

KATIE FRY HESTER
Legislative District 9
Carroll and Howard Counties

Education, Health, and
Environmental Affairs Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Memo from Senator Hester to Senate Finance Committee
RE: Follow up Answers to Questions on SB470

Chairwoman Kelley, Vice Chair Feldman, members of the Senate Finance Committee:

Thank you for your questions on and consideration of SB470. After consulting with the House Sponsor, I have listed the answers to your questions below:

Senator Riley: Why not prohibit this practice on new business?

The MD Insurance Administration allows the “cross contamination of claims” now on new business and the rationale is that consumers who are shopping for new insurance can more easily reject a new business quote than they can once they are renewing with a carrier and may not be paying as close attention to their insurance. The House sponsor, Delegate Watson, and I have no objections to banning the practice for new policies as well, but compromised with the insurance carriers based on the above rationale.

Senator Feldman: Please address the amendments on the bill.

The amendments are clarifying amendments from the MD Insurance Agency and are supported by the sponsor.

Senator Kramer: How does this apply to bundling of auto and home by carriers?

When bundling insurance, the rates are still separate for auto and for the home. Thus whether or not a carrier bundles is not particularly related to the issue at hand.

Senator Augutine: Why does the MD Insurance Administration support the bill?

The MD Insurance Administration supports the bill because they do not think this practice is advisable on renewal policies. Robert Barron of the MIA is the contact for technical questions.

Thank you for your thoughtful consideration of this legislation, and my office is happy to answer any further questions the members of this committee may have.

Sincerely,

A handwritten signature in black ink that reads "Katie Fry Hester". The signature is written in a cursive style with a large initial "K" and "F".

Senator Katie Fry Hester
Howard and Carroll Counties