



Maryland Consumer Rights Coalition

**Testimony to the House Economic Matters Committee**

**HB 431: Motor Vehicle and Homeowner's Insurance - Use of Claim History in Rating Policies**

**Position: Favorable**

February 4, 2020

Dereck E. Davis, Chair, House Economic Matters Committee  
House Office Building Room 231  
Annapolis, MD 21401  
Cc: Members, Economic Matters

Honorable Chair Davis and Members of the Committee:

MCRC is a statewide coalition of individuals and organizations that advances economic inclusion and financial justice through research, consumer education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland. I write today in support of HB 431.

In the past few years, MCRC has been engaged in promoting policies to make auto and home insurance more affordable, increase protections for consumers, and promote the principle that insurance customers should be priced according to their risk of loss related to that coverage.

HB 431 exemplifies this principle by ensuring that, while drivers will face an increase in auto insurance premiums after an accident, they are not also faced with a rate hike in their home insurance for the car accident. Conversely, a flooded basement which is covered by homeowners insurance should not lead to an increase in auto insurance premiums. These factors are unrelated and Maryland consumers should not experience price increases for unrelated products held by the same insurance company.

HB 431 expands protections for Maryland consumers by prohibiting the practice of increasing rates on both auto and homeowners insurance due to a risk of loss on one policy. For all these reasons, MCRC supports HB 431 and asks for a favorable report.

Best,  
Marceline White  
Executive Director