



MARYLAND STATE & D.C. AFL-CIO

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HB 436 – Motor Vehicle Insurance – Use of Credit History Rating Policy
Senate Finance Committee
March 29, 2022

SUPPORT

Donna S. Edwards
President
Maryland State and DC AFL-CIO

Madam Chair and members of the Committee, thank you for the opportunity to provide testimony in support of HB 436 – Motor Vehicle Insurance – Use of Credit History in Rating Policies. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

The old saying goes “It’s expensive to be poor”. If you have had a bad run economically or have had medical bills that you are unable to pay or are struggling to stay afloat month-to-month, your credit rating will suffer. When your credit is bad, you pay higher interest on your loans, costing you even more money to dig yourself out of the hole.

HB 436 provides some relief to workers who experienced hard economic times and have taken a hit to their credit, by banning the use of credit history in rating policies for auto insurance plans. Low-income workers have enough roadblocks, without being forced to pay more for auto insurance based on their credit history. We need to craft policies that help lift people out of poverty, by removing more barriers to success, and HB 436 is a step in the right direction.

We urge a favorable report on HB 436.