

completed its assumption of total responsibility on July 1, 1975, when the clerical employees of each office entered State service. The State has also provided for local Property Tax Assessment Appeal Boards in each subdivision. Each Board is comprised of three appointed members. Clerical assistance is provided by the Department.

## MARYLAND AUTOMOBILE INSURANCE FUND

### BOARD OF TRUSTEES

*Chairperson: Vacancy*

Appointed by the Governor: Gerald H. Cooper, Ejner J. Johnson, August A. Krometis, William H. Ross III, John L. Ryan.

Appointed by the Board of Directors of the Industry Automobile Insurance Association: Norman E. Biler, Harold Covey, Thomas M. Mahar, Wallace H. Smith, Stacy L. Williams.

### THE AGENCY

*Vacancy, Executive Director*

Vincent H. Howley, *Deputy Executive Director*

Morgan S. Anderson, Jr., *Director of Fiscal Operations*

David C. Trageser, *Director of Administration*

Theodore S. Kurland, *Director of Claims*

Paul E. Pollock, *Director of Underwriting*

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The Maryland Automobile Insurance Fund (MAIF) was created by Chapter 73, Acts of 1972, to replace the Maryland Automobile Insurance Plan and the Unsatisfied Claim and Judgment Fund (UCJF).

By Chapter 241, Acts of 1976, the Fund is governed by an eleven-member Board of Trustees. The Chairperson of the Board is, *ex officio*, the Executive Director of the Maryland Automobile Insurance Fund. The Board was created to advise the Executive Director with respect to his exercise of the powers and duties conferred on him by this subtitle and to formulate policy for the Fund. The Executive Director is the administrative head of MAIF and is its chief executive officer. He is responsible for the exercise of all duties conferred on

the Fund, except those reserved to the Board of Trustees. The first Executive Director was appointed by the Governor and continues to serve at his pleasure. Future vacancies occurring in the office of the Executive Director will be filled by the Board of Trustees. The incumbent Executive Director cannot vote on the selection of his successor, and if the Board fails to agree on the successor the Governor shall appoint him.

Five members of the Board are appointed by the Governor with the advice and consent of the Senate and serve at his pleasure. Five members are appointed by the Board of Directors of the Industry Automobile Insurance Association in accordance with Article 48A, sec. 243M (Chapter 241, Acts of 1976).

The MAIF is not part of any department of the State government but is an independent body directly under the Governor. It performs two basic functions: one, to assume the role of the former UCJF and process and pay claims against uninsured motorists; and two, to sell policies of automobile liability insurance to those Maryland residents who have been rejected by at least two private insurers or who have had a policy of automobile liability insurance cancelled or non-renewed for any reason other than non-payment of premiums. With respect to the second function, MAIF acts as any private insurance company and is subject to regulation by the Insurance Commissioner.

Effective January 1, 1974, every owner of a motor vehicle registered in this State must maintain the basic required primary coverage of \$20,000/\$40,000 bodily injury, \$5,000 property damage, and \$2,500 economic loss coverage. The advent of such compulsory insurance should serve to reduce substantially the number of uninsured claims. However, it is not expected that they will disappear completely. There will be hit and run accidents, out-of-state uninsured drivers, and Marylanders who will not comply with the law. For that reason the UCJF function has been retained.

The MAIF receives no general funds from the State of Maryland and its assets are not part of the Treasury of the State. As a result MAIF is not subject to the normal budgetary review procedures. The reasons for this broad exemption were noted in oral testimony before the Committee. The testimony summarized the statutory operational environment that created (1) difficulty in estimating what personnel and other resources would be needed by MAIF in order to operate, and (2) the impossibility of accurately estimating