

D70J00
Maryland Automobile Insurance Fund

Operating Budget Data

(\$ in Thousands)

	<u>CY 16</u> <u>Actual</u>	<u>CY 17</u> <u>Estimated</u>	<u>CY 18</u> <u>Budgeted</u>	<u>CY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Insured Division	\$30,701	\$32,258	\$31,579	-\$679	-2.1%
Uninsured Division	2,919	3,166	3,671	505	15.9%
Nonbudgeted Expenditures	\$33,620	\$35,424	\$35,250	-\$174	-0.5%

Note: Figures include rent for office space but do not include depreciation of assets. MAIF treats both as excluded expenses in its financial statements.

- The Maryland Automobile Insurance Fund (MAIF) is an independent, nonbudgeted State agency created under the laws of Maryland. Like other insurance companies, MAIF operates on a calendar year basis.
- MAIF's calendar 2018 budget decreases by approximately \$0.2 million, or 0.5%, compared to calendar 2017. This is primarily due to anticipated savings from the effect of Chapter 509 of 2017, which exempts MAIF from payment of premium taxes for several State fiscal years.

Personnel Data

	<u>CY 16</u> <u>Actual</u>	<u>CY 17</u> <u>Estimated</u>	<u>CY 18</u> <u>Budgeted</u>	<u>CY 17-18</u> <u>Change</u>
Regular Positions	214.9	212.3	211.3	-1.0
Contractual FTEs	1.0	8.5	8.5	0.0
Total Personnel	215.9	220.8	219.8	-1.0

- MAIF adjusts its total positions each year to match its anticipated needs. The calendar 2018 budget decreases by 1.0 regular position compared to the calendar 2017 estimated final numbers.
- Contractual full-time equivalents remain unchanged in calendar 2018.

Note: Numbers may not sum to total due to rounding.

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Analysis in Brief

Major Trends

Uninsured Division’s Claims Activity Increases: The claims received and assigned by MAIF’s Uninsured Division increased by 13.0% and 2.0%, respectively, when compared to calendar 2016. The number of claims settled by the Uninsured Division increased by approximately 7.8% in calendar 2017 versus 2016, while the number of outstanding claims increased by 2.4% in calendar 2017.

Insured Division’s Policies and Claims Decrease: The number of gross written policies in the Insured Division saw a slight decrease of 1.3% in calendar 2017 compared to 2016. The number of policies in force in calendar 2017 was down 6.5% from the prior year. Over the period surveyed (calendar 2012 to 2017), approximately 63% of policies remained in force at the end of the calendar year in which they were written. Claims activity fell across all metrics in calendar 2017.

Issues

MAIF Sells Headquarters Building in Annapolis: In November 2016, MAIF sold its headquarters building at 1750 Forest Drive in Annapolis to Manekin, LLC. Prior to the sale, MAIF entered into a lease for office space in Baltimore City at McHenry Row. **MAIF should comment on the impact of the move to MAIF’s new leased space in Baltimore City on its operating expenses and any net gain or loss incurred versus operating out of the Annapolis office.**

MAIF Installment Plan Subscription Rate Remains Low: Utilization of installment billing plans offered by MAIF has remained low since the enactment of Chapter 334 of 2013. MAIF believes this to be due to the high down payment required by statute – either 20% or 25%, depending on the policy premium. While premium finance companies can offer individuals money to cover the cost of their insurance premium with a lower down payment requirement, these institutions charge interest on the loan amount that totals hundreds of dollars in additional fees that would not be charged on a MAIF installment plan. **MAIF should comment on whether it supports legislation to alter the down payment requirement as well as policyholder experience utilizing the MAIF installment plans.**

Operating Budget Recommended Actions

1. Nonbudgeted.

Updates

2017 Legislative Changes to MAIF's Operations: Chapters 509 and 725 of 2017 will significantly impact MAIF's operations in the coming years. This update summarizes the major changes implemented by this statute.

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Operating Budget Analysis

Program Description

The Maryland Automobile Insurance Fund (MAIF) is an independent, nonbudgeted State agency. Similar to other insurance companies, MAIF, or Maryland Auto, as it presents itself to the public, operates on a calendar year basis.

MAIF is organized into two divisions. The Insured Division is the insurer of last resort for Maryland residents. The Insured Division, like other automobile insurance carriers, handles claims for policyholders and is funded through premiums; investment income; and when necessary, a surcharge on premiums statewide. The Uninsured Division administers and pays claims to residents of Maryland who are involved in accidents in Maryland with motorists who are uninsured or for hit-and-run incidents where a responsible party cannot be found. The Uninsured Division may recover money paid out from the uninsured at-fault party through collections on notes and judgments. In addition, MAIF receives income from investments and uninsured motorist fines.

