



**MARYLAND**  
AUTO INSURANCE

**POSITION ON PROPOSED LEGISLATION**

**Date:** February 28, 2024

**Position:** Informational

**Bill Number:** House Bill 1129

**Bill Title:** Wildlife – Protections and Highway Crossings

**The Maryland Automobile Insurance Fund**

Maryland Automobile Insurance Fund (MAIF) was created in 1973 as the residual automobile insurer and is required to offer insurance to Maryland residents that have been turned down by two insurance companies or canceled or non-renewed by one. *Insurance Article §20-301.*

**House Bill 1129 Review and Analysis:**

House Bill 1129 requires the Department of Natural Resources, in collaboration the Maryland State Highway Administration, to conduct a statewide deer population survey and take various actions where the habitat or movement corridors of these species intersect with State Highways and bridges. To fund these activities the bill creates the Wildlife Highway Crossing Fund.

Revenue for the Fund relies in part on a \$10 annual wildlife-vehicle collision mitigation fee for each insured vehicle. This fee is collected from policyholders by insurers, including MAIF, and remitted to the Wildlife Highway Crossing Fund.

MAIF is concerned about the impact of House Bill 1129 both from a financial and a logistical standpoint. First, MAIF estimates that significant one-time computer programming will be approximately \$300,000 to \$400,000. Any interface with other State agencies or vendors may generate additional expenses. MAIF is already facing significant reductions in surplus and this cost will exacerbate this problem.

Second, the development and implementation of the vehicle fee collection process will take at least nine months. Therefore, MAIF will have difficulty in meeting the July 1, 2024, effective date.

Third and most importantly, House Bill 1129 creates complications to implement due to policy cancellations and non-renewals. The fee is an annual fee and therefore should be charged only once in any 12-month period. However, MAIF writes many policies for individuals who have been cancelled or non-renewed by other insurers. We would have no way of determining whether the fee had been paid to another insurer within the last 12 months. In addition, MAIF has a cancellation rate of 40% for non-payment. Many of the MAIF cancelled policyholders apply for a new policy within the year and frequently have multiple policies within the year. It would be very difficult to track the \$10 fee through various policy cycles.

In sum, House Bill 1129 poses financial and administrative difficulties for MAIF.

Please let us know if we can answer any questions.

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