

Chapter 471

(House Bill 1003)

AN ACT concerning

Vehicle Laws – Rental Vehicles – Security

FOR the purpose of establishing that the owner of a rental vehicle may satisfy a certain insurance requirement by maintaining a certain security that is ~~primary under certain circumstances and~~ secondary to any other valid and collectible coverage under certain circumstances and subject to a certain exception; providing that security maintained by the owner of a rental vehicle or replacement vehicle is primary under certain circumstances; establishing a certain insurer's right to subrogation for certain damages under certain circumstances; requiring the owner of a rental vehicle to provide a certain notice to the renter of the rental vehicle; authorizing certain persons to request certain information from a motor vehicle rental company in a certain manner; requiring a motor vehicle rental company to disclose certain information about a person that rents or is authorized to drive a rental vehicle to a certain person under certain circumstances; requiring a motor vehicle rental company to make a reasonable effort to obtain and disclose certain information about the person who was driving the rental vehicle at the time of the adverse event under certain circumstances; providing a certain exception to the requirement that a motor vehicle rental company disclose certain information; prohibiting a motor vehicle rental company from being compelled to disclose certain additional information; establishing a certain immunity from liability for a motor vehicle rental company that discloses certain information in accordance with this Act, subject to a certain exception; providing that a motor vehicle rental company shall be required to provide certain security on a primary basis for certain claims under certain circumstances; providing for the application of this Act; defining certain terms; providing for a delayed effective date; providing for the application of this Act; and generally relating to required security for certain rental vehicles.

BY repealing and reenacting, without amendments,
 Article – Transportation
 Section 17–103
 Annotated Code of Maryland
 (2012 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,
 Article – Transportation
 Section 17–104 and 18–102
 Annotated Code of Maryland
 (2012 Replacement Volume and 2018 Supplement)

BY adding to
 Article – Transportation

Section 17–104.3 and 18–106
Annotated Code of Maryland
(2012 Replacement Volume and 2018 Supplement)

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

Article – Transportation

17–103.

(a) (1) Except as provided in paragraph (2) of this subsection, the form of security required under this subtitle is a vehicle liability insurance policy written by an insurer authorized to write these policies in this State.

(2) The Administration may accept another form of security in place of a vehicle liability insurance policy if it finds that the other form of security adequately provides the benefits required by subsection (b) of this section.

(3) The Administration shall, by regulation, assess each self-insurer an annual sum which may not exceed \$750, and which shall be used for actuarial studies and audits to determine financial solvency.

(b) The security required under this subtitle shall provide for at least:

(1) The payment of claims for bodily injury or death arising from an accident of up to \$30,000 for any one person and up to \$60,000 for any two or more persons, in addition to interest and costs;

(2) The payment of claims for property of others damaged or destroyed in an accident of up to \$15,000, in addition to interest and costs;

(3) Unless waived under § 19–506 of the Insurance Article or rejected under § 19–506.1 of the Insurance Article, the benefits described under § 19–505 of the Insurance Article as to basic required primary coverage;

(4) The benefits required under § 19–509 or § 19–509.1 of the Insurance Article as to required additional coverage; and

(5) For vehicles subject to the provisions of § 25–111.1 of this article, the security requirements adopted under 49 C.F.R., Part 387.

17–104.

(a) The Administration may not issue or transfer the registration of a motor vehicle unless the owner or prospective owner of the vehicle furnishes evidence satisfactory to the Administration that the required security is in effect.

(b) The owner of a motor vehicle that is required to be registered in this State shall maintain the required security for the vehicle during the registration period.

(c) Each insurer or other provider of required security shall:

(1) Except as provided in item (2) of this subsection, immediately notify the Administration electronically of new motor vehicle insurance policies issued for insured vehicles registered in the State; and

(2) For each fleet policy, electronically notify the Administration every 30 days of any additions, deletions, or modifications to the fleet policy, including those policy numbers affected.

(d) The Administration, in consultation with the Maryland Insurance Administration and representatives of the automobile insurance industry, shall adopt regulations that establish procedures to be used by an insurer to provide timely notification to an insured of the penalties that may be imposed in accordance with § 17–106 of this subtitle if the insured fails to renew or replace a policy of motor vehicle liability insurance without surrendering the evidences of registration.

