

**House Health and Government Operations Committee**  
**HB 712: Public Information Act – Denials – Confidential Information**  
**UNFAVORABLE | February 13, 2024**

Chair Pena-Melnyk and Members of the House Health & Government Operations Committee:

On behalf of the National Association of Mutual Insurance Companies<sup>1</sup> (NAMIC) thank you for the opportunity to submit this statement to express our opposition to House Bill 712.

NAMIC consists of nearly 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.

House Bill 712 creates a lower standard for denials of the Freedom of Information Act (FOIA) statute by stating that a custodian may not deny an inspection unless the disclosure is likely to result in substantial competitive harm. Typically, FOIA statutes have exceptions for trade secrets and confidential information, which is important, especially for insurers, who are regulated by departments of insurance in all fifty states. If passed, this could unintentionally provide access to and make it more difficult for the Maryland Insurance Administration to deny a request for insurance company trade secret and confidential information.

Insurers compete for policyholders with the coverage and pricing options they can offer. Insurers hold their position in the market by using their own rating models, formulas, analyses, etc. that are currently protected as proprietary information. Removing the protection for proprietary rate-related information, would likely minimize competition by allowing insurance competitors to see and use proprietary rate-information which could ultimately lead to the use generic rating models that are less precise to the risks which will create upward pressure on auto insurance premiums. We all have a shared interest in maintaining an accessible and affordable insurance market that eases the overall costs of insurance for Maryland drivers while maintaining adequate and accurate rates.

For these reasons, NAMIC is opposed to House Bill 712 and respectfully requests an unfavorable report of the bill.

Sincerely,

Matt Overturf, NAMIC Regional Vice President  
Ohio Valley/Mid-Atlantic Region

<sup>1</sup> 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.