

SENATE BILL 436

R7
SB 573/18 – FIN

9lr0399
CF HB 1003

By: **Senators Klausmeier, Beidle, Feldman, and Hershey**

Introduced and read first time: February 1, 2019

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 29, 2019

CHAPTER _____

1 AN ACT concerning

2 **Vehicle Laws – Rental Vehicles – Security**

3 FOR the purpose of establishing that the owner of a rental vehicle may satisfy a certain
4 insurance requirement by maintaining a certain security that is ~~primary under~~
5 ~~certain circumstances and~~ secondary to any other valid and collectible coverage
6 under certain circumstances and subject to a certain exception; providing that
7 security maintained by the owner of a rental vehicle or replacement vehicle is
8 primary under certain circumstances; ~~establishing a certain insurer's right to~~
9 subrogation for certain damages under certain circumstances; requiring the owner
10 of a rental vehicle to provide a certain notice to the renter of the rental vehicle;
11 authorizing certain persons to request certain information from a motor vehicle
12 rental company in a certain manner; requiring a motor vehicle rental company to
13 disclose certain information about a person that rents or is authorized to drive a
14 rental vehicle to a certain person under certain circumstances; requiring a motor
15 vehicle rental company to make a reasonable effort to obtain and disclose certain
16 information about the person who was driving the rental vehicle at the time of the
17 adverse event under certain circumstances; providing a certain exception to the
18 requirement that a motor vehicle rental company disclose certain information;
19 prohibiting a motor vehicle rental company from being compelled to disclose certain
20 additional information; establishing a certain immunity from liability for a motor
21 vehicle rental company that discloses certain information in accordance with this
22 Act, subject to a certain exception; providing that a motor vehicle rental company
23 shall be required to provide certain security on a primary basis for certain claims
24 under certain circumstances; defining certain terms; providing for a delayed effective

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 date; providing for the application of this Act; and generally relating to required
2 security for certain rental vehicles.

3 BY repealing and reenacting, without amendments,
4 Article – Transportation
5 Section 17–103
6 Annotated Code of Maryland
7 (2012 Replacement Volume and 2018 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article – Transportation
10 Section 17–104 and 18–102
11 Annotated Code of Maryland
12 (2012 Replacement Volume and 2018 Supplement)

13 BY adding to
14 Article – Transportation
15 Section 17–104.3 and 18–106
16 Annotated Code of Maryland
17 (2012 Replacement Volume and 2018 Supplement)

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

20 **Article – Transportation**

21 17–103.

22 (a) (1) Except as provided in paragraph (2) of this subsection, the form of
23 security required under this subtitle is a vehicle liability insurance policy written by an
24 insurer authorized to write these policies in this State.

25 (2) The Administration may accept another form of security in place of a
26 vehicle liability insurance policy if it finds that the other form of security adequately
27 provides the benefits required by subsection (b) of this section.

28 (3) The Administration shall, by regulation, assess each self-insurer an
29 annual sum which may not exceed \$750, and which shall be used for actuarial studies and
30 audits to determine financial solvency.

31 (b) The security required under this subtitle shall provide for at least:

32 (1) The payment of claims for bodily injury or death arising from an
33 accident of up to \$30,000 for any one person and up to \$60,000 for any two or more persons,
34 in addition to interest and costs;

1 (2) The payment of claims for property of others damaged or destroyed in
2 an accident of up to \$15,000, in addition to interest and costs;

3 (3) Unless waived under § 19–506 of the Insurance Article or rejected
4 under § 19–506.1 of the Insurance Article, the benefits described under § 19–505 of the
5 Insurance Article as to basic required primary coverage;

6 (4) The benefits required under § 19–509 or § 19–509.1 of the Insurance
7 Article as to required additional coverage; and

8 (5) For vehicles subject to the provisions of § 25–111.1 of this article, the
9 security requirements adopted under 49 C.F.R., Part 387.

