

HOUSE BILL 501

C4

6lr1315

By: **Delegate Chang**

Introduced and read first time: February 1, 2016

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 24, 2016

CHAPTER _____

1 AN ACT concerning

2 **Motor Vehicle Insurance – Volunteer Drivers**

3 FOR the purpose of prohibiting certain insurers that issue, sell, or deliver policies of motor
4 vehicle liability insurance in the State from canceling the policy of a named insured
5 or refusing to issue a policy to a certain applicant solely because the named insured
6 or applicant is a volunteer driver; prohibiting certain insurers from imposing a
7 certain charge or rate increase solely because a certain driver under the policy is a
8 volunteer driver; providing that this Act does not prohibit certain insurers from
9 canceling, refusing to renew, or imposing certain charges or rate increases on a policy
10 under certain circumstances; defining “volunteer driver”; providing for the
11 application of this Act; and generally relating to motor vehicle liability insurance.

12 BY adding to
13 Article – Insurance
14 Section 19–518
15 Annotated Code of Maryland
16 (2011 Replacement Volume and 2015 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
18 That the Laws of Maryland read as follows:

19 **Article – Insurance**

20 **19–518.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (A) IN THIS SECTION, "VOLUNTEER DRIVER" MEANS AN INDIVIDUAL WHO
2 PROVIDES DRIVING SERVICES, INCLUDING TRANSPORTATION OF INDIVIDUALS OR
3 GOODS, WITHOUT COMPENSATION OTHER THAN FOR EXPENSES TO:

4 (1) A CHARITABLE ORGANIZATION, AS DEFINED IN § 6-101 OF THE
5 BUSINESS REGULATION ARTICLE, IN THE STATE; OR

6 (2) A NOT-FOR-PROFIT ORGANIZATION IN THE STATE THAT IS
7 EXEMPT FROM TAXATION UNDER § 501(C)(3), (4), OR (6) OF THE INTERNAL
8 REVENUE CODE IN THE STATE.

9 (B) AN INSURER THAT ISSUES, SELLS, OR DELIVERS A MOTOR VEHICLE
10 LIABILITY INSURANCE POLICY IN THE STATE MAY NOT:

11 (1) CANCEL THE POLICY OF A NAMED INSURED OR REFUSE TO ISSUE
12 THE POLICY TO AN APPLICANT SOLELY BECAUSE THE NAMED INSURED OR
13 APPLICANT IS A VOLUNTEER DRIVER; OR

14 (2) IMPOSE A SURCHARGE ON OR OTHERWISE INCREASE THE RATE
15 FOR THE POLICY SOLELY BECAUSE THE NAMED INSURED OR APPLICANT, A MEMBER
16 OF THE NAMED INSURED'S OR APPLICANT'S HOUSEHOLD, OR AN INDIVIDUAL WHO
17 CUSTOMARILY OPERATES THE NAMED INSURED'S OR APPLICANT'S MOTOR VEHICLE
18 IS A VOLUNTEER DRIVER.

19 (C) THIS SECTION DOES NOT PROHIBIT AN INSURER FROM CANCELING,
20 REFUSING TO RENEW, IMPOSING A SURCHARGE ON, OR OTHERWISE INCREASING
21 THE RATE FOR A MOTOR VEHICLE LIABILITY INSURANCE POLICY BASED ON
22 FACTORS OTHER THAN THE STATUS OF A DRIVER UNDER THE POLICY AS A
23 VOLUNTEER DRIVER.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
25 apply to every policy of motor vehicle liability insurance issued, sold, delivered, or renewed
26 in the State on or after January 1, 2017.

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2016.