



**HB 355- Baltimore City - Lifeline Low-Cost Automobile Insurance Program**  
**Economic Matters Committee**  
**February 9<sup>th</sup>, 2023**  
**SUPPORT**

Chairman Wilson, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 355. This bill will create a low-income car insurance pilot program for Baltimore City.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Car insurance price is a barrier for many low-income drivers across the state. A car is an asset that improves and expands options to work and services. However, owning a car is a costly investment. After the immediate financial burden of purchasing the car and the registration, there are other costs associated with a car like gas, car maintenance, and car insurance. Car insurance is legally required. When added to other monthly obligations like housing, childcare, and food, the price of car insurance becomes a burden. This leaves low-income drivers stuck in a difficult place.

Access to a car increases an individual's economic opportunity<sup>1</sup>. Many people rely on their cars to drive to work, doctor appointments, and to care for their children. Public transportation is not accessible or expansive enough for low-income workers to rely on it for work opportunities. For many workers in Maryland, it is not an option at all. HB 355 is the first step to guarantee that affordable care insurance if offered in Maryland.

The price of low-income driver's car insurance is more likely to be inflated through predatory practices that car insurance companies use to rate policies. Low-income drivers are more likely to not have higher education, high positions within the company they work, or strong credit scores. These non-driving related factors contribute to the difficulty low-income drivers face trying to afford car insurance.

HB 355 helps low-income drivers in Baltimore City receive affordable car insurance by:

- Creating the Lifeline Low-Cost Automobile Insurance Program (LLAIP)
- Providing the minimum coverage needed to drive

In 2021, CASH was a member of the Task Force to Study Transportation Access which studied ways to advance transportation access across the State. The task force produced four recommendations, and one was to "Expand Independent Transit Access and Mobility through the Expansion of Vehicle Access Programs and the Consideration of Low-Cost Auto Insurance Programs." HB 355 aligns with the recommendation from the taskforce and moves the state towards more accessible transportation.

**Thus, we urge you to return a favorable report for HB 355.**

---

<sup>1</sup> [Driving to Opportunity: Understanding the Links among Transportation Access, Residential Outcomes, and Economic Opportunity for](#)