

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 1089

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Vehicle Companies” and substitute “Vehicles”; in the same line, strike “Right of Subrogation” and substitute “Required Security”; in line 3, after “that” insert “the owner of”; strike beginning with “company” in line 3 down through “vehicle” in line 7 and substitute “may satisfy a certain insurance requirement by maintaining a certain security that is secondary to any other valid and collectible coverage; requiring the owner of a rental vehicle to provide a certain notice to the renter of the rental vehicle; making stylistic changes”; in line 7, after “to” insert “proof of insurance for the registration of certain”; strike beginning with “vehicle companies” in line 7 down through “subrogation” in line 8 and substitute “vehicles”; in line 11, strike “18-108(a)” and substitute “17-103”; in line 14, strike “adding to” and substitute “repealing and reenacting, with amendments,”; and in line 16, strike “18-108(f)” and substitute “17-104 and 18-102”.

AMENDMENT NO. 2

On pages 1 and 2, strike in their entirety the lines beginning with line 22 on page 1 through line 7 on page 2, inclusive, and substitute:

“17-103.

(a) (1) Except as provided in paragraph (2) of this subsection, the form of security required under this subtitle is a vehicle liability insurance policy written by an insurer authorized to write these policies in this State.

(2) The Administration may accept another form of security in place of a vehicle liability insurance policy if it finds that the other form of security adequately provides the benefits required by subsection (b) of this section.

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(3) The Administration shall, by regulation, assess each self-insurer an annual sum which may not exceed \$750, and which shall be used for actuarial studies and audits to determine financial solvency.

(b) The security required under this subtitle shall provide for at least:

(1) The payment of claims for bodily injury or death arising from an accident of up to \$30,000 for any one person and up to \$60,000 for any two or more persons, in addition to interest and costs;

(2) The payment of claims for property of others damaged or destroyed in an accident of up to \$15,000, in addition to interest and costs;

(3) Unless waived, the benefits described under § 19-505 of the Insurance Article as to basic required primary coverage;

(4) The benefits required under § 19-509 of the Insurance Article as to required additional coverage; and

(5) For vehicles subject to the provisions of § 25-111.1 of this article, the security requirements adopted under 49 C.F.R., Part 387.

17-104.

(a) The Administration may not issue or transfer the registration of a motor vehicle unless the owner or prospective owner of the vehicle furnishes evidence satisfactory to the Administration that the required security is in effect.

(b) The owner of a motor vehicle that is required to be registered in this State shall maintain the required security for the vehicle during the registration period.

(c) Each insurer or other provider of required security shall:

(1) Except as provided in item (2) of this subsection, immediately notify the Administration electronically of new motor vehicle insurance policies issued for insured vehicles registered in the State; and

(2) For each fleet policy, electronically notify the Administration every 30 days of any additions, deletions, or modifications to the fleet policy, including those policy numbers affected.

(d) The Administration, in consultation with the Maryland Insurance Administration and representatives of the automobile insurance industry, shall adopt regulations that establish procedures to be used by an insurer to provide timely notification to an insured of the penalties that may be imposed in accordance with § 17-106 of this subtitle if the insured fails to renew or replace a policy of motor vehicle liability insurance without surrendering the evidences of registration.

(e) (1) In this subsection, “replacement vehicle” means a vehicle that is loaned by an auto repair facility or a dealer, or that an individual rents temporarily, to use while a vehicle owned by the individual is not in use because of loss, as “loss” is defined in that individual’s applicable private passenger automobile insurance policy or because of breakdown, repair, service, or damage.

(2) Subject to paragraph (3) of this subsection, an owner of a **RENTAL VEHICLE OR** replacement vehicle may satisfy the requirement of subsection (a) of this section by maintaining the required security described in § 17-103 of this subtitle that is secondary to any other valid and collectible coverage and that extends coverage in amounts required under § 17-103(b) of this subtitle to the owner’s vehicle while it is used as a **RENTAL VEHICLE OR** replacement vehicle.

(3) If an owner of a **RENTAL VEHICLE OR** replacement vehicle provides coverage as provided under paragraph (2) of this subsection, the agreement

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for the RENTAL VEHICLE OR replacement vehicle to be signed by the renter or the individual to whom the vehicle is loaned shall contain a provision on the face of the agreement, in at least [10 point] 10-POINT bold type, that informs the individual that the coverage on the vehicle being serviced or repaired OR ANY COVERAGE MAINTAINED BY THE RENTER OF THE RENTAL VEHICLE is primary coverage for the RENTAL VEHICLE OR replacement vehicle and the coverage maintained by the owner on the RENTAL VEHICLE OR replacement vehicle is secondary.

18-102.

(a) (1) The Administration may not register any motor vehicle, trailer, or semitrailer to be rented until the owner of the vehicle certifies to the satisfaction of the Administration that the owner has security for the vehicle in the same form and providing for the same minimum benefits as the security required by Title 17 of this article for motor vehicles.

(2) (i) In this paragraph, "replacement vehicle" means a vehicle that is loaned by an auto repair facility or a dealer, or that an individual rents temporarily, to use while a vehicle owned by the individual is not in use because of loss, as "loss" is defined in that individual's applicable private passenger automobile insurance policy, or because of breakdown, repair, service, or damage.

(ii) Subject to subparagraph (iii) of this paragraph, an owner of a RENTAL VEHICLE OR replacement vehicle may satisfy the requirement of paragraph (1) of this subsection by maintaining the required security described in § 17-103 of this article that is secondary to any other valid and collectible coverage and that extends coverage to the owner's vehicle in amounts required under § 17-103(b) of this article while it is used as a RENTAL VEHICLE OR replacement vehicle.

(iii) If an owner of a RENTAL VEHICLE OR replacement vehicle provides coverage as provided under subparagraph (ii) of this paragraph, the

agreement for the **RENTAL VEHICLE OR** replacement vehicle to be signed by the renter or the individual to whom the vehicle is loaned shall contain a provision on the face of the agreement, in at least [10 point] **10-POINT** bold type, that informs the individual that the coverage on the vehicle being serviced or repaired **OR ANY COVERAGE MAINTAINED BY THE RENTER OF THE RENTAL VEHICLE** is primary coverage for the **RENTAL VEHICLE OR** replacement vehicle and the coverage maintained by the owner on the **RENTAL VEHICLE OR** replacement vehicle is secondary.

(b) Notwithstanding any provision of the rental agreement to the contrary, the security required under this section shall cover the owner of the vehicle and each person driving or using the vehicle with the permission of the owner or lessee.

(c) If the Administration finds that the vehicle owner has failed or is unable to maintain the required security, the Administration shall suspend the registration of the vehicle.”.