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 satisfactory
13 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) Each insurer or other provider of required security shall:

17 (1) Except as provided in item (2) of this subsection, immediately notify the
18 Administration electronically of new motor vehicle insurance policies issued for insured
19 vehicles registered in the State; and

20 (2) For each fleet policy, electronically notify the Administration every 30
21 days of any additions, deletions, or modifications to the fleet policy, including those policy
22 numbers affected.

23 (d) The Administration, in consultation with the Maryland Insurance
24 Administration and representatives of the automobile insurance industry, shall adopt
25 regulations that establish procedures to be used by an insurer to provide timely notification
26 to an insured of the penalties that may be imposed in accordance with § 17–106 of this
27 subtitle if the insured fails to renew or replace a policy of motor vehicle liability insurance
28 without surrendering the evidences of registration.

29 (e) (1) In this subsection, “replacement vehicle” means a vehicle that is loaned
30 by an auto repair facility or a dealer, or that an individual rents temporarily, to use while
31 a vehicle owned by the individual is not in use because of loss, as “loss” is defined in that
32 individual’s applicable private passenger automobile insurance policy or because of
33 breakdown, repair, service, or damage.

1 (2) THIS SUBSECTION DOES NOT APPLY TO A RENTAL VEHICLE THAT
 2 IS NOT A REPLACEMENT VEHICLE IF THE COVERAGE MAINTAINED BY THE RENTER
 3 OR DRIVER IS PROVIDED BY THE MARYLAND AUTOMOBILE INSURANCE FUND.

4 (3) Subject to paragraph ~~(2)~~ (5) of this subsection, SUBSECTION (F) OF
 5 THIS SECTION, AND § 18-106 OF THIS ARTICLE, an owner of a RENTAL VEHICLE OR
 6 replacement vehicle may satisfy the requirement of subsection (a) of this section by
 7 maintaining the required security described in § 17-103 of this subtitle that is secondary
 8 to any other valid and collectible coverage and that extends coverage in amounts required
 9 under § 17-103(b) of this subtitle to the owner's vehicle while it is used as a RENTAL
 10 VEHICLE OR replacement vehicle.

11 ~~(2)~~ (4) If an owner of a replacement vehicle provides coverage as
 12 provided under paragraph ~~(2)~~ (3) of this subsection, the agreement for the replacement
 13 vehicle to be signed by the renter or the individual to whom the vehicle is loaned shall
 14 contain a provision on the face of the agreement, in 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 secondary.

18 (5) IF COVERAGE MAINTAINED BY THE RENTER OR INDIVIDUAL TO
 19 WHOM THE VEHICLE IS LOANED HAS LAPSED OR DOES NOT PROVIDE THE REQUIRED
 20 COVERAGE:

21 (I) SECURITY MAINTAINED BY THE OWNER OF THE RENTAL
 22 VEHICLE OR REPLACEMENT VEHICLE SHALL:

23 1. BE PRIMARY; AND

24 2. PROVIDE THE COVERAGE REQUIRED BEGINNING
 25 WITH THE FIRST DOLLAR OF A CLAIM; AND

26 (II) THE OWNER OF THE RENTAL VEHICLE OR REPLACEMENT
 27 VEHICLE SHALL HAVE THE DUTY TO DEFEND THE CLAIM.

28 ~~(F) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE~~
 29 ~~MEANINGS INDICATED.~~

30 ~~(H) "ADVERSE EVENT" HAS THE MEANING STATED IN §~~
 31 ~~17-104.3(A) OF THIS SUBTITLE.~~

32 ~~(H) "MOTOR VEHICLE RENTAL COMPANY" HAS THE MEANING~~
 33 ~~STATED IN § 17-104.3(A) OF THIS SUBTITLE.~~

1 ~~(IV) "RENTAL AGREEMENT" HAS THE MEANING STATED IN §~~
2 ~~17-104.3(A) OF THIS SUBTITLE.~~

3 ~~(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,~~
4 ~~AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, AN OWNER OF A RENTAL~~
5 ~~VEHICLE MAY SATISFY THE REQUIREMENT OF SUBSECTION (A) OF THIS SECTION BY~~
6 ~~MAINTAINING THE REQUIRED SECURITY DESCRIBED IN § 17-103 OF THIS SUBTITLE~~
7 ~~THAT IS:~~

