



THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

BILL: Senate Bill 17 – Motor Vehicle Insurance - Use of Credit History in Rating Policies

SPONSOR: Senator Young, et al.

HEARING DATE: January 29, 2020

COMMITTEE: Finance

CONTACT: Intergovernmental Affairs Office, 301-780-8411

POSITION: SUPPORT

The Office of the Prince George's County Executive **SUPPORTS Senate Bill 17**, which prohibits a private passenger motor vehicle insurer from rating an insurance policy for a private passenger automobile using the credit history of an applicant .

Access to affordable automobile insurance is critical for many individuals who rely on their vehicles to transport them to and from work. Affordable automobile insurance is even more crucial to individuals who live in low and moderate income communities, where there is a lack of access to reliable public transportation. Similar to a majority of states, Maryland requires all drivers to purchase liability coverage. Even though a mandate exists, there are still barriers to affordable automobile insurance for many consumers.

Using rating factors that can be based on the socioeconomic characteristics of an individual, such as credit history, occupation, or education can disadvantage consumers in low or moderate income communities. Removing credit history as a rating factor allows insurers to focus on more important patterns regarding the insurability of an applicant, like driving history.

For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS Senate Bill 17** and asks for a **FAVORABLE** report.