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December 2, 2024

VIA Email

The Honorable Pamela Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

The Honorable C.T. Wilson, Chair
House Economic Matters Committee
231 Taylor House Office Building
6 Bladen Street
Annapolis, MD 21401

Dear Chair Beidle and Chair Wilson:

We write in response to Chair Beidle's letter on April 25, 2024 requesting that the Maryland Insurance Administration ("Insurance Administration" or "Administration"), in relation to Senate 902 of 2024, provide you with information regarding the effects of wild animal collisions on premium increases for private passenger automobile insurance in the State. Our answers are set forth below in accordance with Section 3 of Senate Bill 902, as amended by the Senate.

Background

Collisions between motor vehicles and wildlife, most notably deer, are common, and can be costly. In 2024, the Maryland General Assembly considered, but did not pass, bills that sought to address the effects of collisions in various ways; Senate Bill 902 of 2024 included a section requesting a study on the effect of wildlife collisions on insurance costs in Maryland. This report will focus on the financial losses covered under comprehensive insurance coverage, but collisions with wildlife also cause injuries, and even fatalities.

On April 23, 2024, the Maryland Insurance Administration ("MIA") received a request from Senator Pamela G. Beidle to perform a study of the effects of wild animal collisions on premium increases for private passenger automobile insurance ("PPA") in the State. The request referred to a study proposed under Section 3 of Senate Bill 902, as amended by the Senate. The proposed study asked the MIA to consider the following questions:

(1) the percentage of Maryland policyholders who have comprehensive, or other than collision, coverage on their policies;

(2) loss costs incurred with respect to claims resulting from collisions with deer or other wildlife annually;

(3) whether and under what circumstances policyholders who submit claims following a collision with deer or other wildlife pay a higher premium due to surcharges or the removal of discounts as a result of such a claim; and

(4) how the overall loss costs incurred with respect to collisions with deer and other wildlife are incorporated into private passenger automobile insurance premium rates, including whether the rates applicable to a policyholder may increase as a result of the submission or payment of a claim resulting from such a collision.

PPA insurance policies may include different types of coverage. Liability insurance is required by state law, but additional coverage is available. Comprehensive coverage (also known as Other Than Collision coverage) pays for damage to the policyholder's car resulting from causes other than an accident, including collisions with wildlife. Maryland law does not require comprehensive coverage, but most lenders will require it as a term of the auto loan if the purchase of the car was financed.

The purpose of this study is to review the effects of wild animal collisions on premium increases for PPA insurance in Maryland. There are two general ways that claims, such as those for wild animal collisions, can affect premium. First, rises in overall claims experience may lead insurers to raise their base rates and overall premium for all insureds. Second, individual policyholders may be affected by surcharges, removal of a discount, or other increases tied directly to their driving behaviors or claims histories.

Survey

On June 21, 2024, the MIA sent a survey to the companies that are in the top 11 insurance groups for PPA in Maryland in market share, comprising 73 insurance companies, as well as to two PPA insurers domiciled in Maryland. These insurers cover a total of 94.58% of the PPA market in Maryland by premium volume. The selected insurers were asked to provide policy counts, claims data and a synopsis of their underwriting and rating practices relating to comprehensive coverage. The survey covered 2021, 2022, and 2023. Responses will be summarized below in order to address the questions posed by Section 3 of Senate Bill 902.

Public Meeting and Comments

The MIA held a public meeting on August 20, 2024, to allow stakeholders an opportunity to present information relevant to this study, with a period of time to submit written comments. The American Property Casualty Insurance Association ("APCIA") provided a comment letter on September 5, 2024. The letter stated, in relevant part:

To assist the MIA in its analysis, attached is a bulletin issued by the Highway Loss Data Institute (HLDI) regarding losses due to animal strikes. Specific to Maryland, data provided to APCIA by HLDI shows that the frequency and severity of animal strikes has been declining in recent years.

Accident Year	Claim Frequency (per 1,000 Exposures)	Claim Severity (Average Loss)
2021	6.88	\$ 4,820
2022	6.70	\$ 5,587
2023	5.35	\$ 5,928

In addition, based on APCIA analysis of the latest Fast Track report, an estimated 88% of vehicles insured for bodily injury liability also have comp coverage, and 84% have collision coverage. Fast Track does not include the entire industry, but on a countrywide basis represents approximately 70% of the industry. (State specific market share is not available.)

Fast Track Year-End Q4 2023 PPA			
	Maryland	Maryland	Maryland
	BI Liab Exposures	Comp Exposures	Coll Exposures
	2,943,595	2,587,482	2,461,503
		88%	84%

Highway Loss Data Institute

The Highway Loss Data Institute (HLDI) is a nonprofit organization that publishes insurance loss statistics for motor vehicle insurance. HLDI collects data from PPA insurance companies. HLDI publishes data related to losses by different makes and models to assist consumers in making decisions.

The HLDI issued a Bulletin¹ on losses due to animal strikes, which was provided to the MIA by APCIA in response to the public meeting. The bulletin focuses on claims frequency by month, showing that the peak frequency for animal collisions is in November, and the lowest point is usually in August. The Bulletin relies on comprehensive claims data.

The MIA reviewed other publications by the HLDI in preparing this report.

