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Baltimore County

Environment and Transportation
Committee

Subcommittees
Local Government and Bi-County
Agencies
Natural Resources, Agriculture,
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

**Testimony of Delegate Dr. Jay Jalisi
Before the Economic Matters Committee**

**In Support of HB-690
Motor Vehicle Insurance – Use of Credit History in Rating Policy**

February 17, 2022, 1:00pm

Chair Wilson, Vice-Chair Crosby, and members of the Economic Matters Committee,

I come before you today to reintroduce a bill that affects every car owner in Maryland, but especially those with perfect driving record but not so perfect credit history.

This bill prohibits a private passenger motor vehicle insurer from rating a risk (insurance policy) using the credit history of an applicant and makes conforming changes. As a result of the bill's changes, the credit history of an insured or applicant may no longer be used by a private passenger automobile insurer in any way. The bill applies to all private passenger motor vehicle insurance policies issued, delivered, or renewed in the State on or after October 1, 2022.

The bill specifies that credit history may not be used to rate a risk in any manner, including (1) the provision or removal of a discount; (2) assigning the insured or applicant to a rating tier; or (3) placing an insured or applicant with an affiliated company.

The opponents of this bill come after me and will tell you that 15-20 years ago the auto insurance industry cut a deal which allows them to continue this mode of assessing risk - but in the 21st century and especially in these days of the ongoing COVID-19 pandemic when a lot of Marylanders have been financially hit and are unable to pay even for normal daily expenses that may have negatively impacted their credit histories, it makes no sense to further penalize them by increasing their auto insurance premiums.

I also think the use of credit scores to establish auto insurance premiums for personal vehicles is patently unfair towards new immigrants coming from other countries, because they do not have credit histories at all when they come to our great country for equal opportunities and a better future.

Therefore, I request your favorable vote for my bill