8 ~~(I) PRIMARY:~~

9 ~~1. EXCEPT AS PROVIDED IN ITEM (II) OF THIS~~
10 ~~PARAGRAPH, WHILE THE OWNER'S VEHICLE IS USED AS A RENTAL VEHICLE; OR~~

11 ~~2. IF THE COVERAGE MAINTAINED BY THE RENTER OF~~
12 ~~THE RENTAL VEHICLE IS PROVIDED BY THE MARYLAND AUTOMOBILE INSURANCE~~
13 ~~FUND; AND~~

14 ~~(II) SECONDARY, RETROACTIVE TO AN ADVERSE EVENT, TO~~
15 ~~COVERAGE MAINTAINED BY THE RENTER OF THE RENTAL VEHICLE ON THE OWNER'S~~
16 ~~CONFIRMATION, AFTER THE ADVERSE EVENT, WITH THE INSURANCE CARRIER THAT~~
17 ~~PROVIDES COVERAGE TO THE RENTER, THAT THE INSURANCE MAINTAINED BY THE~~
18 ~~RENTER PROVIDES VALID AND COLLECTIBLE COVERAGE IN THE AMOUNTS~~
19 ~~REQUIRED UNDER § 17-103(B) OF THIS SUBTITLE TO THE OWNER'S VEHICLE WHILE~~
20 ~~IT IS USED AS A RENTAL VEHICLE, IF THE INSURANCE CARRIER THAT PROVIDES~~
21 ~~COVERAGE TO THE RENTER ACCEPTS THE CLAIM AND CONFIRMS IN WRITING THAT~~
22 ~~THE INSURANCE PROVIDED TO THE RENTER INCLUDES LIABILITY COVERAGE FOR~~
23 ~~THE ALLEGED AT-FAULT DRIVER.~~

24 ~~(3) IF AN INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE~~
25 ~~RENTER DOES NOT ACCEPT THE CLAIM UNDER PARAGRAPH (1)(II) OF THIS~~
26 ~~SUBSECTION AND AUTHORIZE PAYMENT OF STORAGE CHARGES OR RENTAL OF A~~
27 ~~TEMPORARY SUBSTITUTE MOTOR VEHICLE TO THE MOTOR VEHICLE RENTAL~~
28 ~~COMPANY WITHIN 14 DAYS OF RECEIVING NOTICE OF THE RENTER'S ADVERSE~~
29 ~~EVENT, THE INSURANCE CARRIER THAT PROVIDES COVERAGE FOR THE RENTAL~~
30 ~~VEHICLE SHALL:~~

31 ~~(I) CONTINUE TO BE THE PRIMARY SECURITY FOR THE~~
32 ~~PAYMENT OF STORAGE CHARGES AND RENTAL CHARGES FOR A TEMPORARY~~
33 ~~SUBSTITUTE MOTOR VEHICLE UNTIL THE CLAIM IS RESOLVED; AND~~

34 ~~(II) HAVE A RIGHT OF SUBROGATION AGAINST THE INSURANCE~~
35 ~~CARRIER THAT PROVIDES COVERAGE TO THE RENTER FOR THE PAYMENT OF~~

