



**Written Testimony from the  
Independent Insurance Agents of Maryland  
House Bill 168**

**Motor Vehicle Insurance – Use of Credit History in Rating Policies**

**Position: Oppose**

Dear Chairman Davis and members of the Economic Matters Committee

Thank you for the opportunity to provide this testimony in opposition to House Bill 168. The Independent Insurance Agents of Maryland (IIAM) is the State's oldest trade association of independent insurance agents. It represents 200 independent agencies, which employ over 2000 people in the state. IIAM represents independent insurance agents and brokers who present consumers with a choice of policy options from a variety of different insurance companies. These small, medium, and large businesses offer a variety of insurance products – including property, casualty, life, health, employee benefit plans, and retirement products.

House Bill 168 seeks to prohibit an insurer, with respect to private passenger motor vehicle insurance, from rating a risk based on the credit history of an applicant in any manner. Maryland residents who purchase private passenger motor vehicle insurance have enjoyed a very competitive market with a tremendous amount of choice of products and carriers. The carriers use highly sophisticated computer programs to underwrite the risk of each insured. Each carrier uses its own "special sauce" to determine the best way to assess risk. Any effort to inhibit a carrier from using certain underwriting factors may have the unintended consequence of disrupting this vibrant market.

As independent insurance agents, we shop multiple carriers for our clients to determine which carrier offers the best product for our individual clients. We think the system works very well today and urge an unfavorable report for this bill.

## **IIA Maryland's Legislative Representation**

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