JOTF JOB OPPORTUNITIES TASK FORCE

Advocating better skills, jobs, and incomes

TESTIMONY IN SUPPORT OF SENATE BILL 805:

Motor Vehicle Insurance – Rate Filings – Discrimination, Trade Secrets, and States of Emergency

TO: Hon. Delores Kelley, Chair, and Members of the Senate Finance Committee

FROM: Christopher Dews, Policy Advocate

DATE: March 3, 2021

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that develops and advocates policies and programs to increase the skills, job opportunities, and incomes of low-skill, low-wage workers and job seekers in Maryland. JOTF supports Senate Bill 805 as a means to reduce discriminatory practices by insurers that result in disproportionately high auto insurance premiums and denials of coverage for individuals who reside in lower-income areas of the state.

Mobility is key in Maryland's regional economy. The Census Bureau reported that more than 50% of Marylanders travel outside of their county for employment. This statistic is more pronounced for lower-income communities of color where there is a scarcity of jobs available by public transit. In fact, only 9% of jobs in the Baltimore region can be reached within one hour, one-way by public transit. Thus for economic sustainability, both a vehicle and insurance are necessary.

Maryland law mandates that drivers have auto insurance when operating their vehicles. Specifically, Maryland Code Ann., Transportation §17–707 states that driving without auto insurance in Maryland is a crime punishable by up to (1) one year in jail, a $1000 fine, or both. Yet, Maryland Auto reported in 2020 that nearly 500,000 Marylanders drive uninsured due to the lack of affordability. This is due to current Maryland laws that permit insurers to determine eligibility for coverage and insurance premiums on the basis of education, credit history, occupation, and most notably, zip code- none of which have any relation to an individual's driving ability. The effects of using these non-driving factors, especially zip code, result in extreme racial disparities in auto insurance premiums and further perpetuates a cycle that many low-income workers are desperately trying to break.

In 2014, The Maryland Consumer Rights Coalition (MCRC) did a study examining the disparate impact the use of zip code can have on an individual's insurance premiums. They found that a single 30-year-old man in Baltimore City pays, on average, more than **$500 more** than he would pay for the same insurance in Montgomery County. They go on to show that many drivers pay **$150 - $700 more** for car insurance in one neighborhood than they would pay in an adjacent neighborhood. When examining the cost of Geico's insurance rates by zip code, they found that holding all factors constant, a resident of Southwest Baltimore City's zip code of 21223 pays **$674 more** for the same coverage than a resident of Baltimore County's 21227 zip code ($1314 vs. $640). If the same driver lived in Howard County, her insurance would cost **$400 less** than if she moved five miles into Baltimore County. Though less dramatic, she would save $139 annually if she moved from Upper Marlboro (20774- Prince George's County) to Silver Spring (20904- Montgomery County). The catch is that each of the counties with higher insurance premiums, namely Baltimore City, Baltimore County, and Prince George's County, contain a stronger concentration of lower-income African Americans. Though it is illegal to discriminate based on race in the insurance industry, territorial rating systems that specifically use zip code, inadvertently accomplish that goal very well.

It is imperative that the unjust, discriminative practice of insurers using an individual's zip code to determine coverage and premiums for auto insurance be mitigated or eliminated as the proposed legislation suggests. The disproportionately high auto insurance premiums placed on low-income individuals, individuals of color, and individuals with limited educational attainment are regressive and present a great financial barrier in not only obtaining and securing employment, but survival on a limited income for the individuals who are least able to afford it.

Senate Bill 805 seeks to address this issue by prohibiting insurers from using an applicant's zip code to determine over 25% of the insurance premium. While insurance companies must charge different premiums to different groups based on their risk, there must be limits to the types of discrimination we allow insurers to engage in, to ensure a system that minimizes *actual* risk and provides protection in a fair and equitable manner. Senate Bill 805 ensures that low-income and low-skill Marylanders are not saddled with higher insurance premiums simply because they live in poorer communities. For these reasons, we respectfully urge the committee to issue a favorable report.

Testimony of CFA in Support of SB 805.pdf
Uploaded by: Heller, Douglas
Position: FAV

Testimony of Consumer Federation of America to Senate Finance Committee in Support of SB 805—Motor Vehicle Insurance—Rate Filings—Discrimination, Trade Secrets, and States of Emergency

Chair Kelley, Vice Chair Feldman, thank you for receiving our testimony. My name is Douglas Heller and I am an insurance expert testifying on behalf of Consumer Federation of America (CFA). My work includes protecting consumers, ensuring that auto insurance markets are fair and equitable, and advocating reforms to make auto insurance more affordable. My testimony is in support of SB 805, which would promote transparency in auto insurance markets and reduce the use of territory and ZIP codes in auto insurance pricing.

CFA strongly supports this bill and urges a favorable report from the Committee.

Maryland law requires all drivers in the state to purchase auto insurance. Because of this mandate, the Legislature has a special responsibility to ensure that this coverage is affordable and that auto insurers do not unfairly discriminate against consumers. But auto insurance is often very expensive and in certain communities, it is simply unaffordable even for drivers with perfect records.

Consumers believe that auto insurance costs should be based on their driving safety history and experience behind the wheel. This includes, for example, whether or not they have caused accidents, received multiple tickets, or been convicted of driving under the influence of alcohol. However, insurers use numerous other factors for determining who will receive coverage and how much they will pay. Some of these factors, such as the safety rating of the vehicle, are clearly tied to the risk of loss, while others are not related to driving at all. Several socio-economic factors that insurers use are proxies for income and race that consistently leave low-income drivers and people of color paying more, even if their driving records are flawless.

The first element of this bill opens up insurance companies to the same kind of public scrutiny available in many other states and the kind that had been available in Maryland until recently. I can easily download the pricing methodologies that auto insurance companies use in several other states with competitive markets and review the various pricing factors that those very same companies want to remain out of the public's view here in Maryland. With a view of how insurers slice and dice Maryland drivers, consumers can get a better sense of which insurer will best serve them, and, also, policymakers can best assess whether the market is meeting the consumer protection standards you have or whether additional rules are needed. In addition to the fact that insurance companies are getting special privileges to avoid scrutiny in Maryland they don't get in many other states, it is harmful to consumers when the state provides secrecy to insurance companies while the state requires every driver in Maryland to buy their product.

