

HOUSE BILL 496

C4

0lr1891

By: **Delegates Crosby and C. Watson**

Introduced and read first time: January 24, 2020

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Insurance – Lapse – Active Duty Military Personnel**

3 FOR the purpose of prohibiting a certain insurer from canceling, failing to renew, or
4 reducing certain private passenger motor vehicle insurance coverage due to a lapse
5 in coverage of a certain policyholder under certain circumstances; and generally
6 relating to private passenger motor vehicle insurance.

7 BY repealing and reenacting, without amendments,

8 Article – Insurance

9 Section 27–613(a) and (b)(1)

10 Annotated Code of Maryland

11 (2017 Replacement Volume and 2019 Supplement)

12 BY adding to

13 Article – Insurance

14 Section 27–613(b)(4)

15 Annotated Code of Maryland

16 (2017 Replacement Volume and 2019 Supplement)

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

19 **Article – Insurance**

20 27–613.

21 (a) (1) This section applies only to private passenger motor vehicle liability
22 insurance.

23 (2) This section does not apply to the Maryland Automobile Insurance
24 Fund.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(3) This section does not apply to the cancellation of a policy or binder of private passenger motor vehicle liability insurance by an insurer during the 45-day underwriting period in accordance with § 12-106 of this article.

(b) (1) In accordance with this section, with respect to a policy of private passenger motor vehicle liability insurance or a binder of private passenger motor vehicle liability insurance, if the binder has been in effect for at least 45 days, issued in the State to any resident of the household of the named insured, an insurer may:

(i) cancel or fail to renew the policy or binder; or

(ii) reduce coverage under the policy.

(4) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, AN INSURER MAY NOT CANCEL, FAIL TO RENEW, OR REDUCE COVERAGE IF:

(I) THE CANCELLATION, NONRENEWAL, OR REDUCTION IS DUE TO A LAPSE IN COVERAGE OF THE POLICYHOLDER; AND

(II) DURING THE PERIOD OF THE LAPSE, THE POLICYHOLDER WAS DEPLOYED OVERSEAS WITH THE UNITED STATES ARMED FORCES.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2020.