

BY: Economic Matters Committee

AMENDMENTS TO SENATE BILL NO. 307

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike "Surrender of Evidences of Registration Required" and substitute "Regulations"; in line 4, strike "requiring an insurer to notify an"; strike beginning with "insured" in line 14 down through "privileges" in line 19 and substitute "requiring the Motor Vehicle Administration, in consultation with the Maryland Insurance Administration and representatives of the automobile insurance industry, to adopt certain regulations establishing certain notification procedures; providing that certain regulations shall establish procedures that will be used by certain insurers to provide notification of certain penalties; and generally relating to the notification by an insurer of an insured that seeks to voluntarily cancel automobile liability insurance"; and strike in their entirety lines 20 through 24, inclusive, and substitute:

"BY repealing and reenacting, with amendments,

Article - Transportation

Section 17-104

Annotated Code of Maryland

(1999 Replacement Volume and 1999 Supplement)".

AMENDMENT NO. 2

On page 2, strike in their entirety lines 1 through 30, inclusive, and substitute:

"Article - Transportation

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.

(Over)

(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) 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.

[(c)] (D) (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 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 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 at least 10 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 secondary."