One of the factors that plays an outsize role in auto insurance pricing is the territory – usually ZIP code – where a driver lives. The second element of this bill addresses the fact that this use of territory results in extreme price variation between safe drivers due solely to their residential address. For example, one of the state's largest insurance carriers' premium increases from $592 per year for a basic coverage policy in one part of the state to $2,687 to the exact same person for the same coverage if they live in another part of the state. That is a 354% premium hike solely due to the driver's ZIP Code.

While that massive difference reflects premiums charged in different parts of the state, the pricing of policies based on the small territorial units of ZIP Code leaves some drivers paying much more than neighbors right across the street. In Baltimore, depending upon which side of Cross Country Blvd you live, your premium could jump by more than 80%. The cost of a minimum limits policy from one major insurer costs $2,027 a year to a driver living on the 21209 side of this boundary. But if you live on the 21215 side, the company charges the exact same driver $3,689 for the same exact coverage.

Both of these examples – the 354% premium difference for drivers living in different parts of the state and the 82% price hike for living on the wrong side of a street – have another thing in common that must be acknowledged. The residents of the lower-priced ZIP codes are, by a very large majority, white. The residents of the higher-priced ZIP codes are, by a very large majority Black. This is the underlying story of the current system of territorial pricing in Maryland. Our data show clearly that as the percentage of white residents in a ZIP code declines, the premium increases. The ZIP codes with the highest percentages of people of color pay the highest premiums. While insurers will doubtless argue that this racialization of auto insurance pricing is not their intent, it is the outcome of the pricing policies that are currently allowed in Maryland.

What is also clear and related to these findings is that we often see lower-income ZIP codes facing higher premiums. Using the two examples above, the two lower-priced ZIPs have median annual incomes of $75,000 and $83,000, while the more expensive ZIPs have median incomes of about $40,000 and $39,000. Those with the least ability to cover the cost of coverage often face the highest premiums, simply because of their ZIP Code.

The legislation before the committee offers two approaches to diminishing the impact of ZIP codes. One proposal would be to increase the size of the territorial pools in which Marylanders are grouped. Rather than using the small groupings that arise through ZIP codes, this approach would have insurers spread the risk more widely across five larger territories around the state. This would allow for carriers to distinguish between differences they might find related to the frequency and severity of accidents in some parts of the state compared with others, but it will also ensure that people who live in generally the same regions will see the same territorial rating. This highlights and addresses one of the key flaws of ZIP code based rating; where you live does not speak to where you drive. By requiring the use of broader regions, rates will more likely reflect the actual regional risk differentials than rates that switch every few miles according to an arbitrary postal service boundary.

The second approach would allow insurers to continue to use ZIP codes as they have, but it would cap the price variation created by the territorial factor at 25%. That means that companies could charge higher or lower rates at the ZIP code level, but the difference could not represent more than a quarter of the total rate. This would require insurers to place more emphasis on the driving characteristics of their policyholders, while still allowing them room to use ZIP codes to a significant extent.

CFA believes that a third approach, in which these two approaches were combined would be the most effective response to the disparate impacts of the current territorial rating system. In that iteration of this legislation, carriers could allocate drivers to one of five geographic regions and charge different rates according to the region, except that no region will face a premium that is 25% higher than any other region. This would be an effective way to spread risk, preserve the use of some territorial rating, and dramatically diminish the chance that the use of geography disproportionately harms people of color and low-income drivers in the state.

SB 805 will promote transparency and accountability in the auto insurance market, and it will reduce the unfair outcomes that leaves Black and Brown communities in Maryland facing significantly higher premiums for the coverage everyone is required to buy. Consumer Federation of America urges you to vote for this bill and to favorably report it out of committee.

We thank Senator Peters for his work on this bill, and please contact us at douglasheller@ymail.com if you have any questions. Thank you.

Sincerely,

Douglas Heller

SB 805 Motor Vehicle Insurance - Rate Filings - Di
Uploaded by: McKinney, Robin
Position: FAV

CASH CAMPAIGN OF MARYLAND

Creating Assets, Savings and Hope

SB 805 Motor Vehicle Insurance - Rate Filings - Discrimination, Trade Secrets, and States of Emergency
Finance
March 3, 2021
Support

Chairwoman Kelley, Vice-Chair and members of the committee, thank you for the opportunity to present written testimony in support of Senate Bill 805. This policy will require the insurance commissioner to reduce rates if the current state of emergency is extended as well as makes all rate determining factors open to the public and prevent insurance companies from utilizing territory and credit score as elements in calculating the rate premium.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than $10,000 annually. More than half earn less than $20,000.**

Under current law, vehicle insurance companies are allowed to use zip codes and credit score information as a major factor in determining the amount charged for private car insurance. This is problematic and reinforces poverty and disadvantage. People live where they can afford to pay for housing. For low-wage workers, the cost of housing is disproportionately high and the housing choices are few and far between.[1] And the long-term combination of wage stagnation with the rising cost of housing has led to some areas becoming heavily concentrated with low-income households, compounding the disadvantage. A recent report compared rates of similar drivers with adjacent zip codes and found severe price differences, "Insurance companies once drew red lines around communities they didn't want to serve. Now they overpriced them".[2] Currently, insurance companies can issue a surcharge for as much as 40% for a person who has a low credit score. Today, insurance companies increase rates based on non-driving factors by anywhere from 4% to 76%.[3] These discrepancies are alarming, as they disproportionately impact low-income individuals and families, further reinforcing disadvantage. Right now, 12.2% of Maryland drivers are uninsured, often barred by the cost of insurance.[4]

The proposed changes will prevent insurance companies from relying on discriminatory processes that overburden low-income households in disadvantaged areas which are overrepresented by people of color and makes the procedure transparent and fair to all Maryland drivers.

For these reasons, we encourage you to return a favorable report of Senate Bill 805.

