



**Maryland Automobile Insurance Fund
Fiscal Year 2027 Operating Budget
Response to Department of Legislative Services Analysis**

House Appropriations Committee
Transportation and the Environment, Subcommittee
Delegate Courtney Watson, Chair
Delegate Mark Edelson, Vice Chair
February 4, 2026

Senate Budget and Taxation Committee
Public Safety, Transportation and Environment, Subcommittee
Senator Shelly Hettleman, Chair
January 30, 2026

Recommended Actions:

The Department of Legislative Services recommends adopting committee narrative requesting that updated financial statements be submitted to allow for additional monitoring of conditions.

Maryland Auto appreciates the thorough budget analysis and is agreeable with the Department of Legislative Services' recommendations. For clarity, the Department of Legislative Services recommended actions section has been copied below. Maryland Auto will submit financial statements in accordance with the proposed schedule.

DLS recommended actions:

- **July 31, 2026** – Maryland Auto will submit its income statement for calendar 2025 actuals. Maryland Auto will also submit calendar 2026 projections, as of the date of submission.
- **October 1, 2026** – Maryland Auto will submit a report including data on premiums earned and expenditures. The report will also include data on gross written policies, policies in force, policy finance type counts, and policy types. This report will include data for the first two quarters of calendar 2026 (January-June).

Quarterly Financial Statements for Insured and Uninsured Divisions: Annually, the Maryland Automobile Insurance Fund (Maryland Auto) provides end-of-year financial statements, including revenue, expenditure, and surplus figures for the closed-out, preceding year; estimates for the current year beginning at closeout; and projections for the immediate year ahead. Most revenue is derived from premiums in the Insured Division and a mandated appropriation of uninsured

motorist fines under Section 17-106 of the Transportation Article for the Uninsured Division. However, both divisions derive revenue from investment dividends, which depend on investment portfolio decisions as well as stock market conditions. Comparisons of estimates to closeout and projections to end-of-year estimates suggest limited ability to forecast financial conditions for the full year. Given ongoing concerns about the financial stability of the agency and surplus levels in both divisions, the committees request updated financial statements for both divisions. The first report should include the pro forma income statements for the calendar 2025 actuals and calendar 2026 projections, at the time of submission.

<u>Information Request</u>	<u>Author</u>	<u>Due Date</u>
Financial statements for Insured Division and Uninsured Division	Maryland Auto	July 31, 2026

Insured Division Report: Due to inadequate ending surplus in calendar 2025, the Maryland Automobile Insurance Fund (Maryland Auto) is expected to require issuing another assessment. The Insured Division's revenue is driven by premiums collected on insurance policies. The committees are requesting a report to monitor the ongoing financial situation at Maryland Auto. The report should include data on premiums earned and expenditures. The report should also include data on gross written policies, policies in force, payment plans counts, and policy types. The report should cover the first two quarters of calendar 2026.

<u>Information Request</u>	<u>Author</u>	<u>Due Date</u>
Insured Division's premiums, expenditures, and policy information	Maryland Auto	October 1, 2026