Answers to Questions Posed by Section 3 of Senate Bill 902

The following answers are based on the results of the survey and information gleaned from the informational public hearing.

What is the percentage of Maryland policyholders who have comprehensive, or other than collision, coverage on their policies?

Year	Total PPA policies in effect	Total PPA policies that included Comprehensive Coverage	Percentage of PPA policies that included Comprehensive Coverage
2021	2,774,497	2,487,940	89.7%

¹ Highway Loss Data Institute, Vol. 40, No. 5, April 2023, Losses Due to Animal Strikes.

2022	2,768,600	2,487,418	89.8%
2023	2,754,852	2,467,623	89.6%

A large majority of policyholders purchase comprehensive coverage. The share of policyholders with comprehensive coverage fluctuated by only a few tenths of a percentage point in the three years covered by the survey. Close to 90% of policyholders choose comprehensive coverage.

What are the loss costs incurred with respect to claims resulting from collisions with deer or other wildlife annually?

Year	Claims received	Loss costs	Average cost per claim
2021	31,227	\$151,679,631.31	\$4,857.32
2022	32,471	\$181,345,798.69	\$5,584.85
2023	31,702	\$196,033,423.49	\$6,183.63

The number of claims increased by 3.98% from 2021 to 2022, but declined from 2022 to 2023. Nationally, the number of animal collisions dropped from 13.6 claims per 1,000 insured vehicle years in 2021 to 11.9 claims per 1,000 insured vehicle years in 2022.² There is not a clear trend in the incidence of wildlife collisions leading to claims, but the variations are not large.

Loss costs increased by 19.56% from 2021 to 2022, and by 8.1% from 2022 to 2023. Auto parts inflation rose during 2021 and 2022, but has been more stable since then.³ Increased costs for auto parts and therefore repairs increase claims costs. These increases will inevitably lead to some form of increases in PPA premiums. As the costs become more stable, the increases in cost per claim should also be more stable.

Whether and under what circumstances policyholders who submit claims following a collision with deer or other wildlife pay a higher premium due to surcharges or the removal of discounts as a result of such a claim?

Surcharges

The majority of companies do not apply surcharges specifically for collisions with deer or other wildlife. Within the same holding company, individual companies may have different rating rules. Seven of the 73 PPA companies surveyed (16% of the total respondents) apply surcharges due to a claim for a collision with deer or other wildlife; the market share of those companies, combined, was 5.01% in 2023. These seven companies are within 3 holding companies. One of the companies that applied surcharges at the beginning of the survey period ceased the practice in 2021 and no longer has policies in force in Maryland.

² Highway Loss Data Institute, Dip in Deer Strikes Poses a Mystery for Insurers Ahead of Peak Season, October 18, 2023.

³ Producer Price Index by Industry: Automotive Parts, Accessories, and Tire Retailers, St. Louis Federal Reserve, <https://fred.stlouisfed.org/series/PCU44134413>.

The ways in which a surcharge may apply vary according to the company's overall rating plan. Four companies, including the one that no longer has policies in force, state that they apply a surcharge for collisions with wildlife. Other companies take different approaches, so a collision with wildlife may be counted towards a total number of incidents or a loss cost threshold for a surcharge rather than directly resulting in a surcharge.

Removal of discounts

None of the companies surveyed will remove a discount specifically for a collision with wildlife, but fifteen companies (27% of the total respondents and 11.86% of the market by premium) will consider claims under comprehensive coverage, including collisions with wildlife, to determine qualification for a safe driver or loss free discount. The companies will consider the overall number or dollar amount of the claims to determine whether to remove the discount. These fifteen companies are in 4 holding companies.

Insurers may consider a collision with wildlife in looking at the driver's total claims under comprehensive coverage. The claims under comprehensive coverage are aggregated to determine if the driver continues to qualify for a discount. The insurer may consider the total number of claims, e.g. two claims would result in loss of a safe driver discount, or the dollar value of claims, e.g. a claim over \$1,000 could result in loss of a discount. The cause of the claims is not relevant in these rating plans, and more than one claim may be involved, so it is difficult to pinpoint the effect of collisions with wildlife in these removals of discounts.

How are the overall loss costs incurred with respect to collisions with deer and other wildlife incorporated into private passenger automobile insurance premium rates, including whether the rates applicable to a policyholder may increase as a result of the submission or payment of a claim resulting from such a collision?

Increased costs can be passed on to policyholders by premium increases in two ways. Either the base rate can be increased for all policyholders to whom it applies, or individual policyholders can be charged more based on their claims experience. Surcharges and discounts have been addressed, but a policyholder may also pay more based on being moved to a different rating tier with a different base rate. The change in rating tier may be based on overall losses or aggregated claims. These claims include claims under comprehensive coverage, but are based on a total dollar amount or number of claims. A claim for a comprehensive coverage loss that is above the dollar threshold, alone or combined with other claims, may lead to a change in rating tier. The base rates for all drivers may be increased if loss costs are increasing.

Overall

Collisions with wildlife, particularly deer, account for significant losses to drivers and their insurers. There are over 30,000 claims for collisions with wildlife each year surveyed. These claims are filed under comprehensive coverage on a PPA policy. Just under 90% of policyholders have comprehensive coverage. The costs of each claim have risen as costs for replacement parts and repairs have risen, even though the number of claims has fluctuated both up and down.