1 ~~STORAGE CHARGES AND RENTAL CHARGES FOR A TEMPORARY SUBSTITUTE MOTOR~~
 2 ~~VEHICLE.~~

3 ~~(4)~~ **(F)** IF AN OWNER OF A RENTAL VEHICLE PROVIDES COVERAGE
 4 IN ACCORDANCE WITH ~~PARAGRAPH (2)~~ **SUBSECTION (E)(3)** OF THIS ~~SUBSECTION~~
 5 **SECTION**, THE RENTAL AGREEMENT TO BE SIGNED BY THE RENTER SHALL CONTAIN
 6 A PROVISION ON THE FACE OF THE AGREEMENT, IN AT LEAST 10 POINT BOLD TYPE,
 7 THAT INFORMS THE INDIVIDUAL THAT, EXCEPT FOR COVERAGE PROVIDED BY THE
 8 MARYLAND AUTOMOBILE INSURANCE FUND WITH RESPECT TO A RENTAL VEHICLE
 9 THAT IS NOT A REPLACEMENT VEHICLE, THE COVERAGE MAINTAINED BY THE
 10 RENTER OF THE RENTAL VEHICLE IS PRIMARY COVERAGE ON THE OWNER'S
 11 CONFIRMATION WITH THE INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE
 12 RENTER THAT THE INSURANCE MAINTAINED BY THE RENTER PROVIDES VALID AND
 13 COLLECTIBLE COVERAGE IN THE AMOUNTS REQUIRED UNDER § 17-103(B) OF THIS
 14 SUBTITLE TO THE OWNER'S VEHICLE WHILE IT IS USED AS A RENTAL VEHICLE.

15 **17-104.3.**

16 **(A) (1)** IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 17 INDICATED.

18 **(2)** "ADVERSE EVENT" MEANS AN INCIDENT THAT MAY SUBJECT THE
 19 OWNER OR DRIVER OF A RENTAL VEHICLE TO LEGAL LIABILITY, INCLUDING
 20 LIABILITY FOR:

21 **(I)** DAMAGES;

22 **(II)** COSTS OF DEFENSE;

23 **(III)** LEGAL COSTS AND FEES; AND

24 **(IV)** ANY OTHER CLAIMS EXPENSES.

25 **(3)** "MOTOR VEHICLE RENTAL COMPANY" MEANS A PERSON THAT IS
 26 IN THE BUSINESS OF PROVIDING MOTOR VEHICLES TO THE PUBLIC UNDER A RENTAL
 27 AGREEMENT FOR A PERIOD NOT EXCEEDING 180 DAYS.

28 **(4)** "RENTAL AGREEMENT" MEANS A WRITTEN AGREEMENT
 29 CONTAINING THE TERMS AND CONDITIONS THAT GOVERN THE USE OF A RENTAL
 30 VEHICLE PROVIDED BY A MOTOR VEHICLE RENTAL COMPANY UNDER THE
 31 PROVISIONS OF THIS ARTICLE.

32 **(B)** A PERSON INVOLVED IN AN ADVERSE EVENT THAT INVOLVES A RENTAL
 33 VEHICLE RENTED BY ANOTHER, OR THE PERSON'S LEGAL REPRESENTATIVE, MAY

1 REQUEST INFORMATION, AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION,
2 FROM THE MOTOR VEHICLE COMPANY THAT OWNS THE RENTAL VEHICLE BY
3 SUBMITTING A WRITTEN REQUEST TO THE MOTOR VEHICLE RENTAL COMPANY IN
4 ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

5 (C) (1) IF KNOWN TO THE MOTOR VEHICLE RENTAL COMPANY, A
6 REQUEST MADE TO A MOTOR VEHICLE RENTAL COMPANY UNDER THIS SECTION
7 SHALL INCLUDE:

8 (I) THE FULL NAME OF THE PERSON THAT IS BELIEVED TO
9 HAVE RENTED THE RENTAL VEHICLE INVOLVED IN THE ADVERSE EVENT;

10 (II) THE DATE AND APPROXIMATE TIME OF THE ADVERSE
11 EVENT; AND

12 (III) TO THE EXTENT KNOWN, A DESCRIPTION OF THE RENTAL
13 VEHICLE, INCLUDING THE VEHICLE'S:

14 1. MAKE;

15 2. MODEL;

16 3. COLOR; AND

17 4. REGISTRATION NUMBER.

