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Legislative District 15  
Montgomery County

Economic Matters Committee

*Chair*

Property and Casualty Insurance  
Subcommittee



The Maryland House of Delegates  
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## THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Senator Pamela Beidle  
Chairwoman, Senate Finance Committee  
Miller Senate Office Building – 3 East  
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Chair Beidle,

I am writing in favor of HB 1482 – Insurance – Maryland Automobile Insurance Fund – Uninsured Driving Penalties.

The Maryland Automobile Insurance Fund (MAIF) was established in 1973 by the Maryland General Assembly with two separate functions. First, to sell automobile liability insurance to Marylanders who are unable to obtain it privately.<sup>1</sup> In order to qualify for insurance from the fund, a driver must have been rejected from at least two private insurers or have had automobile insurance canceled or not renewed by one private auto insurer. The second function of MAIF is the Uninsured Division which administers the state's program to provide financial recovery to Maryland residents who are innocent victims in automobile accidents where there is no collectible insurance.<sup>2</sup> As an independent and non-budgeted agency, the Fund receives no General Funds from the state, meaning current fund assets derive from insurance premiums and uninsured motorists.<sup>3</sup>

In Maryland, all vehicles must be insured at all times by a vehicle insurance company licensed in the state.<sup>4</sup> Recent study from the Insurance Information Institute found that 12.6% of all drivers in the United States have no insurance at all. Approximately 14.1% of Maryland drivers are uninsured.<sup>5</sup> In the case of motor vehicle accidents, uninsured drivers are unable to cover the costs of damages they may have caused in accidents, leaving the financial burden on insured drivers.

HB 1482 alters penalties for failing to maintain certain required security for certain motor vehicles. More specifically, this bill increases the original penalty for uninsured driving to \$200,

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<sup>1</sup> Maryland Automobile Insurance Fund," Maryland State Archives , July 28, 2023, <https://msa.maryland.gov/msa/mdmanual/25ind/html/07autof.html>.

<sup>2</sup> "Resources for Uninsured Marylanders," Maryland Auto Insurance, September 1, 2021, <https://www.mymarylandauto.com/site/resources-for-uninsured-marylanders/>.

<sup>3</sup> Transportation Vehicle Laws, §17-106., (Md.2018).

<sup>4</sup> "Insurance Requirements for Maryland Vehicles ," Maryland Department of Transportation Motor Vehicle Administration, n.d., <https://mva.maryland.gov/vehicles/Pages/insurance-requirements.aspx#:~:text=All%20Maryland%20vehicles%20MUST%20be,for%20%20or%20more%20people.>

<sup>5</sup> "Facts + Statistics: Uninsured Motorists," Insurance Information Institute , 2019, <https://www.iii.org/fact-statistic/facts-statistics-uninsured-motorists>.

followed by a rate of \$10 for each additional day after the 30th day. Additionally, this bill would adjust the amount of the penalties that are required to be paid yearly to the Maryland Auto Insurance Fund. The amount distributed to MAIF shall equal the amount distributed to MAIF in the previous fiscal year, with an additional \$3 million dollars in fiscal year 2025 for the exclusive use of the Uninsured Division.

By passing this bill, we can ensure that victims of automobile accidents are being adequately compensated for their losses. By altering penalties for uninsured drivers, Maryland promotes accountability and encourages people to obtain the necessary insurance coverage to protect themselves and others on our roads.