

The Weekly Scenario: Designating a Beneficiary on a Vehicle Title

April 8, 2021

By Steven E. Shane

Like an individual retirement account or life insurance policy, a vehicle owner can designate a beneficiary to receive ownership of a Maryland titled vehicle upon their death. Since the designation is made prior to the death of the individual, the vehicle will not be considered part of the estate; therefore, Letters of Administration (obtained as a result of opening a probate estate matter) will not be required for transfer.

What are the requirements (and clarifications):

- The vehicle must be solely owned and currently titled in Maryland;
- Only one beneficiary can be named; which can be either an individual or a business entity;
- A beneficiary must be designated prior to the death of the vehicle owner;
- A beneficiary may be added, even if the vehicle is subject to a lien. When the vehicle is transferred to the beneficiary all liens must be satisfied, or a letter of permission from the lien holder must be provided to change ownership to the beneficiary;
- The designation of a beneficiary does not affect the ownership of the vehicle until the death of the vehicle owner;
- The owner of the vehicle may choose to delete or change the designation of a beneficiary or sell the vehicle at any time prior to their death without the consent of the beneficiary.

Once a beneficiary is designated, a corrected title will be delivered to the vehicle owner. All previously issued titles will be voided.

In addition, no inspection is required if the beneficiary is an immediate family member (spouse, child, or parent of the deceased). In addition:

- The vehicle registration may be transferred if the vehicle is transferred to a member of the immediate family. All other transfers will require the purchase of new registration plates;
 - At the time the transaction is submitted for processing a death certificate must accompany the title. If the MVA has received notification of the vehicle owner's death from the Department of Health and Mental Hygiene, the death certificate would not be required;
 - There is a fee to add, delete or change a beneficiary to a vehicle title record.
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The beneficiary designation form is available on the MVA's website.

As always, if you have any questions or would like to learn more, please contact Steve Shane at sshane@offitkurman.com or [301.575.0313](tel:301.575.0313).