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Governor

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Lt. Governor



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KATHLEEN A. BIRRANE
Commissioner

GREGORY M. DERWART
Deputy Commissioner

July 1, 2021

The Honorable Bill Ferguson
President of the Senate
State House, Room H-107
Annapolis, Maryland 21401

The Honorable Adrienne A. Jones
Speaker of the House of Delegates
State House, H-101
Annapolis, Maryland 21401

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen Street
Annapolis, Maryland 21401

The Honorable Dereck E. Davis
Chair, House Economic Matters Committee
House Office Building, Room 231
6 Bladen Street
Annapolis, Maryland 21401

Re: MSAR# 11337: 2021 Determination on the Availability of Required Coverages
for the Transportation Network Services Industry

Dear Madams and Sirs:

I write in accordance with the requirements of Section 19-517.1 of the Insurance Article of the Annotated Code of Maryland to provide you with my determination as to the adequacy of statutorily required coverages for transportation network services in the State's authorized market. Specifically, this section requires:

The [Insurance] Commissioner shall make a determination whether, with regard to the required coverages under § 10-405(a) of the Public Utilities Article, there is a viable, affordable, and adequate market of authorized insurers in the State, including the Maryland Automobile Insurance Fund, available to provide the required coverages to the transportation network services industry.

The statute directed that the Commissioner make this determination beginning July 1, 2017 and annually thereafter through July 1, 2021.

I am pleased to report that, at the present time, there is a viable, affordable, and adequate market of authorized insurers in the State, including the Maryland Automobile Insurance Fund, available to provide the required coverages to the transportation network services industry.

In reaching this determination, I note that there are two (2) components of the transportation network services industry that must satisfy the primary motor vehicle liability insurance requirement found in the Public Utilities Article: a Transportation Network Company (“TNC”) and a Transportation Network Operator (“TNO”). Under § 10-405, the TNC, the TNO or a combination of both must provide the required insurance coverage. At the time of the Maryland Insurance Administration’s (“the Administration”) December 31, 2016 report on the Transportation Network Industry (see MSAR # 10463), there were two (2) permitted TNCs, commonly known as Uber and Lyft, operating in Maryland. Also at that time, there were in excess of 25,000 licensed TNOs. At the time of last year’s determination, there were five (5) permitted TNC’s with two (2) permits pending approval and approximately 245,000 licensed TNOs. There are presently six (6) TNC’s and in excess of 417,000 TNO’s, including provisional TNO’s, operating in the State.

Additionally, there are five (5) different private passenger automobile (PPA) insurance carriers offering coverage for TNC’s at this time. TNOs can continue to obtain commercial coverage on the open market, or a TNO can purchase coverage through a PPA carrier if the carrier provides coverage for all 3 phases. Given this, and the lack of any complaints, it is my conclusion that a viable, affordable, and adequate market of authorized insurers in the State, including the Maryland Automobile Insurance Fund, exists to provide the required coverages to the transportation network services industry.

Thank you for the opportunity to report on this matter. Please contact me if you have any questions regarding this letter.

Sincerely,

A handwritten signature in blue ink that reads "Kathleen A. Birrane". The signature is fluid and cursive, with the first name being the most prominent.

Kathleen A. Birrane
Insurance Commissioner

cc: Sarah T. Albert, Department of Legislative Services (5 copies)