

20-518. EFFECT OF DRIVING RECORD ON INSURABILITY.

(A) REFERRALS TO ADMINISTRATION.

(1) THE EXECUTIVE DIRECTOR SHALL REFER THE STATUS OF AN INSURED'S DRIVER'S LICENSE TO THE MOTOR VEHICLE ADMINISTRATION FOR A DETERMINATION WHENEVER THE EXECUTIVE DIRECTOR FINDS THAT:

(I) THE INSURED, AFTER BEING INSURED BY THE FUND FOR ANY 10 MONTHS IN AN 18-MONTH PERIOD, HAD THREE OR MORE CHARGEABLE ACCIDENTS UNDER THE RULES AND RATE SCHEDULES OF THE FUND FILED WITH THE COMMISSIONER, REGARDLESS OF THE NUMBER OF POINTS ASSESSED FOR THOSE ACCIDENTS; AND

(II) THE ACCIDENTS PRODUCED A CLAIM PAYMENT OF \$300 OR MORE, BASED ON THIRD-PARTY LIABILITY.

(2) THE EXECUTIVE DIRECTOR MAY REFER ANY OTHER MATTER ABOUT AN INSURED'S DRIVING RECORD TO THE MOTOR VEHICLE ADMINISTRATION FOR A DETERMINATION.

(B) CANCELLATION OR NONRENEWAL OF COVERAGE.

IF, AFTER A HEARING, THE MOTOR VEHICLE ADMINISTRATION SUSPENDS OR REVOKES THE INSURED'S DRIVER'S LICENSE, THE EXECUTIVE DIRECTOR SHALL CANCEL OR REFUSE TO CONTINUE THE COVERAGE AFTER HAVING GIVEN THE NOTICE REQUIRED UNDER § XX-XXX [ART. 48A, § 240A(C)] OF THIS ARTICLE.

(C) COVERAGE NOT CANCELED OR NONRENEWED.

IF THE MOTOR VEHICLE ADMINISTRATION DOES NOT SUSPEND OR REVOKE THE INSURED'S DRIVER'S LICENSE UNDER SUBSECTION (B) OF THIS SECTION, THE EXECUTIVE DIRECTOR MAY NOT CANCEL OR REFUSE TO CONTINUE THE COVERAGE OF THE INSURED.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 243D(e)(2), (3), and the first and second sentences of (1).

In subsection (a)(1)(i) of this section, the reference to points "assessed for those accidents" is added for clarity.

In subsection (b) of this section, the reference to cancellation of "coverage" of an insured whose driver's license is suspended or revoked, which is an act that may not result in the cancellation of the coverage of the spouse or other family member, is substituted for the former erroneous reference to cancellation of the "policy" of the insured. Cancellation of a policy perforce cancels out all coverages issued under the policy.

The Insurance Article Review Committee notes, for consideration by the General Assembly, that the former reference to "§ 240A(c)" referred to as § xx-xxx in subsection (b) of this section is incorrect.