



BILL HENRY

OFFICE OF THE COMPTROLLER

City Hall – Room 204
100 Holliday St Baltimore, MD 21202

February 7, 2023

The Hon. C.T. Wilson, Chairman
Economic Matters Committee
Maryland House of Delegates
House Office Building, Room 230
Annapolis MD 21401

Dear Chairman Wilson:

I am writing to express my support for HB 355, “Baltimore City Lifeline Low-Cost Automobile Insurance Program.” This bill will require insurers to offer low-cost automobile insurance policies to residents of Baltimore City.

Maryland law mandates that all drivers have auto insurance. Yet over 600,000 Marylanders actively drive while uninsured because they can’t afford it. This is due to the fact that Maryland state law allows insurance companies to use non-driving factors when underwriting insurance premiums. Factors such as zip code, credit history, income, and education- none of which are related to an individual’s driving ability- are factored into the calculation, sharply raising the rates for lower-income communities of color.

The Baltimore-Towson metropolitan region, the largest metropolitan region in Maryland, was found to have the highest racial disparity in auto insurance premiums in the nation, with average premiums in predominantly African-American zip codes being nearly double, or 94% higher, than the average premiums in predominantly white communities within the region, according to the Consumer Federation of America. This inequity is estimated to affect over 339,000 Baltimoreans.

For Baltimoreans that cannot afford to pay the high rates of auto-insurance, the consequences can be dangerous. Fees and fines can stack up quickly, for example: drivers can face a \$150 fee for the first 30 days of driving uninsured; \$7 for each day thereafter; a \$25 restoration fee; a ban on registering new vehicles or renewing registration until all insurance suspensions are cleared; and the confiscation of license plates.

The unaffordability of Maryland’s auto insurance — driven by the state’s high-cost minimum liability limits and use of non-driving related factors — has created a population of Marylanders that cannot afford to drive insured. The high cost of auto insurance criminalizes poverty; individuals who cannot afford car insurance yet continue to drive to obtain work or remain employed risk costly fines, fees, or even jail. In 2019, 14.1% of Maryland drivers were driving without insurance. The cost of uninsured drivers is passed on to consumers through higher premiums - driving up the cost for everyone.

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As Comptroller of Baltimore City, I am committed to protecting our community's financial interests, which includes ensuring equity in access to transportation. **Not only would the proposed legislation help low-income residents of Baltimore City, but it would also establish a model that could be expanded in other underserved communities across the state.** Thank you for your time and attention. If you have any questions, please feel free to contact me at 410-396-4357 or via email at comptroller@baltimorecity.gov.

Sincerely,



Bill Henry
Baltimore City Comptroller

CC: Delegate Stephanie Smith, Chair of the Baltimore City Delegation
Nina Themelis, Mayor's Office of Government Relations