

~~motor vehicle liability insurance, and insurers, in certain notices to insureds of renewal premium due, to notify the insured in a certain way that if the insured fails to renew or replace the insurance before a certain date, certain registration privileges may be suspended and certain uninsured motorist penalties may be assessed; shall be assessed, certain evidences of registration shall be surrendered, and certain registration privileges may be suspended; providing that insurers are not liable for certain coverage for failure to provide the required notice; requiring premium finance agreements and notices of intent of the a premium finance company to cancel an insurance contract to state in a certain way that if the insured allows motor vehicle liability insurance to lapse or fails to replace the insurance before a certain date, certain registration privileges may be suspended and certain uninsured motorist penalties may be assessed; shall be assessed, certain evidences of registration shall be surrendered, and certain registration privileges may be suspended; allowing premium finance companies to submit notice of cancellations to insurance companies by methods other than mailing; and generally relating to notice by insurers and premium finance companies to insureds of the compulsory nature of motor vehicle liability insurance.~~

BY repealing and reenacting, with amendments,

Article 48A - Insurance Code

Section ~~240AA(b)~~, 240B, 240D, ~~486C(a)~~, and 486G(b) and (c)

Annotated Code of Maryland

(1994 Replacement Volume and 1994 Supplement)

Preamble

WHEREAS, motor vehicle liability insurance has been compulsory in Maryland since 1973; and

WHEREAS, the Motor Vehicle Administration (MVA) has in place several compulsory insurance enforcement programs that result in registration suspension and assessment of uninsured motorist penalties for noncompliance; and this information is printed on the reverse side of the Maryland registration card; and

WHEREAS, Maryland vehicle owners allege that if they were aware of Maryland's compulsory insurance requirements and enforcement programs, they would not have allowed their motor vehicle liability insurance to lapse; and

WHEREAS, the compulsory insurance enforcement programs of the MVA notify the vehicle owner after insurance has been cancelled; and

WHEREAS, because insurers communicate with their policyholders at least once a year, often quarterly, before the cancellation of insurance, the insurer provides a perfect way to communicate the responsibility of Maryland vehicle owners to comply with Maryland's compulsory insurance laws; now, therefore,

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