

112. A POLICY OF INSURANCE AS PROOF OF FINANCIAL RESPONSIBILITY. A policy of insurance, as that term is used in this Article, when offered as proof of financial responsibility under this Article, shall mean an automobile public liability and property damage policy, issued by an insurance carrier authorized by the Commissioner of Insurance of the State of Maryland to transact business in this State.

A copy of the form of such policy shall be filed with the Commissioner of Insurance who shall within thirty (30) days approve or disapprove of the same. If the Commissioner of Insurance approves the same within such time or fails to take action for thirty (30) days the form of policy shall be deemed approved; provided, however, that the Insurance Commissioner shall not approve, and his failure to approve or disapprove shall not be deemed an approval of, a form of policy which does not meet the minimum requirements specified in this Article; and provided further that when a policy of insurance has been issued which purports to be under the terms of this Article, or when a duly authenticated certificate of the insurance carrier has been furnished to the Department or the Public Service Commission as the case may be under the terms of this Article, then such insurance carrier shall be obligated at least to the extent of the minimum requirements of this Article, any provision of the policy of insurance to the contrary notwithstanding. If within said thirty (30) days the Commissioner of Insurance disapproves such form of policy upon the ground that it does not comply with the requirements of this Article he shall give written notice thereof and his reasons therefor to the carrier and to the Department or the Public Service Commission as the case may be, and said policy shall not be accepted as proof of financial responsibility under this Article, provided that, if after a form of policy shall have been approved by the Insurance Commissioner, either by his failure to take formal action thereon, or otherwise, he may at any time for good and sufficient reason revoke his approval thereof, and give notice of his disapproval to the carrier and to the Department or the Public Service Commission as the case may be, and no permits shall be issued by the Department or the Public Service Commission as the case may be, on such policies, after the receipt of said notice. The Department or the Public Service Commission as the case may be, shall forthwith notify all persons operating under permits issued on the basis of such disapproved policies that the form has been disapproved and that their permits will stand revoked unless satisfactory proof of financial responsibility in a policy whose form has been approved by the Insurance Commissioner is submitted within 30 days after the date of mailing of such notice.