

February 9, 2023

The Honorable C.T. Wilson
Chair, House Economic Matters
Room 231 House Office Building
Annapolis, MD 21401

RE: House Bill 355 – Baltimore City – Lifeline Low-Cost Automobile Insurance Program - UNFAVORABLE

Dear Chairman Wilson and Members of the House Economic Matters Committee,

My name is Matt Overturf, Regional Vice President for the Ohio Valley/Mid-Atlantic region with the National Association of Mutual Insurance Companies¹ (NAMIC). NAMIC is the largest property/casualty insurance trade group with a diverse membership of more than 1,500 member companies, including seven of the top 10 property/casualty insurers in the United States. The association supports local and regional mutual insurance companies on main streets across America as well as many of the country's largest national insurers.

NAMIC respectfully requests an unfavorable report on House Bill 355 as it fails to account for the fundamental principles of insurance. While HB 355 attempts to address a significantly important issue, the affordability of automobile insurance, it lacks the fundamental elements for a properly functioning insurance market such as shared risk and law of large numbers.

Additionally, the funding mechanism in this legislation would come from a new annual fee assessed on all insurers licensed to write auto insurance carriers in Maryland—which is a cause for concern and added challenges to the comprehensive affordability discussion.

We have a shared interest in maintaining an accessible and affordable insurance market that eases the overall costs of insurance for all Maryland drivers and policyholders while maintaining adequate rates; for these reasons NAMIC requests an unfavorable on House Bill 355.

Thank you.

Matt Overturf
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Ohio Valley/Mid-Atlantic Region
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¹ NAMIC member companies write \$357 billion in annual premiums and represent 69 percent of homeowners, 56 percent of automobile, and 31 percent of the business insurance markets. Through its advocacy programs NAMIC promotes public policy solutions that benefit member companies and the policyholders they serve and fosters greater understanding and recognition of the unique alignment of interests between management and policyholders of mutual companies.