



Vehicle Registration FAQs

As of April 13, 2020

Q: I have been laid off of work. I am not driving my car back and forth to work right now. May I cancel my insurance?

A: Before cancelling your auto insurance, you will have to return your tags to the Motor Vehicle Administration (MVA). Because their offices are closed, you can either return the tags by mail or drop them off at one of the MVA locations with a drop off box. Document the date and time that you return the tags. After that has been done, you may contact your insurance company and ask that they cancel your policy effective the date the tags were returned.

Q: May I cancel my insurance without returning my tags? I do not plan on driving.

A: No. As long as you possess tags, you must carry liability insurance in the amount of the required state minimums. If you cancel your insurance while still in possession of your tags, you may be fined by the MVA \$150 for the first 30 days, \$7 a day (per vehicle) thereafter until you either reinstate your insurance or turn in the tags.

Q: If I still owe money on my car, must I maintain insurance, even if I turn in my tags?

A: More than likely, yes. Most loans require you maintain comprehensive and collision coverage on the vehicle. If you fail to do so, the insurance company may notify the lienholder who in turn will obtain a forced place policy. These policies are usually very expensive and the cost will be added to your monthly car loan payment. Ask your finance company if they will still require you to carry this coverage. Some insurers will allow you to drop the liability coverage required by the MVA but still continue your comprehensive and collision coverage. Speak with your insurance company or agent to learn if this is possible.

Q: If I cancel my insurance temporarily and turn in my tags, will that impact my insurance costs once I reinstate my policy?

A: The Maryland Insurance Administration is requesting insurers to relax their guidelines to limit harm to policyholders resulting from COVID-19. Speak with your insurer or agent as to any impact suspending your coverage will have. If you suspend your coverage and find that your insurer penalizes you when you obtain coverage after the crisis, go to the Maryland Insurance Administration's website (www.insurance.maryland.gov) to file an online complaint so we can provide assistance.

Q: My current policy shows that I use my car to commute back and forth to work. Since I am not working, I am only using my car for basic, essential errands such as going to the pharmacy and grocery store. Should I notify my insurance company and ask them to rate my vehicle as pleasure, occasional use only?

A: Yes. Ask your agent or insurance company what the cost reduction will be. Also, it is important to remember to notify your insurer once you return to work and commuting.

Q: I am a small business owner and my business has been impacted by COVID-19. I have had to lay off some of my employees. I have several trucks which are insured under a commercial policy. Most of these trucks will be sitting until I am again fully operational. May I reduce coverage on these vehicles and lower my costs?

A: See our Bulletin #20-18. The Maryland Insurance Administration is encouraging commercial automobile insurers to accept a list of idled vehicles in lieu of returning tags in order to avoid the time and expense of re-registering vehicles after the crisis ends. Remember, you cannot drive a vehicle that has been put out of service during the crisis for any reason without first notifying your insurer.