



Testimony of

American Property Casualty Insurance Association (APCIA)

Senate Judicial Proceedings Committee

Senate Bill 254- Vehicle Laws-Motor Vehicle Insurance Companies-Requirements

February 6, 2024

Support with Amendments

The American Property Casualty Insurance Association (APCIA) is a national trade organization whose members write approximately 55.2% of the personal auto insurance market and 75.7% of the commercial auto insurance market in Maryland. We thank the Motor Vehicle Administration (MVA) for submitting this legislation. The bill will require all insurers to participate in the MVA's online verification program and electronically provide MVA with all active policies in the format and at interval required by the MVA which would be a book of business transfer.

We have met with the MVA and discussed these changes and are working with the Insurance Industry Committee on Motor Vehicle Administration (IICMVA) with the implementation. The IICMVA is a technical advisory group made up of insurance industry professionals whose primary areas of focus include compulsory insurance reporting. It acts as a liaison between state motor vehicle departments and member insurance companies.

Several companies will need additional time to implement the new requirement and APCIA asks for an extension of the effective date while MVA develops technical aspects to implement this book of transfer program. There is also concern for insurers who provide insurance for large commercial risks who have large fleet policies that are provided on an audited basis. Based on this information, the APCIA requests the following amendments:

1. Change the effective date of the bill to January 1, 2025; and
2. Provide in the uncodified language the following:

“SECTION 2. AND BE IT FURTHER ENACTED, That in developing the format and transmission intervals of the information required to be provided under Subsection (c)(3) of this Act, the Administration shall consult with representatives of the Insurance Industry Committee on Motor Vehicle Administration (IICMVA) for information and insight on other states' experience in implementing and administering an online verification system and reviewing the verification system to accommodate its application to large fleet commercial auto policies for commercial insureds.”

With these amendments, APCIA urges the Committee to provide a favorable report on Senate Bill 254.

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