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Testimony of American Property Casualty Insurance Association (APCIA)

Senate Judicial Proceedings Committee

Senate Bill 373 Vehicle Laws – Suspension of Driver’s License or Vehicle Registration – Unpaid Judgments

February 10, 2021

Letter of Support

The American Property Casualty Insurance Association (APCIA) represents more than 1200 insurers and reinsurers that provide critically important insurance protection throughout the U.S. and world. Together, APCIA members write 60% of the property casualty insurance in the U.S. APCIA represents companies of all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe. In Maryland, our members write 66.6% of the property casualty insurance written in the state. APCIA appreciates the opportunity to provide written comments in support of Senate Bill 373.

Senate Bill 373 requires at the Motor Vehicle Administration, upon receiving notice from an insurance company on behalf of a judgement creditor, to suspend the license and registration of all vehicles owned by the judgement debtor. Insurers often attempt to collect amounts paid to their policyholders from at fault parties on uninsured motorists. This suspension tool assists insurer subrogation departments in recovering these payments, and directly offset loss costs, benefiting consumers.

The possibility that a driver’s license, or vehicle registrations could be suspended often leads to the debtor to repay the insurer or enter a payment plan, either of which averts the suspension. Without this change, a judgement creditor is forced to garnish wages.

For these reasons, the APCIA urges the Committee to provide a favorable report on Senate Bill 373.