

HOUSE BILL 1253

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5lr3069
CF 5lr1879

By: **Delegates Jameson, Fisher, Jackson, Morgan, O'Donnell, Patterson, Proctor, Rey, and C. Wilson**

Introduced and read first time: March 6, 2015

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

AN ACT concerning

Motor Vehicle Insurance – Entry–Level Commercial Truck Driver’s License Holders – Study

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

Preamble

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

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

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, The Maryland Automobile Insurance Fund, while able to write commercial motor vehicle liability insurance for trucks under certain conditions, does not have statutory authority to write all the commercial motor vehicle insurance coverages

necessary to insure CDL holders, including inland marine coverage to insure cargo; now, therefore,

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

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

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

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

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

(1) State agencies, including:

(i) the Maryland Insurance Administration;

(ii) the Department of Business and Economic Development;

(iii) the Maryland Vehicle Administration;

(iv) the Maryland Port Administration; and

(v) the Maryland Automobile Insurance Fund;

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

(i) the Maryland Higher Education Commission;

(ii) the Maryland Association of Community Colleges;

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

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

(3) the motor carrier industry, including:

(i) the Maryland Motor Truck Association; and

(ii) small motor carriers that hire entry-level CDL holders; and

- (4) the motor vehicle insurance industry and producers, including:
- (i) insurance companies that write commercial motor vehicle insurance for small motor carriers;
 - (ii) the Property Casualty Insurers Association of America;
 - (iii) the American Insurance Association;
 - (iv) the Independent Insurance Agents of Maryland; and
 - (v) the Insurance Agents and Brokers of Maryland, Inc.

(c) In conducting the study required under subsection (a) of this section, the Department shall examine:

(1) the following issues related to the availability of commercial motor vehicle insurance:

(i) the role of safety technology in training entry-level CDL holders, including the use of simulators;

(ii) the impact workforce development programs, such as the State's Employer Advancement Right Now (EARN) program, have in providing resources for the workforce development of entry-level CDL holders;

(iii) the motor vehicle insurance endorsements and commercial motor vehicle insurance filings that are required under federal law; and

(iv) the barriers, if any, to the Maryland Automobile Insurance Fund in providing all necessary commercial motor vehicle insurance coverages for trucks driven by CDL holders;

(2) the following issues related to the accessibility of commercial motor vehicle insurance:

(i) the underwriting criteria used by the motor vehicle insurance industry in writing commercial motor vehicle insurance for motor carriers, including previous commercial motor vehicle driving experience;

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

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

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

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

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

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

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

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

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

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