



Consumer Advisory: Licensed Drivers in Your Household

The Maryland Insurance Administration has received inquiries about whether an insurer can deny a claim for damage to a policyholder's vehicle for accidents involving a licensed driver that lives in the policyholder's home but who is not listed on the policy.

An insurer is entitled to collect premiums in accordance with its filed rating rules for all licensed drivers (including those with learner's permits) residing in the policyholder's home, unless the driver has been specifically excluded from the insurance policy. While your policy generally provides liability coverage for you and any driver that is not specifically excluded, your policy's collision and comprehensive coverage may not be available if an accident occurs involving an undisclosed driver who is living in your home even when the driver has a reasonable belief they are permitted to use your vehicle.

Whether your policy will provide coverage depends upon the specific language of your policy. Auto policies may contain language that excludes collision or comprehensive damage coverage involving a claim where a licensed driver who is a resident of your home has not been disclosed to your insurer, even if the driver has your permission to drive your vehicle. It is important that you notify your insurer of all licensed drivers living in your home to protect yourself in the event of an accident involving a driver that lives in your home, even if that individual has their own car and insurance policy.

Contact your insurer or insurance producer (also known as an agent or broker) if you have any questions about disclosure of licensed drivers in your home. Contact the Maryland Insurance Administration at 410-468-2340 or 800-492-6116 with questions regarding this advisory or any other insurance matters.