

BULLETIN 26-XX

DATE: [INSERT DATE]

TO: Property and Casualty Insurers

RE: Mandatory Statutory Vehicle Liability Coverage and Insurer Obligations upon Suspension or Termination of Liability Coverage

The Maryland Insurance Administration will consider comments concerning this draft bulletin that are submitted to , on or before [INSERT DATE].

The purpose of this bulletin is to remind all property and casualty insurers of the statutory requirements governing motor vehicle policies under Maryland law, specifically regarding minimum mandatory liability coverages and consumer notifications upon the cancellation or suspension of coverage.

Mandatory Minimum Insurance Requirements

Pursuant to § 19-504 of the Insurance Article, every motor vehicle liability insurance policy issued, sold, or delivered in the State of Maryland must provide at least the minimum security required by Title 17 of the Transportation Article. Insurers are prohibited from issuing policies on registered vehicles that fall below these established statutory minimums. A vehicle that is not covered by a policy with the minimum liability coverage may not be registered and operated on the public roads of the State.

Obligation upon Request to Suspend Coverage

The Administration has become aware of instances where insureds request a temporary suspension of vehicle liability coverage, while maintaining comprehensive coverage, due to specific circumstances, including but not limited to:

- Military deployment;
- Seasonal vehicle use;
- Extended travel periods.

While insurers may accommodate an insured's request to suspend liability coverage under certain conditions, the vehicle is then without the minimum liability coverages, and the insurer must adhere to the following consumer protection and reporting requirements:

1. Consumer Notification

Prior to processing any request to suspend or terminate liability coverage on a registered vehicle, the insurer shall inform the insured of the following legal obligations and consequences:

The vehicle's registration plates must be returned to the Motor Vehicle Administration ("MVA").

Failure to return the registration plates may result in an uninsured motorist penalty fine. Failure to surrender registration plates may result in suspension of current and future registration privileges.

See COMAR 11.18.04.03.

2. Mandatory MVA Reporting

Immediately following the suspension, cancellation, or termination of liability coverage on any registered vehicle, the insurer is required to remove the vehicle policy from the book of business weekly file sent to the MVA in accordance with MVA insurance verification procedures.

Please direct any questions regarding this bulletin to Mary Kwei, Associate Commissioner, Market Regulation and Professional Licensing.

Marie Grant
Commissioner

By: _____
Mary M. Kwei
Associate Commissioner
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