

In subsection (a) of this section, the word "properly", which formerly modified "owes", is deleted as surplusage.

Subsection (b)(1) of this section states expressly that which only was implied in the former law, i.e., the Fund is subrogated to the rights of a claimant receiving payment under a Fund policy, and provides a right for the Fund to recover collections costs in the subrogation action, including attorney's fees. See Ch. 78, Acts of 1990, the predecessor to this provision.

In subsection (b)(2) of this section, the reference to "this subtitle" is substituted for the former reference to "this section" in light of the broad application of this revised language to any payment paid out under a Fund policy.

Defined terms: "Fund" § 20-101  
"Producer" § 20-101

20-516. GROUNDS FOR REJECTION OR CANCELLATION OF INSURANCE.

(A) IN GENERAL.

SUBJECT TO § 20-517 OF THIS SUBTITLE, THE FUND:

(1) MAY REJECT AN APPLICATION OF INSURANCE IF THE APPLICANT OWES TO THE FUND AN UNPAID PREMIUM ON AN EXPIRED OR CANCELED POLICY;

(2) AT ANY TIME MAY CANCEL A POLICY FOR NONPAYMENT OF PREMIUMS; OR

(3) MAY REJECT AN APPLICATION OF INSURANCE OR AT ANY TIME MAY CANCEL A POLICY IF IT IS FOUND THAT THE DRIVER'S LICENSE OF THE APPLICANT OR POLICYHOLDER IS:

(I) SUSPENDED, UNLESS THE SUSPENSION IS FOR A FIRST OFFENSE UNDER § 16-205.1 OF THE TRANSPORTATION ARTICLE FOR DRIVING WITH AN ALCOHOL CONCENTRATION OF 0.10 OR MORE; OR

(II) REVOKED.

(B) PROMPT NOTICE REQUIRED.

THE FUND SHALL NOTIFY THE APPLICANT OR POLICYHOLDER PROMPTLY AFTER THE FUND REJECTS AN APPLICATION OR CANCELS A POLICY.

(C) EXCLUDED DRIVER ENDORSEMENT.

IF A PERSON DOES NOT HAVE A VALID LICENSE OR OTHER PRIVILEGE TO DRIVE A COVERED VEHICLE IN THE STATE, OR IS OTHERWISE INELIGIBLE TO BE INSURED BY THE FUND, THE FUND MAY ISSUE THE APPROPRIATE POLICY WITH AN EXCLUDED DRIVER ENDORSEMENT UNDER § XX-XXX [ART. 48A, § 240C-1] OF THIS ARTICLE.

(D) EXPIRATION OF TEMPORARY REGISTRATION.