

HOUSE BILL 816

C4

6lr2702
CF SB 469

By: **Delegates Taylor, Addison, Amprey, Boafu, Fennell, Harrison, Lewis, Phillips, Ruff, Smith, Stinnett, Toles, Turner, Wims, ~~and Young~~ Young, Simmons, Moreno, and Conaway**

Introduced and read first time: February 4, 2026
Assigned to: Environment and Transportation
Reassigned: Judiciary, February 6, 2026

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 9, 2026

CHAPTER _____

1 AN ACT concerning

2 **Maryland Automobile Insurance Fund – Affordability** ~~– Purpose of Fund and~~
3 ~~Authorized Program~~ **Program and Industry Automobile Insurance Association**
4 **Assessments**

5 FOR the purpose of ~~altering the purpose of the Maryland Automobile Insurance Fund to~~
6 ~~specify that the financial security provided by the Fund be provided at rates that are~~
7 ~~affordable; altering the cap on a certain assessment allocation percentage required~~
8 ~~to be calculated by the Board of Directors of the Industry Automobile Insurance~~
9 ~~Association; authorizing the Executive Director of the Maryland Automobile~~
10 ~~Insurance Fund to establish a certain affordability program subject to certain~~
11 ~~requirements and modification under certain circumstances; and generally relating~~
12 to the Maryland Automobile Insurance Fund.

13 BY repealing and reenacting, without amendments,
14 Article – Insurance
15 Section 20–101(a), (b), (d), (f), and (g) and 20–507(a), (c), and (e)
16 Annotated Code of Maryland
17 (2017 Replacement Volume and 2025 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Insurance
20 Section ~~20–301(a)~~ 20–405(d) and 20–507(b)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland
2 (2017 Replacement Volume and 2025 Supplement)

3 BY adding to
4 Article – Insurance
5 Section 20–521
6 Annotated Code of Maryland
7 (2017 Replacement Volume and 2025 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
9 That the Laws of Maryland read as follows:

10 **Article – Insurance**

11 20–101.

12 (a) In this title the following words have the meanings indicated.

13 (b) “Association” means the Industry Automobile Insurance Association.

14 (d) “Board of Directors” means the Board of Directors of the Association.

15 (f) “Executive Director” means the Executive Director of the Fund.

16 (g) “Fund” means the Maryland Automobile Insurance Fund.

17 ~~20–301.~~

18 (a) ~~The purpose of the Fund is to provide the financial security required under §~~
19 ~~17–103 of the Transportation Article AT AFFORDABLE RATES to those eligible persons~~
20 ~~that are unable to obtain it from an Association member.~~

21 20–405.

22 (d) (1) The Board of Directors shall calculate assessment allocation
23 percentages for commercial auto and private passenger auto divisions by dividing the most
24 recent certified assessment for commercial auto and private passenger auto divisions by
25 the total of:

26 (i) the respective aggregate net direct written premiums obtained
27 under subsection (c) of this section; and

28 (ii) the respective total net direct written premiums of the Fund for
29 the same period.

30 (2) The assessment allocation percentage for the private passenger auto
31 division may not exceed [3%] 1%.

1 20-507.

2 (a) Subject to the authority of the Commissioner to determine whether rates are
3 excessive, inadequate, or unfairly discriminatory, as provided in Title 11, Subtitle 2 or
4 Subtitle 3 of this article, the Executive Director shall determine the premiums to be charged
5 on policies issued by the Fund.

6 (b) (1) Except as provided in subsections (c) and (d) of this section, the
7 provisions of Title 11, Subtitle 3 of this article apply to the determination of premiums by
8 the Executive Director and the filing of rates with the Commissioner.