MAIF's three key goals are:

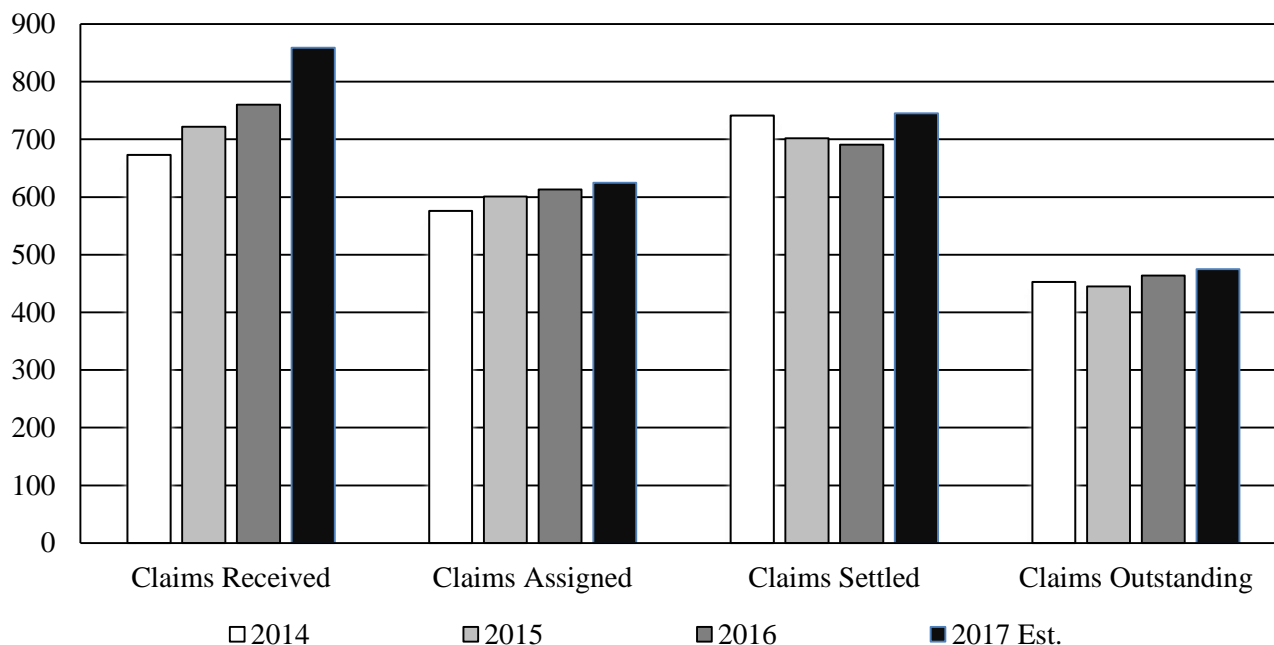
- to offer insurance to all eligible citizens of the State who are unable to obtain private insurance;
- to handle claims of the policyholders and claimants in a manner that is fair, expedient, and professional; and
- to provide services efficiently to minimize the subsidy from the State's insured motorists.

Performance Analysis: Managing for Results

1. Uninsured Division's Claims Activity Increases

Exhibit 1 shows the claims activity for MAIF's Uninsured Division. Based on the current numbers for calendar 2017, claims received and assigned by the Uninsured Division increased by 13.0% and 2.0%, respectively, when compared to calendar 2016 actuals. The number of claims settled by the Uninsured Division increased by approximately 7.8% in calendar 2017 versus 2016, while the number of outstanding claims increased by 2.4% in calendar 2017.

