



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**HB 903: Insurance -- Maryland Automobile Insurance Fund – Assessments**

**Position: FAVORABLE**

Since 1973, Maryland Automobile Insurance Fund has ensured high-risk drivers that private insurance companies are unwilling to insure, or insured Maryland residents unable to obtain insurance in the private market.

One of the funding mechanisms for MAIF has been assessments on private insurance companies, which insurers are allowed to recoup from their policyholders.

Since 1989, over \$10 million has been over-recouped from policyholders by insurance companies, resulting in overpayment credits that are in a MAIF account, but which cannot be used as a surplus, and thus have never been used. Private insurance companies have not been assessed since 1989.

Due to multiple factors, MAIF has experienced a decline in their surplus over the last two decades. In most of the last twenty years, they have operated at a net loss. A private passenger assessment is imminent.

HB 903 is a highly technical bill. I would like to draw your attention to a few of the main things it does:

1. It allows MAIF to access the over \$10 million in overpayment credits
2. It assesses insurance carriers and policyholders.
3. It alters the allocation of uninsured motorist penalty fines to give MAIF 20% of those fines.
4. Simplifies the assessment process and avoids overpayment credits in the future.

I have assembled a panel of experts who can answer your technical questions.