These claims will have an impact on premium for comprehensive coverage. This impact may, in some cases, be borne directly by the policyholder. Only 6 companies, representing approximately 5% of the market, applied a surcharge for a claim under comprehensive coverage as of June 1, 2024. The claims

may result in a surcharge, or may be evaluated along with other factors in determining the qualification for a premium discount. Otherwise, the premiums will increase overall for comprehensive coverage.

It is difficult to quantify the exact amount of premium increases due to wildlife collisions. Comprehensive coverage also covers losses from other causes, such as theft of the vehicle. Thefts have been increasing in recent years.⁴ Increases in the costs for auto parts will affect the costs of other repairs covered under comprehensive coverage. These factors may outweigh the effect of wildlife collisions in rising premiums.

The MIA has issued a consumer advisory⁵ on deer-vehicle collisions, and other state agencies have also issued advisories⁶. Educating consumers about the dangers of deer collisions and how to reduce the danger is one step to help reduce collisions. There may be other ways to also bring down the total number, such as wildlife pathways under consideration by other agencies. Collisions involving wildlife are only one category of PPA claims, but the losses can have a significant impact on the drivers involved and contribute to overall cost increases for PPA insurance.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Marie Grant", with a stylized flourish at the end.

Marie Grant

Acting Commissioner

⁴ National Insurance Crime Bureau, 2023 Vehicle Theft Trends Report, May 9, 2024 <https://www.nicb.org/2023-vehicle-theft-trends-report>.

⁵ <https://insurance.maryland.gov/Consumer/Documents/publications/ConsumerAdvisory-Deer-Vehicle-Collisions.pdf>

⁶ See, e.g. Fall Wildlife Activities Increases Maryland Drivers' Collision Risk, Dept. of Natural Resources, September 30, 2024.

Deer and Other Wildlife Study Tracker Numbers

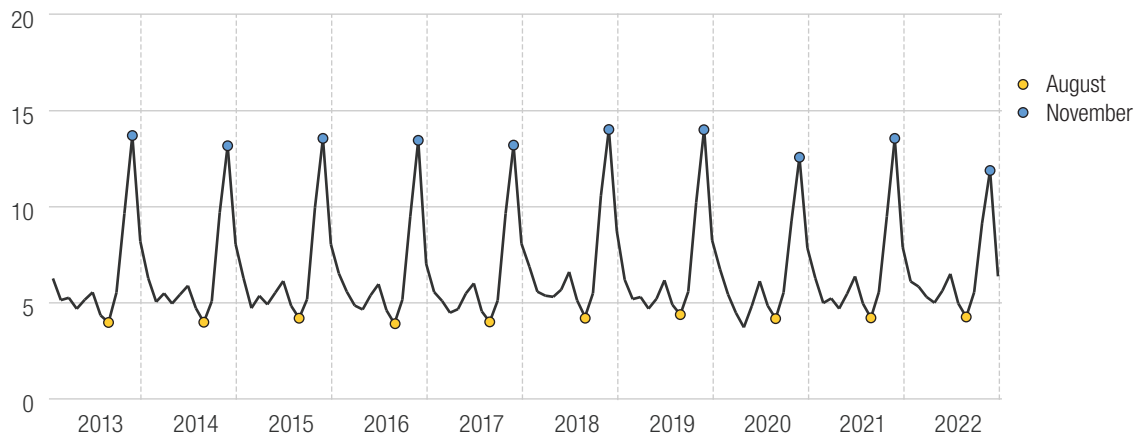
12/31/2021	12/31/2022	12/31/2023
Question 1: Number of private passenger automobile policies in effect		
2,774,497	2,768,600	2,754,852
Question 2: State the number of private passenger auto policies in effect, which contained comprehensive, or other than collision, coverage on the policy, as of		
2,487,940	2,487,418	2,467,623
Question 3: State the total number of claims received involving a collision with a deer or other wild animal for the calendar years ending		
31227	32471	31702
Question 4: State the number of claims received involving a collision with a deer or other wild animal, in which the corresponding policy had comprehensive coverage (other than collision), for the calendar years ending		
30884	32122	31368
Question 5: State the number of claims received involving a collision with a deer or other wild animal, in which the corresponding policy did not have comprehensive coverage (other than collision), for the calendar years ending		
343	349	333
Question 6: State the total incurred loss amount, with respect to claims resulting from collisions with deer or other wild animals, for the calendar years ending		
\$151,679,631.31	\$181,345,798.69	\$196,033,423.49



Losses due to animal strikes

Animal strike claims exhibit significant seasonal variation, with claims peaking in the month of November. This analysis of claims from 2013 through 2022 shows that the average claim frequency in November was more than twice the average for the study period and nearly 3.2 times the average for August, when such claims are least likely to be filed. Although information on the type of animal involved is not available, most of these crashes are believed to involve deer, and the peak in claim frequency coincides with their mating season. West Virginia, Iowa, and South Dakota are the states with the highest November claim frequency for animal strikes. November claim frequency was lowest in 2022 (11.9 claims per 1,000 insured vehicle years). Claim frequency was lowest in August for all years examined, except for 2020, when claim frequency was lowest in April.

