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Date: March 10, 2026

Bill # / Title: House Bill 1583 - Private Passenger Motor Vehicle Insurance - Fairness and Affordability Study

Committee: House Judiciary Committee

Position: Support

The Maryland Insurance Administration (MIA) appreciates the opportunity to share its support for House Bill 1583, which is a Departmental bill.

House Bill 1583 would implement a recommendation by the workgroup that studied and reported on issues relating to the affordability of private passenger automobile insurance pursuant to 2025 Maryland Laws Ch. 395. Specifically, this bill would implement a recommendation for further study of how the General Assembly could establish an equitable and sustainable low-cost auto program or economic relief credit program to reduce the cost of private passenger automobile insurance for low-income drivers in the State.

The study and report mandated under House Bill 1583 would be carried out by a workgroup mirroring the workgroup established under 2025 Maryland Laws Ch. 395. The workgroup would be chaired by the Insurance Commissioner and include a member of the Senate Finance Committee, a member of the House Judiciary Committee, the Executive Director of the Maryland Automobile Insurance Fund, a representative of a consumer advocacy group that is active in the area of auto insurance, a representative of auto insurers, and a representative of auto insurance producers.

The workgroup study proposed under House Bill 1583 would consider:

- Whether a low-cost auto program or economic relief credit program should be open to income-eligible residents with good driving records who are able to obtain coverage on the voluntary market, or limited to high-risk drivers insured through the Maryland Automobile Insurance Fund;
- Whether and how coverage types and coverage limits for policies offered through a low-cost auto program should be constrained to control program costs;
- Appropriate eligibility criteria for coverage through a low-cost auto program, such as having:

- Individual or household income below a certain threshold;
- A good driving record or being a new driver; and/or
- A vehicle valued below a certain amount;
- Whether a low-cost auto program should be completely self-funded via adequate rates and surcharges paid by its policyholders, or if a supplemental funding source should be designated;
- The appropriate entity to administer a low-cost auto program or economic relief credit program; and
- How an economic relief credit program should be funded.

The cost of private passenger automobile insurance is a major public concern because it is a mandatory expense for all drivers in the State. The study required under House Bill 1583 would provide the General Assembly with the information it needs to determine how to structure a program that makes essential automobile insurance coverage affordable for eligible low-income drivers. Such a program would help eligible low-income residents comply with State insurance laws and may reduce the number of uninsured drivers on Maryland roads, potentially reducing uninsured motorist claim costs and positively affecting auto insurance premium rates at large.

For the reasons set forth above, the MIA respectfully requests a favorable committee report on House Bill 1583 and thanks the Committee for the opportunity to share its support.