(e) (1) In this subsection, “replacement vehicle” means a vehicle that is loaned by an auto repair facility or a dealer, or that an individual rents temporarily, to use while a vehicle owned by the individual is not in use because of loss, as “loss” is defined in that individual’s applicable private passenger automobile insurance policy or because of breakdown, repair, service, or damage.

(2) **THIS SUBSECTION DOES NOT APPLY TO A RENTAL VEHICLE THAT IS NOT A REPLACEMENT VEHICLE IF THE COVERAGE MAINTAINED BY THE RENTER OR DRIVER IS PROVIDED BY THE MARYLAND AUTOMOBILE INSURANCE FUND.**

(3) Subject to paragraph ~~(2)~~ ~~(4)~~ (5) of this subsection, **SUBSECTION (F) OF THIS SECTION, AND § 18–106 OF THIS ARTICLE,** an owner of a **RENTAL VEHICLE OR** replacement vehicle may satisfy the requirement of subsection (a) of this section by maintaining the required security described in § 17–103 of this subtitle that is secondary to any other valid and collectible coverage and that extends coverage in amounts required under § 17–103(b) of this subtitle to the owner’s vehicle while it is used as a **RENTAL VEHICLE OR** replacement vehicle.

~~(3) If an owner of a replacement vehicle provides coverage as provided under paragraph (2) of this subsection, the agreement for the replacement vehicle to be signed by the renter or the individual to whom the vehicle is loaned shall contain a provision on the face of the agreement, in at least 10 point bold type, that informs the~~

~~individual that the coverage on the vehicle being serviced or repaired is primary coverage for the replacement vehicle and the coverage maintained by the owner on the replacement vehicle is secondary.~~

~~[(3)] (4) If an owner of a replacement vehicle provides coverage as provided under paragraph [(2)] (3) of this subsection, the agreement for the replacement vehicle to be signed by the renter or the individual to whom the vehicle is loaned shall contain a provision on the face of the agreement, in at least 10 point bold type, that informs the individual that the coverage on the vehicle being serviced or repaired is primary coverage for the replacement vehicle and the coverage maintained by the owner on the replacement vehicle is secondary.~~

~~(4) (5) IF COVERAGE MAINTAINED BY THE RENTER OR INDIVIDUAL TO WHOM THE VEHICLE IS LOANED HAS LAPSED OR DOES NOT PROVIDE THE REQUIRED COVERAGE:~~

~~(I) SECURITY MAINTAINED BY THE OWNER OF THE RENTAL VEHICLE OR REPLACEMENT VEHICLE SHALL:~~

~~1. BE PRIMARY; AND~~

~~2. PROVIDE THE COVERAGE REQUIRED BEGINNING WITH THE FIRST DOLLAR OF A CLAIM; AND~~

~~(II) THE OWNER OF THE RENTAL VEHICLE OR REPLACEMENT VEHICLE SHALL HAVE THE DUTY TO DEFEND THE CLAIM.~~

~~(F) (1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED:~~

~~(ii) "ADVERSE EVENT" HAS THE MEANING STATED IN § 17-104.3(A) OF THIS SUBTITLE.~~

~~(iii) "MOTOR VEHICLE RENTAL COMPANY" HAS THE MEANING STATED IN § 17-104.3(A) OF THIS SUBTITLE.~~

~~(iv) "RENTAL AGREEMENT" HAS THE MEANING STATED IN § 17-104.3(A) OF THIS SUBTITLE.~~

~~(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, AN OWNER OF A RENTAL VEHICLE MAY SATISFY THE REQUIREMENT OF SUBSECTION (A) OF THIS SECTION BY MAINTAINING THE REQUIRED SECURITY DESCRIBED IN § 17-103 OF THIS SUBTITLE THAT IS:~~

~~(I) PRIMARY:~~

~~1. EXCEPT AS PROVIDED IN ITEM (II) OF THIS PARAGRAPH, WHILE THE OWNER'S VEHICLE IS USED AS A RENTAL VEHICLE; OR~~

~~2. IF THE COVERAGE MAINTAINED BY THE RENTER OF THE RENTAL VEHICLE IS PROVIDED BY THE MARYLAND AUTOMOBILE INSURANCE FUND; AND~~

