

Chapter 192

(Senate Bill 453)

AN ACT concerning

Insurance Article – References to Vehicles and Automobiles – Consistency

FOR the purpose of altering certain references to vehicles and certain automobiles in certain provisions of the Insurance Article for the purpose of consistency; and generally relating to references to vehicles and automobiles in the Insurance Article.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 10–128(a)(3)(ii), 10–602(a), (b), (d), and (g), 10–603(b), 10–604, 10–606(a) and (c), 10–701(f)(2)(iii), 10–702(3), 25–401(d)(2)(i), 27–609(c)(2) and (3), and 27–906

Annotated Code of Maryland
(2017 Replacement Volume)

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

Article – Insurance

10–128.

(a) This section does not apply to:

(3) insurance of:

(ii) a **MOTOR** vehicle principally garaged and used outside the State;

or

10–602.

(a) A motor vehicle rental company shall hold a limited lines license to sell insurance in connection with, and incidental to, the rental of a [motor] vehicle before the company or its employees or authorized representatives may sell or offer any policies of insurance in this State to a renter in connection with, and incidental to, a rental agreement.

(b) A limited lines license to sell insurance in connection with, and incidental to, the rental of a [motor] vehicle issued under this subtitle shall also authorize any employee and any authorized representative of the motor vehicle rental company who is trained, under § 10–604(a)(4) of this subtitle, to act on behalf of, and under the supervision of, a

motor vehicle rental company, with respect to the kinds of insurance specified in § 10–604(b)(2) of this subtitle.

(d) A motor vehicle rental company holding a limited lines license to sell insurance in connection with, and incidental to, the rental of a [motor] vehicle issued under this subtitle is not required to treat premiums collected from a renter that purchased insurance from the motor vehicle rental company as funds received in a fiduciary capacity if:

(1) the insurer represented by the motor vehicle rental company has consented in a written agreement, signed by an officer of the insurer, that the premiums do not need to be segregated from other funds received by the motor vehicle rental company in connection with the vehicle rental; and

(2) the charges for insurance coverage are itemized but not billed to the renter separately from the charges for the vehicle rental.

(g) A motor vehicle rental company that holds a limited lines license to sell insurance in connection with, and incidental to, the rental of a [motor] vehicle issued under this subtitle shall:

(1) maintain a register, on a form the Commissioner requires, containing:

(i) the names of each employee or authorized representative who offers limited lines insurance on behalf of the motor vehicle rental company; and

(ii) the business addresses of all locations in the State where employees or authorized representatives offer limited lines insurance on behalf of the motor vehicle rental company; and

(2) submit the register for inspection by the Commissioner as the Commissioner requires.

10–603.

(b) A limited lines license to sell insurance in connection with, and incidental to, the rental of a [motor] vehicle issued under this subtitle is subject to the same term and renewal conditions specified for an insurance producer license under § 10–115 of this title.

10–604.

(a) A limited lines license to sell insurance in connection with, and incidental to, the rental of a [motor] vehicle issued under this subtitle authorizes the motor vehicle rental company to offer or sell, in connection with, and incidental to, a motor vehicle rental agreement in which the rental period does not exceed 30 days, the insurance products specified in paragraph (b) of this section if:

- (1) the policies have been filed with and approved by the Commissioner;
- (2) the motor vehicle rental company holds an appointment with each authorized insurer, under § 10–118 of this title, that the motor vehicle rental company intends to represent;
- (3) prior to completion of the rental transaction, an employee or authorized representative of the motor vehicle rental company provides to the renter disclosures approved by the Commissioner that:
 - (i) summarize, clearly and correctly, the material terms of coverage, including limitations or exclusions;
 - (ii) identify the authorized insurer or insurers;
 - (iii) specify that the policies offered by the motor vehicle rental company may provide a duplication of coverage already provided by a renter's personal automobile insurance policy, homeowner's insurance policy, personal liability insurance policy, or other source of coverage;
 - (iv) specify that the purchase of the coverages offered by the motor vehicle rental company is not required in order for the renter to rent a vehicle;
 - (v) describe the process by which the renter can file a claim; and
 - (vi) specify that any excess liability coverage purchased by the renter may duplicate coverage required to be provided under § 18–102(a)(2) of the Transportation Article;
- (4) the motor vehicle rental company provides a training program, approved by the Commissioner, for any employee or authorized representative who sells, solicits, or negotiates insurance coverage under this subtitle that includes:
 - (i) instruction about the kinds of insurance specified in subsection (b) of this section that can be offered to renters;
 - (ii) instruction that the trainee shall inform a renter that the purchase of any insurance from the motor vehicle rental company is not required in order for the renter to rent a vehicle; and
 - (iii) instruction that the trainee shall inform a renter that the renter may have insurance policies that already provide the coverage being offered by the motor vehicle rental company; and