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1 https://nlihc.org/housing-needs-by-state/maryland

2 https://consumerfed.org/press_release/auto-insurers-often-charge-identical-neighbors-considerably-higher-premiums-because-of-zip-code-differences/

3 http://www.marylandconsumers.org/penn_station/folders/consumer_education/reports/Auto_Insurance_Gender_Discrimination_Research_Report___Color.pdf

4 http://www.iii.org/fact-statistic/uninsured-motorists

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

SB0805_Motor_Vehicle_Insur_Discrim_MLC_FAV.pdf
Uploaded by: Plante, Cecilia
Position: FAV

MARYLAND LEGISLATIVE COALITION

TESTIMONY SB0805

MOTOR VEHICLE INSURANCE – RATE FILINGS – DISCRIMINATION, TRADE SECRETS, AND STATES OF EMERGENCY

Bill Sponsor: Senator Peters
Committee: Finance
Organization Submitting: Maryland Legislative Coalition
Person Submitting: Cecilia Plante, co-chair
Position: FAVORABLE

I am submitting this testimony in favor of SB0805 on behalf of the Maryland Legislative Coalition The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

Our members are shocked at the ways that insurance companies discriminate and prey on those who can least afford insurance. Currently, Maryland auto insurance companies use zip codes as a way to determine auto insurance rates. They are used as a proxy for race and class. A 2015 study by Consumer Federation of America reveals that. "Average premiums in predominantly African American zip codes in the Baltimore/Towson, MD CBSA [Core-based Statistical Area] were nearly double, or 94 percent higher than the average premiums in its predominantly white communities." The Baltimore-Towson region, in fact, exhibited the most significant premium difference between predominantly African American and predominantly white communities among all CBSAs in the nation.

This bill will reduce the reliance on zip codes in auto insurance and ensure greater equity in auto insurance rates. It requires that insurance companies draw larger boundaries to use for rating, which smooths out zip code differences, and reduces the impact of using zip codes by proscribing that there can only be a 25% variance between zip codes.

This could not be more necessary in Maryland. The Maryland Legislative Coalition supports this bill and we recommend a **FAVORABLE** report in Committee.

SB 805 Support Letter.pdf
Uploaded by: Straughn, Karen
Position: FAV

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OFFICE OF THE ATTORNEY GENERAL
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March 3, 2021

To: The Honorable Delores G. Kelley
Chair, Finance Committee

From: Karen S. Straughn
Consumer Protection Division

Re: Senate Bill 805 – Motor Vehicle Insurance – Rate Filings – Discrimination, Trade Secrets, and States of Emergency (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of Senate Bill 805 submitted by Senator Douglas J.J. Peters. The bill permits the Insurance Commissioner to require a private passenger automobile insurer to reduce rates during a State of Emergency and prohibits the use of residential territory in the rating of a private passenger automobile insurance policy. Proponents of using territory to rate insurance policies often argue that certain territories are indicative of an increased risk of loss. But driving habits do not factor in any way into an individual's residential territory and, likewise, one's residential territory does not affect one's driving habits.

Use of territory in setting automobile rates results in arbitrary situations, such as neighbors paying significantly disparate rates because one neighbor's house is in one jurisdiction while the other neighbor's house is in another. The choice of where to live may be determined by a number of factors, including cost, where a person works, ability to access public transportation and relative distance from family and friends, among other things. For some, they may choose to live in what is currently considered a higher-risk territory, but primarily use public transportation; or they may choose to live in an area considered a lower-risk territory but drive long distances to get to work and see family on a regular basis. However, the decision of where to reside does not necessarily translate to a higher risk of an automobile loss. Even if an individual drives the average amount for a particular territory, this does not necessarily mean that he or she is a higher or lower risk merely due to where he or she resides. Instead, those rates should be based on the driving history and rating characteristics of the individuals and their vehicles. This is the only way of truly ensuring that the individual is properly rated for the risk he or she presents, rather than his or her current residential territory.

For these reasons, we ask that the Finance Committee return a favorable report on this bill.

cc: The Honorable Douglas J.J. Peters
Members, Finance Committee

_MCRC Testimony 2021 SB805 FAV.pdf

Uploaded by: White, Marceline

Position: FAV

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

March 3, 2020

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

Chair Kelley and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial inclusion and economic justice for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are here in strong support of SB805.

Last week at his town hall in Milwaukee, WI, President Joe Biden remarked that "*Your car — you never had an accident in your car. If you live in a black neighborhood, you're going to pay a higher premium on your car.* "

Maryland does not use race or income but zip codes and other non-driving related factors act as proxies for race and class

Today, MCRC and the Consumer Federation of America released a study using real auto insurance premiums that shows that auto insurance rates rise in direct proportion to the percentage of people of color living in a zip code. Conversely, the more white people living in a zip code, the lower the average auto insurance premium is. The unintended impact of the use of zipcodes to price auto insurance is that lower-income, predominately Black, and Latinx drivers are charged hundreds of dollars more for the same product.

This legislation is particularly important today as we grapple with a global pandemic and accompanying recession in Maryland. As the United Way's 2020 ALICE report notes, 39% of Maryland households struggle to make ends meet[1]. Thousands of households have lost jobs, with Black and Latinx households grappling with greater job loss and a higher risk of contracting COVID, and with it, the healthcare costs and potential loss of earnings. Moreover, many of our essential workers who are in the retail and service industries reside in communities that are paying much higher costs for insurance-which places an additional burden on these workers.

[1] United Way ALICE report, 2020

While insurance companies may claim that accident rates, road conditions, and other factors are the reason that the rates differ, a 2013 study from the NIH looked at hotspots and geography of crashes in Baltimore City and using statistical analysis found that income, age, sex, and population size was not a predictor of crashes, explaining only about 20% of crashes.[2] Therefore, auto insurance rates that use these non-driving factors to set prices are not using factors that explain crashes.

SB508 provides the committee with two ways to address this issue. The two options for consideration by the committee include: 1) drawing larger boundaries for auto insurance companies to rate-which smoothes out zipcode differences, and 2) reducing the impact of zip codes by proscribing that there can only be a 25% variance between zip codes. We recommend that the committee consider using both. However, even adopting one of the amendments would reduce the racial discrimination experienced by Black and Brown drivers that the current system perpetuates.

This legislation does not prohibit the use of zip codes to price auto insurance, it simply provides a way to rectify the disparate impact of zipcodes in setting rates and ensures that rates are more fair and equitable.

SB805 also increases transparency and accountability by making the ratings factors and weights each company uses publicly available. Many states make these ratings weights and factors available to the public but Maryland decided to shield them as trade secrets a few years ago. Auto insurance companies often suggest that consumers shop around but this practice of hiding information makes it difficult to do so.

SB805 will reduce the reliance on zipcode in auto insurance and ensure greater equity in auto insurance rates as well as increase transparency so consumers have access to the informatio they need to make informed decisions.

For all of these reasons, we support SB 805 and urge a favorable report.

