any person from recovering benefits "from more than one motor vehicle liability insurance

policy or insurer on a duplicative basis" under general liability coverage (as described in § 19-504), personal injury protection coverage (§ 19-505), underinsured motorist coverage (§ 19-509), enhanced underinsured motorist coverage (§ 19-509.1), or collision coverage (§ 19-512). And § 19-513(d) requires that any benefits payable to an insured for personal injury protection coverage (§ 19-505) or underinsured motorist coverage (§ 19-509) "be reduced to the extent of [certain] medical or disability benefits coverage."

Section 19-513(e) provides an additional restriction. It states that "[b]enefits payable under the coverages described in §§ 19-505 [personal injury protection coverage] and 19-509 [underinsured motorist coverage] of this subtitle shall be reduced to the extent that the recipient has recovered benefits under the workers' compensation laws . . . for which the provider of the workers' compensation benefits has not been reimbursed." Thus, as applicable here, § 19-513(e) begins with the "benefits payable" by State Farm "under" its underinsured motorist coverage as "described" in § 19-509, and mandates a reduction from that starting point in the amount of any unreimbursed workers' compensation benefits.

In the context of this statutory scheme, Mr. Goodwyn's contention that "benefits payable" means the total amount of his damages is without merit. In context, viewing the words of the statute "in the manner in which they are most commonly understood," *W. Corr. Inst. v. Geiger*, 371 Md. 125, 141 (2002) (quoting *Derry v. State*, 358 Md. 325, 335 (2000)), the natural and ordinary meaning of the phrase "benefits payable" is the amount of insurance coverage benefits available under the formula provided by § 19-509. As discussed, State Farm's limit of liability under that formula is $20,000. Thus, assuming

Mr. Goodwyn sustained uncovered damages in at least that amount, the limit of State Farm's potential responsibility to pay underinsured motorist benefits—i.e., the benefits payable under its underinsured motorist policy—is $20,000. That amount, therefore, is the highest possible starting point for the calculation required by § 19-513(e).

Our interpretation of the plain meaning of "benefits payable" comports with common dictionary definitions. One ordinary definition of "benefit" is "a payment or service provided for under an annuity, pension plan, or insurance policy." *Merriam-Webster's Collegiate Dictionary*, "benefit," at 114 (11th ed. 2014); *see also New Oxford Am. Dictionary*, "benefit," at 155 (3d ed. 2010) (defining "benefit" as "a payment or gift made by an employer, the state, or an insurance company). A common definition of "payable" is "required to be paid; due." *New Oxford Am. Dictionary*, "payable," at 1287; *see also Merriam-Webster's Collegiate Dictionary*, "payable," at 910 ("that may, can, or must be paid"). Thus, "benefits payable," in context, refers to payments due from an insurance policy; here, for the underinsured motorist coverage described in § 19-509.

Mr. Goodwyn's primary argument in opposition to this plain language interpretation of § 19-513(e) is based not in the statutory language, but in policy. He contends that interpreting "benefits payable" to refer to the total damages sustained by an insured would promote the policy of providing more coverage for an injured tort victim without permitting double recovery. That, however, is an argument for the General Assembly. As currently structured, the statutory scheme is designed not necessarily to make tort victims whole, but to ensure that they receive, from whatever sources, at least the minimum amount of benefits provided by the underinsured motorist coverage. Thus, any amounts the victim recovers

from the tortfeasor's insurer (pursuant to § 19-509(g)) or unreimbursed workers' compensation benefits (pursuant to § 19-513(e)) reduce the amount of the insurer's potential liability. If those other benefits aggregate to more than the amount of underinsured motorist coverage provided by the victim's insurer, that insurer is not required to pay anything. Any change to that policy is for the General Assembly to make, not this Court.[3]

Mr. Goodwyn's only argument based on the statutory language is that the General Assembly "specifically did not use the term 'benefits payable'" in § 19-509(g), but "used the term 'amount of coverage provided'" in that provision to define the limit of underinsured motorist coverage. (emphasis removed). Had the General Assembly really intended policy limits to serve as the starting point from which unreimbursed workers' compensation benefits would be reduced, he argues, it would have used the same term—"amount of coverage provided"—in both § 19-513(e) and § 19-509(g). But that argument ignores the interplay between § 19-513(e), on the one hand, and § 19-509 (and § 19-505), on the other, as we have already described. We do not identify any ambiguity in the language chosen by the General Assembly.

