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By: **Delegate Arnick**

Introduced and read first time: January 14, 2005

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Liability Insurance - All-Terrain Vehicles**

3 FOR the purpose of requiring certain all-terrain vehicles operated in the State to be  
4 covered by certain liability insurance policies; specifying the minimum coverage  
5 required; requiring certain insurers to notify the Maryland Insurance  
6 Commissioner of certain terminations or lapses; requiring the Commissioner to  
7 impose certain penalties if the required insurance terminates or lapses;  
8 providing that the penalties assessed be paid into the General Fund; requiring  
9 the Commissioner to adopt certain regulations; defining certain terms; and  
10 generally relating to liability insurance and all-terrain vehicles.

11 BY adding to

12 Article - Insurance

13 Section 19-114

14 Annotated Code of Maryland

15 (2002 Replacement Volume and 2004 Supplement)

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

18 **Article - Insurance**

19 19-114.

20 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
21 INDICATED.

22 (2) (I) "ACCIDENT" MEANS AN OCCURRENCE INVOLVING AN  
23 ALL-TERRAIN VEHICLE THAT RESULTS IN DAMAGE TO PROPERTY OR INJURY TO A  
24 PERSON.

25 (II) "ACCIDENT" DOES NOT INCLUDE AN OCCURRENCE THAT IS  
26 CAUSED INTENTIONALLY BY OR AT THE DIRECTION OF AN INSURED.

27 (3) (I) "ALL-TERRAIN VEHICLE" MEANS A SELF-PROPELLED VEHICLE,  
28 NOT EXCEEDING 70 INCHES IN WIDTH OR 1,000 POUNDS DRY WEIGHT, THAT IS

1 MANUFACTURED FOR OPERATION PRIMARILY ON OFF-HIGHWAY TRAILS OR  
2 OFF-HIGHWAY COMPETITIONS.

3 (II) "ALL-TERRAIN VEHICLE" DOES NOT INCLUDE:

4 1. A SNOWMOBILE OR OTHER SELF-PROPELLED VEHICLE  
5 THAT IS MANUFACTURED EXCLUSIVELY FOR OFF-HIGHWAY USE, DESIGNED FOR  
6 TRAVEL ON SNOW OR ICE, STEERED BY SKIS OR RUNNERS, AND SUPPORTED IN  
7 WHOLE OR IN PART BY ONE OR MORE SKIS, BELTS, OR CLEATS THAT USE AN  
8 ENDLESS BELT THREAD; OR

9 2. A VEHICLE USED FOR AGRICULTURAL PURPOSES OR  
10 SNOWPLOWING, OTHER THAN FOR HIRE.

11 (B) AN ALL-TERRAIN VEHICLE THAT IS OPERATED IN THE STATE SHALL BE  
12 COVERED BY A LIABILITY INSURANCE POLICY WRITTEN BY AN AUTHORIZED  
13 INSURER.

14 (C) THE LIABILITY INSURANCE REQUIRED UNDER THIS SECTION SHALL  
15 PROVIDE FOR AT LEAST:

16 (1) THE PAYMENT OF CLAIMS FOR BODILY INJURY OR DEATH ARISING  
17 FROM AN ACCIDENT OF UP TO \$20,000 FOR ANY ONE PERSON AND UP TO \$40,000 FOR  
18 ANY TWO OR MORE PERSONS, IN ADDITION TO INTEREST AND COSTS; AND

19 (2) THE PAYMENT OF CLAIMS FOR PROPERTY OF OTHERS DAMAGED OR  
20 DESTROYED IN AN ACCIDENT OF UP TO \$15,000, IN ADDITION TO INTEREST AND  
21 COSTS.

22 (D) AN INSURER OF AN ALL-TERRAIN VEHICLE SHALL NOTIFY THE  
23 COMMISSIONER WITHIN 45 DAYS AFTER THE INSURANCE ON THE ALL-TERRAIN  
24 VEHICLE TERMINATES OR OTHERWISE LAPSES.

25 (E) (1) IF THE REQUIRED INSURANCE ON AN ALL-TERRAIN VEHICLE  
26 TERMINATES OR OTHERWISE LAPSES, THE COMMISSIONER SHALL ASSESS THE  
27 OWNER OF THE ALL-TERRAIN VEHICLE WITH A PENALTY OF \$150 FOR EACH  
28 ALL-TERRAIN VEHICLE WITHOUT THE REQUIRED INSURANCE FOR A PERIOD OF 1 TO  
29 30 DAYS.

30 (2) BEGINNING ON THE 31ST DAY, THE PENALTY SHALL INCREASE BY \$7  
31 FOR EACH DAY.

32 (3) A PENALTY ASSESSED UNDER THIS SUBSECTION SHALL BE PAID  
33 INTO THE GENERAL FUND.

34 (F) THE COMMISSIONER SHALL ADOPT REGULATIONS TO CARRY OUT THE  
35 PROVISIONS OF THIS SECTION.

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
37 October 1, 2005.

