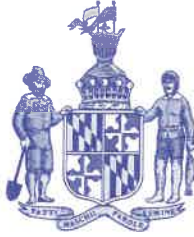


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**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

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

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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  
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The Honorable Kirill Reznik  
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