

SENATE BILL 910

C4

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CF HB 1253

By: **Senators Middleton, Astle, Conway, DeGrange, Edwards, Hershey, Jennings, Kasemeyer, Kelley, Klausmeier, ~~and McFadden~~ McFadden, Benson, Feldman, Mathias, Pugh, and Reilly**

Introduced and read first time: March 9, 2015

Assigned to: Rules

Re-referred to: Finance, March 18, 2015

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2015

CHAPTER _____

1 AN ACT concerning

2 **Motor Vehicle Insurance – Entry-Level Commercial Truck Driver’s License**
3 **Holders – Study**

4 FOR the purpose of requiring the Department of Labor, Licensing, and Regulation to
5 conduct a study of the availability, accessibility, and affordability of commercial
6 motor vehicle insurance for motor carriers who want to employ entry-level
7 commercial driver’s license holders, and to make certain recommendations;
8 authorizing the Department to consult with certain State agencies, institutions of
9 higher education, industries, and other persons; requiring the study to examine
10 certain issues; requiring the Department to report its findings and recommendations
11 to certain committees of the General Assembly on or before certain dates; and
12 generally relating to motor vehicle insurance for motor carriers who employ
13 entry-level commercial driver’s license holders.

14 Preamble

15 WHEREAS, A strong trucking industry is important to the economic health of the
16 State and is critical to the operation and expansion of the Port of Baltimore; and

17 WHEREAS, 95% of containerized cargo handled at the Port of Baltimore is
18 transported by truck and the Port anticipates significant future growth as expansion
19 projects at the Panama Canal and Suez Canal are completed; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 WHEREAS, The American Trucking Association estimates that the truck driver
2 shortage is approximately 35,000 nationwide and will grow to over 230,000 in the next 10
3 years; and

4 WHEREAS, The shortage of truck drivers is impacting small businesses across the
5 State, as well as nationwide; and

6 WHEREAS, Trucks serve every community in the State, and 93% of communities
7 are exclusively dependent on trucks for delivery of their goods so that their residents have
8 no other means to get the products they need; and

9 WHEREAS, The average age of the existing truck driver population is rapidly rising;
10 and

11 WHEREAS, The trucking industry will need to recruit more than 100,000 new truck
12 drivers each year to keep up with demand for drivers, with nearly two-thirds of the need
13 caused by industry growth and retirement of drivers; and

14 WHEREAS, The State's veterans and displaced workers are potential sources of new
15 truck drivers; and

16 WHEREAS, To meet future demand for truck drivers, the State needs to target
17 workforce development programs in this sector; and

18 WHEREAS, Technological advances and program enhancements may increase the
19 efficacy of State workforce development programs; and

20 WHEREAS, The State, with the support of community colleges, is investing in the
21 education of the next generation of truck drivers through a broad array of workforce
22 development programs; and

23 WHEREAS, Through the Employer Advancement Right Now (EARN) program, the
24 State has dedicated resources to expand training for students to obtain commercial driver's
25 licenses and gain employment in the trucking industry; and

26 WHEREAS, A trained workforce is a valuable resource for businesses looking to
27 expand in or relocate to the State; and

28 WHEREAS, Graduates of workforce development programs from community
29 colleges face significant obstacles in obtaining jobs in the trucking industry due to the
30 limited availability of commercial motor vehicle insurance for entry-level commercial
31 driver's license (CDL) holders; and

32 WHEREAS, Access to commercial motor vehicle insurance coverage is influenced by
33 a broad spectrum of underwriting factors; and

1 WHEREAS, Commercial motor vehicle insurance coverage is not broadly available
2 to entry-level CDL holders and can be difficult for small businesses and independent truck
3 drivers to afford; and

4 WHEREAS, The Maryland Automobile Insurance Fund, while able to write
5 commercial motor vehicle liability insurance for trucks under certain conditions, does not
6 have statutory authority to write all the commercial motor vehicle insurance coverages
7 necessary to insure CDL holders, including inland marine coverage to insure cargo; now,
8 therefore,

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
10 That:

11 (a) The Department of Labor, Licensing, and Regulation shall:

12 (1) conduct a study of the availability, accessibility, and affordability of
13 commercial motor vehicle insurance for motor carriers who want to employ entry-level
14 commercial driver's license (CDL) holders; and

15 (2) make recommendations on how to make commercial motor vehicle
16 insurance for the motor carriers more available, accessible, and affordable.