**Exhibit 1
Claims Activity
Uninsured Division
Calendar 2014-2017 Est.**



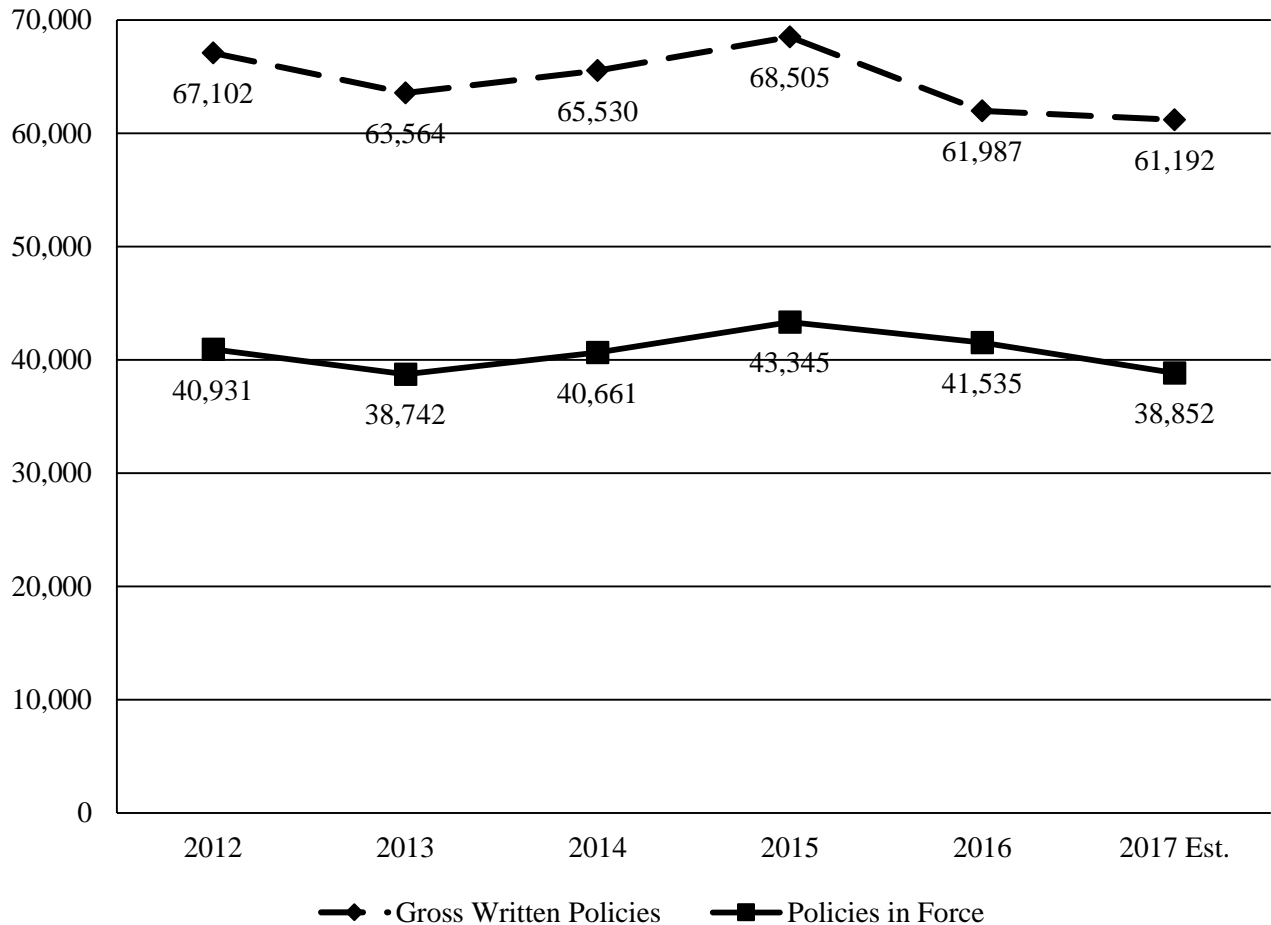
Source: Maryland Automobile Insurance Fund

MAIF does not control the number of claims received and assigned in the Uninsured Division. Claims assigned are a function of the eligible claims received. MAIF states that the frequency of uninsured claims is increasing across the industry and that the volume of claims managed by the Uninsured Division is influenced generally by public awareness of the program.

2. Insured Division’s Policies and Claims Decrease

As shown in **Exhibit 2**, the number of gross written policies in the Insured Division saw a slight decrease of 1.3% in calendar 2017 compared to 2016. There were an estimated 38,852 policies in force in calendar 2017, down 6.5% from calendar 2016, which closed with 41,535 policies in force. Over the relevant term, approximately 63% of gross policies written remained in force at the end of the calendar year in which they were written.

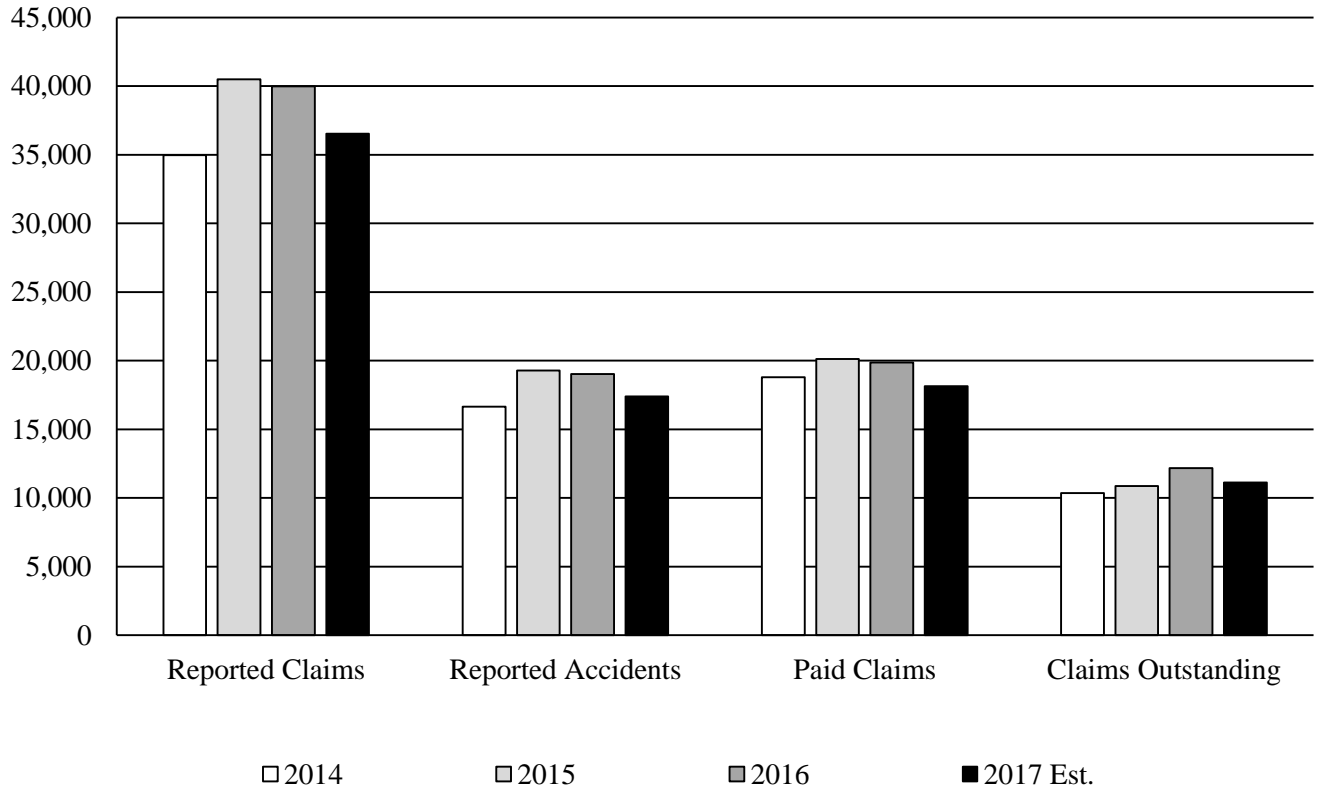
**Exhibit 2
Policies
Insured Division
Calendar 2012-2017 Est.**