Best,

Marceline White
Executive Director

[2] Hotspots and Causes of Motor Vehicle Crashes in Baltimore

SB 805_MAIF_Dodson_UNF.pdf
Uploaded by: Dodson, Sandra
Position: UNF

MARYLAND

AUTO INSURANCE

TESTIMONY – SENATE BILL 805

Date: March 3, 2021 **Position:** **Unfavorable**

Bill Number: Senate Bill 805

Bill Title: Motor Vehicle Insurance – Rate Filings – Discrimination, Trade Secrets, and States of Emergency

Senate Bill 805 Review and Analysis

First, Senate Bill 805 prohibits an insurer, including Maryland Auto, from using territory as a factor in rating private passenger automobile insurance. Maryland Auto has used territory rating to determine premiums for decades as location is an important actuarial factor in evaluating risk and predicting claims. If territory rating were prohibited, Maryland Auto rates would increase for many policyholders and decrease for many others. The breakdown, on average, would be as follows:

REGION	$ Change in Average Premium	% Change in Average Premium
Baltimore Metropolitan Area	-$847	-34.1%
Northern Maryland	-$213	-10.8%
Eastern Shore	+$661	+57.5%
Southern Maryland & Anne Arundel County	+$65	+ 3.8%
Western Maryland	+$403	+27.4%
Montgomery & Howard Counties	+$160	+10.6%
Prince George's County	+$54	+3.5%
Statewide	**+$0**	**+0.00%**

Also, SB 805 allows the Insurance Commissioner to require insurers to reduce rates for private passenger motor vehicle insurance policies under certain circumstances during a State of Emergency. The impact of a rate reduction is difficult to calculate since the amount of the reduction and length of time for reduction are unknown. As an illustration however, if the Insurance Commissioner required a 10% rate reduction for 6 months in 2020, Maryland Auto would have experienced a premium loss of $3.5 million which would have reduced surplus by the same amount. This calculation assumes claims payments and expenses remain constant.

For these reasons, Maryland Automobile Insurance Fund urges an unfavorable report on Senate Bill 805.

For Information: Sandra Dodson – Government Relations 667-210-5182

SB 805 - APCIA

Uploaded by: Egan, Nancy

Position: UNF

American Property Casualty Insurance Association
INSURING AMERICA apci.org

Testimony of

American Property Casualty Insurance Association (APCIA)

Senate Finance Committee

SB 805 Motor Vehicle Insurance – Rate Filings – Discrimination, Trade Secrets, and States of Emergency

March 3, 2021

Letter of Opposition

The American Property Casualty Insurance Association (APCIA) is a national trade organization representing nearly 60 percent of the U.S. property casualty insurance market. APCIA appreciates the opportunity to provide written comments in opposition to Senate Bill 805. APCIA strongly opposes this bill which would ban the use of territory as a rating tool for personal auto, remove the protection of proprietary rate-related information as confidential commercial information; and provides that during a declared state of emergency by executive order, the Insurance Commissioner may require an insurer to reduce rates for private passenger auto policies.

APCIA and the property casualty insurance industry recognize that today, there is greater scrutiny of racial and social equity, justice, and inclusion issues. The industry is committed to creating a more diverse and inclusive workforce, providing fair treatment to all customers, and helping provide our unique expertise in risk mitigation, risk management and loss prevention to make insurance more affordable in low income, minority and traditionally underserved communities. APCIA is aligned with the National Association of Insurance Commissioners (NAIC) and National Council of Insurance Legislators on the need to have hard conversations together about how to directly tackle concerns related to fairness and preventing unlawful discrimination to determine if there are improvements that could both strengthen competitive markets and address inequities while preserving the risk-based foundation of insurance. Last year the NAIC announced the formation of a special committee focused on Race & Diversity. The committee is charged with the following: 1) Conduct research and analyze the level of diversity and inclusion within the insurance sector; 2) Engage with a broad group of stakeholders on issues related to race, diversity, and inclusion in the insurance sector; 3) Determine whether current practices exist in the insurance sector that potentially disadvantage minorities; 4) Make recommendations to the Executive Committee and membership by year-end regarding steps: (a) both insurance regulators and the insurance industry can take to increase diversity and inclusion; (b) that should be taken to address practices that potentially disadvantage minorities; and (c) to ensure ongoing engagement of the NAIC on these issues through charges to existing committees, task forces and working groups.

Removing Trade Secret Protection

Senate Bill 805 would remove the protection provided under Section 11-307 of the Insurance Article for an insurer's designated "proprietary rate-related information" that is filed with the Insurance Commissioner for private passenger auto and designated as a trade secret under Maryland law. Trade secret protection is afforded to all industries in Maryland and insurance rating models should not be signaled out. Insurers are in a competitive market and wish to protect the investment they have made in developing their pricing models from their competitors. The insurance regulator does have access to this information to ensure that the information subject to trade secret protection is in compliance with the law. Removing this protection would significantly limit the incentives for insurers to innovate and compete to the detriment of Maryland consumers.

Overview of Rating

For many years, there has been much controversy throughout the United States on the use of territorial rating in private passenger automobile insurance. Interest in this area partially stems from rising insurance losses in both automobile and homeowners insurance, resulting in higher insurance premiums for the policyholder. While some regulators and legislators have attempted to revise traditional rating criteria used by insurers, the property/casualty insurance industry maintains that the use of rating by geographical location, or territory, is an equitable and statistically-supported method of distributing costs among policyholders.

Automobile insurance loss costs are generally the highest in the city, attributable to: (1) the greatest number of claims incurred in the urban area; (2) the highest amount of loss dollars per claim; or (3) a combination of both. Probable factors contributing to higher insurance costs in the city include higher population and/or traffic density and greater exposure to crimes such as theft and vandalism.

If restrictions in geographical location as a rating factor were imposed and different rating territories were no longer used in a state, then a redistribution of premiums among policyholders would be necessary. Those policyholders living in higher-cost areas would have a decrease in their premium, while policyholders in lower-cost areas would have an increase. In other words, the residents of less populated communities would be required unfairly to subsidize their counterparts living in the more heavily populated cities. Generally, it is the majority of policyholders in the state who would be affected negatively by this type of change.

While some critics say it is wrong to differentiate in price on the basis of geographical location, insurers say it is wrong to require anyone to pay more than the amount reflected in his or her expected loss cost. Such an imposition is recognized by both insurers and the insurance-buying public. According to public opinion polls, a large majority of people feels it is unfair to make suburban and rural residents pay more automobile premium to help their urban counterparts. Insurance companies need to base their premiums on projected costs and differentiate among areas with varying loss potential. Restrictions placed on territorial rating would: (1) create forced subsidies for some policyholders at the expense of others and limited insurance products or services; (2) undermine the ability to influence responsible behavior on the part of individuals; and (3) cause a shift in the marketplace by companies, thus reducing competition.