National animal strike claim frequency, January 2013–December 2022



► Introduction

Damage caused to vehicles in collisions with animals is insured under comprehensive coverage. This Highway Loss Data Institute (HLDI) bulletin presents the results of an analysis of comprehensive claims to determine whether losses from vehicle–animal collisions vary significantly by calendar month and whether these variations differ among states and counties. HLDI first reported on losses due to animal strikes in December 2008, and this report has been updated 12 times since then. The most recent update was published in December 2022. This bulletin updates the prior results but restricts the data to the 10 most recent calendar years. The model years of the vehicles studied vary by calendar year; only vehicles up to 31 years old are included. The trends shown in the current study are consistent with previous reports.

► Method

Insurance data

Automobile insurance covers damage to vehicles and property as well as injuries to people involved in the crashes. Different insurance coverages pay for vehicle damage versus injuries, and different coverages may apply depending on who is at fault. The current study is based on comprehensive coverage. Comprehensive coverage insures against theft and physical damage to the insured vehicle that occurs for reasons other than crashes. Animal strikes, unlike collisions with guard rails and other stationary objects, are also covered under comprehensive coverage.

Of the 37 companies that currently report information on losses under comprehensive coverage to HLDI, only 25 provide information on animal strikes. Vehicle exposure from these 25 companies represents 40 percent of the HLDI database.

Insurance measures

Claim frequency is defined as the number of claims for a group of vehicles divided by the exposure for that group and is expressed as claims per 1,000 insured vehicle years. Exposure is the length of time a vehicle is insured under a given coverage type and is measured in insured vehicle years. An insured vehicle year is one vehicle insured for 1 year, two vehicles insured for 6 months, etc.

Claim severity is the total of all loss payments made for claims divided by the number of claims paid. Claim severity is measured in dollars per claim. It is not a measure of vehicle speed in a crash or injury severity.

Overall losses are the product of claim frequency and claim severity and are expressed as dollars per insured vehicle year. This is an insurance measure and represents the average annual dollars spent to settle claims.

This study was based on more than 579 million insured vehicle years and more than 3.7 million claims. Total exposure measured in insured vehicle years and claims by calendar year are shown in **Table 1**.

Table 1: Comprehensive coverage exposure and animal strike claims by calendar year		
	Exposure (insured vehicle years)	Claims
2013	45,617,687	296,975
2014	49,192,898	320,097
2015	51,569,247	339,892
2016	54,142,067	346,698
2017	56,560,564	358,804
2018	58,425,094	408,132
2019	65,211,505	436,695
2020	66,430,537	418,801
2021	66,037,188	433,699
2022	65,832,928	419,564
Total	579,019,716	3,779,357

Subject vehicles

The study period was from January 2013 through December 2022 and included passenger vehicles up to 31 years old. For example, in calendar year 2013, we looked at model years 1982 to 2014, while in calendar year 2022, we considered model years 1991 to 2023. Motorcycles were not included.

► Results

Figure 1 shows claim frequency for animal strikes per 1,000 insured vehicle years during the 10 most recent calendar years. Claim frequency followed a consistent pattern — rising dramatically in October, peaking in November, and then dropping off in December and January. Claim frequency during the study period averaged 6.5 claims per 1,000 insured vehicle years. November claim frequency was lowest in 2022 (11.9 claims per 1,000 insured vehicle years). Claim frequency was lowest in August for all years examined except for 2020, when it was lowest in April.

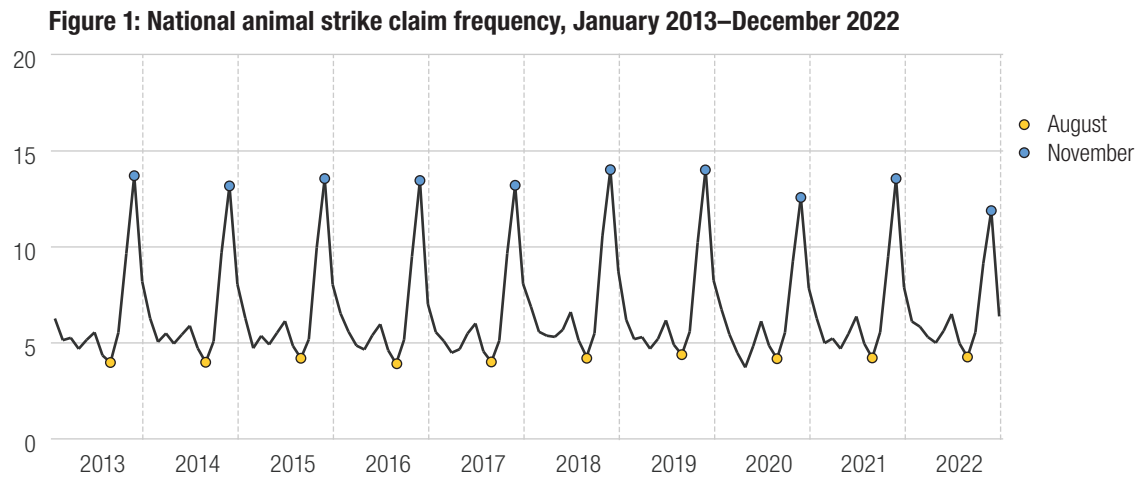


Figure 2 averages the monthly variation in animal strike claim frequency across the 10-year study period. Claim frequency was on average lowest in August (4.2 claims per 1,000 insured vehicle years) and highest in November (13.3 claims). The average November claim frequency was nearly 3.2 times the average August claim frequency.