Source: Maryland Automobile Insurance Fund

Exhibit 3 shows the claims activity for the Insured Division from calendar 2014 through the estimated final numbers for calendar 2017. Following an increase in calendar 2015, reported claims and accidents decreased relative to the previous year in calendar 2016 and 2017. This trend holds true for paid claims. Claims outstanding increased in calendar 2016 relative to the previous year; however, this metric also fell in the current estimate for the calendar 2017 final numbers.

Exhibit 3
Claims Activity
Insured Division
Calendar 2014-2017 Est.



Source: Maryland Automobile Insurance Fund

Calendar 2018 Budget

As shown in **Exhibit 4**, the budget for MAIF in calendar 2018 decreases by approximately \$174,000, or 0.5%, compared to the calendar 2017 budget. Because the numbers for calendar 2017 have not been finalized and represent actual expenditures for the year versus a spending cap, these figures are subject to change.

Exhibit 4
Proposed Budget
Maryland Automobile Insurance Fund
(\$ in Thousands)

How Much It Grows:	<u>Insured</u>	<u>Uninsured</u>	<u>Nonbudgeted</u>
	<u>Division</u>	<u>Division</u>	<u>Fund Total</u>
Calendar 2017 Estimated	\$32,258	\$3,166	\$35,424
Calendar 2018 Proposed Budget	31,579	3,671	35,250
Calendar 2018-2019 Amount Change	-\$679	\$505	-\$174
Calendar 2018-2019 Percent Change	-2.1%	15.9%	-0.5%
 Where It Goes:			
Personnel Expenses			
<i>Insured Division</i>			
Salaries.....			\$736
Health insurance.....			215
Retirement.....			78
Social Security			13
<i>Uninsured Division</i>			
Salary and benefits – insured employee allocation chargeback ¹			294
<i>Combined Expenses</i>			
Other personnel expenses			5
Other Changes			
<i>Insured Division</i>			
Projected impact of statutory exemption from 2% tax on premiums.....			-1,686
Purchase of new computer software			446
Reduced reliance on temporary staffing for operations			-260
Renewal of software licenses.....			-250
Contractual salary – hourly.....			226
Elimination of services associated with discontinuation of the Maryland Automobile Insurance Fund’s new policy administration system			-158
Cost savings associated with use of Lexis Nexis			-124
Information technology consulting for software system upgrades			109
<i>Uninsured Division</i>			
Implementation of new Insurance Verification System.....			156
<i>Combined Expenses</i>			
Other changes.....			28
Total			-\$174

¹ Expenses owed for Insured Division employees that perform work for the benefit of the Uninsured Division for a portion of the total time worked by the employee in a given year.

Note: The Maryland Automobile Insurance Fund operates on a calendar year basis. Numbers may not sum to total due to rounding.

Personnel Expenses

Personnel expenses related to permanent employees are expected to increase by approximately \$1.3 million in total in calendar 2018 across MAIF. This is due in part to a 3% merit increase for employees and expected costs to fill vacancies in 2018 with permanent employees. This is offset in part by approximately \$0.3 million in savings due to a reduced reliance on temporary staffing agencies to provide workers for skilled positions in the Insured Division. Net personnel costs for 2018 are expected to be approximately \$1.0 million greater than expenditures in calendar 2017.

