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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Maryland General Assembly – 2026 Session

TESTIMONY IN SUPPORT OF HOUSE BILL 1387

**Maryland Automobile Insurance Fund – Fund Producer Minimum Commission –
Repeal**

Chair Bartlett, Vice Chair Davis, and Members of the Judiciary Committee, thank you for the opportunity to present House Bill 1387.

House Bill 1387 amends Insurance Article § 20-512 to update the statutory commission structure applicable to the Maryland Automobile Insurance Fund. As introduced, the bill removes the statutory 10% minimum commission requirement while retaining the existing 15% maximum.

Maryland Auto operates pursuant to Insurance Article § 20-301 and fulfills a defined public purpose — ensuring access to required automobile insurance coverage for Maryland residents who are unable to obtain coverage in the private market. In carrying out that mission, the Fund must operate within a statutory framework that supports sound governance, financial stability, and responsible expense management.

Under current law, Maryland Auto is bound by a commission structure that includes both a statutory minimum (10%) and maximum (15%). The existing framework has remained in place for years, despite significant changes in the insurance marketplace and the manner in which policies are issued and serviced.

This legislation provides Maryland Auto with greater flexibility to manage this operating expense while maintaining the existing statutory safeguard on commissions. Allowing the Fund to manage these expenses more effectively supports responsible operations and strengthens its ability to continue fulfilling its statutory mission.

This is a measured and deliberate statutory update that modernizes the commission framework while preserving appropriate protections and maintaining the important role producers play in assisting Maryland drivers.

For these reasons, I respectfully request a favorable report on House Bill 1387.