18 (2) A REQUEST MADE UNDER THIS SECTION SHALL BE SUBMITTED TO
19 THE MOTOR VEHICLE RENTAL COMPANY'S REGISTERED AGENT IN THE STATE.

20 (D) (1) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, AS
21 SOON AS PRACTICABLE AFTER RECEIVING A REQUEST FOR INFORMATION, A MOTOR
22 VEHICLE RENTAL COMPANY SHALL PROVIDE THE PERSON THAT MADE THE REQUEST
23 WITH THE FOLLOWING INFORMATION IN WRITING:

24 (I) THE NAME, MAILING ADDRESS, AND DATE OF BIRTH OF
25 EACH PERSON IDENTIFIED IN A RENTAL AGREEMENT AS A RENTER OR AUTHORIZED
26 DRIVER OF THE RENTAL VEHICLE AT THE TIME THE ADVERSE EVENT IS ALLEGED TO
27 HAVE OCCURRED; AND

28 (II) 1. THE NAME OF THE INSURER RESPONSIBLE FOR
29 PROVIDING PRIMARY INSURANCE COVERAGE FOR THE RENTAL VEHICLE AT THE
30 TIME THE ADVERSE EVENT IS ALLEGED TO HAVE OCCURRED; AND

1 **2. IF KNOWN TO THE MOTOR VEHICLE RENTAL**
2 **COMPANY, THE POLICY NUMBER ASSOCIATED WITH THE PRIMARY INSURANCE**
3 **COVERAGE FOR THE RENTAL VEHICLE AT THE TIME THE ADVERSE EVENT IS**
4 **ALLEGED TO HAVE OCCURRED.**

5 **(2) IF THE PERSON DRIVING THE RENTAL VEHICLE AT THE TIME OF**
6 **THE ADVERSE EVENT IS NOT IDENTIFIED IN THE RENTAL AGREEMENT, THE MOTOR**
7 **VEHICLE RENTAL COMPANY SHALL MAKE A REASONABLE EFFORT TO OBTAIN AND**
8 **PROVIDE THE INDIVIDUAL'S NAME, MAILING ADDRESS, AND DATE OF BIRTH TO THE**
9 **PERSON MAKING THE REQUEST FOR INFORMATION.**

10 **(E) (1) IF A REQUEST IS MADE UNDER THIS SECTION MORE THAN 3 YEARS**
11 **AFTER THE DATE ON WHICH THE ADVERSE EVENT IS ALLEGED TO HAVE OCCURRED,**
12 **THE MOTOR VEHICLE RENTAL COMPANY MAY REFUSE TO PROVIDE INFORMATION**
13 **UNDER SUBSECTION (D) OF THIS SECTION.**

14 **(2) A MOTOR VEHICLE RENTAL COMPANY MAY NOT BE COMPELLED**
15 **TO DISCLOSE ANY INFORMATION REGARDING PERSONS IDENTIFIED AS RENTERS OR**
16 **AUTHORIZED DRIVERS OF A RENTAL VEHICLE OTHER THAN THE INFORMATION THAT**
17 **IS REQUIRED UNDER SUBSECTION (D) OF THIS SECTION.**

18 **(F) UNLESS IT IS ESTABLISHED THAT THE DISCLOSURE MADE BY THE**
19 **MOTOR VEHICLE RENTAL COMPANY OR AN EMPLOYEE OR AGENT OF THE MOTOR**
20 **VEHICLE RENTAL COMPANY CONSTITUTED RECKLESS, WANTON, OR INTENTIONAL**
21 **MISCONDUCT, A MOTOR VEHICLE RENTAL COMPANY MAY NOT BE HELD CIVILLY OR**
22 **CRIMINALLY LIABLE FOR DISCLOSING INFORMATION IN ACCORDANCE WITH THIS**
23 **SECTION.**

24 18-102.

