
By: **Senator Baker**

Introduced and read first time: February 1, 2000

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Liability Insurance - Voluntary Cancellation of Policy -**
3 **Surrender of Evidences of Registration Required**

4 FOR the purpose of requiring an insurer to notify an owner of a motor vehicle who
5 wishes to cancel voluntarily the motor vehicle liability insurance policy that
6 insures the vehicle, that the owner must surrender all evidences of registration
7 to the Motor Vehicle Administration before the insurer cancels the policy;
8 prohibiting an insurer from canceling a policy of motor vehicle liability
9 insurance under certain circumstances until the owner of the motor vehicle
10 insured under the policy provides proof to the insurer that all evidences of
11 registration have been surrendered to the Motor Vehicle Administration; and
12 generally relating to surrender of evidences of registration to the Motor Vehicle
13 Administration before voluntary cancellation of policies of motor vehicle liability
14 insurance.

15 BY adding to
16 Article - Insurance
17 Section 19-517
18 Annotated Code of Maryland
19 (1997 Volume and 1999 Supplement)

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

22 **Article - Insurance**

23 19-517.

24 (A) WHEN THE OWNER OF A MOTOR VEHICLE NOTIFIES AN INSURER THAT
25 THE OWNER WISHES TO CANCEL VOLUNTARILY THE MOTOR VEHICLE LIABILITY
26 INSURANCE POLICY THAT INSURES THE VEHICLE, THE INSURER SHALL NOTIFY THE
27 OWNER THAT ALL EVIDENCES OF REGISTRATION FOR THAT MOTOR VEHICLE MUST
28 BE SURRENDERED TO THE MOTOR VEHICLE ADMINISTRATION BEFORE THE INSURER
29 CANCELS THE POLICY.

1 (B) AN INSURER MAY NOT CANCEL A POLICY OF MOTOR VEHICLE LIABILITY
2 INSURANCE AT THE REQUEST OF THE OWNER OF THE MOTOR VEHICLE INSURED
3 UNDER THE POLICY UNTIL THE OWNER PROVIDES PROOF TO THE INSURER THAT ALL
4 EVIDENCES OF REGISTRATION FOR THAT MOTOR VEHICLE HAVE BEEN
5 SURRENDERED TO THE MOTOR VEHICLE ADMINISTRATION.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2000.