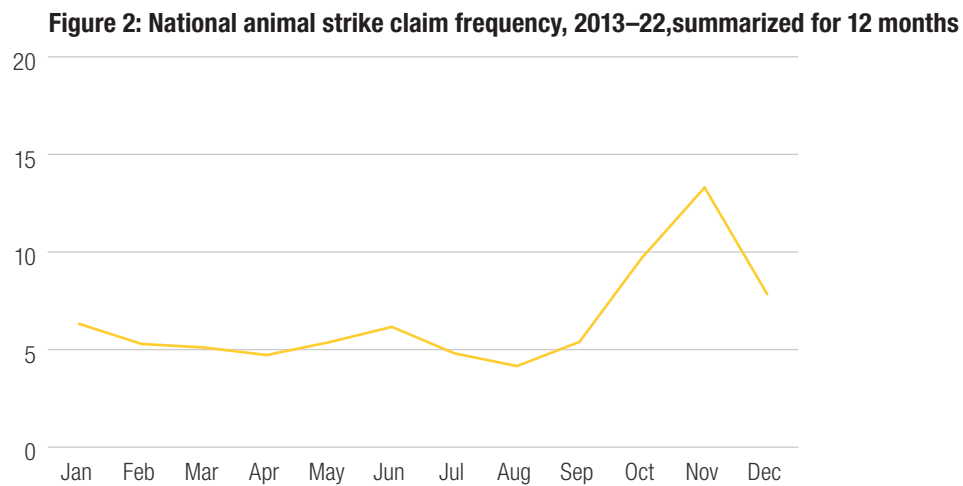


Figure 3 shows animal strike claim severity during the 10-year study period. Monthly variation in claim severity followed a pattern similar to the one observed for claim frequency. In general, claim severity has increased over time, likely due to increasing vehicle prices. Claim severity during the study period averaged \$4,038 per claim. In 2022, the most recent year, the average claim severity was \$5,447, compared with \$3,022 in 2013.

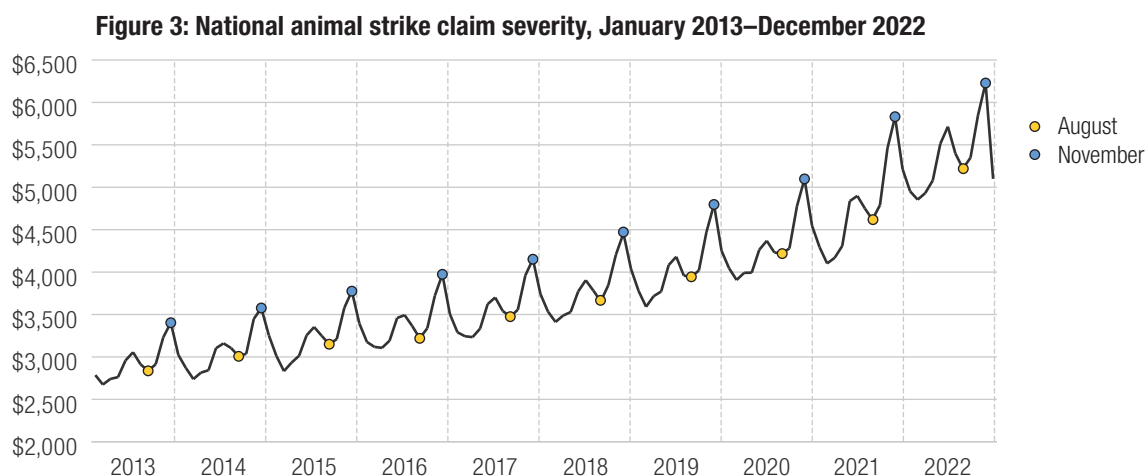


Figure 4 averages the monthly variation in claim severity for animal strikes across the 10-year study period. Like claim frequency, claim severity was highest in November (\$4,600 per claim). However, unlike claim frequency, claim severity was lowest in February (\$3,552). The variation between minimum and maximum monthly claim severity (30 percent) was not nearly as pronounced as the corresponding variation for claim frequency.

