

SENATOR DELORES G. KELLEY  
*Legislative District 10*  
Baltimore County

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*Chair*  
Finance Committee

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Executive Nominations Committee  
Rules Committee  
Legislative Policy Committee



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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**TESTIMONY OF SENATOR DELORES G. KELLEY**

**REGARDING SENATE BILL 165 - INSURANCE - INDUSTRY AUTOMOBILE  
INSURANCE ASSOCIATION - BOARD OF DIRECTORS**

**BEFORE THE SENATE FINANCE COMMITTEE**

**ON FEBRUARY 12, 2020**

**Mr. Vice Chair and Members:**

**Senate Bill 165 amends §20-403 of the Insurance Article. It involves the Board of Directors of the Industry Automobile Insurance Association (the IAIA) – essentially a trade association. That Board of Directors was created in 1976 to administer, in cooperation with the Maryland Insurance Commissioner, any Maryland Automobile Insurance Fund (MAIF) assessment. If the Board receives certification of a Maryland Auto assessment, it provides notice to, and collects the assessment from, all insurers licensed to write motor vehicle**

**insurance in the State. There has not been a MAIF assessment certified since 1989, and there will not be a MAIF assessment this year.**

**The membership of the IAIA board is selected from enumerated organizations. Currently, it is composed of nine members which includes two nominated by the American Insurance Association (AIA) and two by the Property Casualty Insurers Association of America (PCI). These two organizations have merged. Following the merger, the new association was named American Property Casualty Insurance Association (APCIA). The merger rendered the existing statutory language outdated and in need of revision.**

**This bill only does one thing. It updates the statute to reflect the merger. The Board has requested our help in getting the statute amended so the new association receives the four nominations in lieu of the current language.**

**I therefore ask for your favorable report of SB 165.**