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The Maryland House of Delegates
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**Testimony in Support of House Bill 270 – Automobile Insurance – Usage-Based Insurance
– Application and Notice**

Good afternoon Mr. Chairman and members of the committee. Thank you for the opportunity to speak to you on behalf of **House Bill 270 – Automobile Insurance – Usage-Based Insurance – Application and Notice**.

Currently, Maryland law requires that automobile insurers provide customers whose premiums have been increased with a Notice of Premium Increase (NOPI). This notice includes the reasons for the increase, such as accidents or traffic violations. Recently, telematics – which make use of electronic devices to measure certain driving behaviors – have resulted in a new category of rating factors that may result in premium increase: usage-based insurance (UBI). House Bill 270 requires that premium increases resulting from UBI factors must also be identified in a NOPI.

UBI programs offer consumers an important tool for keeping premiums aligned with their driving habits, giving drivers the opportunity to keep insurance costs down by demonstrating measurable, safe driving practices. This legislation offers protection to consumers by requiring that if a premium increase results from UBI measurements, the driver must be provided with a specific description of the factor or factors that resulted in the increase; and the amount of the increase that is attributable to the driver’s participation in the UBI program.

At the suggestion of the Maryland Insurance Administration, which takes no position on House Bill 270, I offer a clarifying amendment. It strikes “cancellation, nonrenewal, or” from page 2, line 15, because the legislation applies only to premium increases.

I respectfully request a favorable report for House Bill 270.