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**TESTIMONY OF  
THE  
MARYLAND INSURANCE ADMINISTRATION  
BEFORE THE  
HOUSE ECONOMIC MATTERS COMMITTEE**

**MARCH 5, 2020**

**HOUSE BILL 1341 – INSURANCE - PRODUCT AND SERVICE OFFERINGS**

**POSITION: SUPPORT WITH AMENDMENTS**

Thank you for the opportunity to provide written comments regarding House Bill 1341. House Bill 1341 amends §27-209 and 27-212 of the Insurance Article to allow insurers to offer or provide products and services at no charge or at a discounted price to policyholders as long as the product or service is associated with the risks insured against by the policy. As drafted, these products or services will not be considered rebates as long as they are directly tied to the risks insured against by the associated policy.

This past summer the National Association of Insurance Commissioners (NAIC) Innovation and Technology Task Force began discussions on updating NAIC Model Law 880 – “Unfair Trade Practices Act” to allow insurers to offer or provide products and services at no charge or at a discounted price to policyholders as long as the product or service is associated with the risks insured against by the policy. This discussion reflects the need to update statutes across the country to accommodate advancements in loss management and mitigation technologies in a manner that does not weaken existing consumer protections. The Maryland Insurance Administration (MIA) is an active member on this task force and has participated throughout the summer and fall NAIC meetings on how best to approach this issue. While the NAIC process is in its early days, regulators generally wish to allow insurers to provide appropriate loss mitigation products and services for free or at a discount in a non-discriminatory manner, while industry seeks the ability to implement programs of this sort without cumbersome filing requirements.

While the MIA is generally supportive of these concepts, as drafted we strongly believe House Bill 1341 needs additional language to protect Maryland consumers from unfair

discrimination in the manner by which insurers offer such products and services. The amendments provided will ensure that insurers do not utilize programs of this nature as an improper inducement to purchase a policy and do not offer these programs in a discriminatory fashion. House Bill 1341 with these amendments will provide the Insurance Commissioner with the enforcement tools needed to protect Maryland's insurance buying public while allowing insurers to efficiently bring to market products and services that will benefit consumers and help control loss costs.

The Maryland Insurance Administration supports House Bill 1341 with the additional amendments and urges the Committee to give House Bill 1341 with the amendments a favorable report.