Savings Due to Premium Tax Exemption

By law, insurance companies are assessed a 2% tax on all premiums paid in the State. Chapter 509 of 2017 makes many changes to MAIF's operations. One such change is an exemption from paying the aforementioned premium tax for the period from January 1, 2018, through June 30, 2022. MAIF projects that this will result in savings of approximately \$1.7 million in calendar 2018.

Information Technology Infrastructure

MAIF plans to invest heavily in its current information technology (IT) portfolio in calendar 2018. To this end, MAIF will implement software upgrades as part of an effort to create a hyper-converged infrastructure. Hyper-converged systems utilize software to help virtualize elements maintained in more traditional server systems and are seeing growing use in the IT market. Additionally, MAIF will replace its installment billing and accounting systems. Each of these projects is expected to cost approximately \$100,000. IT consulting on software system upgrades is expected to cost MAIF approximately \$109,000.

Assessment Threshold

MAIF is required to assess a surcharge on the Maryland automobile insurance industry, which may be passed on to the policyholders of those companies, after the following two triggers occur: (1) the surplus of the Insured Division falls below 25% of the three-year average of direct written premiums; and (2) MAIF experiences an operating loss. The last assessment occurred in 1989.

As shown in **Exhibit 5**, the assessment threshold is expected to increase in calendar 2018 to \$21,006,430, the highest it has been since calendar 2012.

Exhibit 5
Maryland Automobile Insurance Fund
Calendar 2014-2018 Est.

<u>Year</u>	<u>Direct Written Premium</u>	<u>Three-year Average</u>	<u>Assessment Threshold</u>
2014	\$79,098,782	\$77,044,483	\$19,261,121
2015	82,849,946	78,701,226	19,675,306
2016	79,290,598	80,413,109	20,103,277
2017	84,296,567	82,145,704	20,536,426
2018 Est.	88,489,998	84,025,721	21,006,430

Note: The Maryland Automobile Insurance Fund reports its financial statements by calendar year in accordance with State regulations for insurance companies. Calendar 2017 numbers are projected actuals; final numbers should be available early 2018.

Source: Maryland Automobile Insurance Fund

Insured Division Financial Statement

Exhibit 6 presents the financial statement for the Insured Division of MAIF. In calendar 2018, the Insured Division's income is projected to increase by approximately \$1.2 million compared to calendar 2017 due to an increase in earned premiums, which constitute the vast majority of income in the Insured Division. This is offset by falling investment income.

Total expenditures increase by a projected \$1.7 million in calendar 2018 versus 2017. The Insured Division will have net operating losses throughout the period identified; this marks six consecutive years with a net operating loss, leading to an estimated surplus of approximately \$33.8 million in calendar 2018, down from the \$51.2 million in surplus projected for calendar 2017. The 2018 surplus is only 1.61 times the estimated assessment threshold of \$21,006,430. **MAIF should comment on the financial health of the Insured Division and the likelihood of imposing an assessment in the future.**

Exhibit 6
Maryland Automobile Insurance Fund
Insured Division Financial Statement
Calendar 2016-2018 Est.

	Actual 2016	Projected 2017	Estimated 2018
Earned Premium	\$80,723,473	\$82,359,767	\$86,314,155
Investment Income	15,496,275	5,300,128	2,586,628
Other Income	17,957	65,247	66,000
Income	\$96,237,705	\$87,725,142	\$88,966,783
Claims Incurred	\$62,601,356	\$61,658,894	\$63,600,765
Claim Expenses Incurred	19,159,552	20,513,267	21,175,931
Other Expenses	25,281,128	22,526,495	21,619,248
Expenditures	\$107,042,036	\$104,698,656	\$106,395,944
Net Gain (Loss)	-\$10,804,331	-\$16,973,514	-\$17,429,161
Beginning Surplus	\$69,388,760	\$64,085,082	\$51,194,166
Net Income	-10,804,331	-16,973,514	-17,429,161
Change to Nonadmitted Assets	5,500,653	4,082,598	0
Release of Overrecoupment	0	0	0
Ending Surplus	\$64,085,082	\$51,194,166	\$33,765,005
Assessment Threshold	\$20,103,277	\$20,536,426	\$21,006,430
Ratio of Surplus to Assessment Threshold	3.19	2.49	1.61

Note: The Maryland Automobile Insurance Fund reports its financial statements by calendar year in accordance with State regulations for insurance companies. Year-end adjustments and reserve changes may significantly change the results. All 2017 numbers are subject to adjustment.

Source: Maryland Automobile Insurance Fund

Uninsured Division Financial Statement

Exhibit 7 presents the financial statement for the Uninsured Division of MAIF. The Uninsured Division's largest source of income is revenue received from the Motor Vehicle Administration (MVA) uninsured motorist fine per Transportation Article § 17-106. MAIF's share in calendar 2017 was approximately \$3.8 million. Expenditures are expected to exceed income in calendar 2017, resulting in an operating loss of approximately \$0.4 million. Further losses are estimated for calendar 2018 due to increases in claims settlement and other operational costs associated with fulfilling the mission of

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the Uninsured Division. This would potentially reduce the surplus for the Uninsured Division to \$8,158.