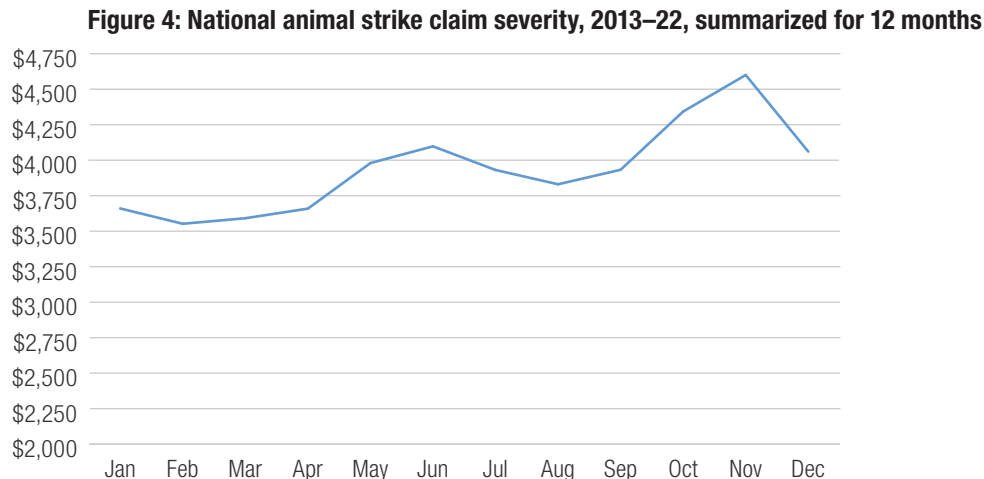


Figure 5 shows overall losses for animal strikes during the 10-year study period. The monthly variation in overall losses followed the same pattern as claim frequency. Overall losses during the study period averaged \$26.35 per insured vehicle year.

Figure 5: National overall losses for animal strikes, January 2013–December 2022

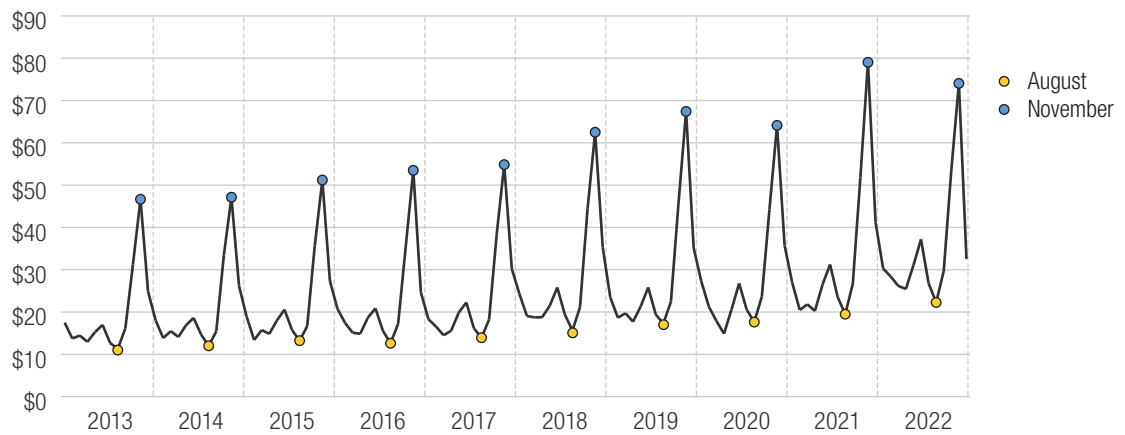


Figure 6 averages the monthly variation in overall losses for animal strikes across the 10-year study period. Overall losses were lowest in August (\$15.91 per insured vehicle year) and highest in November (\$61.19). In November, overall losses were almost 4 times the overall losses in August.

Figure 6: National overall losses for animal strikes, 2013–22, summarized for 12 months



Table 2 summarizes the animal strike loss results by month. The average claim frequency across all 12 months was 6.5 claims per 1,000 years of exposure with a claim severity of \$4,038, resulting in overall losses of \$26.35.

Table 2: Animal strike losses, 2013–22, summarized for 12 months			
	Claim frequency	Claim severity	Overall losses
January	6.3	\$3,660	\$23.14
February	5.3	\$3,552	\$18.78
March	5.1	\$3,591	\$18.34
April	4.7	\$3,659	\$17.27
May	5.4	\$3,980	\$21.41
June	6.2	\$4,098	\$25.25
July	4.8	\$3,931	\$18.90
August	4.2	\$3,830	\$15.91
September	5.4	\$3,932	\$21.22
October	9.7	\$4,343	\$42.17
November	13.3	\$4,600	\$61.19
December	7.8	\$4,061	\$31.84
Total	6.5	\$4,038	\$26.35

Table 3 lists comprehensive coverage losses for the 10 states with the highest claim frequencies for animal strikes in November. National data have been included for comparison. Only states with at least 100 claims in November for each year are included in the national total and in the top 10.

West Virginia tops the list with a November claim frequency of 44.1 — more than 3 times both the national average for November and the state’s August claim frequency. North Dakota, which is 10th on the list, had a November claim frequency that was about 60 percent higher than the national average for November. The largest claim frequency difference between August and November was observed in Pennsylvania, where the November claim frequency was almost 4 times the August claim frequency. Among the 10 states, there was not as much variation in claim severity between August and November as there was in claim frequency. Differences between August and November overall losses among the states followed a similar pattern to claim frequencies.

