


MARYLAND DEPARTMENT
OF TRANSPORTATION

MOTOR VEHICLE
ADMINISTRATION

Wes Moore
Governor
Aruna Miller
Lieutenant Governor
Paul J. Wiedefeld
Secretary
Christine Nizer
Administrator

February 8, 2024

The Honorable C.T. Wilson, Chair
House Economic Matters Committee
Annapolis, Maryland

The Honorable William C. Smith, Chair
Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401

Re: HB 229/SB 254 – Vehicle Laws – Motor Vehicle Insurance Companies – Requirements

Dear Chair Wilson and Chair Smith and Members of the Committees,

In response to comments from the bill hearings on HB 229 and SB 254, The Maryland Department of Transportation Motor Vehicle Administration (MVA) would like to offer the following comments:

The MVA recognizes that HB 229 /SB 254 represent a major change in the way that all insurance companies will report their business to the Administration. It will require technical resources from both individual insurers and the Administration working together to effect this change in insurance reporting. The MVA also acknowledges that information technology capabilities differ among individual insurers; therefore, the MVA recognizes that an effective date of January 1, 2025 may be more reasonable to provide additional time for compliance, and supports an amendment change to this effective date.

Even with a January 1, 2025 effective date, MVA further recognizes that there may be some technical and business process challenges for some of the insurance companies to comply with the requirements of the legislation. MVA understands that there must be flexibility in the transition from the old reporting system to the new reporting system that may extend beyond the implementation date for some companies. The MVA is committed to working to accommodate those individual companies.

In addition, the MVA is committed to consulting with all interested parties including representatives of the Insurance Industry Committee on Motor Vehicle Administration (IICMVA) for information and insight on other states' experience in implementing and administering an online verification system, the insurance associations, and individual companies. As part of the implementation, the MVA will ensure the new verification system will accommodate its application to large fleet commercial auto policies. The MVA recognizes industry buy-in is essential for the success of the new system and to provide the greatest benefit to Maryland drivers.

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The MVA expects a good faith compliance effort from all licensed automobile insurers in the State and commits to working together with our partners to build the new system and on the transition timeline with the shared goal of implementing this new system in an efficient way that will benefit the traveling public, law enforcement, and all other parties.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christine Nizer".

Christine Nizer
Administrator