Concept of Spreading Risk and Geographical Rating

Insurance is a method of reducing the uncertainty of financial loss through the transfer of risk by many individuals to an insurer. Since individuals generally cannot bear the financial consequence of a large loss, policyholders contribute premium payments to a common fund that covers losses and expenses. The policyholder thus exchanges the possibility of an unknown large loss for a comparatively small certain payment.

Insurers face the challenge of measuring risk; they need to know whether to accept a risk and how much to charge. Ratemaking involves measuring the probability of the occurrence of losses and the financial impact that may be expected to result from the hazards or perils against which insurance is provided. Since rates are determined before all future costs are known, the insurance pricing function is more difficult than that of most other businesses, making it among the most important and intricate company operations. Hence, the insurance industry is unique in American business because it cannot price its product like other businesses with full knowledge of costs and be guaranteed a return on investment. Each state, nevertheless, subjects insurance ratemaking to a specified type of statutory regulatory control; that is, rates may not be "excessive, inadequate, or unfairly discriminatory."

The basic principle underlying the development of insurance rates is the estimate of claims for the varying risks being insured during future months and a determination of whether current rates are adequate or inadequate to pay these losses. Loss experience is measured by two fundamental elements: (1) claim frequency; and (2) average loss or claim severity. Claim frequency is usually expressed as the number of claims occurring per 100 insured vehicles or housing units during one year. For example, if automobile collision coverage claims occurred at the rate of 10 per 100 insured car years (a car year is one car insured for one year), then the frequency is 10 percent. The average loss is the average cost of each claim paid or incurred for a particular coverage. The combination of these two factors is the loss cost, or the average amount of loss paid or incurred by the insurer for each vehicle or housing unit covered.

In most cases, the geographical area having the highest automobile insurance loss cost in each state has the highest claim frequency, the highest average loss per claim, or both. The highest loss cost typically reflects residents of the urban area. This indicates that people living in these areas are the riskiest to insure, due to the most number of claims incurred per insured exposure and/or the costliest claims incurred in these areas. Clearly, the cost to provide protection to residents of these locations is greater than elsewhere.

Geographical Location in Ratemaking

Historical loss data establish the fact that automobile accidents, or vandalism and theft losses are more likely to occur in certain locations than in others. The cost of automobile accidents and property damage is more likely to be greater in certain areas as well. Hence, there is a need for insurance companies to distinguish those geographical regions with greater loss potential from those with less.

The territory must contain exposure risks sufficiently large and homogeneous to allow a reasonable accuracy of predicting loss costs by application of the concept of large numbers. For automobile insurance, territorial lines are drawn to commonly group motorists who operate vehicles under similar conditions and face similar hazards. For the sake of simplicity and equity, territorial boundaries generally were developed by using existing political demarcations, geographical features or contiguous zip code areas. The number and size of territories vary from state to state and among insurers; for example, states may comprise anywhere from about 3 to 90 automobile rating territories depending on the particular jurisdiction.

There are many reasons why losses and, hence, insurance rates vary by territory. Some characteristics contributing to loss potential in automobile insurance are population density, traffic density, motor vehicle theft rates, varying types of law enforcement, conditions and maintenance of roadways, health care costs, body shop repair rates, and claiming behavior. For example, population and traffic densities both provide a measure of congestion. The higher the population and the more vehicles there are, the more likely there will be automobile accidents and, hence, insurance claims. Urban areas tend to produce more claims per insured car than rural or suburban areas. Similarly, the cost of paying automobile insurance claims is higher in urban areas because hospital and medical expenses, repair costs, and legal fees tend to be substantially higher in these areas. It has also been found that residents in metropolitan cities typically are more prone to make injury claims than residents living elsewhere. Past studies have also shown that most automobile accidents usually take place within twenty-five miles of home, or the primary garaging location of the vehicle.

If the use of territorial rating were eliminated or restricted, an increase in premiums for some policyholders would take place to offset the decrease in premiums given to others, unfairly overcharging those persons who actually have less loss exposure than other persons having greater exposure. This imposition usually affects the majority of policyholders in each state who live in the non-urban parts. Invariably, persons residing in rural communities would have premium increases, while their city counterparts would have decreases. The positive or negative impact on suburban and medium-sized city dwellers depends upon how their loss costs compare with the statewide average.

Consumer Survey Results

Even consumers recognize the inequity of forcing suburban and/or rural policyholders to subsidize their counterparts living in the city. In previous public attitude surveys conducted by the Insurance Research Council, the majority of respondents generally favor lower automobile insurance rates for drivers who live in suburban and rural areas because they have fewer accidents than drivers who live in cities. Once again, the majority of consumers feel it is somewhat or very unfair for lower-risk drivers to pay higher automobile insurance rates to compensate for decreases given to higher-risk drivers.

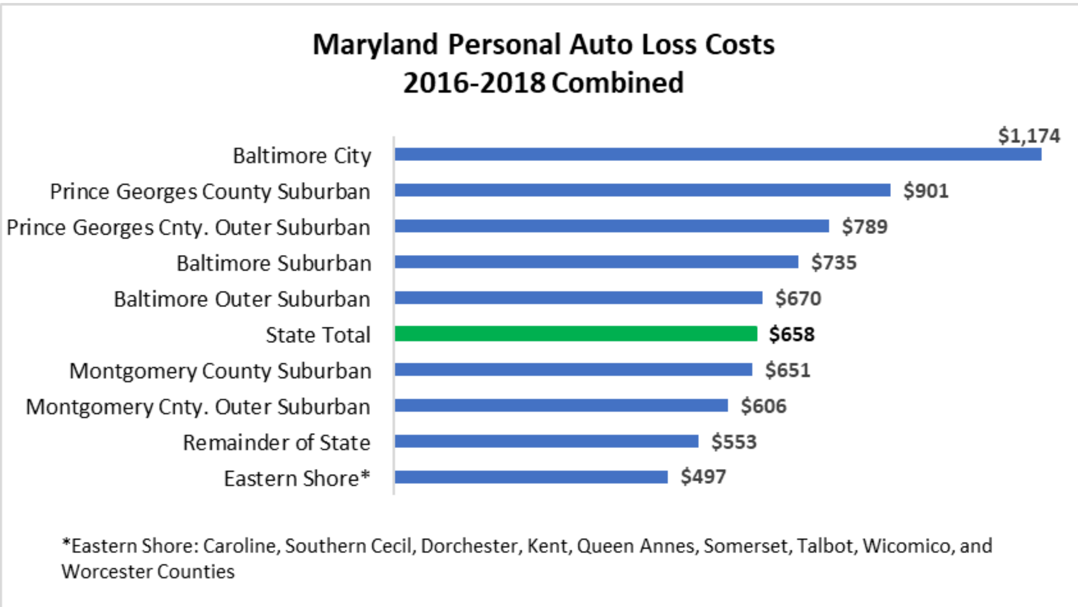
In summary, rating on the basis of territories evolved in order for companies to achieve equity among policyholders and to determine which areas are more likely to result in claims and how serious those claims might be. So that each group of policyholders pays its fair share of losses and expenses, insurers must continue to pursue sound and legitimate business practices and base their premiums on the exposure to risk.

