

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor



Maryland

INSURANCE ADMINISTRATION

AL REDMER, JR.
Commissioner

JAY A. COON
Deputy Commissioner

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2408 Fax: 410-468-2020
Email: Michael.paddy@maryland.gov
www.insurance.maryland.gov

**TESTIMONY OF
THE
MARYLAND INSURANCE ADMINISTRATION
BEFORE THE
HOUSE ECONOMIC MATTERS COMMITTEE**

MARCH 4, 2020

**HOUSE BILL 1142 – COMMERCIAL LAW – RENTAL MOTOR VEHICLES
COLLISION DAMAGE WAIVERS**

POSITION: SUPPORT

Thank you for the opportunity to provide written testimony in support of House Bill 1142. This bill will close an existing loop hole in consumer protection laws with respect to Collision Damage Waivers (“CDW”). Specifically, the bill will extend the same consumer protections with respect to the purchase of a CDW to those who rent Class E trucks for non-commercial use as the law presently provides for the rental of an automobile.

In 2019, the Maryland Insurance Administration (“MIA”) received a consumer complaint from an individual who rented a Class E truck, which does not require a special license to operate, in order to move personal belongings. Following a single vehicle accident in which the rental vehicle sustained significant damage, the rental company pursued the renter for over \$42,000 in damages and collection fees, despite the fact that the renter had purchased a CDW with a \$0 responsibility feature.

During the consumer complaint investigation, the MIA’s review of the Commercial Law Article brought to light the fact that existing CDW consumer protections do not apply to rentals of Class E trucks. Although the MIA was able to obtain a favorable result for this consumer, we were hampered in that effort by this gap in the existing statute. Because CDWs are not considered “insurance,” the MIA brought this situation to the attention of the Office of the Attorney General’s Consumer Protection Division (“OAGCPD”) resulting in this important bill.

The MIA strongly supports House Bill 1142 and respectfully urges a favorable report.