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February 26, 2024

The Honorable Brian J. Feldman
Chair, Senate Education, Energy, and the Environment Committee
2 West, Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 902 – Wildlife – Protections and Highway Crossings - UNFAVORABLE

Dear Chair Feldman and Member of the Committee,

On behalf of the Maryland Association of Mutual Insurance Companies (MAMIC), we respectfully oppose Senate Bill 902.

MAMIC is comprised of 12 mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of our members are domiciled in Maryland, and are key contributors and employers in our local communities. Together, MAMIC members offer a wide variety of insurance products and services and provide coverage for thousands of Maryland citizens.

MAMIC wishes to make it clear to the Committee that it does not oppose the substantive policy established by Senate Bill 902. Rather, it is the funding mechanism to which we object. Under the bill, a new Section is created in the Transportation Article to “establish and collect an annual wildlife-vehicle collision mitigation fee for each vehicle” that it insures. That Section also requires a new process by which fees collected by an insurer are remitted to a new Wildlife Highway Crossing Fund” established in the Natural Resources Article.

Generally, such fees are closely related to their subject. Under this legislation, wild animal collisions have only a remote connection to the insurance on the vehicle involved. That is why, for example, when the State acted a number of years ago to provide additional funding for emergency medical services related to traumatic injury, a principal cause of such injuries was motor vehicle accidents, and the State imposed a surcharge on motor vehicle registrations as a result. There is no such nexus between wild animal collisions and insurance on a vehicle.

Equally concerning is the fact, described in the fiscal note, that administrative costs may consume a substantial portion of the mitigation fee created under the bill. The fiscal note states that automobile insurers “may face significant administrative difficulties in collecting . . . the mitigation fee.” The fiscal also cites the phenomenon that “policyholders regularly switch insurance carriers in the middle of the year.” This means that it will be difficult for insurers to determine whether a new customer has already paid the fee.

For these reasons, MAMIC respectfully requests an unfavorable report on Senate Bill 902.

Sincerely,

Jeane A. Peters, President

cc: Bryson Popham