



MARYLAND
AUTO INSURANCE

TESTIMONY – House Bill 416

Date: March 1, 2022

Position: Favorable

Bill Number: House Bill 416 – State Government – Quasi-Governmental Units – Oversight and Governance

House Bill 416 Review and Analysis

House Bill 416 applies to thirteen quasi-governmental units, including Maryland Automobile Insurance Fund (MAIF), and requires:

- An annual performance appraisal of the Executive Director by the MAIF Board.
- A full and detailed budget submission by MAIF to the Department of Budget and Management (DBM) using their format.
- A budget hearing at least every 2 years before the Budget Committees of the General Assembly.
- An assessment of the Board's operations by an independent consultant or accountant every 5 years, submit the assessment to the Governor and General Assembly, and post the assessment on the MAIF website. and
- An evaluation of MAIF by the Department of Legislative Services at least once every eight years.

House Bill 416 enacts the recommendations State Transparency and Accountability Reform (STAR) Commission. MAIF fully participated in the extensive STAR Commission proceedings and embraces the goals of the Commission.

MAIF currently complies with most of the provisions of House Bill 416: the MAIF Board annually conducts a performance appraisal of the MAIF Executive Director; MAIF submits its annual budget to DBM in their format; MAIF participates in annual Senate and House Budget Subcommittee hearings and MAIF's external auditor performs a limited review of the Board's governance.

To comply with House Bill 416, MAIF will need to hire an independent consultant or accountant to perform an assessment of MAIF's Board operations. Posting the assessment on our website can be handled with existing personnel resources.

Conclusion

For these reasons, urges a favorable report on House Bill 416.

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