

FINANCE COMMITTEE

HB 721: Motor Vehicle Insurance – Insurance Identification Card – Multiple Named Insureds

UNFAVORABLE

February 16, 2023

Chairman Wilson and Members of the House Economic Matters Committee:

On behalf of the National Association of Mutual Insurance Companies¹ (NAMIC) thank you for the opportunity to submit this statement to express concerns with House Bill 721.

NAMIC consists of more than 1,500 member companies, including seven of the top 10 property/casualty insurers in the United States. The association supports local and regional mutual insurance companies on main streets across America as well as many of the country's largest national insurers.

The use of insurance identification cards, which provide certain information on a motor vehicle liability insurance policy at a point in time, has been a requirement under Maryland law for many years. House Bill 721 takes the ID card mandate and makes it more complicated. There are two primary concerns identified below:

Commercial Auto Insurance

The primary concern with this bill is the impact to the commercial auto insurance market. 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.

Programming Concerns

A secondary concern for all lines of insurance is the programming challenges this bill could create for companies. The amount of work needed to comply with this legislation would be a significant undertaking and additional time would be necessary in order to comply with this proposal, should it become law.

While proof of insurance is important, there is no underlying problem identified that would indicate a need for the changes proposed with this bill; therefore, NAMIC respectfully requests an unfavorable report on House Bill 721.

Sincerely,



Matthew Overturf, Regional Vice President
Ohio Valley/Mid-Atlantic Region

¹ NAMIC member companies write \$357 billion in annual premiums and represent 69 percent of homeowners, 56 percent of automobile, and 31 percent of the business insurance markets. Through its advocacy programs NAMIC promotes public policy solutions that benefit member companies and the policyholders they serve and fosters greater understanding and recognition of the unique alignment of interests between management and policyholders of mutual companies.