~~(II) SECONDARY, RETROACTIVE TO AN ADVERSE EVENT, TO COVERAGE MAINTAINED BY THE RENTER OF THE RENTAL VEHICLE ON THE OWNER'S CONFIRMATION, AFTER THE ADVERSE EVENT, WITH THE INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE RENTER, THAT THE INSURANCE MAINTAINED BY THE RENTER PROVIDES VALID AND COLLECTIBLE COVERAGE IN THE AMOUNTS REQUIRED UNDER § 17-103(B) OF THIS SUBTITLE TO THE OWNER'S VEHICLE WHILE IT IS USED AS A RENTAL VEHICLE, IF THE INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE RENTER ACCEPTS THE CLAIM AND CONFIRMS IN WRITING THAT THE INSURANCE PROVIDED TO THE RENTER INCLUDES LIABILITY COVERAGE FOR THE ALLEGED AT-FAULT DRIVER.~~

~~(3) IF AN INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE RENTER DOES NOT ACCEPT THE CLAIM UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION AND AUTHORIZE PAYMENT OF STORAGE CHARGES OR RENTAL OF A TEMPORARY SUBSTITUTE MOTOR VEHICLE TO THE MOTOR VEHICLE RENTAL COMPANY WITHIN 14 DAYS OF RECEIVING NOTICE OF THE RENTER'S ADVERSE EVENT, THE INSURANCE CARRIER THAT PROVIDES COVERAGE FOR THE RENTAL VEHICLE SHALL:~~

~~(I) CONTINUE TO BE THE PRIMARY SECURITY FOR THE PAYMENT OF STORAGE CHARGES AND RENTAL CHARGES FOR A TEMPORARY SUBSTITUTE MOTOR VEHICLE UNTIL THE CLAIM IS RESOLVED; AND~~

~~(II) HAVE A RIGHT OF SUBROGATION AGAINST THE INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE RENTER FOR THE PAYMENT OF STORAGE CHARGES AND RENTAL CHARGES FOR A TEMPORARY SUBSTITUTE MOTOR VEHICLE.~~

~~(4) (F) IF AN OWNER OF A RENTAL VEHICLE PROVIDES COVERAGE IN ACCORDANCE WITH PARAGRAPH (2) SUBSECTION (E)(3) OF THIS SUBSECTION, THE RENTAL AGREEMENT TO BE SIGNED BY THE RENTER SHALL CONTAIN A PROVISION ON THE FACE OF THE AGREEMENT, IN AT LEAST 10 POINT BOLD TYPE, THAT INFORMS THE INDIVIDUAL THAT, EXCEPT FOR COVERAGE PROVIDED BY THE~~

MARYLAND AUTOMOBILE INSURANCE FUND WITH RESPECT TO A RENTAL VEHICLE THAT IS NOT A REPLACEMENT VEHICLE, THE COVERAGE MAINTAINED BY THE RENTER OF THE RENTAL VEHICLE IS PRIMARY COVERAGE ON THE OWNER'S CONFIRMATION WITH THE INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE RENTER THAT THE INSURANCE MAINTAINED BY THE RENTER PROVIDES VALID AND COLLECTIBLE COVERAGE IN THE AMOUNTS REQUIRED UNDER § 17-103(B) OF THIS SUBTITLE TO THE OWNER'S VEHICLE WHILE IT IS USED AS A RENTAL VEHICLE.

17-104.3.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "ADVERSE EVENT" MEANS AN INCIDENT THAT MAY SUBJECT THE OWNER OR DRIVER OF A RENTAL VEHICLE TO LEGAL LIABILITY, INCLUDING LIABILITY FOR:

- (I) DAMAGES;**
- (II) COSTS OF DEFENSE;**
- (III) LEGAL COSTS AND FEES; AND**
- (IV) ANY OTHER CLAIMS EXPENSES.**

(3) "MOTOR VEHICLE RENTAL COMPANY" MEANS A PERSON THAT IS IN THE BUSINESS OF PROVIDING MOTOR VEHICLES TO THE PUBLIC UNDER A RENTAL AGREEMENT FOR A PERIOD NOT EXCEEDING 180 DAYS.