Table 3: Animal strike losses for the 10 states with the highest animal strike claim frequencies in November, 2013–22									
	Claim frequency			Claim severity			Overall losses		
	August	November	Percent difference	August	November	Percent difference	August	November	Percent difference
West Virginia	14.4	44.1	207.0%	\$3,489	\$4,232	21.3%	\$50	\$187	272.4%
Iowa	9.0	31.6	253.2%	\$4,107	\$5,063	23.3%	\$37	\$160	335.3%
South Dakota	11.0	30.0	172.9%	\$4,446	\$5,169	16.3%	\$49	\$155	217.3%
Pennsylvania	7.0	27.9	299.2%	\$3,522	\$4,263	21.0%	\$25	\$119	383.2%
Kentucky	7.1	27.6	289.1%	\$3,655	\$4,652	27.3%	\$26	\$129	395.3%
Montana	14.2	24.2	70.2%	\$5,303	\$5,422	2.2%	\$75	\$131	74.0%
Arkansas	7.0	23.0	228.2%	\$3,777	\$4,659	23.4%	\$26	\$107	304.8%
Wisconsin	6.6	22.4	238.0%	\$3,835	\$4,591	19.7%	\$25	\$103	304.5%
Michigan	6.1	22.3	262.8%	\$3,652	\$4,735	29.6%	\$22	\$105	370.3%
North Dakota	9.7	21.8	124.9%	\$4,474	\$5,427	21.3%	\$43	\$118	172.8%
National*	4.2	13.6	222.8%	\$3,808	\$4,590	20.5%	\$16	\$62	289.1%

*Only includes states with ≥100 claims in each November

Map 1 illustrates the November animal strike claim frequency by state. No threshold was applied to the map because results are expressed in ranges. States that did not have a minimum of 100 claims in November for each year are noted in the map.

Map 1: November animal strike frequency by state, 2013–22

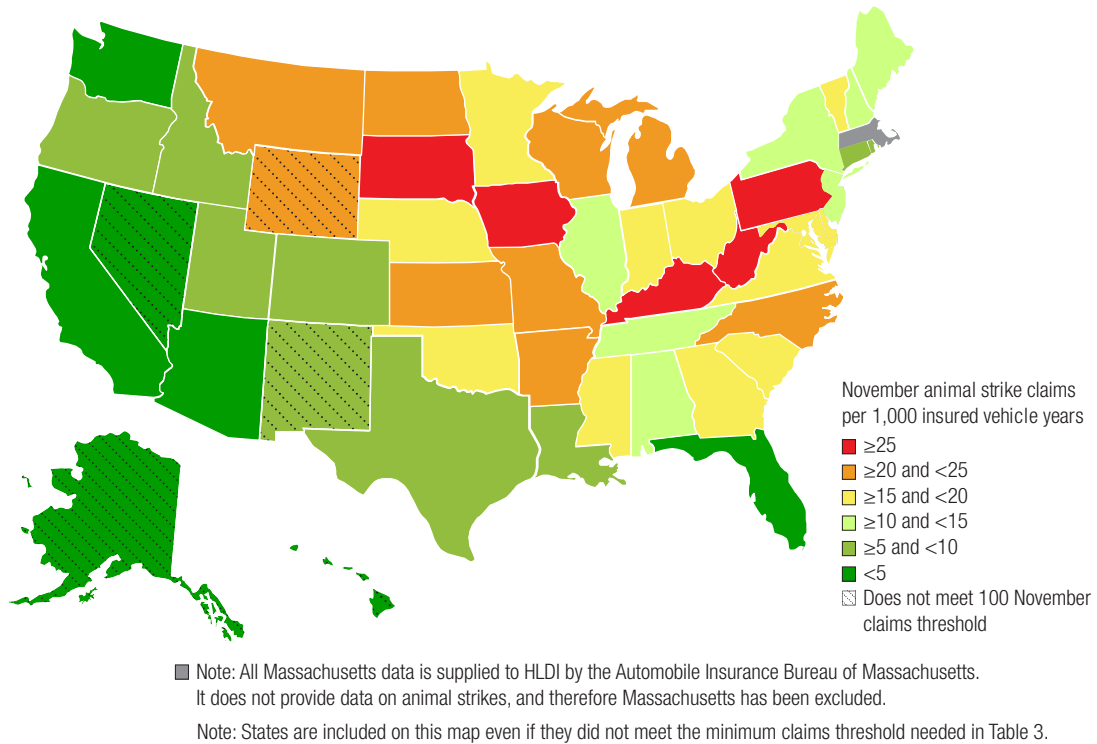


Figure 7 shows claim frequencies for animal strikes during the 10-year study period for the three states with the highest November claim frequencies (West Virginia, Iowa, and South Dakota) and two states with very low November claim frequencies (Florida and Arizona). Claim frequencies for West Virginia, Iowa, and South Dakota followed the national trend but were consistently higher than the national average. There was little variation in claim frequency for Florida and Arizona.

Figure 7: Animal strike claim frequencies in selected states compared with national average, January 2013–December 2022