Maryland Results[1]

Territory has been used for classification of personal auto risk. Without the use of territory in pricing, rates will not be reflective of the loss variances in the different territories. Furthermore, there would be subsidies created benefiting risker policyholders at the expense of policyholders in less congested areas with better loss experience.

For this analysis loss experience and average premiums[2] for each territory are compared to that of the statewide total to assess potential impacts of eliminating territorial rates and charging the statewide average premium to all Maryland personal auto policyholders.

Approximately 52 percent of Maryland policyholders have loss experience below the statewide loss cost[3] (indicating less risky drivers, in general) while 48 percent have loss experience above the statewide loss cost (indicating more risky drivers, in general).



If territorial rating were prohibited, the estimated 52 percent of Maryland policyholders with better loss experience (and thus on average pay less than the statewide average), could potentially see a rate increase of about 14 percent (on average). The resulting higher premiums paid by this group of generally less risky drivers then would subsidize the potential 12 percent (on average) rate decreases for the other 48 percent of generally more risky Marylanders.

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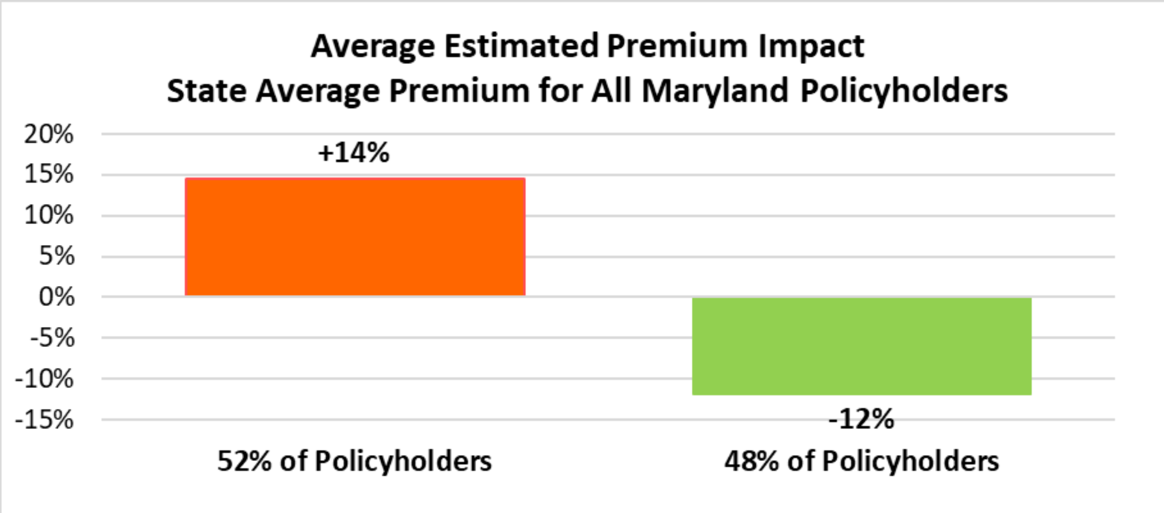
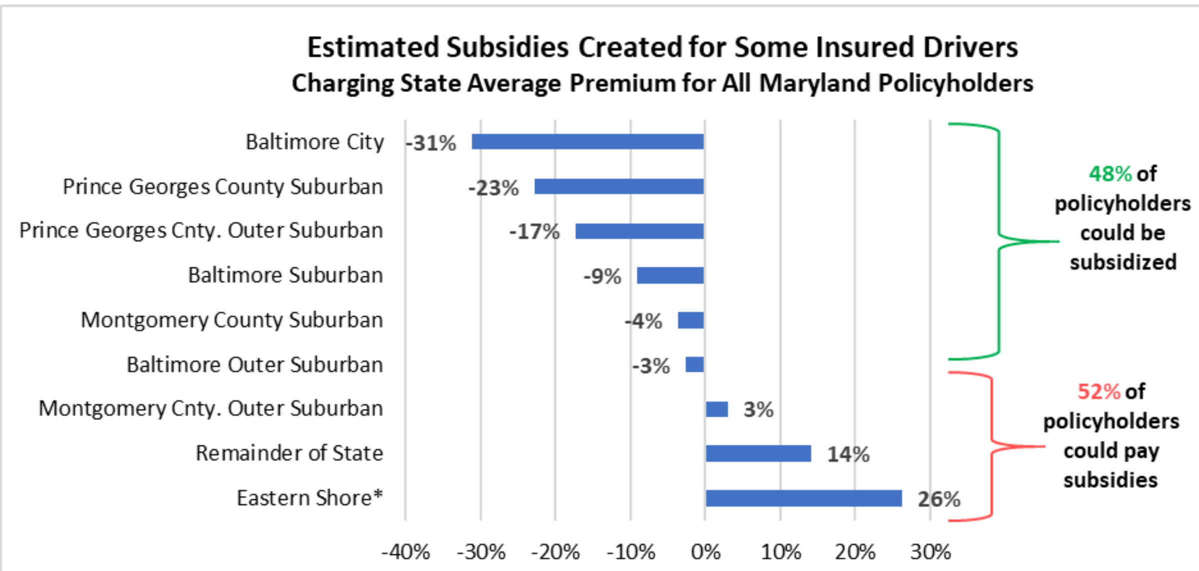
[1] APCIA prepared the estimates in this report using personal auto accident-year data as of March 31, 2019, from the Independent Statistical Service (ISS) reflecting 2016-2018 combined. Personal auto data analyzed include liability coverages (bodily injury and property damage liability, and uninsured/underinsured motorists) and physical damage coverages ($100 deductible comprehensive and $250 deductible collision

[2] Earned premium divided by earned exposure

[3] Average loss per insured vehicle (car-year)



Below is the estimated potential average premium change by territory, should territorial rating be eliminated, and all Maryland personal auto policyholders were charged the statewide average.



