Article - Transportation

[Previous][Next]

§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.

(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) Each insurer or other provider of required security shall:

(1) Participate in the Administration's online verification program for vehicle insurance policies for law enforcement and administrative purposes;

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

(3) Electronically provide the Administration with all active insurance policies:

(i) In a format required by the Administration; and

(ii) At an interval determined by the Administration.

(d) 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.

(e) (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) This subsection does not apply to a rental vehicle that is not a replacement vehicle if the coverage maintained by the renter or driver is provided by the Maryland Automobile Insurance Fund.

(3) Subject to paragraph (5) of this subsection, subsection (f) of this section, and § 18–106 of this article, an owner of a rental vehicle or 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 rental vehicle or replacement vehicle.

(4) If an owner of a replacement vehicle provides coverage as provided under paragraph (3) 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.

(5) If coverage maintained by the renter or individual to whom the vehicle is loaned has lapsed or does not provide the required coverage:

(i) Security maintained by the owner of the rental vehicle or replacement vehicle shall:

1. Be primary; and

2. Provide the coverage required beginning with the first dollar of a claim; and

(ii) The owner of the rental vehicle or replacement vehicle shall have the duty to defend the claim.

(f) If an owner of a rental vehicle provides coverage in accordance with subsection (e)(3) of this section, the rental agreement to be signed by the renter shall contain a provision on the face of the agreement, in at least 10 point bold type, that informs the individual that, except for coverage provided by the Maryland Automobile Insurance Fund with respect to a rental vehicle that is not a replacement vehicle, the coverage maintained by the renter of the rental vehicle is primary coverage on the owner's confirmation with the insurance carrier that provides coverage to the renter that the insurance maintained by the renter provides valid and collectible coverage in the amounts required under § 17–103(b) of this subtitle to the owner's vehicle while it is used as a rental vehicle.

[Previous][Next]