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The Honorable C.T. Wilson
Chairman, House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401

RE: House Bill 721 - Motor Vehicle Insurance – Insurance Identification Card – Multiple Named Insureds - UNF

Dear Chairman Wilson and Members of the House Economic Matters Committee,

On behalf of the Maryland Association of Mutual Insurance Companies (MAMIC), we respectfully oppose House Bill 721.

MAMIC is comprised of 12 mutual insurance companies that are headquartered both in Maryland and in neighboring states. Together, MAMIC members offer a wide variety of homeowners and other insurance products, both personal and commercial, for thousands of Maryland citizens. MAMIC members are a key component of the property and casualty insurance industry that serves Maryland.

The use of insurance identification cards, which are paper records showing certain information on a motor vehicle liability insurance policy at a particular point in time, has been a requirement under Maryland law for some years. Nevertheless, it is undeniably true that insurance ID cards can be out of date, and therefore ineffective, as soon as they are printed. A common example of this phenomenon is where an insurance policy is terminated shortly after issuance of an ID card. The subject of automobile insurance ID card usage has been under relatively constant scrutiny by the Maryland Insurance Administration, the Motor Vehicle Administration and the Maryland General Assembly for years, all in an effort to verify vehicle insurance coverage in real time. The real answer, of course, is actual real time verification by law enforcement officers. Such systems exist in states other than in Maryland.

House Bill 721 takes the largely ineffective public policy of an ID card mandate and makes it even more complicated. Rather than the requirement that an ID card name only a first named insured, which is current law, the bill would require at a minimum the naming of all named insureds on the policy. Because named insureds can change frequently, the “out of date” problem cited above becomes even greater.

Another problem is the apparent application of House Bill 721 to commercial motor vehicle insurance as well as personal motor vehicle insurance. Many commercial policies do not maintain a list of named insureds. Instead, they cover named vehicles which can be operated by a number of different individuals. It would be difficult, if not impossible, to impose the requirements of House Bill 721 in the commercial motor vehicle insurance market.

Finally, there is no underlying factual predicate of which we are aware that would indicate a need for the changes proposed under House Bill 721. While proof of insurance is important, it has long been demonstrated that physical records such as ID cards are an ineffective means of doing so.

For these reasons, MAMIC respectfully requests an unfavorable report on House Bill 721.

Very truly yours,



Bryson F. Popham