

Chapter 41

(Senate Bill 153)

AN ACT concerning

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

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

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

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

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

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

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

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

(4) the Motor Vehicle Administrator, or the Administrator's designee;

(5) the Secretary of State Police, or the Secretary's designee;

(6) the Executive Director of the Maryland Automobile Insurance Fund, or the Executive Director's designee;

(7) the Executive Director of the Job Opportunities Task Force, or the Executive Director's designee; and

(8) the following members, appointed by the Governor:

(i) three representatives of ~~the~~ companies that write private passenger motor vehicle insurance ~~industry~~;

(ii) a representative of a consumer advocacy organization;

(iii) two representatives of motor vehicle insurance producers; ~~and~~

(iv) a member of a nonprofit national motor club member organization; and

(v) one member of the Bar of the Court of Appeals of Maryland who represents plaintiffs in private passenger motor vehicle insurance cases.

(c) (1) The President of the Senate shall designate the Senate cochair of the Task Force.

(2) The Speaker of the House of Delegates shall designate the House cochair of the Task Force.

(d) (1) The Department of Legislative Services shall provide staff for the Task Force.

(2) The Motor Vehicle Administration and the Maryland Insurance Administration shall provide staff assistance.

(e) A member of the Task Force:

(1) may not receive compensation as a member of the Task Force; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Task Force shall study and make recommendations regarding:

(1) (i) the rate of uninsured drivers in the State and other states and the ways in which the rate is calculated by the Motor Vehicle Administration and other entities; and

(ii) the impact on calculating the rate of uninsured drivers in the State of insurers reinstating the insurance coverage of a driver, from the inception

of the policy term, after the driver pays any delinquent insurance premiums and applicable fines, although the Motor Vehicle Administration considers the driver to be uninsured during the period of lapsed coverage;

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

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

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

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

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

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

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

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

(3) methods to ~~reduce~~ lower the cost of insurance, as a way to reduce the rate of uninsured drivers and promote economic and job opportunities associated with vehicle ownership, including:

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

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

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

(iv) the use of safe driving and other discounts that private passenger motor vehicle insurers may offer to their policyholders; and

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

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

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

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

Approved by the Governor, April 8, 2014.