*Eastern Shore: Caroline, Southern Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester Counties

The debate on territorial rating has resulted, no doubt, in part from increases in the cost of insurance, especially to those living in metropolitan areas. Certain special interest groups feel that restrictions on the insurance ratemaking process will result in lower premiums for the policyholder. This is not the case, however, as affordability concerns cannot be mitigated over the long term by establishing artificial barriers on the risk assessment process and prohibiting the use of territorial rating. Rather, premium decreases should only take place when the true problem of high underlying claim costs is recognized and dealt with directly and successfully.

Ignoring differences in loss costs through rate subsidies has another negative result. It hides the true drivers of losses and thereby further delays the actions should be taken, for example, to improve highway safety, provide better transportation alternatives and fight crime that preys on the most vulnerable.

Rate Reductions during COVID-19

Senate Bill 805 would grant the Insurance Commissioner the power to force private passenger auto companies to lower auto premiums during a state of emergency. The Insurance Commissioner already has the power to issue bulletins and provide mandatory guidance regarding activities during a state of emergency. Everyone agrees that the current state of emergency and the financial and human toll on the United States is unprecedented. Insurers understood the urgency of helping businesses and individuals recover from this unprecedented crisis and mitigate a larger shut down of the economy. Last year, home, auto, and business insurers voluntarily provided customers with more than $14 billion in policyholder relief. Furthermore, the industry has deployed more than $220 million in philanthropic contributions during COVID-19 to support local communities.

In Maryland, the Insurance Commissioner issued several bulletins encouraging insurers to assist their policyholders, either working on payment plans, waiving any fees, removing exclusions for food delivery drivers under personal autos, and adjusting rates to reflect changes in exposures as more and more people were working from home[4]. The Maryland Insurance Administration issued several follow up bulletins encouraging companies to review their losses and make future rate adjustments. Auto insurers responded by refunding $440,000,000 in premiums through the end of the 3rd Quarter of 2020 alone according to the Maryland Insurance Administration. It is also important to understand that rates are continuously adjusted by insurers at each renewal using multiple years' data, which means they adjust gradually, in both an upward and downward direction. If there is a sustained decline in number and cost of insurance claims, rates will be adjusted. No one expected the state of emergency to last this long but auto insurers are continually adjusting their future loss expectations to reflect the changes on exposure. Mandatory reduction of rates is not the answer, especially when the facts change rapidly. In many places, there was a short dramatic decline in miles driven and highway losses, but in many places the fatality rate actually quickly increased as a result of less congestion and higher speeds and distraction.

Conclusion

Trade Secret protection is provided to all businesses in Maryland and the insurance industry is no exception. Removing this protection only reduces the incentive to innovate and compete and does not benefit the public at large. Insurers should continue to have equal footing with other Maryland businesses, especially in the context of expert regulators who can and do review virtually everything for compliance with applicable legal standards. With regard to the present territorial rating system, most objections point toward the social philosophy that underlies the criterion of geographical location, and not on the validity of accepted statistical principles of risk assessment. The risk assessment process should be free of restrictions that would prohibit competition and bring about forced subsidies for some consumers at the expense of others. Should different criteria for territorial definitions and boundaries become justified, companies will take the initiative to incorporate them into their systems to benefit the insurance-buying public. In addition, giving the Commissioner the power to mandate premium reductions during states of emergencies seems imprudent as already shown that such a mandate is unnecessary.

For all these reasons, the APCIA urges the Committee to provide an unfavorable report on Senate Bill 805.

Nancy J. Egan, State Government Relations Counsel,

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[4] Maryland Insurance Administration issued several bulletins throughout the pandemic. Bulletin 20-12 encouraging a review of PPA rates. Bulletin 20-20 encouraging forbearance on cancellation of policies and payment plans.

2020-03-03 MD SB805 TERRITORY TRADE SECRET AND MIA
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Position: UNF

TESTIMONY OF STATE FARM INSURANCE COMPANIES
IN OPPOSITION TO SENATE BILL 805
(MOTOR VEHICLE INSURANCE RATE FILINGS)

SB805 would: authorize the Insurance Commissioner to mandate rate changes in when emergency declarations are in effect; eliminate the use of territory as a factor in private passenger automobile rating; and, remove the proprietary trade secret protections currently afforded rating models. State Farm opposes this bill.

Maryland Insurance Administration Emergency Rate Authority:

The recent COVID-19 emergency caused many challenges for the citizens of Maryland. Insurance rate reductions based upon the impact of the pandemic emergency was not one of those challenges. State Farm, as well as many if not all other carriers, voluntarily provided both a refund to policyholders based on the sharp reduction in driving and losses and also implemented a rate reduction from the existing pre-COVID rates. State Farm provided Maryland policyholders with dividends and refunds of $55.2M between March 20 and May 31, 2020. Additionally, rate reduction filings, averaging 14.6%, resulted in $137.8M in premium reductions for State Farm Maryland customers. In total, the Maryland automobile insurance industry in response to the pandemic in 2020 voluntarily refunded or reduced rates in the amount of $440M.

Authorizing the Insurance Commissioner to order rate reductions would significantly impact the competitive market in Maryland. Every carrier is able to develop its own rating models, which leads to choice and options for Maryland drivers. Mandatory rate programs would curtail the options available to insureds. As shown in 2020 it is entirely unnecessary to impede the market and pricing options of insurance carriers by authorizing rate reductions which may not accurately reflect the current data available to carriers with their effective insurance rating models.

Prohibiting the Use of Territory in Automobile Rating:

Consistent experience has shown the residence address has a clearly demonstrable effect upon the probability of loss. Legislation attempting to regulate an insurer's use of territories or geographical location, including the establishment of uniform territories, would be detrimental to accurately matching price to risk.

Opponents of the current system of basing premiums, in part, on geographical territories do not dispute the fact that accident rates vary from one area to another. However, some maintain that basing premiums on geography is socially undesirable and unfair, even though it can be justified by accident statistics. It is argued those who live in large cities are not individually responsible for the high loss costs, and, therefore, should not be penalized for something they cannot control. These critics would like to see the same premiums charged throughout a state so the impact of high loss costs in larger cities would be distributed among policyholders statewide. The effect of "spreading the risk" using methods advocated by critics would be that insurance premiums in certain parts of large cities may drop while those outside the major urban centers would increase. Any such departure from cost-based pricing causes unjustified rate increases and adversely affects the competitive market.

