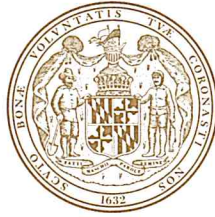


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THE SENATE OF MARYLAND
FINANCE COMMITTEE

March 4, 2016

The Honorable Alfred W. Redmer, Jr.
Maryland Insurance Commissioner
200 St. Paul Street, #2700
Baltimore, Maryland 21202

Dear Commissioner Redmer:

As you are aware, Senate Bill 854 of 2016 authorizes a motor vehicle liability insurer to exclude uninsured motorist coverage when an insured's motor vehicle is involved in a collision with another motor vehicle that leaves the scene of the collision unless the collision involves actual direct physical contact between the two vehicles; the owner or operator of the vehicle that leaves the scene is identified or the motor vehicle that leaves the scene is identified by its license plate number; and the collision is reported to the appropriate law enforcement agency within seven business days. We understand that the Maryland Insurance Administration has concerns with the bill as drafted. We agree that, while attempting to deter fraud in uninsured motorist claims from a "phantom" vehicle or a staged "hit and run," the bill has unintended consequences of prohibiting legitimate claimants. We would appreciate if, during the interim, you would consider how to address the issue, perhaps by convening a group of interested stakeholders to discuss possible solutions. Stakeholders could include various representatives from the insurance industry, including the Maryland Automobile Insurance Fund, the defense bar, and organizations knowledgeable in insurance fraud.

As fraud causes unnecessary costs that are passed on to policyholders, the committee looks forward to hearing about any findings and recommendations that you may have.

Very truly yours,


Thomas M. Middleton


Delores G. Kelley

TMM/TDB/ncs

cc: Ms. Nancy Egan