



**Testimony to the House Economic Matters Committee**  
**HB148 2 Private Passenger Motor Vehicle Insurance – Premium Increase – Prohibition**  
**Position: Favorable**

January 22, 2025

The Honorable C.T. Wilson, Chair  
House Economic Matters Committee  
Room 231, House Office Building  
Annapolis, Maryland 21401  
cc: Members, House Economic Matters

Honorable Chair Wilson and members of the committee:

Economic Action Maryland Fund (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances economic rights, equity and housing justice for Maryland families through research, education, direct service, and advocacy. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

I am writing to urge your favorable report toward HB 148 which prohibits auto insurance premium increases after not-at-fault accidents in Maryland. Maryland requires drivers to carry insurance and has a bevy of fines and fees for uninsured drivers. However, less work has been done to make sure that car insurance is fair and affordably priced and rates have skyrocketed over the past few years.

Recent reports indicate that insurance costs have increased by 15% nationwide in the first half of 2024<sup>1</sup> with some reports indicating that Maryland has the most expensive car insurance in the county<sup>2</sup> and others noting that Baltimore has the highest rates in the state<sup>3</sup>.

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<sup>1</sup> [Zawodny, Daniel Auto insurance in Maryland is expensive. But just how bad is it? Baltimore Banner, 10/17/24](#)

<sup>2</sup> [Sheets, Cassie New Report: Insurify Projects 22% Increase in Car Insurance Costs After 15% Spike in First Half of 2024, August 2024](#)

<sup>3</sup> [Blackwell, Penelope Baltimore has the highest car insurance rates in Maryland. Here's what you can do about it 11/14/2023](#)

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HB148 will bring much needed rate relief to many safe drivers throughout Maryland by prohibiting insurers from raising rates for drivers after a crash in which they were not at fault if there were no more than two such claims in the prior three years. In Maryland, the insurer of the at-fault driver generally pays the damages caused by a crash so there should be no loss by the insurer of the driver who is not at fault.

Drivers should not pay more for accidents where they are not at fault. Today in Maryland, they do. A 2017 [Consumer Federation of America](#) study found that:

- Allstate, Farmers, GEICO, and Progressive all imposed substantial premium hikes for drivers after not-at-fault accidents. Allstate imposed a 4.8% increase, Farmers imposed an 11.1% increase, GEICO's increase was 14.1%, and Progressive imposed a whopping 16.6% increase.
- On average, Baltimore drivers saw a premium hike of \$258 after not-at-fault accidents. When combining the not-at-fault penalty with other socio-economic pricing variables insurers used, CFA found that moderate-income drivers paid \$208 more, or 9.6% more, after not-at-fault accidents, while higher-income drivers paid \$78 more, or 6.6% more.

In other states that have passed similar legislation including Virginia, Oklahoma as well as the District of Columbia, there has been no harm to the insurance market due to similar legislation.

Drivers should not pay the price of higher insurance premiums when they are not at fault for the accident. HB148 is a simple, common sense bill that will bring greater fairness to the market and rate relief to Maryland drivers who are in an accident through no fault of their own.

For all these reasons we support HB148 and urge a favorable report.

Best,

Marceline White  
Executive Director

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