The purpose of establishing separate rates by geographic location is to create equity among the individual policyholders of a company. The legitimate purpose of using territory factors is to determine whether there is a significant difference between the hazards to which all persons in a specific area are subjected compared to the persons in the surrounding area. State Farm develops rates based on the loss experience of the particular area. The environment in which a consumer resides exerts a powerful influence on the probable loss experience of policyholders in that area. Loss frequency combines with factors such as the cost of repairs, medical and hospital costs, attorney involvement, the size of jury awards, and other factors to produce the total costs which are reflected in insurance premiums charged in the area.

Rating Model Proprietary Trade Secret Protections:

Proprietary rating models are critical to a company's competitive advantage in an open market. While the Maryland Insurance Administration has unrestricted access to these models in reviewing a company's rate filings, it is vitally important that these models not be available to the public at large because that would allow competitors to see and utilize each other's proprietary information.

The elimination of proprietary trade secret protection in current Maryland law is likely to result in the use of more generic rating models that are available publicly, which limits price competition, compresses risk segmentation and provides fewer choices to customers in pricing as well as between carriers.

As trade secrets, these models should continue to be considered confidential under the Public Information Act, which has always protected trade secrets or competitively sensitive proprietary information obtained by a state agency from public disclosure. State Farm has committed significant resources to the development of pricing and underwriting sophistication through its pricing models. These are precisely the types of business innovation which should be protected as trade secrets in a competitive market.

For these reasons State Farm requests an unfavorable report on SB805.

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Position: UNF

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March 1, 2021

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

RE: Senate Bill 805 - Motor Vehicle Insurance - Rate Filings - Discrimination, Trade Secrets, and States of Emergency - UNFAVORABLE

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

My client, the Insurance Agents and Brokers of Maryland (IA&B), wishes to register its opposition to Senate Bill 805. IA&B is a trade association of independent insurance agencies whose members do business in Maryland.

The principal problem with automobile insurance is not the method by which rates are set or the rating factors that are used. Those features are already heavily regulated by our Maryland Insurance Commissioner to protect automobile insurance consumers.

Instead, the problem with automobile insurance is its high cost. Although we have many insurance companies doing business in Maryland, a number of factors (not rating factors) combine to make its cost high. And because buying automobile insurance has been compulsory for car owners in Maryland since 1972, the only way that consumers can effectively drive down the cost of this mandatory product is through shopping for it.

The rating factors used in automobile insurance have all been reviewed repeatedly by our State insurance regulators. Senate Bill 805 seeks to eliminate the use of territory as a rating factor. Territory is perhaps the first rating factor used in calculating automobile insurance rates in the United States. Its use goes back at least 100 years, and it has been repeatedly and thoroughly examined by state insurance regulators and others. Territory has been found to be highly predictive of future losses – the essential element of any rating factor.

Proponents of Senate Bill 805 argue that the use of territory as a rating factor is unfair in its application. They have compared it to the illegal practice of "redlining," in which geographic areas were avoided by lenders or insurers based, in part, on their racial composition. The use of race as a rating factor for automobile insurance is expressly prohibited under Maryland law. Territory as a rating factor continues to be a reliable indicator of future losses for an insurer for other reasons. Here are some reasons.

Some basic facts will illustrate the fundamental validity and fairness of territory as a rating factor in automobile insurance. Maryland has approximately six million residents. Maryland also has over two million registered motor vehicles. Maryland is the 5th most densely populated state in the United States. From these facts alone it is logical to infer that there is much more traffic on Maryland roads than in many other states. It is also logical to infer that traffic volume is not distributed equally: that urban and suburban areas within Maryland have more traffic, and therefore a greater risk of traffic accidents, than in other areas. Driving behavior, while important, is simply another factor that insurers use to measure the risk of future loss. Both factors are predictive, which is why both are used virtually everywhere.

IA&B agrees with the proponents' contention that automobile insurance in Maryland is expensive – more expensive than in some other states. IA&B does not agree, however, that the cost of automobile insurance – its affordability – is determined by the use of territory or any other rating factor permitted under Maryland insurance statutes and regulations. If territory is removed as a rating factor, insurers will have one less tool to measure risk. Rates would then increase for a majority of insureds, and the inability of insurers to accurately price future losses would exert further upward pressure on rates.

Despite high costs, Maryland has a vibrant and competitive automobile insurance market. We should be encouraging competition, since it is the only way to reduce the cost of this essential product for consumers.

For these reasons we respectfully request an unfavorable report on Senate Bill 805. Thank you for your consideration.

Very truly yours,

Bryson F. Popham, Esq.

cc: The Honorable Douglas J. J. Peters, douglas.peters@senate.state.md.us

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MAMIC
Maryland Association of
Mutual Insurance Companies

191 Main Street, Suite 310 – Annapolis MD 21401 – 410-268-6871

March 1, 2021

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

RE: Senate Bill 805 - Motor Vehicle Insurance - Rate Filings - Discrimination, Trade Secrets, and States of Emergency - UNFAVORABLE

Dear Chair Kelley, Senator Peters 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 805.

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.

For those MAMIC members who write automobile insurance, the ability to accurately determine the rates to be charged is of paramount importance. MAMIC members tend to be small to medium-sized insurers. Unlike large national insurers, their capacity to accept risk is limited. Inaccurate pricing – an inability to accurately predict future losses – could mean the difference between maintaining a stable, ongoing presence in the Maryland automobile insurance market, or reducing its writings. The essence of insurance is stability, and our insurance laws should promote that stability for insurers as well as insureds.

While MAMIC members may not have a large market share in Maryland, they are nonetheless an important component of the market, and in many communities they are a primary choice for automobile insurance consumers.

The removal of territory as a rating factor would be a severe blow to the ability of smaller automobile insurers, like MAMIC members, to compete in a highly competitive Maryland automobile insurance market.

For these reasons, we respectfully request an unfavorable report on Senate Bill 805.

Sincerely,

Robert F. Glass, CPCU, ARM, MBA
President

cc: The Honorable Douglas J. J. Peters, douglas.peters@senate.state.md.us
Bryson F. Popham, Esq.