(4) "RENTAL AGREEMENT" MEANS A WRITTEN AGREEMENT CONTAINING THE TERMS AND CONDITIONS THAT GOVERN THE USE OF A RENTAL VEHICLE PROVIDED BY A MOTOR VEHICLE RENTAL COMPANY UNDER THE PROVISIONS OF THIS ARTICLE.

(B) A PERSON INVOLVED IN AN ADVERSE EVENT THAT INVOLVES A RENTAL VEHICLE RENTED BY ANOTHER, OR THE PERSON'S LEGAL REPRESENTATIVE, MAY REQUEST INFORMATION, AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION, FROM THE MOTOR VEHICLE COMPANY THAT OWNS THE RENTAL VEHICLE BY SUBMITTING A WRITTEN REQUEST TO THE MOTOR VEHICLE RENTAL COMPANY IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

(C) (1) IF KNOWN TO THE MOTOR VEHICLE RENTAL COMPANY, A REQUEST MADE TO A MOTOR VEHICLE RENTAL COMPANY UNDER THIS SECTION SHALL INCLUDE:

(I) THE FULL NAME OF THE PERSON THAT IS BELIEVED TO HAVE RENTED THE RENTAL VEHICLE INVOLVED IN THE ADVERSE EVENT;

(II) THE DATE AND APPROXIMATE TIME OF THE ADVERSE EVENT; AND

(III) TO THE EXTENT KNOWN, A DESCRIPTION OF THE RENTAL VEHICLE, INCLUDING THE VEHICLE'S:

- 1. MAKE;**
- 2. MODEL;**
- 3. COLOR; AND**
- 4. REGISTRATION NUMBER.**

(2) A REQUEST MADE UNDER THIS SECTION SHALL BE SUBMITTED TO THE MOTOR VEHICLE RENTAL COMPANY'S REGISTERED AGENT IN THE STATE.

(D) (1) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, AS SOON AS PRACTICABLE AFTER RECEIVING A REQUEST FOR INFORMATION, A MOTOR VEHICLE RENTAL COMPANY SHALL PROVIDE THE PERSON THAT MADE THE REQUEST WITH THE FOLLOWING INFORMATION IN WRITING:

(I) THE NAME, MAILING ADDRESS, AND DATE OF BIRTH OF EACH PERSON IDENTIFIED IN A RENTAL AGREEMENT AS A RENTER OR AUTHORIZED DRIVER OF THE RENTAL VEHICLE AT THE TIME THE ADVERSE EVENT IS ALLEGED TO HAVE OCCURRED; AND

(II) 1. THE NAME OF THE INSURER RESPONSIBLE FOR PROVIDING PRIMARY INSURANCE COVERAGE FOR THE RENTAL VEHICLE AT THE TIME THE ADVERSE EVENT IS ALLEGED TO HAVE OCCURRED; AND

2. IF KNOWN TO THE MOTOR VEHICLE RENTAL COMPANY, THE POLICY NUMBER ASSOCIATED WITH THE PRIMARY INSURANCE COVERAGE FOR THE RENTAL VEHICLE AT THE TIME THE ADVERSE EVENT IS ALLEGED TO HAVE OCCURRED.

(2) IF THE PERSON DRIVING THE RENTAL VEHICLE AT THE TIME OF THE ADVERSE EVENT IS NOT IDENTIFIED IN THE RENTAL AGREEMENT, THE MOTOR VEHICLE RENTAL COMPANY SHALL MAKE A REASONABLE EFFORT TO OBTAIN AND PROVIDE THE INDIVIDUAL'S NAME, MAILING ADDRESS, AND DATE OF BIRTH TO THE PERSON MAKING THE REQUEST FOR INFORMATION.

