

LARRY HOGAN  
Governor

BOYD K. RUTHERFORD  
Lt. Governor



AL REDMER, JR.  
Commissioner

NANCY GRODIN  
Deputy Commissioner

## INSURANCE ADMINISTRATION

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July 1, 2019

The Honorable Thomas V. Mike Miller, Jr.  
President of the Senate  
State House, Room H-107  
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 Adrienne A. Jones  
Speaker of the House of Delegates  
State House, H-101  
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: 2019 Determination on the Availability of Required Coverages for the Transportation Network Services Industry

Dear Madams and Sirs:

This letter fulfills a requirement of § 19-517.1 of the Insurance Article, Annotated Code of Maryland (“the Article”) that the:

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 requires that I 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 support of 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, Uber and Lyft remained the only two (2) permitted TNCs operating in Maryland and there were in excess of 60,000 licensed TNOs. There are now five (5) permitted TNCs with two (2) permits pending approval and approximately 187,000 licensed TNOs.

Since the submission of our letter on this subject last year, there have been no changes that would lead us to revise our 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,

signature on original

Al Redmer, Jr.  
Insurance Commissioner

cc: Andrew Johnston, Senate Finance Committee Staff  
Robert Smith, House Economic Matters Committee Staff  
Sarah T. Albert, Library & Information Services (5 copies)