Although Mr. Goodwyn is correct that reported decisions from Maryland appellate courts interpreting § 19-513(e) have not addressed directly the claim he raises here, those decisions generally support our interpretation of the statute. *See, e.g.*, *TravCo Ins. v.*

[3] Mr. Goodwyn asks that we follow the direction of North Carolina courts that have interpreted that state's statutes in the manner he advocates here. But that interpretation is based on the very different language of the North Carolina statute, not on a different interpretation of the language employed in § 19-513(e).

Williams, 430 Md. 396, 411 (2013) (where insured had not reimbursed her workers' compensation carrier, declaring that § 19-513(e) "calls for a reduction of . . . [uninsured motorist] benefits to the extent that such [workers' compensation] benefits were recovered"); *Parry v. Allstate Ins.*, 408 Md. 130, 147 (2009) ("Because the amount of workers' compensation benefits paid by the County (or its insurer) exceeded the maximum [uninsured/underinsured motorist] benefits payable under the Parrys' policy with Allstate, the trial court . . . ruled correctly that the Parrys are not entitled to recover from Allstate."); *Hines v. Potomac Elec. Power*, 305 Md. 369, 376-79 (1986) (under the predecessor to § 19-513(e), calculating the reduction from the insured's personal injury protection and uninsured motorist coverages); *Blackburn v. Erie Ins. Grp.*, 185 Md. App. 504, 515 (2009) ("We hold that the plain language of section 19-513(e) allowed [the insurer] to calculate the benefits payable . . . in its policy by deducting from its [ ] limits: 1) the amount the [insured] received from [the tortfeasor's insurer] and 2) the monies paid out . . . as workers' compensation benefits . . . .").

Mr. Goodwyn asserts that the decisions in *State Farm Mutual Automobile Insurance v. Hill*, 139 Md. App. 308 (2001), and *Ross v. Agurs*, 214 Md. App. 152 (2013), support his claim that the amount of benefits payable starts "from the amount of the verdict, i.e. from the value of the plaintiff's claims." (emphasis removed). In those cases, however, it appears that the amount of damages was less than the amount of available coverage. *Hill*, 139 Md. App. at 313-15; *Ross*, 214 Md. App. at 154-56. Therefore, the maximum benefits for which the insurers were potentially liable was established by the amount of the

damages, and the limits established by the policies were not implicated. As a result, the issue Mr. Goodwyn raises here was not presented in those cases.

Finally, Mr. Goodwyn identifies support for his position in Judge Meredith's dissent in *Blackburn*. In particular, Mr. Goodwyn calls our attention to Judge Meredith's reliance on a treatise that identifies the purpose of underinsured motorist coverage as being "to place the accident victim in the same position he or she would occupy if the uninsured tortfeasor maintained liability coverage in an amount equal to the minimum required coverage under the financial responsibility laws of Maryland." *Blackburn*, 185 Md. App. at 516-17 (Meredith, J., dissenting) (quoting Andrew Janquitto, *Md. Motor Vehicle Ins.* § 8.6, at 308 (2d ed. 1999)). However, as very ably explained by Judge Meredith, interpreting the statutory language to effectuate that purpose would have resulted in a much different result than that reached by the majority in *Blackburn*. 185 Md. App. at 520-22. The majority, not the dissent, governs.

In sum, under § 19-513(e), State Farm was entitled to deduct Mr. Goodwyn's unreimbursed workers' compensation benefits from the limits of liability as determined by the formula set forth in § 19-509(g). The circuit court therefore did not err in granting summary judgment in favor of State Farm.

JUDGMENT OF THE CIRCUIT COURT FOR BALTIMORE CITY AFFIRMED. COSTS TO BE PAID BY APPELLANT.