Exhibit 7
Maryland Automobile Insurance Fund
Uninsured Division
Calendar 2016-2018 Est.

	<u>Actual</u> <u>2016</u>	<u>Projected</u> <u>2017</u>	<u>Estimated</u> <u>2018</u>
Motor Vehicle Administration Fines	\$3,662,288	\$3,812,088	\$3,926,451
Collections on Notes and Judgements	972,610	922,949	900,000
Investment Income	42,940	13,524	10,000
Income	\$4,677,838	\$4,748,561	\$4,836,451
Claims Incurred	\$1,037,631	\$1,791,561	\$1,899,055
Claims Expenses Incurred	572,875	625,869	722,466
Collection Expenses	412,037	450,152	519,629
Administrative Expenses	2,104,011	2,298,642	2,653,417
Expenditures	\$4,126,554	\$5,166,224	\$5,794,567
Net Gain	\$551,284	-\$417,663	-\$958,116
Beginning Surplus	\$817,809	\$1,388,785	\$966,274
Net Income	551,284	-417,663	-958,116
Unrealized Gain (Losses)	19,692	-4,848	-
Ending Surplus	\$1,388,785	\$966,274	\$8,158

Note: The Maryland Automobile Insurance Fund reports its financial statements by calendar year in accordance with State regulations for insurance companies. Year-end adjustments and reserve changes may significantly change the results. All 2017 numbers are subject to adjustment.

Source: Maryland Automobile Insurance Fund

Should funding become an issue, MAIF suggests that the MVA fines that support the operation of the Uninsured Division would have to increase. This is problematic, as the aforementioned statute and the related sections make no provision for increasing the portion of this penalty to be allocated to MAIF. **MAIF should comment on whether it would support legislation that creates a reporting requirement to the General Assembly in the event that Uninsured Division surplus funds reach a set threshold value.**

Active Vehicle Analysis

Exhibit 8 provides information on the geographic distribution of vehicles insured by MAIF. This distribution may impact the number and value of expected claims. Prince George’s County saw an increase in vehicles insured of 1.5 percentage points and has the highest share of the vehicles insured by MAIF at 38.5% in calendar 2017. Western Maryland and Howard and Montgomery counties also saw increases in vehicles insured by MAIF, while insured vehicle totals fell across the remaining areas.

Exhibit 8
Active Vehicle Analysis
Insured Division
Calendar 2014-2017

<u>Territory</u>	<u>2014</u>	<u>% Dist.</u>	<u>2015</u>	<u>% Dist.</u>	<u>2016</u>	<u>% Dist.</u>	<u>2017</u>	<u>% Dist.</u>
Baltimore Metropolitan Area	6,450	15.0%	7,202	15.9%	4,996	12.1%	4,788	11.3%
Northeastern Maryland	3,425	8.0%	3,449	7.6%	2,816	6.8%	2,756	6.5%
Eastern Shore	3,667	8.6%	3,694	8.2%	3,530	8.6%	3,480	8.2%
Southern Maryland and Anne Arundel County	4,351	10.2%	3,843	8.5%	3,331	8.1%	3,218	7.6%
Western Maryland	838	2.0%	821	1.8%	812	2.0%	867	2.0%
Howard and Montgomery Counties	9,496	22.2%	10,413	23.0%	10,524	25.5%	10,916	25.8%
Prince George’s County	14,632	34.1%	15,841	35.0%	15,255	37.0%	16,286	38.5%
Total Vehicles	42,859		45,263		41,264		42,311	

Source: Maryland Automobile Insurance Fund

Issues

1. MAIF Sells Headquarters Building in Annapolis

In November 2016, MAIF sold its headquarters building at 1750 Forest Drive in Annapolis to Manekin, LLC. Preceding the sale, MAIF entered into a lease for space in Baltimore City at McHenry Row in Locust Point; MAIF has been onsite in Baltimore City since summer 2015. MAIF decided to vacate its Annapolis office due to a significant reduction in the agency's workforce, which left it with about 65,000 square feet of unused office space in the Annapolis building.