(E) (1) IF A REQUEST IS MADE UNDER THIS SECTION MORE THAN 3 YEARS AFTER THE DATE ON WHICH THE ADVERSE EVENT IS ALLEGED TO HAVE OCCURRED, THE MOTOR VEHICLE RENTAL COMPANY MAY REFUSE TO PROVIDE INFORMATION UNDER SUBSECTION (D) OF THIS SECTION.

(2) A MOTOR VEHICLE RENTAL COMPANY MAY NOT BE COMPELLED TO DISCLOSE ANY INFORMATION REGARDING PERSONS IDENTIFIED AS RENTERS OR AUTHORIZED DRIVERS OF A RENTAL VEHICLE OTHER THAN THE INFORMATION THAT IS REQUIRED UNDER SUBSECTION (D) OF THIS SECTION.

(F) UNLESS IT IS ESTABLISHED THAT THE DISCLOSURE MADE BY THE MOTOR VEHICLE RENTAL COMPANY OR AN EMPLOYEE OR AGENT OF THE MOTOR VEHICLE RENTAL COMPANY CONSTITUTED RECKLESS, WANTON, OR INTENTIONAL MISCONDUCT, A MOTOR VEHICLE RENTAL COMPANY MAY NOT BE HELD CIVILLY OR CRIMINALLY LIABLE FOR DISCLOSING INFORMATION IN ACCORDANCE WITH THIS SECTION.

18-102.

(a) (1) The Administration may not register any motor vehicle, trailer, or semitrailer to be rented until the owner of the vehicle certifies to the satisfaction of the Administration that the owner has security for the vehicle in the same form and providing for the same minimum benefits as the security required by Title 17 of this article for motor vehicles.

(2) (i) In this paragraph, "replacement vehicle" means a vehicle that is loaned by an auto repair facility or a dealer, or that an individual rents temporarily, to use while a vehicle owned by the individual is not in use because of loss, as "loss" is defined in that individual's applicable private passenger automobile insurance policy, or because of breakdown, repair, service, or damage.

(ii) THIS PARAGRAPH DOES NOT APPLY TO A RENTAL VEHICLE THAT IS NOT A REPLACEMENT VEHICLE IF THE COVERAGE MAINTAINED BY THE RENTER OR DRIVER IS PROVIDED BY THE MARYLAND AUTOMOBILE INSURANCE FUND.

(iii) Subject to ~~subparagraph (iii) of this~~ paragraph (3) OF THIS SUBSECTION, § 18-106 OF THIS SUBTITLE, AND ~~§ 17-104(E)(4) § 17-104(E)(5) OF~~

THIS ARTICLE, an owner of a **RENTAL VEHICLE OR** replacement vehicle may satisfy the requirement of paragraph (1) of this subsection by maintaining the required security described in § 17-103 of this article that is secondary to any other valid and collectible coverage and that extends coverage to the owner's vehicle in amounts required under § 17-103(b) of this article while it is used as a **RENTAL VEHICLE OR** replacement vehicle.

~~[(iii)] (IV) If an owner of a replacement vehicle provides coverage as provided under subparagraph [(ii)] (III) of this paragraph, the agreement for the replacement vehicle to be signed by the renter or the individual to whom the vehicle is loaned shall contain a provision on the face of the agreement, in at least 10 point bold type, that informs the individual that the coverage on the vehicle being serviced or repaired is primary coverage for the replacement vehicle and the coverage maintained by the owner on the replacement vehicle is secondary.~~

~~(iii) If an owner of a replacement vehicle provides coverage as provided under subparagraph (ii) of this paragraph, the agreement for the replacement vehicle to be signed by the renter or the individual to whom the vehicle is loaned shall contain a provision on the face of the agreement, in at least 10 point bold type, that informs the individual that the coverage on the vehicle being serviced or repaired is primary coverage for the replacement vehicle and the coverage maintained by the owner on the replacement vehicle is secondary.~~

~~(3) (1) 1. IN THIS PARAGRAPH THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~2. "ADVERSE EVENT" HAS THE MEANING STATED IN § 17-104.3(A) OF THIS ARTICLE.~~

