

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 604

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike "Rented or Leased" and substitute "Replacement"; in the same line, after "Security" insert "- Task Force to Examine Liability Insurance on Rental Vehicles"; strike beginning with "clarifying" in line 3 down through "Administration;" in line 5; in line 5, strike "a vehicle to be rented" and substitute "certain replacement vehicles"; in line 8, strike "vehicle to be rented" and substitute "replacement vehicle"; in line 9, strike "informing the renter"; in line 10, after "term;" insert "establishing a Task Force to Examine Liability Insurance on Rental Vehicles; specifying the purpose and responsibilities of the Task Force; requiring the Task Force to report to certain persons by certain dates; providing for the composition of the Task Force; providing for a certain effective date;"; in lines 11 and 12, strike "rented or leased motor vehicles" and substitute "replacement vehicles and to the Task Force to Examine Liability Insurance on Rental Vehicles"; and in line 20, strike "18-101" and substitute "17-104".

AMENDMENT NO. 2

On page 2, strike in their entirety lines 5 through 8, inclusive, and substitute:

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) (1) IN THIS SUBSECTION, "REPLACEMENT VEHICLE" MEANS A VEHICLE THAT IS LOANED BY AN AUTO REPAIR FACILITY OR A DEALER, OR THAT AN

(Over)

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, DAMAGE, OR THEFT.

(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, AN OWNER OF A REPLACEMENT VEHICLE MAY SATISFY THE REQUIREMENT OF SUBSECTION (A) OF THIS SECTION BY MAINTAINING AN INSURANCE POLICY THAT IS EXCESS TO ANY OTHER INSURANCE POLICY AND THAT EXTENDS COVERAGE TO THE OWNER’S VEHICLE WHILE IT IS USED AS A REPLACEMENT VEHICLE.

(3) IF AN OWNER OF A REPLACEMENT VEHICLE PROVIDES COVERAGE AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE AGREEMENT FOR THE 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 12 POINT BOLD TYPE, THAT INFORMS THE INDIVIDUAL THAT THE COVERAGE ON THE VEHICLE BEING SERVICED OR REPAIRED IS PRIMARY COVERAGE FOR THE REPLACEMENT VEHICLE AND THE COVERAGE MAINTAINED BY THE OWNER ON THE REPLACEMENT VEHICLE IS EXCESS ONLY.”.

On page 2, in line 11, strike “OR LEASED”; in lines 11 and 12, strike “, OR IN THE CASE OF A LEASED VEHICLE, THE LESSOR”; in line 13, strike “OR LESSOR”; strike beginning with “SUBJECT” in line 16 down through “ONLY” in line 24 and substitute “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, DAMAGE, OR THEFT.

(II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, AN OWNER OF A REPLACEMENT VEHICLE MAY SATISFY THE REQUIREMENT OF PARAGRAPH (1) OF THIS SUBSECTION BY MAINTAINING AN INSURANCE POLICY THAT IS EXCESS TO ANY OTHER INSURANCE POLICY AND THAT EXTENDS

COVERAGE TO THE OWNER'S VEHICLE WHILE IT IS USED AS A REPLACEMENT VEHICLE.

(III) IF AN OWNER OF A REPLACEMENT VEHICLE PROVIDES COVERAGE AS PROVIDED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE AGREEMENT FOR THE 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 12 POINT BOLD TYPE, THAT INFORMS THE INDIVIDUAL THAT THE COVERAGE ON THE VEHICLE BEING SERVICED OR REPAIRED IS PRIMARY COVERAGE FOR THE REPLACEMENT VEHICLE AND THE COVERAGE MAINTAINED BY THE OWNER ON THE REPLACEMENT VEHICLE IS EXCESS ONLY";
AND in line 27, strike the brackets.

AMENDMENT NO. 3

On page 2, in line 31, after "2." insert "AND BE IT FURTHER ENACTED, That:

(a) There is a Task Force to Examine Liability Insurance on Rental Vehicles.

(b) The Task Force consists of the following 7 members:

(1) 1 Senator appointed by the President of the Senate;

(2) 1 Delegate appointed by the Speaker of the House of Delegates;

(3) the Commissioner of the Maryland Insurance Administration or the Commissioner's designee;

(4) the Administrator of the Motor Vehicle Administration or the Administrator's designee; and

(5) 3 members appointed jointly by the President of the Senate and the Speaker of the House of Delegates as follows:

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(i) 1 representative of the Maryland Rental Car Coalition;

(ii) 1 representative of the motor vehicle liability insurance industry; and

(iii) 1 member at large.

(c) The President of the Senate and the Speaker of the House of Delegates shall each appoint a co-chair of the Task Force.

(d) Staff support for the Task Force shall be provided by the Department of Fiscal Services and the Department of Legislative Reference.

(e) The purpose and responsibilities of the Task Force are to:

(1) review the liability insurance issues, including primary coverage, involved in the rental of motor vehicles in this State;

(2) develop recommendations for methods to:

(i) reduce costs to consumers of the automobile insurance industry and the rental vehicle industry with respect to duplicative insurance coverages provided on rental vehicles;

(ii) reduce the confusion to consumers related to the insurance issues involved in rental vehicle transactions; and

(iii) reduce costs to consumers of rental vehicles or the use of loaner cars; and

(3) propose legislative, regulatory, and other changes required to implement the recommendations.

(f) On or before December 1, 1996, the Task Force shall submit a report to the Governor and, in accordance with § 2-1312 of the State Government Article, the General Assembly.

(g) The Task Force shall terminate on January 1, 1997.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 1996.

SECTION 4.”;

and in line 31, after “That” insert “, except as provided in Section 3 of this Act.”.