The Annapolis building was originally purchased for approximately \$15.9 million. However, by the time the sale was finalized, the building carried a net book value of approximately \$0.5 million due to depreciation of the value of the asset over its useful life. MAIF realized a net gain of approximately \$8.2 million from the sale of the building. This does not factor in any gains from the elimination of operating and maintenance costs for the Annapolis location and does not account for any increases or decreases in operating costs incurred by MAIF's relocation to the leased space in Baltimore City. **MAIF should comment on the impact of the move to MAIF's new leased space in Baltimore City on its operating expenses and any net gain or loss incurred versus operating out of the Annapolis office.**

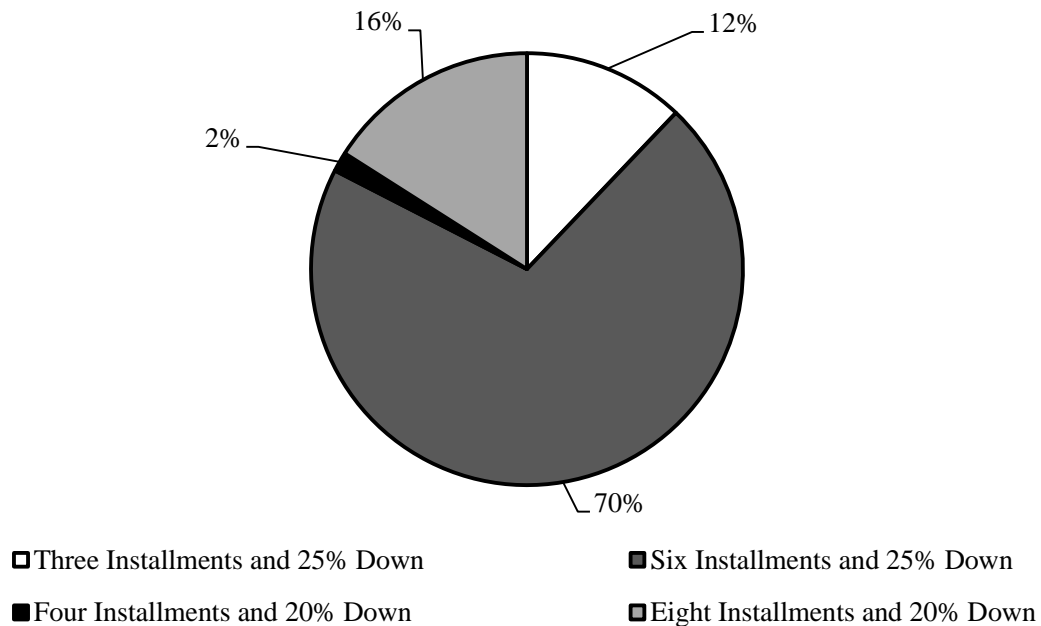
2. MAIF Installment Plan Subscription Rate Remains Low

MAIF was authorized to begin accepting installment payment plans on October 1, 2013, after the enactment of Chapter 334 of 2013. Previously, MAIF required either payment of a full year's premium or the acceptance of a loan agreement via a premium finance company (PFC). Current law allows four different payment plans depending on the value of the total annual premium. If the total annual premium is less than \$3,000, a policyholder may pay 25% of the premium and choose to make either three or six subsequent payments for the remainder. For policies with a total annual premium greater than or equal to \$3,000, policyholders may choose to pay 20% of the premium and make either four or eight subsequent payments for the remainder. Between October 1, 2013, and December 31, 2017, MAIF issued 2% of total policies under the installment plans; the other 98% of policyholders elected to pay the premium in full when they entered into the policy or used the services of a PFC. **Exhibit 9** shows this breakout in detail, as well as the percentage of policies issued using each of the MAIF installment plans.

Exhibit 9
Maryland Automobile Insurance Foundation
Insured Division Policies Issued
October 1, 2013, to December 31, 2017

PFC Financed	228,954	95.5%
Premium Paid in Full	5,926	2.5%
MAIF Installment Plan	4,853	2.0%
Total	239,733	100%

Out of the 4,853 Policyholders Who Utilized the MAIF Installment Plans to Pay Their Premium:



MAIF: Maryland Automobile Insurance Fund
PFC: Premium Finance Company

Source: Maryland Automobile Insurance Foundation

High Down Payment Likely Cause of Low Utilization

MAIF believes the high down payment required by statute – either 20% or 25%, depending on the premium for the policy – discourages use, particularly among lower income drivers. The typical plan offered by premium financing companies in the State requires a down payment of between 10%

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and 12%. However, while premium finance companies can offer a lower down payment, users are required to pay interest on the agreement as a service cost for the loan of the premium. This rate is statutorily capped at 1.15% for each 30-day period of the loan and may be collected in full in advance of payments on the premium loan principal, per Insurance Article § 23-304. As such, policyholders are subject to additional fees that can total hundreds of dollars and that are not assessed under a MAIF installment plan. MAIF reports that, for the time period and policies identified in the previous exhibit, PFC-financed policies were canceled at a rate of 55.1% and were in force for an average of 232 days compared to MAIF installment policies, which were canceled at a rate of 36.7% and in force for 288 days on average. **MAIF should comment on whether it supports legislation to alter the down payment requirement as well as policyholder experience utilizing the MAIF installment plans.**

Operating Budget Recommended Actions

1. Nonbudgeted.

Updates

1. 2017 Legislative Changes to MAIF’s Operation

Several pieces of legislation from the 2017 session of the General Assembly will result in key changes to MAIF’s operations in future years.