~~3. "MOTOR VEHICLE RENTAL COMPANY" HAS THE MEANING STATED IN § 17-104.3(A) OF THIS ARTICLE.~~

~~4. "RENTAL AGREEMENT" HAS THE MEANING STATED IN § 17-104.3(A) OF THIS ARTICLE.~~

~~(II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, AND SUBJECT TO SUBPARAGRAPH (IV) OF THIS PARAGRAPH, AN OWNER OF A RENTAL VEHICLE MAY SATISFY THE REQUIREMENT OF PARAGRAPH (1) OF THIS SUBSECTION BY MAINTAINING THE REQUIRED SECURITY DESCRIBED IN § 17-103 OF THIS ARTICLE THAT IS:~~

~~1. PRIMARY:~~

~~A. EXCEPT AS PROVIDED IN ITEM 2 OF THIS SUBPARAGRAPH, WHILE THE OWNER'S VEHICLE IS USED AS A RENTAL VEHICLE; OR~~

~~B. IF THE COVERAGE MAINTAINED BY THE RENTER OF THE RENTAL VEHICLE IS PROVIDED BY THE MARYLAND AUTOMOBILE INSURANCE FUND; AND~~

~~2. SECONDARY, RETROACTIVE TO AN ADVERSE EVENT, TO COVERAGE MAINTAINED BY THE RENTER OF THE RENTAL VEHICLE ON THE OWNER'S CONFIRMATION, AFTER THE ADVERSE EVENT, WITH THE INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE RENTER, THAT THE INSURANCE MAINTAINED BY THE RENTER PROVIDES VALID AND COLLECTIBLE COVERAGE IN THE AMOUNTS REQUIRED UNDER § 17-103(B) OF THIS ARTICLE TO THE OWNER'S VEHICLE WHILE IT IS USED AS A RENTAL VEHICLE, IF THE INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE RENTER ACCEPTS THE CLAIM AND CONFIRMS IN WRITING THAT THE INSURANCE PROVIDED TO THE RENTER INCLUDES LIABILITY COVERAGE FOR THE ALLEGED AT-FAULT DRIVER.~~

~~(H) IF AN INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE RENTER DOES NOT ACCEPT THE CLAIM UNDER PARAGRAPH (1)(H) OF THIS SUBSECTION AND AUTHORIZE PAYMENT OF STORAGE CHARGES OR RENTAL OF A TEMPORARY SUBSTITUTE MOTOR VEHICLE TO THE MOTOR VEHICLE RENTAL COMPANY WITHIN 14 DAYS OF RECEIVING NOTICE OF THE RENTER'S ADVERSE EVENT, THE INSURANCE CARRIER THAT PROVIDES COVERAGE FOR THE RENTAL VEHICLE SHALL:~~

~~1. CONTINUE TO BE THE PRIMARY SECURITY FOR THE PAYMENT OF STORAGE CHARGES AND RENTAL CHARGES FOR A TEMPORARY SUBSTITUTE MOTOR VEHICLE UNTIL THE CLAIM IS RESOLVED; AND~~

~~2. HAVE A RIGHT OF SUBROGATION AGAINST THE INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE RENTER FOR THE PAYMENT OF STORAGE CHARGES AND RENTAL CHARGES FOR A TEMPORARY SUBSTITUTE MOTOR VEHICLE.~~

~~(IV) (3)~~ IF AN OWNER OF A RENTAL VEHICLE PROVIDES COVERAGE IN ACCORDANCE WITH ~~SUBPARAGRAPH (H)~~ PARAGRAPH (2) OF THIS ~~PARAGRAPH~~ SUBSECTION, THE RENTAL AGREEMENT TO BE SIGNED BY THE RENTER SHALL CONTAIN A PROVISION ON THE FACE OF THE AGREEMENT, IN AT LEAST 10 POINT BOLD TYPE, THAT INFORMS THE INDIVIDUAL THAT, EXCEPT FOR COVERAGE PROVIDED BY THE MARYLAND AUTOMOBILE INSURANCE FUND WITH RESPECT TO A RENTAL VEHICLE THAT IS NOT A REPLACEMENT VEHICLE, THE COVERAGE MAINTAINED BY THE RENTER OF THE RENTAL VEHICLE IS PRIMARY COVERAGE ON THE OWNER'S CONFIRMATION WITH THE INSURANCE CARRIER THAT PROVIDES COVERAGE TO THE RENTER THAT THE INSURANCE MAINTAINED BY THE RENTER PROVIDES VALID AND COLLECTIBLE COVERAGE IN THE AMOUNTS REQUIRED UNDER

§ 17-103(B) OF THIS ARTICLE TO THE OWNER'S VEHICLE WHILE IT IS USED AS A RENTAL VEHICLE.

