
By: Senator Della

Introduced and read first time: January 30, 1997

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws - Required Security - Replacement Vehicles - Clarifications**

3 FOR the purpose of clarifying the amount of insurance coverage required when the
4 owner of a certain replacement vehicle satisfies a certain insurance requirement by
5 maintaining a certain security which covers a motor vehicle under certain
6 circumstances; altering the size of type required for a certain purpose in a certain
7 agreement; making technical changes; and generally relating to proof of insurance
8 for the registration of certain replacement vehicles.

9 BY repealing and reenacting, without amendments,
10 Article - Transportation
11 Section 17-103(b)
12 Annotated Code of Maryland
13 (1992 Replacement Volume and 1996 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article - Transportation
16 Section 17-104 and 18-102(a)
17 Annotated Code of Maryland
18 (1992 Replacement Volume and 1996 Supplement)

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

21 **Article - Transportation**

22 17-103.

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

24 (1) The payment of claims for bodily injury or death arising from an
25 accident of up to \$20,000 for any one person and up to \$40,000 for any two or more
26 persons, in addition to interest and costs;

27 (2) The payment of claims for property of others damaged or destroyed in
28 an accident of up to \$10,000, in addition to interest and costs;

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1 (3) Unless waived, the benefits described under Article 48A, § 539 of the
2 Code as to basic required primary coverage; and

3 (4) The benefits required under Article 48A, § 541 of the Code as to
4 required additional coverage.

5 17-104.

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

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

11 (c) (1) In this subsection, "replacement vehicle" means a vehicle that is loaned
12 by an auto repair facility or a dealer, or that an individual rents temporarily, to use while
13 a vehicle owned by the individual is not in use because of loss, as "loss" is defined in that
14 individual's applicable private passenger automobile insurance policy or because of
15 breakdown, repair, service, or damage.

16 (2) Subject to paragraph (3) of this subsection, an owner of a replacement
17 vehicle may satisfy the requirement of subsection (a) of this section by maintaining [an
18 insurance policy] **REQUIRED SECURITY** that is excess to any other [insurance policy]
19 **VALID AND COLLECTIBLE COVERAGE** and that extends coverage **IN AMOUNTS**
20 **REQUIRED UNDER § 17-103(B) OF THIS SUBTITLE** to the owner's vehicle while it is used
21 as a replacement vehicle.

22 (3) If an owner of a replacement vehicle provides coverage as provided
23 under paragraph (2) of this subsection, the agreement for the replacement vehicle to be
24 signed by the renter or the individual to whom the vehicle is loaned shall contain a
25 provision on the face of the agreement, in [12] **AT LEAST 10 point bold type**, that informs
26 the individual that the coverage on the vehicle being serviced or repaired is primary
27 coverage for the replacement vehicle and the coverage maintained by the owner on the
28 replacement vehicle is excess only.

29 18-102.

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

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

40 (ii) Subject to subparagraph (iii) of this paragraph, an owner of a
41 replacement vehicle may satisfy the requirement of paragraph (1) of this subsection by
42 maintaining [an insurance policy] **REQUIRED SECURITY** that is excess to any other

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1 [insurance policy] VALID AND COLLECTIBLE COVERAGE and that extends coverage to
2 the owner's vehicle IN AMOUNTS REQUIRED UNDER § 17-103(B) OF THIS ARTICLE while
3 it is used as a replacement vehicle.

4 (iii) If an owner of a replacement vehicle provides coverage as provided
5 under subparagraph (ii) of this paragraph, the agreement for the replacement vehicle to
6 be signed by the renter or the individual to whom the vehicle is loaned shall contain a
7 provision on the face of the agreement, in [12] AT LEAST 10 point bold type, that informs
8 the individual that the coverage on the vehicle being serviced or repaired is primary
9 coverage for the replacement vehicle and the coverage maintained by the owner on the
10 replacement vehicle is excess only.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 1997.