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The Honorable C.T. Wilson
Chairman, House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401

RE: House Bill 436- Motor Vehicle Insurance - Use of Credit History Rating Policy - UNFAVORABLE

Dear Chairman Wilson and Members of the Committee,

I am writing on behalf Progressive Insurance (Progressive) in opposition to House Bill 436 -Motor Vehicle Insurance Use of Credit History Rating Policy.

For decades, Progressive has been a leader in the highly competitive automobile insurance industry in identifying, and utilizing, new and effective methods of accurately pricing automobile insurance. Progressive was, for example, a pioneer in the development of usage-based insurance, and appeared before this General Assembly just two years ago to promote improvements in that product that will benefit users in Maryland. I am pleased to report that the General Assembly adopted the Progressive proposal that year.

Progressive can also be described as “data-driven.” This means that Progressive is relentless in its pursuit of automobile insurance rating variables that accurately predict losses. Accordingly, Progressive was an early supporter of credit based insurance scoring (CBIS), and continues to rely upon that rating factor today. In fact, we appeared before this Committee last year with data supplied by Progressive clearly demonstrating the correlation between CBIS and certain risky driving behavior. That and similar information is presented to you this year under the banner of our trade association, the American Property Casualty Insurance Association (APCIA).

There is also a simpler reason to oppose House Bill 436. If the use of credit is banned in Maryland, over half of most insurance policy holders will see an increase in their rates. Some of these increases will be substantial. And in all cases, the consumer will have done nothing to cause the increase. There are approximately 2 million registered motor vehicles in Maryland. The implications of this proposed rating change, therefore, cannot be ignored.

For these and other reasons, Progressive respectfully requests that the Committee given an unfavorable report to House Bill 436.

Very truly yours,



Bryson F. Popham