



191 Main Street, Suite 310 – Annapolis MD 21401 – 410-268-6871

March 3, 2025

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 697 Maryland Automobile Insurance Fund - Premium Discounts - Methodology –
UNFAVORABLE

Dear Chair Beidle and Members of the Committee,

We are writing to respectfully request an unfavorable report on Senate Bill 697.

MAMIC is comprised of 12 mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of our members are domiciled in Maryland, and are key contributors and employers in our local communities. Together, MAMIC members offer a wide variety of insurance products and services and provide coverage for thousands of Maryland citizens.

A number of MAMIC members provide motor vehicle liability and physical damage insurance in Maryland. Typically, they utilize common rating and underwriting standards used by most insurers, which are subject to review by the Maryland Insurance Administration. MAMIC members do not use the income of the insured as a rating factor, and we are unaware of any insurer that does so.

While Senate Bill 697 as drafted applies only to the Maryland Automobile Insurance Fund, we note that the Fund has typically used traditional rating factors such as those described above. Permitting the Fund to utilize the income of the insured as a rating factor, introduces an entirely new element into motor vehicle insurance rating. We do not believe that income is a reliable predictor of future losses, in the same manner that an insured's driving record may be. In fact, we believe that income itself would be difficult, if not impossible, to accurately measure, so its usefulness would be impaired as a result.

For these reasons, MAMIC respectfully requests an unfavorable report on Senate Bill 697.

Sincerely,

Melissa Shelley, President

cc: Bryson F. Popham