17 (b) In conducting the study required under subsection (a) of this section, the
18 Department may consult with:

19 (1) State agencies, including:

20 (i) the Maryland Insurance Administration;

21 (ii) the Department of Business and Economic Development;

22 (iii) the Maryland Vehicle Administration;

23 (iv) the Maryland Port Administration; and

24 (v) the Maryland Automobile Insurance Fund;

25 (2) institutions of higher education, entities related to institutions of
26 higher education, and training schools, including:

27 (i) the Maryland Higher Education Commission;

28 (ii) the Maryland Association of Community Colleges;

29 (iii) community colleges that offer training for CDL holders; and

30 (iv) training schools that offer training for CDL holders;

- 1 (3) the motor carrier industry, including:
- 2 (i) the Maryland Motor Truck Association; and
- 3 (ii) small motor carriers that hire entry–level CDL holders; and
- 4 (4) the motor vehicle insurance industry and producers, including:
- 5 (i) insurance companies that write commercial motor vehicle
- 6 insurance for small motor carriers;
- 7 (ii) the Property Casualty Insurers Association of America;
- 8 (iii) the American Insurance Association;
- 9 (iv) the Independent Insurance Agents of Maryland; and
- 10 (v) the Insurance Agents and Brokers of Maryland, Inc.

11 (c) In conducting the study required under subsection (a) of this section, the

12 Department shall examine:

- 13 (1) the following issues related to the availability of commercial motor
- 14 vehicle insurance:
- 15 (i) the role of safety technology in training entry–level CDL holders,
- 16 including the use of simulators;
- 17 (ii) the impact workforce development programs, such as the State’s
- 18 Employer Advancement Right Now (EARN) program, have in providing resources for the
- 19 workforce development of entry–level CDL holders;
- 20 (iii) the motor vehicle insurance endorsements and commercial motor
- 21 vehicle insurance filings that are required under federal law; and
- 22 (iv) the barriers, if any, to the Maryland Automobile Insurance Fund
- 23 in providing all necessary commercial motor vehicle insurance coverages for trucks driven
- 24 by CDL holders;
- 25 (2) the following issues related to the accessibility of commercial motor
- 26 vehicle insurance:
- 27 (i) the underwriting criteria used by the motor vehicle insurance
- 28 industry in writing commercial motor vehicle insurance for motor carriers, including
- 29 previous commercial motor vehicle driving experience;

1 (ii) the barriers and challenges to community colleges and training
2 schools in providing more extensive training, including the use of behind-the-wheel
3 driving on the road, behind-the-wheel driving on a range, and simulator technology to
4 mimic real-life challenges faced on the road; and

5 (iii) the various training models and best practices to effectively train
6 entry-level CDL holders; and

7 (3) the following issues related to the affordability of commercial motor
8 vehicle insurance:

9 (i) the underwriting criteria used by the motor vehicle insurance
10 industry in rating commercial motor vehicle insurance for motor carriers, including the
11 driving records of truck drivers in noncommercial and commercial motor vehicles; and

12 (ii) the financial impact of insurance premiums on a motor carrier
13 and mechanisms for reducing that impact.

14 (d) (1) Subject to paragraph (2) of this subsection, on or before December 1,
15 2015, the Department of Labor, Licensing, and Regulation shall report, in accordance with
16 § 2-1246 of the State Government Article, its findings and recommendations of the study
17 required under subsection (a) of this section to the Senate Finance Committee and the
18 House Economic Matters Committee.

19 (2) If the Department has not completed the study on or before the date
20 specified in paragraph (1) of this subsection, the Department:

21 (i) on or before December 1, 2015, shall report, in accordance with §
22 2-1246 of the State Government Article, its interim findings and recommendations of the
23 study to the Senate Finance Committee and the House Economic Matters Committee; and

24 (ii) on or before December 1, 2016, shall report, in accordance with §
25 2-1246 of the State Government Article, its final findings and recommendations of the
26 study to the Senate Finance Committee and the House Economic Matters Committee.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
28 1, 2015.