
By: Senator Della

Introduced and read first time: January 30, 1997

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 11, 1997

CHAPTER ____

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:

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

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

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

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

10 17-104.

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

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

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

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

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

34 18-102.

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

40 (2) (i) In this paragraph, "replacement vehicle" means a vehicle that is
 41 loaned by an auto repair facility or a dealer, or that an individual rents temporarily, to use

27 (3) If an owner of a replacement vehicle provide

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1 while a vehicle owned by the individual is not in use because of loss, as "loss" is defined
2 in that individual's applicable private passenger automobile insurance policy, or because
3 of breakdown, repair, service, or damage.

4 (ii) Subject to subparagraph (iii) of this paragraph, an owner of a
5 replacement vehicle may satisfy the requirement of paragraph (1) of this subsection by
6 maintaining [an insurance policy] THE REQUIRED SECURITY DESCRIBED IN § 17-103
7 OF THIS ARTICLE that is ~~excess~~ SECONDARY to any other [insurance policy] VALID
8 AND COLLECTIBLE COVERAGE and that extends coverage to the owner's vehicle IN
9 AMOUNTS REQUIRED UNDER § 17-103(B) OF THIS ARTICLE while it is used as a
10 replacement vehicle.

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

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