

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 721
Economic Matters

(Delegate Wilkins, *et al.*)

Motor Vehicle Insurance – Insurance Identification Card – Multiple Named Insureds

This bill requires a motor vehicle liability insurer, if a motor vehicle liability insurance policy has more than one named insured, to issue either an insurance identification card that indicates all named insureds on the policy or separate insurance identification cards for each named insured on the policy. The identification card(s) must be provided on request of a named insured and at each policy renewal.

Fiscal Summary

State Effect: Any enforcement activity required by the Maryland Insurance Administration can likely be handled using existing budgeted resources. Revenues are not affected.

Maryland Automobile Insurance Fund (MAIF) Effect: The bill does not materially affect MAIF operations or finances; MAIF currently lists all named insureds on the insurance card it provides to its policyholders.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Maryland law requires an owner of a motor vehicle that is required to be registered in the State to maintain insurance for the vehicle during the registration period. The mandatory minimum coverage for private passenger motor vehicles is specified by State law.

An insurer that issues, sells, or delivers a motor vehicle liability insurance policy in the State must provide an insurance identification card when the policy is initially issued and at each renewal. The card must indicate (1) the first named insured on the motor vehicle liability insurance policy; (2) the motor vehicle covered; and (3) the period for which coverage under the policy is in effect. If the insurer and insured both agree, the identification card can be produced in an electronic format. Generally, an insurance identification card is valid only for the period for which motor vehicle liability insurance coverage has been paid by an insured. However, if the insured is on an insurer-sponsored payment plan or has financed premiums through a premium finance company, the insurance identification card may be issued for periods of six months even if the payment by the insured is for a period of less than six months.

Chapters 401 and 402 of 2016 require the driver of a motor vehicle to carry evidence of required security (generally, proof of insurance or an insurance identification card) while operating the vehicle. A person who violates this requirement is subject to a fine of \$50, which may be waived but, if collected, must be deposited into the Uninsured Motorist Education and Enforcement Fund, which was also created by those acts.

Additional Comments: This analysis assumes that the *insurer* is able to choose whether to provide an identification card with all named insureds on the policy or separate identification cards for each named insured. To the extent the bill is intended to allow the *insured* to choose, MAIF experiences significant reprogramming costs to allow its system to issue separate identification cards.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 892 (Senator Smith) - Rules.

Information Source(s): Maryland Insurance Administration; Maryland Automobile Insurance Fund; Department of Legislative Services

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km/jc

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