



Testimony on HB355
Baltimore City Lifeline Low-Cost Automobile Insurance Program
Position: Favorable

To Chair C.T. Wilson and Members of the Economic Matters Committee,

My name is Ricarra Jones, and I am the Political Director of 1199SEIU United Healthcare Workers East. We are the largest healthcare workers union in the United States, with over 10,000 members in Maryland and Washington DC. Our union supports HB355 to create a low-cost automobile insurance program in Baltimore City. We ask your committee to issue **favorable** report on this bill. Public transportation in Baltimore is so inefficient that many of our members rely exclusively on cars to get to-and-from work on time¹. It will take time to significantly improve our public transit system, so we also support policies that will make driving more affordable for our members.

The high cost of car insurance coupled with inadequate public transportation has created a barrier for healthcare workers to easily travel to the facilities where they work. One member shared with us that he was unable to afford his car insurance and was forced to make the decision between driving uninsured, which could lead to legal and financial consequences, or use public transportation that could ultimately jeopardize their job due to tardiness beyond their control. That is a lose-lose choice that no one should have to make. Many of our members have no “grace period” for tardiness, which leads to them being disciplined if they are only one minute late to work. It is essential that caring for a patient is not stalled due to a worker having unaffordable car insurance. There is a critical short staffing crisis across the healthcare industry in Maryland. We cannot risk good healthcare workers losing their jobs simply because they can’t get to work. Maryland has the longest hospital wait times in the country, making it even more important that hospital workers have punctual transportation. HB355 will ensure racial & economic equity for drivers in Baltimore for the reasons listed below.

Economic Mobility & Job Access: The high cost of auto insurance is often prohibitive for the low-income drivers who most need access to cars to obtain better jobs. In 2019, Maryland ranked among the bottom ten states for quality of state transportation infrastructure.² Even in regions with strong transit systems, many low-income families have trouble reaching jobs for which they are qualified. Some are forced to turn down good positions in favor of lower paying ones with transit access. Driving increases access to family sustaining jobs, fresh food, recreational activities, and education.³ Being able to drive significantly improves economic opportunities for low-

¹Our union advocates for legislation to create affordable, environmentally sustainable, dependable, and equitable public transportation.

²<https://www.usnews.com/news/best-states/rankings/infrastructure/transportation>

³<https://www.vehiclesforchange.org/why-vfc/>

income Marylanders, and without insurance people are either forced to rely on public transportation or to drive illegally without coverage, driving up costs for everyone.

Criminalization of Poverty: Maryland has passed a number of policies to enforce the law requiring drivers to purchase insurance, but we have done very little to make auto insurance more affordable and enable low-wage workers to comply with the law. Being able to drive significantly improves economic opportunities for low-income Marylanders, and without insurance people are either forced to rely on public transportation or to drive illegally without coverage, driving up costs for everyone.

- Failure to have auto insurance carries an array of criminal and civil consequences, including: 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.⁴
- Driving without insurance is a misdemeanor and subject to a \$1,000 fine for a first offense and up to one year in jail and five points added to the individual's license. A second offense can surpass \$2,000 in charges and up to two years in jail. In addition, another five points may be added to the individual's drivers license and the driver's insurance rates will increase with a second offense.

Racial Equity: According to the most recent Vital Signs report, the neighborhoods that are most reliant on public transportation in Baltimore City are also majority-Black communities. There is a strong relationship between residents who use or may rely on public transportation and communities of color. Moreover, many of these same neighborhoods have a large percentage of residents without cars who likely have few transportation options available to them.⁵ Unaffordable auto insurance exacerbates this issue. It not only limits the economic mobility for members of these communities, but increases contact with the criminal justice system and civil fines and fees all of which deepen poverty.

Economic Equity: Poor drivers are being charged more for auto insurance for being poor. In 2022, Maryland Auto reported that 58% of their policyholders have not had an at-fault accident or a moving violation within the last three years and that the leading cause policyholders are enrolled through Maryland Auto is lack of a credit history or poor credit scores or no continuous automobile insurance coverage.⁶ These drivers, who would qualify for the program this bill creates, are being charged premium costs 29% more than the average premium cost in the state.

Over 339,000 people live in underserved ZIP codes in Baltimore where auto insurance is currently unaffordable.⁷ All legislative districts in Baltimore have average premium costs that surpass the Federal Insurance Office's (FIO) standard of affordability. Districts 40, 41, 43, and 45 all have average premium costs twice as high as the FIO's 2% affordability standard. Within each district, low-income ZIP codes and ZIP codes within communities of color have even higher average premium costs.

1199SEIU urges you Committee to vote YES on HB355 to enable low-income drivers to comply with the law and purchase affordable insurance. Thank you.

In Unity,
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⁴ <https://mva.maryland.gov/vehicles/Pages/insurance-uninsured.aspx>

⁵ <https://bniajfi.org/2021/01/12/developing-an-index-for-communities-underserved-by-transit/>

⁶ <https://static1.squarespace.com/static/5b05bed59772ae16550f90de/t/63d93da4e516ab7b9d5e377f/1675181476962/FINAL+-+MAIF+Budget+Follow+up+%283%29.pdf>

⁷ https://home.treasury.gov/system/files/311/FINAL%20Auto%20Affordability%20Study_web.pdf