

(1986 Replacement Volume and 1989 Supplement)

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

Article 48A – Insurance Code

243D.

(a) (1) The executive director may reject an application of insurance or cancel a policy of insurance if he finds that the driving license of the applicant or policyholder is or becomes suspended, except for a suspension for a first offense of driving with an alcohol concentration of 0.10 or more under § 16-205.1 of the Transportation Article, or revoked. The executive director shall promptly notify the applicant or policyholder of his action. If the policy of insurance covers a spouse or other household member of the family of the policyholder, the cancellation of the policy shall not cancel the coverage of such spouse or family member who has not had his or her driving license suspended or revoked, and the insurer shall reclassify the rate of risk of such spouse or family member for premium purposes.

(2) The executive director may reject an application if the applicant owes to the Fund any unpaid insurance premium with respect to a prior expired or cancelled policy.

(3) WHEN A PERSON DOES NOT HAVE A VALID LICENSE OR OTHER PRIVILEGE TO OPERATE AN AUTOMOBILE IN MARYLAND, OR IS OTHERWISE INELIGIBLE TO BE INSURED BY THE FUND AS SET FORTH IN THIS SUBTITLE, THE FUND MAY ISSUE THE APPROPRIATE MOTOR VEHICLE POLICY TOGETHER WITH AN EXCLUDED OPERATOR ENDORSEMENT AS OTHERWISE PROVIDED FOR IN § 240C-1 OF THIS ARTICLE.

(b) An applicant whose application for insurance has been rejected or a policyholder whose policy has been cancelled except for nonpayment of premiums may, within ten days after receipt of notice of the rejection or cancellation, appeal the decision of the executive director to a special board composed of two members of the board of trustees and the Commissioner of Insurance or his designee. The executive director may not sit on the special board. The special board may affirm, reverse, or modify the decision of the executive director, upon the record, or may hold a hearing upon not less than ten days' written notice to the applicant and thereafter affirm, reverse, or modify the decision of the executive director. If there is a current policy, and if the policyholder appeals the decision of the executive director to the special board, his policy shall remain in effect until the special board decides his appeal.

(c) The Fund may, at any time, cancel a policy written by it for nonpayment of premiums or for suspension, except for a suspension for a first offense of driving with an alcohol concentration of 0.10 or more under § 16-205.1 of the Transportation Article, or revocation of the driving license of the policyholder.

(d) The executive director shall, upon rejection of an application for insurance