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

30 (2) (i) In this paragraph, "replacement vehicle" means a vehicle that is
31 loaned by an auto repair facility or a dealer, or that an individual rents temporarily, to use
32 while a vehicle owned by the individual is not in use because of loss, as "loss" is defined in
33 that individual's applicable private passenger automobile insurance policy, or because of
34 breakdown, repair, service, or damage.

35 (ii) **THIS PARAGRAPH DOES NOT APPLY TO A RENTAL VEHICLE**
36 **THAT IS NOT A REPLACEMENT VEHICLE IF THE COVERAGE MAINTAINED BY THE**

1 RENTER OR DRIVER IS PROVIDED BY THE MARYLAND AUTOMOBILE INSURANCE
 2 FUND.

3 ~~(III)~~ Subject to ~~subparagraph (iii) of this paragraph~~ **(3) OF THIS**
 4 **SUBSECTION, § 18-106 OF THIS SUBTITLE, AND § 17-104(E)(5) OF THIS ARTICLE**, an
 5 owner of a **RENTAL VEHICLE OR** replacement vehicle may satisfy the requirement of
 6 paragraph (1) of this subsection by maintaining the required security described in § 17-103
 7 of this article that is secondary to any other valid and collectible coverage and that extends
 8 coverage to the owner’s vehicle in amounts required under § 17-103(b) of this article while
 9 it is used as a **RENTAL VEHICLE OR** replacement vehicle.

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

17 ~~(3) (i) 1. IN THIS PARAGRAPH THE FOLLOWING WORDS HAVE~~
 18 ~~THE MEANINGS INDICATED.~~

19 ~~2. “ADVERSE EVENT” HAS THE MEANING STATED IN §~~
 20 ~~17-104.3(A) OF THIS ARTICLE.~~

21 ~~3. “MOTOR VEHICLE RENTAL COMPANY” HAS THE~~
 22 ~~MEANING STATED IN § 17-104.3(A) OF THIS ARTICLE.~~

23 ~~4. “RENTAL AGREEMENT” HAS THE MEANING STATED IN~~
 24 ~~§ 17-104.3(A) OF THIS ARTICLE.~~

25 ~~(ii) EXCEPT AS PROVIDED IN SUBPARAGRAPH (iii) OF THIS~~
 26 ~~PARAGRAPH, AND SUBJECT TO SUBPARAGRAPH (iv) OF THIS PARAGRAPH, AN~~
 27 ~~OWNER OF A RENTAL VEHICLE MAY SATISFY THE REQUIREMENT OF PARAGRAPH (1)~~
 28 ~~OF THIS SUBSECTION BY MAINTAINING THE REQUIRED SECURITY DESCRIBED IN §~~
 29 ~~17-103 OF THIS ARTICLE THAT IS:~~

30 ~~1. PRIMARY:~~

31 ~~A. EXCEPT AS PROVIDED IN ITEM 2 OF THIS~~
 32 ~~SUBPARAGRAPH, WHILE THE OWNER’S VEHICLE IS USED AS A RENTAL VEHICLE; OR~~

33 ~~B. IF THE COVERAGE MAINTAINED BY THE RENTER OF~~
 34 ~~THE RENTAL VEHICLE IS PROVIDED BY THE MARYLAND AUTOMOBILE INSURANCE~~
 35 ~~FUND; AND~~

1 ~~2. SECONDARY, RETROACTIVE TO AN ADVERSE EVENT,~~
2 ~~TO COVERAGE MAINTAINED BY THE RENTER OF THE RENTAL VEHICLE ON THE~~
3 ~~OWNER'S CONFIRMATION, AFTER THE ADVERSE EVENT, WITH THE INSURANCE~~
4 ~~CARRIER THAT PROVIDES COVERAGE TO THE RENTER, THAT THE INSURANCE~~
5 ~~MAINTAINED BY THE RENTER PROVIDES VALID AND COLLECTIBLE COVERAGE IN~~
6 ~~THE AMOUNTS REQUIRED UNDER § 17-103(B) OF THIS ARTICLE TO THE OWNER'S~~
7 ~~VEHICLE WHILE IT IS USED AS A RENTAL VEHICLE, IF THE INSURANCE CARRIER~~
8 ~~THAT PROVIDES COVERAGE TO THE RENTER ACCEPTS THE CLAIM AND CONFIRMS IN~~
9 ~~WRITING THAT THE INSURANCE PROVIDED TO THE RENTER INCLUDES LIABILITY~~
10 ~~COVERAGE FOR THE ALLEGED AT-FAULT DRIVER.~~