(b) Notwithstanding any provision of the rental agreement to the contrary, the security required under this section shall cover the owner of the vehicle and each person driving or using the vehicle with the permission of the owner or lessee.

(c) If the Administration finds that the vehicle owner has failed or is unable to maintain the required security, the Administration shall suspend the registration of the vehicle.

18-106.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "AUTHORIZED DRIVER" MEANS A PERSON, OTHER THAN THE RENTER, WHO USES OR OPERATES A RENTAL VEHICLE WITH THE PERMISSION OF THE MOTOR VEHICLE RENTAL COMPANY.

(3) "MOTOR VEHICLE RENTAL COMPANY" HAS THE MEANING STATED IN § 17-104.3 OF THIS ARTICLE.

(4) "RENTAL AGREEMENT" HAS THE MEANING STATED IN § 17-104.3 OF THIS ARTICLE.

(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THIS SECTION APPLIES ONLY TO:

(I) RENTAL VEHICLE TRANSACTIONS ORIGINATING IN THE STATE; AND

(II) THIRD-PARTY CLAIMS AGAINST A RENTER OR AN AUTHORIZED DRIVER OF A RENTAL VEHICLE ARISING OUT OF THE SECURITY REQUIREMENT UNDER § 18-102(A)(2) OF THIS SUBTITLE OR § 17-104(E) OF THIS ARTICLE.

(2) THIS SECTION DOES NOT APPLY TO A REPLACEMENT VEHICLE UNDER § 18-102(A)(2) OF THIS SUBTITLE OR § 17-104(E) OF THIS ARTICLE.

(C) A MOTOR VEHICLE RENTAL COMPANY SHALL BE RESPONSIBLE FOR PROVIDING THE REQUIRED SECURITY UNDER § 17-103 OF THIS ARTICLE ON A PRIMARY BASIS FOR A THIRD-PARTY LIABILITY CLAIM IF THE MOTOR VEHICLE RENTAL COMPANY:

- (1) FAILS TO DELIVER NOTICE OF THE CLAIM;**
 - (2) FAILS TO COOPERATE WITH THE INSURER;**
 - (3) PREJUDICED THE HANDLING OF THE THIRD-PARTY CLAIM BEFORE THE INSURER ASSUMED THE HANDLING OF THE CLAIM;**
 - (4) HAS PROVIDED LIABILITY, PROPERTY DAMAGE, UNINSURED MOTORIST, OR OTHER COVERAGE TO THE INSURED THAT IS APPLICABLE TO THE THIRD-PARTY CLAIM AS A BENEFIT UNDER EITHER:**
 - (I) THE RENTAL AGREEMENT; OR**
 - (II) AN INSURANCE POLICY SOLD TO THE RENTER IN CONNECTION WITH, AND INCIDENTAL TO, THE RENTAL OF THE MOTOR VEHICLE; OR**
 - (5) FAILS TO PROVIDE THE NOTICES REQUIRED UNDER § 18-102(A)(3) OF THIS SUBTITLE OR § 17-104(F) OF THIS ARTICLE.**
- (D) A MOTOR VEHICLE RENTAL COMPANY SHALL BE RESPONSIBLE FOR PROVIDING THE REQUIRED SECURITY UNDER § 17-103 OF THIS ARTICLE ON A PRIMARY BASIS FOR A THIRD-PARTY LIABILITY CLAIM IF THE DRIVER OF THE RENTAL VEHICLE IS AN INDIVIDUAL WHO IS NOT THE RENTER OR AN AUTHORIZED DRIVER.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1, 2019~~ *January 1, 2020, and shall apply to all claims arising in the State on or after January 1, 2020.*

Approved by the Governor, May 13, 2019.