(5) an employee or authorized representative who offers or sells insurance coverage on behalf of the motor vehicle rental company informs a renter that the policies offered by the motor vehicle rental company may duplicate coverage already provided by the renter's personal automobile insurance policy, homeowner's insurance policy, personal liability insurance policy, or other source of coverage.

(b) A limited lines license to sell insurance in connection with, and incidental to, the rental of a [motor] vehicle issued under this subtitle authorizes the motor vehicle rental company to offer or sell insurance policies under this subtitle that are:

(1) in excess of or optional to the coverages required to be provided by the motor vehicle rental company under Title 17 of the Transportation Article and any related regulations; and

(2) one of the following kinds of insurance:

(i) bodily injury liability;

(ii) property damage liability;

(iii) uninsured motorist insurance; or

(iv) if approved by the Commissioner, any other insurance coverage that is appropriate in connection with the rental of a [motor] vehicle.

10-606.

(a) The Commissioner may suspend, revoke, or refuse to renew a limited lines license to sell insurance in connection with, and incidental to, the rental of a [motor] vehicle issued under this subtitle after notice and opportunity for a hearing under Title 2, Subtitle 2 of this article if the motor vehicle rental company or an employee or authorized representative of the motor vehicle rental company has:

(1) willfully violated this article or another law of the State that relates to insurance;

(2) operated without a limited lines license to sell insurance in connection with, and incidental to, the rental of a motor vehicle as required under this subtitle;

(3) failed to provide required disclosures;

(4) offered or sold unapproved insurance products;

(5) failed to hold an appointment with the insurer;

(6) failed to train employees and authorized representatives selling or soliciting, or negotiating the sale of, insurance products on behalf of the motor vehicle rental company; or

(7) misrepresented pertinent facts or policy provisions that relate to the coverage offered or sold pursuant to this subtitle.

(c) Instead of, or in addition to, suspending or revoking the limited lines license to sell insurance in connection with, and incidental to, the rental of a [motor] vehicle, the Commissioner may:

(1) impose on the motor vehicle rental company a penalty of not less than \$100 but not more than \$2,500 for each violation of this subtitle; and

(2) require that restitution be made to any person who has suffered financial injury because of the violation of this article.

10-701.

(f) (2) “Portable electronics insurance” does not include:

(iii) a homeowner’s, renter’s, [private passenger automobile] **MOTOR VEHICLE**, or similar policy that covers loss or theft of portable electronics.

10-702.

This subtitle does not apply to:

(3) a homeowner’s, renter’s, [private passenger automobile] **MOTOR VEHICLE**, or similar policy that covers loss or theft of portable electronics.

25-401.

(d) (2) “Essential property insurance” does not include:

(i) [automobile] **MOTOR VEHICLE** insurance;

27-609.

(c) A policy described in subsection (a) or (b) of this section may be endorsed to exclude specifically all coverage for any of the following when the named excluded driver is operating a motor vehicle covered under the policy whether or not that operation or use was with the express or implied permission of an individual insured under the policy:

(2) the **MOTOR** vehicle owner;

(3) family members residing in the household of the excluded operator or user or **MOTOR** vehicle owner; and

27-906.

An insurer that issues or delivers in the State a policy of motor vehicle liability insurance that provides coverage for the repair of physical damage to the **MOTOR** vehicle shall provide, on request of the insured, a copy of the warranty for aftermarket crash parts, if available.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, April 24, 2018.