
By: **Senator Baker**
Introduced and read first time: February 1, 2000
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 20, 2000

CHAPTER _____

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 insured within a certain time under certain circumstances in a~~
15 ~~certain manner that, if the insured fails to renew or replace motor vehicle~~
16 ~~insurance before the cancellation, a certain law provides that certain penalties~~
17 ~~may be assessed and that evidences of registration shall be surrendered and~~
18 ~~that failure to surrender evidences of registration may result in suspension of~~
19 ~~certain registration privileges.~~

20 BY adding to
21 Article - Insurance
22 Section 19-517
23 Annotated Code of Maryland
24 (1997 Volume and 1999 Supplement)

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

1

Article - Insurance

2 19-517.

3 ~~(A) WHEN THE OWNER OF A MOTOR VEHICLE NOTIFIES AN INSURER THAT~~
4 ~~THE OWNER WISHES TO CANCEL VOLUNTARILY THE MOTOR VEHICLE LIABILITY~~
5 ~~INSURANCE POLICY THAT INSURES THE VEHICLE, THE INSURER SHALL NOTIFY THE~~
6 ~~OWNER THAT ALL EVIDENCES OF REGISTRATION FOR THAT MOTOR VEHICLE MUST~~
7 ~~BE SURRENDERED TO THE MOTOR VEHICLE ADMINISTRATION BEFORE THE INSURER~~
8 ~~CANCELS THE POLICY.~~

9 (B) ~~AN INSURER MAY NOT CANCEL A POLICY OF MOTOR VEHICLE LIABILITY~~
10 ~~INSURANCE AT THE REQUEST OF THE OWNER OF THE MOTOR VEHICLE INSURED~~
11 ~~UNDER THE POLICY UNTIL THE OWNER PROVIDES PROOF TO THE INSURER THAT ALL~~
12 ~~EVIDENCES OF REGISTRATION FOR THAT MOTOR VEHICLE HAVE BEEN~~
13 ~~SURRENDERED TO THE MOTOR VEHICLE ADMINISTRATION WITHIN 10 DAYS AFTER~~
14 ~~AN INSURED NOTIFIES AN INSURER THAT THE INSURED WISHES TO CANCEL~~
15 ~~VOLUNTARILY THE MOTOR VEHICLE LIABILITY INSURANCE POLICY THAT INSURES~~
16 ~~THE INSURED'S VEHICLE, THE INSURER SHALL PROVIDE WRITTEN NOTICE TO THE~~
17 ~~INSURED IN CLEAR AND SPECIFIC TERMS THAT IF THE INSURED FAILS TO RENEW OR~~
18 ~~REPLACE THE MOTOR VEHICLE INSURANCE BEFORE THE CANCELLATION, § 17-106~~
19 ~~OF THE TRANSPORTATION ARTICLE PROVIDES THAT:~~

20 (1) UNINSURED MOTORIST PENALTIES MAY BE ASSESSED, INCLUDING:

21 (I) \$150 FOR EACH VEHICLE WITHOUT THE REQUIRED SECURITY
22 FOR A PERIOD OF 1 TO 30 DAYS;

23 (II) \$7 FOR EACH VEHICLE WITHOUT THE REQUIRED SECURITY
24 BEGINNING ON THE 31ST DAY; AND

25 (III) UP TO \$2,500 FOR EACH VIOLATION IN A 12-MONTH PERIOD;
26 AND

27 (2) EVIDENCES OF REGISTRATION SHALL BE SURRENDERED TO THE
28 MOTOR VEHICLE ADMINISTRATION AND FAILURE TO SURRENDER THE EVIDENCES
29 OF REGISTRATION MAY RESULT IN SUSPENSION OF CURRENT AND FUTURE
30 REGISTRATION PRIVILEGES.

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

