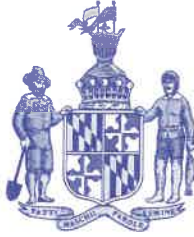


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February 5, 2020

Writer's Direct Dial No.

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To: The Honorable Dereck E. Davis
Chair, Economic Matters Committee

From: Karen S. Straughn
Consumer Protection Division

Re: House Bill 431 – Motor Vehicle and Homeowner's Use of Claim History in Rating Policies (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 431 submitted by Delegate Courtney Watson, et al. The bill prohibits consideration of a homeowner's loss in the rating of a private passenger auto insurance policy. Similarly, the bill prohibits consideration of an automobile loss in the rating of a homeowner's policy. Driving habits do not factor in any way into whether an individual will sustain a loss to their home and having a loss to their home does not reflect one's driving habits.

There are many factors that may determine whether an individual will sustain a loss to their home. Weather, poor construction, negligence, lack of maintenance, or many other factors can contribute. However, these factors do not necessarily translate to a higher risk of an automobile loss. Just because an individual suffers a loss to their home when lightning strikes, does not necessarily mean that they are not a good driver and any correlation between the two appears to be spurious. Instead, the rates for a private passenger auto policy should be based on the driving history and rating characteristics of the individual and their vehicle and the rates for a homeowner's policy should be based on the claims history and rating characteristics of the home. This is the only way of truly ensuring that the individual is properly rated for the risk they she present.

For these reasons, we ask that the Economic Matters Committee return a favorable report on this bill.

cc: The Honorable Courtney Watson
The Honorable Heather Bagnall
The Honorable Harry Bhandari
The Honorable Talmadge Branch
The Honorable Benjamin Brooks



The Honorable Lorig Charkoudian
The Honorable Brian Crosby
The Honorable Charlotte Crutchfield
The Honorable Bonnie Cullison
The Honorable Kathleen Dumais
The Honorable Diana M. Fennell
The Honorable Anne Healey
The Honorable Shelly Hettleman
The Honorable Carl Jackson
The Honorable Brooke E. Lierman
The Honorable Maggie McIntosh
The Honorable Edith J. Patterson
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The Honorable Mike Rogers
The Honorable Sid Saab
The Honorable Jen Terrasa
The Honorable Kriselda Valderrama
The Honorable Geraldine Valentino-Smith
Members, Economic Matters Committee