



**Testimony of**  
**American Property Casualty Insurance Association (APCIA)**

**Senate Finance Committee**

**Senate Bill 551- Private Passenger Motor Vehicle Insurance -Collisions with Wild Animals-Prohibited  
Actions by Insurers**

**February 12, 2025**

**Unfavorable**

The American Property Casualty Insurance Association (APCIA) is a national trade organization whose members write approximately 66.9% of the personal auto insurance market in Maryland. The bill prohibits an insurer, with respect to private passenger motor vehicle insurance, from increasing a premium, add a surcharge, or remove, alter or refuse to consider a discount based on accidents or losses based on the claims history of an insured where two or fewer of the claims within the immediately preceding 3-year period were for accidents or losses caused by a collision with a free- free-roaming wild animal and for which the insured was not at fault for the loss. APCIA opposes the legislation.

As the bill is currently drafted, it limits the ability of companies to underwrite the risk of an insured based on their claim history. Current law already provides a private passenger motor vehicle insurer may not cancel or refuse to renew coverage based on the claims history of an insured where two or fewer of the claims within the preceding three-year period were for accidents or losses where the insured was not at fault for the loss. This bill would in effect extend the existing limitation to any collision with an animal, which under common automobile policy language classifies as “other than collision” which is typically covered under comprehensive coverage.

As pointed out by the recent study by the Maryland Insurance Administration, [The Effects of Wild Animal Collisions on Premium Increase for Private Passenger Automobile Insurance Report](#), 90% of policyholders carry comprehensive coverage.<sup>1</sup> The study found that the vast majority (94.9% of the market by premium) of companies surveyed did not apply surcharges for comprehensive losses that as a result of collision with animals. Of the 73 companies surveyed, only 3 companies apply a surcharge for comprehensive losses with animals, however some companies include animal impact losses when calculating the loss cost threshold for a surcharge.<sup>2</sup>

Fifteen companies (11.86%) will consider claims under comprehensive coverage, including collisions with animals, to determine qualification for a safe driver or a loss free discount. These companies will consider the overall number or dollar amount of the claims to determine whether to remove the discount. Companies often consider comprehensive losses and not at fault accidents when initially underwriting a risk and this bill could impact those decisions as well.

The language in the bill could also be interpreted in unintended ways, as the Department of Legislative Services pointed out in its fiscal note on SB 172 last year:

*The Department of Legislative Services advises that the bill could be interpreted to only allow a private passenger motor vehicle insurer to increase a premium based on any claim after three or more claims within the immediately preceding three-year period for accidents or losses caused by a collision with a free-roaming*

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<sup>1</sup> <https://insurance.maryland.gov/Consumer/Appeals%20and%20Grievances%20Reports/Effects-of-Wild-Animal-Collisions-on-Premium-Increases-for-Private-Passenger-Automobile-Insurance-%20Report.pdf> See page 5.

<sup>2</sup> Id.

*wild animal for which the insured was not at fault for the loss.*

***Under this interpretation, an insurer would not be allowed to increase a premium based on any number of collisions with other vehicles or property unless the insured has made three or more claims for collisions with wild animals that meet the bill's specifications.***

Companies pass on the increased costs of these claims to their policyholders in two ways: by adjusting the base rate for all policyholders it can be raised; or individual policyholders can be charged more. This bill leaves only adjusting the base rate for all policyholders as the only option.

Finally, not all insurers will increase their premium for comprehensive losses, such as hitting an animal. But this bill could have the opposite effect. To avoid passing these costs on to all their customers, insurers could begin surcharging for a third collision with an animal. Or, because this only applies to wild animals, does that mean insurers can surcharge for colliding with a domestic animal, like a dog, a cow, or a horse?

For these reasons, APCIA urges the Committee to provide an unfavorable report on House Bill 551.

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