Chapter 509 of 2017

Chapter 509 made several changes to MAIF’s operations. The most significant changes include an exemption from paying the 2% tax assessed on insurance premiums paid in the State, a change to the “two turndown” rule, and authorization for MAIF to engage in the practice of competitive rating. MAIF will be exempt from paying the premium tax from January 1, 2018, through June 30, 2022; at that time, this section of Chapter 509 will sunset. Chapter 509 contains a reporting requirement related to the premium tax exemption to monitor the effect of the exemption on MAIF surplus funds and the premium rates offered by MAIF. In regard to modifications to the two turndown rule, Chapter 509 expands eligibility for an individual to obtain a MAIF policy beyond those individuals who have been denied coverage by two other insurers. While this is still one of the qualifying conditions, an individual may also qualify for a MAIF policy if they had a motor vehicle insurance policy previously but have been uninsured for a continuous period of at least 12 months immediately preceding the effective date of the policy. All other eligibility requirements such as ownership, licensure, and residency remain the same. Finally, MAIF may now file rates for its insurance and use these rates without the prior approval of the Insurance Commissioner. This process, known as competitive rating, was previously only available to authorized insurers in the private insurance industry. This process will allow MAIF to change and implement new rates for its policies with substantially less delay and is estimated to increase revenues for MAIF by \$400,000 per year.

Chapter 725 of 2017

Chapter 725 expressly authorizes a motor vehicle insurer, including MAIF, to reinstate a private passenger motor vehicle liability insurance policy that was canceled for nonpayment of a premium, without a lapse in coverage, under certain circumstances. The policy may only be reinstated if the policyholder pays the premiums owed to the insurer plus any reasonable fee approved by the Insurance Commissioner. The Insurance Commissioner must review the administrative expenses of an insurer associated with the reinstatements and may approve a fee that does not exceed (1) \$10 if charged by an insurer and (2) \$15 if charged by an insurance producer. Chapter 725 also increases the maximum amount a fund producer may charge an applicant for the cost of initially placing an automobile insurance policy with MAIF; producers may charge an applicant not more than \$25 plus \$1 more than the actual fee charged by the MVA for a driving record, versus the current maximum fee of \$10 plus \$1 more than the cost of a driving record from MVA.

**Appendix 1
Object/Fund Difference Report
Maryland Automobile Insurance Fund**

<u>Object/Fund</u>	<u>CY 16 Actual</u>	<u>CY 17 Working Projected</u>	<u>CY 18 Estimate</u>	<u>CY 17 - CY 18 Amount Change</u>	<u>Percent Change</u>
Objects					
01 Salaries and Wages	\$20,832,797	\$22,541,713	\$23,881,744	\$1,340,031	5.9%
02 Technical and Spec. Fees	7,251,864	8,069,833	6,086,058	-1,983,775	-24.6%
03 Communication	759,550	616,184	620,360	4,176	0.7%
04 Travel	97,414	\$82,792	123,137	40,345	48.7%
06 Fuel and Utilities	247,154	133,586	133,680	94	0.1%
07 Motor Vehicles	168,113	172,059	156,233	-15,826	-9.2%
08 Contractual Services	1,703,694	1,575,691	1,574,959	-732	0.0%
09 Supplies and Materials	126,095	120,528	124,160	3,632	3.0%
11 Equipment – Additional	142,355	78,493	504,456	425,963	542.7%
13 Fixed Charges	2,317,107	2,032,673	2,045,454	12,781	0.6%
14 Land and Structures	-26,235	690	0	-690	-100.0%
Total Objects	\$33,619,909	\$35,424,241	\$35,250,242	-\$173,999	-0.5%
Funds					
07 Nonbudgeted Fund	\$33,619,909	\$35,424,241	\$35,250,242	-\$173,999	-0.5%
Total Funds	\$33,619,909	\$35,424,241	\$35,250,242	-\$173,999	-0.5%

Note: The Maryland Automobile Insurance Fund operates on a calendar year basis. Numbers from 2017 will be finalized in March and are subject to change.

**Appendix 2
Fiscal Summary
Maryland Automobile Insurance Fund**

<u>Program/Unit</u>	<u>CY 16 Actual</u>	<u>CY 17 Projected</u>	<u>CY 18 Estimate</u>	<u>Change</u>	<u>CY 17 - CY 18 % Change</u>
42 Insured Division	\$30,700,963	\$32,257,807	\$31,579,083	-\$678,724	-2.1%
47 Uninsured Division	2,918,946	3,166,434	3,671,159	504,725	15.9%
Total Expenditures	\$33,619,909	\$35,424,241	\$35,250,242	-\$173,999	-0.5%
Nonbudgeted Fund	\$33,619,909	\$35,424,241	\$35,250,242	-\$173,999	-0.5%
Total Appropriations	\$33,619,909	\$35,424,241	\$35,250,242	-\$173,999	-0.5%

Note: The Maryland Automobile Insurance Fund operates on a calendar year basis. Numbers from 2017 will be finalized in March and are subject to change.