

Title 11 DEPARTMENT OF TRANSPORTATION

Subtitle 18 MOTOR VEHICLE ADMINISTRATION — FINANCIAL RESPONSIBILITY REQUIREMENTS

Chapter 04 Reporting Requirements for Lapse or Termination of Required Security

Authority: Transportation Article, §§12-104(b), 17-101, 17-103, 17-104, and 17-106; Insurance Article, §27-611; Annotated Code of Maryland

.01 Scope.

These regulations apply to mandatory electronic reporting of [lapses, terminations, reinstatements, and new] policies of security *and the mandatory electronic Online Insurance Verification (OLV) program operated by the Administration for the purpose of verifying insurance policies in real time* [required by Transportation Article, §§17-104(c) and 17-106, Annotated Code of Maryland].

.02 Definitions.

A. (texted unchanged)

B. Terms Defined.

(1) —(2) (text unchanged)

(3) [“Immediately” means by the close of business on the next business day.

(4) “Lapse or termination” means interruption of continuous coverage caused by the failure of an insurer to renew the security required by Transportation Article, §17-103(b), Annotated Code of Maryland.] “*Insurance companies*” or “*insurer*” means *licensed Maryland providers of required security as defined in Transportation Article, §17-101, Annotated Code of Maryland.*

(4) “*Online Insurance Verification (OLV)*” means *a program operated by the Administration for the purpose of verifying insurance policies in real time.*

(5) “*Policy*” or “*Policies*” means a vehicle policy or binder for required security as defined by §17-101(d), Annotated Code of Maryland, issued by an insurer or other provider of required security.

.03 Reporting Guidelines.

A. Required Reporting.

(1) Except as provided in §A(2) of this regulation, insurance companies shall immediately report, in an electronic format determined by the Administration:

- (a) New policies;
- (b) Lapses;
- (c) Terminations;
- (d) Reinstatements, and
- (e) Policy changes as specified under §B of this regulation.

(2) Insurance companies shall report, in an electronic format determined by the Administration, fleet policy coverage changes every 30 days, to include:

- (a) Company additions or deletions; and
- (b) Policy number changes.

(3) If an insurance company does not have any new policies, lapses, terminations, reinstatements, or policy changes as specified under §B of this regulation, the insurance company shall submit a report of no business by the close of business on the last business day of the month.]

Insurance companies shall report on at least a weekly basis and according to the timeline determined by the Administration, all active policies in an electronic format determined by the Administration.

B. Except for *fleet policies* as provided in [§A(2)] §C of this regulation, notifications of *all* [new] policies, [lapses, terminations, and reinstatements by an insurer] shall include:

(1) (text unchanged)

(2) The Maryland driver's license number [or date of birth of the insured] *of the insured or FEIN if the insured is a business;*

(3) —(5) (text unchanged)

(6) The current policy number; *and*

(7) The effective date of the policy.[*and*

(8) If applicable:

(a) The cancellation date of the policy; *and*

(b) A type code, in a format required by the Administration, explaining the reason for the termination or lapse of coverage.]

C. *For fleet policies, reporting shall include:*

(1) *Company additions and deletions; and*

(2) *Policy number changes.*

[C.] *D. Rejected Notifications.*

(1) The Administration shall reject notifications of *all active* [new] policies[, lapses, terminations, and reinstatements] which do not include all of the items specified in §B of this regulation.

(2) The insurer shall resubmit notifications rejected under the provisions of [§C(1)] §D(1) of this regulation to the Administration [as soon as practicable] *by the date of the next regular file submission.*

[D.] *E.* The insurer shall provide, at each occurrence when the required security will terminate or be canceled, timely notification to the insured of the penalties that may be imposed by the Administration in accordance with Transportation Article, §17-106, Annotated Code of Maryland, for their failure to return evidence of registration when the required security has ended and is not replaced. The notice shall include the following statements:

(1) (text unchanged)

(2) "Failure to return the registration plates may result in an uninsured motorist penalty fine which is assessed at a rate of [\$150] \$200 for the first 30 days and is increased by \$7 each day thereafter until the insurance is replaced or the registration plates are returned. The uninsured motorist penalty fine is assessed per vehicle."

[E.] *F.* (texted unchanged)

.04 Online Insurance Verification Participation and Program Requirements.

A. Required Participation. All insurance companies shall:

(1) *Participate in the Administration's OLV program; and*

(2) *Support a program where the Administration can electronically access the book of business of insured vehicles at any time.*

B. Program Requirements. The OLV Program will consist of the following:

(1) *The Administration will electronically send an inquiry to an insurance company in real time which will include information required by the Administration.*

(2) *Insurance companies shall use the data provided by the Administration to determine the policy status on the verification date and return an electronic response, automatically, in real time to the Administration in an electronic format determined by the Administration.*

(3) *The response from the insurance company shall be used to validate or remove the existing policy in the records of the Administration.*

(4) *The Administration will utilize OLV to verify the status of a reported insurance policy at intervals determined by the Administration.*

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