



SB- 934 Baltimore City and Prince George's County - Lifeline Low-Cost Automobile Insurance Program
Senate Finance Committee
March 3rd, 2020
SUPPORT

Chairwomen Kelley, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 934. This bill will create a low income car insurance pilot program for Baltimore City and Prince George's counties.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy.

Car insurance price is a barrier for many low income drivers across the state. A car is an asset that improves and expands options to work and services. However, owning a car is a costly investment. After the immediate financial burden of purchasing the car and the registration, there are other costs associated with a car like gas, car maintenance, and car insurance. Car insurance is legally required. When added to other monthly obligations like housing, child care, and food, the price of car insurance becomes a burden. This leaves low income drivers stuck in a difficult place.

Access to a car increases an individual's economic opportunity¹. Many people rely on their cars to drive to work, doctor appointments, and to care for their children. Public transportation is not accessible or expansive enough for low income workers to rely on it for work opportunities. For many workers in Maryland, it is not an option at all. SB 934 is the first step to guarantee that affordable care insurance if offered in Maryland.

The price of low income driver's car insurance is more likely to be inflated through predatory practices that car insurance companies use to rate policies. Low income drivers are more likely to not have higher education, high positions within the company they work, or strong credit scores. These non-driving related factors contribute to the difficulty low income drivers face trying to afford car insurance.

SB 934 helps low income drivers in Baltimore City and Prince George's counties receive affordable car insurance by:

- Creating the Lifeline Low-Cost Automobile Insurance Program (LLAIP)
- Providing the minimum coverage needed to drive

This pilot program for two counties will serve as a trial to evaluate a program that could benefit low income drivers across the state.

¹ [Driving to Opportunity: Understanding the Links among Transportation Access, Residential Outcomes, and Economic Opportunity for](#)

Thus, we urge you to return a



favorable report for SB 934.