11 ~~(H) IF AN INSURANCE CARRIER THAT PROVIDES COVERAGE TO~~
12 ~~THE RENTER DOES NOT ACCEPT THE CLAIM UNDER PARAGRAPH (1)(H) OF THIS~~
13 ~~SUBSECTION AND AUTHORIZE PAYMENT OF STORAGE CHARGES OR RENTAL OF A~~
14 ~~TEMPORARY SUBSTITUTE MOTOR VEHICLE TO THE MOTOR VEHICLE RENTAL~~
15 ~~COMPANY WITHIN 14 DAYS OF RECEIVING NOTICE OF THE RENTER'S ADVERSE~~
16 ~~EVENT, THE INSURANCE CARRIER THAT PROVIDES COVERAGE FOR THE RENTAL~~
17 ~~VEHICLE SHALL:~~

18 ~~1. CONTINUE TO BE THE PRIMARY SECURITY FOR THE~~
19 ~~PAYMENT OF STORAGE CHARGES AND RENTAL CHARGES FOR A TEMPORARY~~
20 ~~SUBSTITUTE MOTOR VEHICLE UNTIL THE CLAIM IS RESOLVED; AND~~

21 ~~2. HAVE A RIGHT OF SUBROGATION AGAINST THE~~
22 ~~INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE RENTER FOR THE~~
23 ~~PAYMENT OF STORAGE CHARGES AND RENTAL CHARGES FOR A TEMPORARY~~
24 ~~SUBSTITUTE MOTOR VEHICLE.~~

25 ~~(IV) (3)~~ IF AN OWNER OF A RENTAL VEHICLE PROVIDES
26 COVERAGE IN ACCORDANCE WITH ~~SUBPARAGRAPH (H)~~ PARAGRAPH (2) OF THIS
27 ~~PARAGRAPH~~ SUBSECTION, THE RENTAL AGREEMENT TO BE SIGNED BY THE RENTER
28 SHALL CONTAIN A PROVISION ON THE FACE OF THE AGREEMENT, IN AT LEAST 10
29 POINT BOLD TYPE, THAT INFORMS THE INDIVIDUAL THAT, EXCEPT FOR COVERAGE
30 PROVIDED BY THE MARYLAND AUTOMOBILE INSURANCE FUND WITH RESPECT TO
31 A RENTAL VEHICLE THAT IS NOT A REPLACEMENT VEHICLE, THE COVERAGE
32 MAINTAINED BY THE RENTER OF THE RENTAL VEHICLE IS PRIMARY COVERAGE ON
33 THE OWNER'S CONFIRMATION WITH THE INSURANCE CARRIER THAT PROVIDES
34 COVERAGE TO THE RENTER THAT THE INSURANCE MAINTAINED BY THE RENTER
35 PROVIDES VALID AND COLLECTIBLE COVERAGE IN THE AMOUNTS REQUIRED UNDER
36 § 17-103(B) OF THIS ARTICLE TO THE OWNER'S VEHICLE WHILE IT IS USED AS A
37 RENTAL VEHICLE.

1 (b) Notwithstanding any provision of the rental agreement to the contrary, the
2 security required under this section shall cover the owner of the vehicle and each person
3 driving or using the vehicle with the permission of the owner or lessee.

