

(1979 Replacement Volume and 1984 Supplement)

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

Article 48A - Insurance Code

240C-1.

(a) (1) In any case where an insurer is authorized under this article to cancel or nonrenew or increase the premiums on an automobile liability insurance policy under which more than one person is insured because of the claim experience or driving record of one or more but less than all of the persons insured under the policy, the insurer shall in lieu of cancellation, nonrenewal, or premium increase offer to continue or renew the insurance, but to exclude [from] ALL coverage[,] WHEN A MOTOR VEHICLE IS OPERATED by [name, the person or persons whose claim experience or driving record would have justified the cancellation or nonrenewal.] THE SPECIFICALLY NAMED DRIVER,--THE VEHICLE OWNER AND FAMILY MEMBERS RESIDING IN THE--HOUSEHOLD,--AND ALL--OCCUPANTS--OR--ALL--THIRD--PARTIES WHO HAVE OTHER APPLICABLE AUTOMOBILE INSURANCE COVERAGE- EXCLUDED PERSON OR PERSONS WHOSE CLAIM EXPERIENCE OR DRIVING RECORD WOULD HAVE JUSTIFIED THE CANCELLATION OR NONRENEWAL. THE POLICY MAY BE ENDORSED TO SPECIFICALLY EXCLUDE ALL COVERAGE FOR ANY OF THE FOLLOWING WHEN THE NAMED EXCLUDED DRIVER IS OPERATING THE MOTOR VEHICLE(S) COVERED UNDER THE POLICY WHETHER OR NOT THAT OPERATION OR USE WAS WITH THE EXPRESS OR IMPLIED PERMISSION OF A PERSON INSURED UNDER THE POLICY:

(I) THE EXCLUDED OPERATOR OR USER;

(II) THE VEHICLE OWNER;

(III) FAMILY MEMBERS RESIDING IN THE HOUSEHOLD OF THE EXCLUDED OPERATOR OR USER OR VEHICLE OWNER; AND

(IV) ANY OTHER PERSON, EXCEPT FOR THE COVERAGE REQUIRED BY SECTIONS 539 AND 541(C)(2) OF THIS ARTICLE IF SUCH COVERAGE IS NOT AVAILABLE UNDER ANY OTHER AUTOMOBILE POLICY.

(2) The premiums charged on any such policy excluding a named driver or drivers UNDER PARAGRAPH (1) OF THIS SUBSECTION shall not reflect the claims experience or driving record of the excluded named driver or drivers.

(b) (1) In any case where an insurer could legally refuse to issue a policy of automobile liability insurance under which more than 1 person is insured because of the claim experience or driving record of 1 or more but less than all of the persons applying to be insured under the policy, the insurer may issue the policy but exclude [from] ALL coverage[,] WHEN A MOTOR VEHICLE IS OPERATED by [name,] the SPECIFICALLY NAMED EXCLUDED