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**TESTIMONY OF
THE
MARYLAND INSURANCE ADMINISTRATION
BEFORE THE
SENATE FINANCE COMMITTEE**

JANUARY 29, 2020

**SENATE BILL 17 – MOTOR VEHICLE INSURANCE - USE OF CREDIT HISTORY IN RATING
POLICIES**

LETTER OF INFORMATION

Thank you for the opportunity to provide written comments regarding Senate Bill 17. Senate Bill 17 prohibits a private passenger motor vehicle insurer from making certain underwriting and rating decisions based upon the applicant or policyholder's credit history.

The passage of Senate Bill 17 will require all private passenger motor vehicle insurers that presently utilize credit history as a rating factor to submit a new rate / rule filing to the Maryland Insurance Administration (MIA). The MIA will be required to review these filings in advance of the effective date of the legislation. Thus, the MIA is requesting an amendment to delay the effective date from October 1, 2020 until October 1, 2021. This will allow insurers sufficient time to perform the necessary rate-making due diligence and submit their filings and allow the MIA to complete the necessary thorough filing reviews in the course of normal business without creating a backlog in the review of filings for other lines of business.

While the MIA has no policy position on this legislation, for administrative reasons, the MIA urges the committee's adoption of this amendment if it elects to pass Senate Bill 17.