4 (c) If the Administration finds that the vehicle owner has failed or is unable to
5 maintain the required security, the Administration shall suspend the registration of the
6 vehicle.

7 **18-106.**

8 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
9 **INDICATED.**

10 (2) **“AUTHORIZED DRIVER” MEANS A PERSON, OTHER THAN THE**
11 **RENTER, WHO USES OR OPERATES A RENTAL VEHICLE WITH THE PERMISSION OF**
12 **THE MOTOR VEHICLE RENTAL COMPANY.**

13 (3) **“MOTOR VEHICLE RENTAL COMPANY” HAS THE MEANING STATED**
14 **IN § 17-104.3 OF THIS ARTICLE.**

15 (4) **“RENTAL AGREEMENT” HAS THE MEANING STATED IN § 17-104.3**
16 **OF THIS ARTICLE.**

17 (B) (1) **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
18 **THIS SECTION APPLIES ONLY TO:**

19 (I) **RENTAL VEHICLE TRANSACTIONS ORIGINATING IN THE**
20 **STATE; AND**

21 (II) **THIRD-PARTY CLAIMS AGAINST A RENTER OR AN**
22 **AUTHORIZED DRIVER OF A RENTAL VEHICLE ARISING OUT OF THE SECURITY**
23 **REQUIREMENT UNDER § 18-102(A)(2) OF THIS SUBTITLE OR § 17-104(E) OF THIS**
24 **ARTICLE.**

25 (2) **THIS SECTION DOES NOT APPLY TO A REPLACEMENT VEHICLE**
26 **UNDER § 18-102(A)(2) OF THIS SUBTITLE OR § 17-104(E) OF THIS ARTICLE.**

27 (C) **A MOTOR VEHICLE RENTAL COMPANY SHALL BE RESPONSIBLE FOR**
28 **PROVIDING THE REQUIRED SECURITY UNDER § 17-103 OF THIS ARTICLE ON A**
29 **PRIMARY BASIS FOR A THIRD-PARTY LIABILITY CLAIM IF THE MOTOR VEHICLE**
30 **RENTAL COMPANY:**

31 (1) **FAILS TO DELIVER NOTICE OF THE CLAIM;**

32 (2) **FAILS TO COOPERATE WITH THE INSURER;**

1 **(3) PREJUDICED THE HANDLING OF THE THIRD-PARTY CLAIM**
 2 **BEFORE THE INSURER ASSUMED THE HANDLING OF THE CLAIM;**

3 **(4) HAS PROVIDED LIABILITY, PROPERTY DAMAGE, UNINSURED**
 4 **MOTORIST, OR OTHER COVERAGE TO THE INSURED THAT IS APPLICABLE TO THE**
 5 **THIRD-PARTY CLAIM AS A BENEFIT UNDER EITHER:**

6 **(I) THE RENTAL AGREEMENT; OR**

7 **(II) AN INSURANCE POLICY SOLD TO THE RENTER IN**
 8 **CONNECTION WITH, AND INCIDENTAL TO, THE RENTAL OF THE MOTOR VEHICLE; OR**

9 **(5) FAILS TO PROVIDE THE NOTICES REQUIRED UNDER §**
 10 **18-102(A)(3) OF THIS SUBTITLE OR § 17-104(F) OF THIS ARTICLE.**

11 **(D) A MOTOR VEHICLE RENTAL COMPANY SHALL BE RESPONSIBLE FOR**
 12 **PROVIDING THE REQUIRED SECURITY UNDER § 17-103 OF THIS ARTICLE ON A**
 13 **PRIMARY BASIS FOR A THIRD-PARTY LIABILITY CLAIM IF THE DRIVER OF THE**
 14 **RENTAL VEHICLE IS AN INDIVIDUAL WHO IS NOT THE RENTER OR AN AUTHORIZED**
 15 **DRIVER.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 17 ~~October 1, 2019.~~ January 1, 2020, and shall apply to all claims arising in the State on or
 18 after January 1, 2020.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.