

HOUSE BILL 130

C4

EMERGENCY BILL

4r1142

CF 4r1139

By: **Delegate Rudolph**

Introduced and read first time: January 13, 2014

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Insurance – Task Force to Study Methods to Reduce the Rate**
3 **of Uninsured Drivers**

4 FOR the purpose of establishing the Task Force to Study Methods to Reduce the Rate
5 of Uninsured Drivers; providing for the composition, cochairs, and staffing of
6 the Task Force; prohibiting a member of the Task Force from receiving certain
7 compensation, but authorizing the reimbursement of certain expenses;
8 requiring the Task Force to study and make recommendations regarding certain
9 matters; requiring the Task Force to report its preliminary and final findings
10 and recommendations to certain committees of the General Assembly on or
11 before certain dates; making this Act an emergency measure; providing for the
12 termination of this Act; and generally relating to the Task Force to Study
13 Methods to Reduce the Rate of Uninsured Drivers.

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

16 (a) There is a Task Force to Study Methods to Reduce the Rate of Uninsured
17 Drivers.

18 (b) The Task Force consists of the following members:

19 (1) two members of the Senate of Maryland, appointed by the
20 President of the Senate;

21 (2) two members of the House of Delegates, appointed by the Speaker
22 of the House;

23 (3) the Maryland Insurance Commissioner, or the Commissioner's
24 designee;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (4) the Motor Vehicle Administrator, or the Administrator's designee;
- 2 (5) the Secretary of State Police, or the Secretary's designee;
- 3 (6) the Executive Director of the Maryland Automobile Insurance
4 Fund, or the Executive Director's designee;
- 5 (7) the Executive Director of the Job Opportunities Task Force, or the
6 Executive Director's designee; and
- 7 (8) the following members, appointed by the Governor:
- 8 (i) three representatives of the private passenger motor vehicle
9 insurance industry;
- 10 (ii) a representative of a consumer advocacy organization;
- 11 (iii) two representatives of motor vehicle insurance producers;
12 and
- 13 (iv) a member of a nonprofit national motor club member
14 organization.
- 15 (c) (1) The President of the Senate shall designate the Senate cochair of
16 the Task Force.
- 17 (2) The Speaker of the House of Delegates shall designate the House
18 cochair of the Task Force.
- 19 (d) (1) The Department of Legislative Services shall provide staff for the
20 Task Force.
- 21 (2) The Motor Vehicle Administration and the Maryland Insurance
22 Administration shall provide staff assistance.
- 23 (e) A member of the Task Force:
- 24 (1) may not receive compensation as a member of the Task Force; but
- 25 (2) is entitled to reimbursement for expenses under the Standard
26 State Travel Regulations, as provided in the State budget.
- 27 (f) The Task Force shall study and make recommendations regarding:
- 28 (1) (i) the rate of uninsured drivers in the State and other states
29 and the ways in which the rate is calculated by the Motor Vehicle Administration and
30 other entities; and

1 (ii) the impact on calculating the rate of uninsured drivers in
2 the State of insurers reinstating the insurance coverage of a driver, from the inception
3 of the policy term, after the driver pays any delinquent insurance premiums and
4 applicable fines, although the Motor Vehicle Administration considers the driver to be
5 uninsured during the period of lapsed coverage;

6 (2) the deterrents and incentives that are used in the State and in
7 other states, or that could be used in the State, to reduce the rate of uninsured drivers,
8 including:

9 (i) the imposition of, or an increase in, fines and penalties on
10 uninsured drivers and how money from the fines and penalties collected is used, or
11 could be used, to reduce the rate of uninsured drivers;

12 (ii) a requirement that a minimum fine or penalty, and
13 reimbursement to the State for towing expenses, not be waived;

14 (iii) the implementation of an insurance verification system that
15 verifies the purchase of insurance on a motor vehicle at the time the motor vehicle is
16 registered with the Motor Vehicle Administration;

17 (iv) a requirement that a driver carry a card that shows evidence
18 of insurance on the motor vehicle the driver is driving;

19 (v) the implementation of a police insurance verification system
20 that links a license plate database to motor vehicle insurers databases;

21 (vi) the education of drivers, at the time of initial drivers'
22 licensure, about the legal requirement to purchase insurance; and

23 (vii) making the act of knowingly presenting a false or otherwise
24 invalid evidence of insurance an offense under the Maryland Vehicle Law;

25 (3) methods to reduce the cost of insurance, including:

26 (i) the implementation of an insurance plan with lower
27 required coverages for specified low-income individuals;

28 (ii) the expansion of the personal injury protection waiver; and

29 (iii) the implementation of a pay-as-you-drive insurance plan;
30 and

31 (4) any other relevant issue identified by the Task Force.

HOUSE BILL 130

1 (g) (1) On or before December 31, 2014, the Task Force shall report its
2 preliminary findings and recommendations, including any proposed legislation, to the
3 Senate Finance Committee and the House Economic Matters Committee, in
4 accordance with § 2–1246 of the State Government Article.

5 (2) On or before December 31, 2015, the Task Force shall report its
6 final findings and recommendations, including any proposed legislation, to the Senate
7 Finance Committee and the House Economic Matters Committee, in accordance with §
8 2–1246 of the State Government Article.

9 SECTION 2. BE IT FURTHER ENACTED, That this Act is an emergency
10 measure, is necessary for the immediate preservation of the public health or safety,
11 has been passed by a ye and nay vote supported by three–fifths of all the members
12 elected to each of the two Houses of the General Assembly, and shall take effect from
13 the date it is enacted. It shall remain effective through December 31, 2015, and, at the
14 end of December 31, 2015, with no further action required by the General Assembly,
15 this Act shall be abrogated and of no further force and effect.