

claimants left without protection when an insurer becomes insolvent to apply to MIGA for payment must substantially delay final resolution of their claims. MIGA operates with full-time staff of eight or nine; suggestions that its staff be significantly increased as a result of this new law are untenable as insurance insolvencies occur infrequently and unexpectedly. A major insolvency would overwhelm MIGA's limited manpower, with long settlement periods the obvious consequence.

Farming claims out to independent adjustors would also unnecessarily hamper prompt reparation to the insured. Claims files, initially prepared by MIGA, must be turned over to the adjustors who only then could begin their investigation of the claim. Additional information would presumably be funneled through MIGA, the claimant's insurer - resulting in additional delay. Finally, the claimant would be required to await MIGA's final review of the adjustors' settlement or recommendations before he could expect final resolution of the claim.

Against these time-consuming methods for settling covered claims, the procedure presently followed by insureds with such claims is appreciably less ponderous and circuitous. By looking directly to the uninsured motorist coverage carrier, the claimant is the immediate beneficiary of the liability insurer's claims adjusting infrastructure. The time which would be wasted under the new law while MIGA struggles under an overwhelming work load or awaits the independent adjustors' determinations, could be used profitably by the uninsured motorist coverage carrier in promptly processing the claim.

All motor vehicle liability insurance policies written in Maryland must include an uninsured motorist endorsement. Obviously, a portion of the insurance premium paid by the insured is consideration for the insurer's acceptance of the risk of a claim against that uninsured motorist coverage. If the Bill is allowed to pass into law, the insurer's risk under the uninsured motorist endorsement would be gratuitously delivered to MIGA. The insurer has, in effect, collected premiums while undertaking no risk. This absurd result is compounded when the insurance consumer pays again for protection against insolvent insurers when casualty insurers recoup the pro rata MIGA assessments that will follow any payment of claims by MIGA through premium rate hikes permitted under Md. Code Ann., Article 48A, Section 516.

In addition to these statutory and practical failings of the Bill, we believe that it includes several serious constitutional infirmities. Section 481A as amended alters the insured's uninsured motorist coverage by reducing it to excess insurance after MIGA handles the claim, thereby retroactively impairing the contractual rights and