



BERNARD C. "JACK" YOUNG
MAYOR

*Office of Government Relations
88 State Circle
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HB 660

February 20, 2020

TO: Members of the Economic Matters Committee

FROM: Matthew Stegman, Deputy Director of Government Relations

RE: House Bill 660 – Baltimore City and Prince George's County - Lifeline Low-Cost Automobile Insurance Program

POSITION: SUPPORT

Chair Davis, Vice Chair Dumais, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill 660.

HB 660 mandates the Maryland Automobile Insurance Fund (MAIF) to establish the Lifeline Low-Cost Automobile Insurance Program, the purpose of which is to offer affordable auto insurance policies to residents of Baltimore City and Prince George's County. The program is open to low-income drivers who have good driving records.

The program is modeled on a highly successful California program that has covered more than 150,000 low-income people who might otherwise not be able to afford the minimum coverage needed to drive legally. Many low-income drivers in Baltimore City struggle with the cost of auto insurance coverage, even when they have a record of safe driving, because insurers use socioeconomic data unrelated to driving record to set rates. The Federal Insurance Office (FIO) of the US Department of Treasury determined in 2016 that auto insurance in ten Baltimore ZIP codes, home to 334,000 residents, was "unaffordable". The Lifeline Low-Cost Automobile Insurance Program would help to keep a number of those residents on the road and driving legally.

We respectfully request a **favorable** report on House Bill 660.

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