



INSURANCE LAW BULLETIN

Re: Maryland's Highest Court Upholds The Named Driver Exclusion In Commercial Automobile Policies

The Court of Appeals of Maryland recently held that a “named driver exclusion” in a commercial automobile liability insurance policy is valid. The Court reversed the judgment of the Court of Special Appeals in *Zelinski v. Townsend*, 163 Md. App. 211, 878 A.2d 623 (2005), which had voided the “named driver exclusion” on the ground that the exclusion was not authorized for commercial policies by the Maryland General Assembly.

The Court of Appeals reviewed the legislative history of Maryland’s compulsory insurance law and concluded that the “named driver exclusion” is fully consistent with the policy underlying that law. The Court also reviewed a 1989 statute, upon which the Court of Special Appeals had relied, and concluded that the statute did not *prohibit* a “named driver exclusion” in commercial policies but rather repealed the *requirement* that a “named driver exclusion” be offered in lieu of canceling or non-renewing a commercial policy.

For a copy of the Slip Opinion of the Court of Appeals, please visit our website at www.fblaw.com. For additional information about the decision, please contact David M. Funk, who represented the American Insurance Association, the Property Casualty Insurers Association of America, the Insurance Agents & Brokers of Maryland, and three insurers as *amici curiae*, at (410) 659-7752 or dfunk@fblaw.com.