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The Honorable Delores G. Kelley
Chair, Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

RE: Senate Bill 552 - Motor Vehicle Insurance Use of Credit History Rating Policy - UNFAVORABLE

Dear Chair Kelley, Senator Young and Members of the Senate Finance Committee,

I am writing on behalf of the Maryland Association of Mutual Insurance Companies (MAMIC) in opposition to Senate Bill 552 -Motor Vehicle Insurance Use of Credit History Rating Policy.

MAMIC is comprised of 12 mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of MAMIC members are domiciled in Maryland and are key contributors and employers in their local communities. Together, MAMIC members offer a wide variety of insurance products and services and provide coverage for thousands of Maryland citizens.

MAMIC members, and the agents who represent them, are close to the customer. They provide products like automobile insurance – required of every vehicle owner in Maryland – offered by stable, high-quality companies at competitive rates. MAMIC members are an important part of the community of insurers in our State. MAMIC is concerned that the removal of credit-based insurance scoring (CBIS) from the rating of automobile insurance will make it more difficult to accurately price their policies for the benefit of their customers. Inaccurate pricing, whether too high or too low, is a problem for everyone. MAMIC believes that the public policy of Maryland should be to permit rating practices and factors that are accurate, and to rely on your state insurance commissioner to ensure that automobile insurance rating plans are fairly applied.

Although several MAMIC members are Maryland domestic companies, most MAMIC members do business in surrounding states as well. These states permit the use of CBIS, together with an overwhelming majority of all other states. MAMIC does not believe that Maryland should deprive its citizens of the same advantages in automobile insurance rating that other states have.

For these reasons, we respectfully request an unfavorable report on Senate Bill 552.

Very truly yours,



Bryson F. Popham

cc: The Honorable Ronald N. Young
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