

---

BILL NO: House Bill 125  
TITLE: Motor Vehicle Insurance - Discrimination in Underwriting and Rating - Prohibitions  
COMMITTEE: House Economic Matters Committee  
HEARING DATE: January 20, 2022  
POSITION: **SUPPORT**

House Bill 125 prohibits auto insurance companies from utilizing gender as a factor in underwriting, thereby prohibiting motor vehicle insurers from discriminating against women, or charging women higher insurance rates, for no reason other than the fact they are women.

The Maryland Insurance Administration (MIA) currently allows insurance companies to use a number of non-driving related factors including a driver's gender to set auto insurance rates. HB 125 will ensure auto insurance is more affordable for low-income families, as it prohibits auto insurance companies from using factors that aren't related to a driving record when determining rates. The use of non-driving related factors, like gender, is troubling to advocates as this practice allows insurers to not only predict the likelihood of an accident, but to predict the likelihood that a policyholder may file a claim for damages in the future.<sup>1</sup> Predicting the likelihood that a consumer may file a claim economically discriminates against women, low-income drivers, and drivers of color and does not keep our roads safer.

**Women pay as much as 39% more for insurance than otherwise identical men, which translates to as much as \$154 more for their annual auto insurance premiums.** Auto insurance rates should be based on driving record and driving experience – not on an individual's occupation, credit score, sex, marital status, or education level. Many of Maryland's top insurers use gender as a primary factor in setting auto insurance premiums. Of the top ten insurance companies, eight use gender as a rate factor which is driving up costs for women across the state. This "pink tax" for auto insurance is an additional cost women shoulder while only earning an average of 86 cents to every dollar earned by men in Maryland. Allowing insurers to increase rates based on the gender of a driver disproportionately harms women, particularly women of color, exacerbating the financial inequality women already face.

By amending what factors are allowed to be considered in calculating auto insurance rates to specifically **exclude gender from consideration**, HB 125 will simultaneously increase safety standards as more Marylanders will be insured, while simultaneously eliminating barriers to economic stability for women who need a car to get to work.

As such, we support HB 125 and urge a favorable report.

*The Women's Law Center of Maryland is a private, non-profit, membership organization that serves as a leading voice for justice and fairness for women. It advocates for the rights of women through legal assistance to individuals and strategic initiatives to achieve systemic change. The Women's Law Center operates three hotlines, Protection Order Advocacy and Representation Projects in Baltimore City, Baltimore County and Carroll County, and the Multi-Ethnic Domestic Violence Project.*