

**Testimony to the Senate Finance Committee**  
**SB805: Motor Vehicle Insurance - Rate Filings - Discrimination, Trade Secrets, and States of Emergency**  
**Position: Favorable**

March 3, 2021

The Honorable Delores Kelley, Chair  
Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, Maryland 21401  
cc: Members, Senate Finance Committee

Honorable Chair Kelley and Members of the Committee:

My name is Maria Pavlova. I reside in Maryland's 43rd legislative district. I have personal experience with the subject of the bill (SB805), specifically regarding the change in my insurance rates after moving from one zipcode to another.

I am writing today in support of SB805.

I heavily rely on my vehicle as the main source of transportation for my work duties. I travel all over the DMV area to report to different job sites to perform my work in the Film and TV Industry. The nature of my job is what prompted me to finally get my driver's license and personal vehicle in the first place back in March 2019. As the only member of my family (that resides in the United States) who possesses a driver's licence, I had to open my own insurance policy. As a newly insured driver with no driving record, I expected to get higher rates on my policy, but I accepted the terms with an understanding that my rates will eventually go down after I prove myself as a loyal customer and a good driver.

My insurance of choice was GEICO, and my starting six month premium was set at \$1,633.38. At the time, I resided in Timonium, MD 21093. I decided to include an extra premium payment of \$109.10 for the Upgraded Accident Forgiveness benefit, which may prevent the insurance from increasing as a result of a driver's first at-fault accident. I resided at that address until June 2020, and my six month premium during that time went down to \$1,315.68, which is a 20% decrease over the 20 month period from my starting premium.

After moving to Baltimore, MD 21211 in late June of 2020, my next six month premium was set at \$1,333.14 (including \$86.65 for the Upgraded Accident Forgiveness). This might not seem like a big change from my previous premium, but due to COVID-19 pandemic, my work commute frequency decreased significantly, so I reported a 5,000 mi decrease in my yearly mileage (from 15,000 mi to 10,000 mi) when updating my address with my insurance company, meaning my premium rate went up even though my mileage decreased by about 33%.

In November 2020, I moved yet again, this time to Baltimore, MD 21218. At the time of the move and the address change, my then current six month premium of \$1,333.14 was reevaluated and changed to \$2,060.26 for the same billing period (55% increase), making my monthly payments of \$227.19 go up to

\$389.88 to cover the change in my six month premium (even though I only resided at the new address at 21218 for less than half of that billing period).

My new six month premium is set to kick in this March at the rate of \$1,747.54 (the Upgraded Accident Forgiveness payment is not applied anymore due to my 2 year partnership with GEICO, making the benefit being applied to my policy automatically and with no additional charge). This is a 7% increase from March 2019, when I opened my new policy with no insurance history and no driving record. To put it in monthly payment metrics, my monthly payment was \$277.32 back in March 2019, and now it is set to be \$296.28 in March 2021.

Since I've had no accidents or reported claims in the two year period, stayed a loyal customer with GEICO, earned the Upgraded Accident Forgiveness, decreased my driving, and gained over 60 points to my credit score, I see only one other obvious change in my demographics and lifestyle – my residential address.

SB805 limits discriminatory pricing by providing two options for consideration: 1) drawing larger boundaries for auto insurance companies to rate-which smoothes out zipcode differences; and 2) reduces the impact of zip codes by proscribing that there can only be a 25% variance between zip codes.

SB805 will reduce the reliance on zip code in auto insurance and ensure greater equity in auto insurance rates. This is a critical and sensible solution to make auto insurance more affordable for working people like me throughout our state.

Thank you for considering my testimony. I strongly support SB805 and urge a favorable report.

Best,  
Maria Pavlova  
District 43