9 (2) Notwithstanding Title 11, Subtitle 2 or Subtitle 3 of this article or any
10 other provision of this title, the Executive Director may:

11 (I) base premiums on one or both of the following items:

12 [(i)] 1. the number of points accumulated by an insured or
13 applicant for insurance under the point system provided for in Title 16, Subtitle 4 of the
14 Transportation Article; or

15 [(ii)] 2. the prior claims experience of an insured or applicant for
16 insurance; AND

17 (II) ESTABLISH AN AFFORDABILITY PROGRAM ~~THAT MAY~~
18 ~~OTHERWISE BE CONSIDERED INCONSISTENT WITH TITLE 11, SUBTITLE 2 OR~~
19 ~~SUBTITLE 3 OF THIS ARTICLE IN ACCORDANCE WITH § 20-521 OF THIS SUBTITLE.~~

20 (c) The provisions of Title 11, Subtitle 2 of this article apply to the determination
21 of premiums by the Executive Director and the filing of rates with the Commissioner:

22 (1) between July 1, 2025, and December 31, 2025, both inclusive; and

23 (2) beginning January 1, 2026, if the Fund's total adjusted capital is less
24 than the amount required under § 20-306(c) of this title.

25 (e) In reviewing rates filed by the Fund, the Commissioner shall consider not only
26 the rating principles under Title 11, Subtitle 2 or Subtitle 3 of this article but also the
27 statutory purpose of the Fund under § 20-301 of this title.

28 **20-521.**

29 **(A) IN THIS SECTION, "AFFORDABILITY PROGRAM" MEANS A PROGRAM**
30 **THAT LIMITS THE MAXIMUM PREMIUM RATE FOR A POLICY OF PRIVATE PASSENGER**
31 **AUTO INSURANCE ISSUED BY THE FUND IN AN AMOUNT THAT MAY BE INADEQUATE.**

1 **(B) SUBJECT TO REVIEW AND APPROVAL BY THE COMMISSIONER, THE**
2 **EXECUTIVE DIRECTOR MAY ESTABLISH AN AFFORDABILITY PROGRAM IF:**

3 **(1) RATES ARE NOT EXCESSIVE OR UNFAIRLY DISCRIMINATORY; AND**

4 **(2) THE AFFORDABILITY PROGRAM DOES NOT RESULT IN:**

5 **(I) AN OVERALL INADEQUACY GREATER THAN 20% OF THE**
6 **FUND'S NET WRITTEN PREMIUM; OR**

7 **(II) AN ASSESSMENT ALLOCATION PERCENTAGE THAT EXCEEDS**
8 **THE LIMIT ESTABLISHED IN § 20-405(D) OF THIS TITLE.**

9 **(C) AN INDIVIDUAL IS ELIGIBLE FOR A POLICY THROUGH THE**
10 **AFFORDABILITY PROGRAM IF THE INDIVIDUAL:**

11 **(1) MEETS THE ELIGIBILITY REQUIREMENTS FOR POLICYHOLDERS**
12 **UNDER § 20-502 OF THIS SUBTITLE; AND**

13 **(2) HAS A HOUSEHOLD INCOME THAT IS NOT MORE THAN 250% OF**
14 **THE FEDERAL POVERTY LEVEL.**

15 **(D) THE COMMISSIONER MAY REQUIRE THE FUND TO MODIFY THE**
16 **AFFORDABILITY PROGRAM IF THE COMMISSIONER DETERMINES THAT:**

17 **(1) THE RATES OFFERED THROUGH THE AFFORDABILITY PROGRAM**
18 **DO NOT MEET THE REQUIREMENTS OF THIS SECTION;**

19 **(2) THE AFFORDABILITY PROGRAM WILL NO LONGER MEET THE**
20 **CONDITION ESTABLISHED UNDER SUBSECTION (B)(2)(I) OR (II) OF THIS SECTION;**
21 **OR**

22 **(3) THE AFFORDABILITY PROGRAM VIOLATES OTHER PROVISIONS OF**
23 **THIS ARTICLE TO WHICH THE FUND IS SUBJECT.**

24 **(E) THE COMMISSIONER MAY NOT DISAPPROVE OR REQUIRE THE**
25 **MODIFICATION OF AN AFFORDABILITY PROGRAM BASED ON THE FUND'S**
26 **NONCOMPLIANCE WITH § 20-306 OF THIS TITLE.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 ~~October~~ July 1, 2026 ~~2027~~.