



Consumer Credit Counseling Service of MD & DE, Inc.

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Delegate Dereck E. Davis
Chair
Economic Matters Committee
Room 231
House Office Building
Annapolis, Maryland 21401

RE: House Bill 660—IN SUPPORT

Baltimore City and Prince George's County – Lifeline Low-Cost Automobile Insurance Program

Dear Delegate Davis,

Baltimore City and Prince Georges drivers pay the highest costs for car insurance in Maryland-many pay \$4800-\$7200 per year for limited liability insurance. It is unaffordable for many low-income drivers to purchase, yet all drivers are legally required to purchase insurance. Driving without insurance leads to unaffordable fines, fees, and can be an incarcerable offense. Requiring drivers to purchase an unaffordable product (car insurance) and charging them if they can't afford to buy it criminalizes poverty and disproportionately impacts drivers in communities of color that are charged higher rates due to other non-driving related factors.

Consumer Credit Counseling Service of Maryland and Delaware, Inc. (CCCSMD) has assisted hundreds of thousands of residents of Baltimore City and Prince Georges County improve their financial situation, including their credit score, since our inception in 1966. Many of these individuals have low credit scores that are not directly related to their driving record. However, their low score does impact their budget because when their auto insurance policies are considered for renewal, many insurers factor in the driver's credit score as a barometer of risk. The lower the score, the higher the insurance premium--even if they have a good driving record. This impacts their ability to qualify for affordable financial solutions, including debt repayment products.

The solution, as proposed in HB 660, is to create a low-cost program for good drivers with 1 or fewer points, no DUI, and 250% of the federal poverty guidelines by cutting the required amount of limited liability coverage for these individuals. For the benefit of the consumers of Baltimore City and Prince Georges County, I urge passage of HB660 as proposed.

Thank you for your consideration.

Helene D. Raynaud
President/CEO