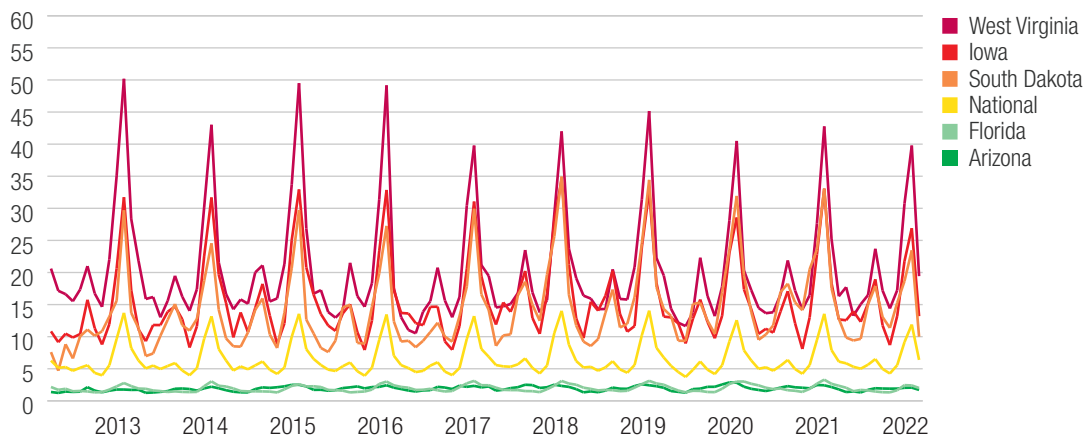


Table 4 lists animal strike losses for the 10 counties with the highest November animal strike claim frequencies. National data have been included for comparative purposes. While West Virginia, Iowa, and South Dakota appear in the list of the states with the highest animal strike claim frequencies in November, none of the counties from those states appear in **Table 4**. At the county level, none of the West Virginia, Iowa, or South Dakota counties had enough data to appear on the county list. To appear on the top 10 list, counties had to have at least 100 claims in November for each calendar year.

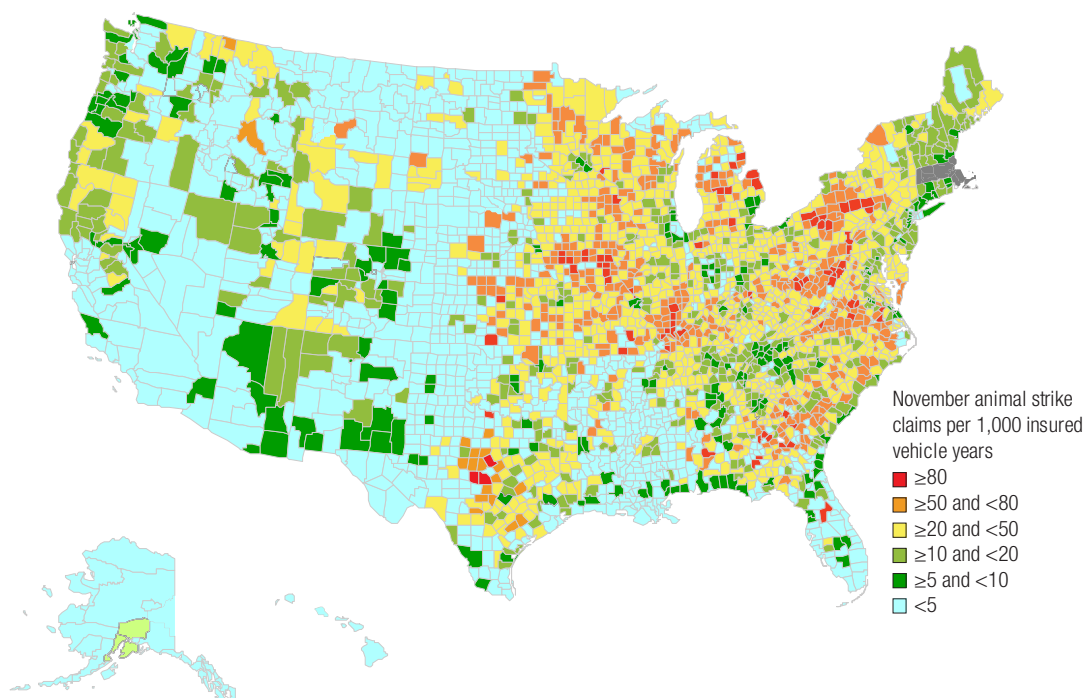
Crawford County, Pennsylvania, tops the list with a November claim frequency of 86.9 — more than 6.4 times the national average for November and about 3.2 times the county's August claim frequency. All 10 counties had November claim frequencies that were more than twice the national average. Among the 10 counties, there was not as much variation in claim severity as there was in claim frequency. Differences between August and November overall losses among the counties followed a similar pattern to that of claim frequency.

Table 4: Animal strike losses for the 10 counties with the highest November animal strike claim frequencies, 2013–22

State	County	Claim frequency			Claim severity			Overall losses		
		August	November	Percent difference	August	November	Percent difference	August	November	Percent difference
PA	Crawford	26.6	86.9	226.1%	\$3,397	\$4,201	23.7%	\$91	\$365	303.3%
PA	Indiana	20.3	75.3	270.5%	\$3,414	\$3,911	14.6%	\$69	\$294	324.5%
PA	Somerset	20.3	68.5	236.9%	\$3,361	\$4,361	29.7%	\$68	\$299	337.1%
PA	Mercer	11.6	50.3	334.7%	\$3,462	\$3,962	14.5%	\$40	\$199	397.5%
PA	Butler	12.2	48.7	300.0%	\$3,653	\$4,180	14.4%	\$44	\$204	357.8%
PA	Fayette	9.6	44.6	364.3%	\$3,710	\$4,721	27.2%	\$36	\$211	490.8%
PA	Westmoreland	8.2	34.8	323.1%	\$3,517	\$4,242	20.6%	\$29	\$148	410.2%
NJ	Hunterdon	8.7	34.5	298.0%	\$3,863	\$4,575	18.4%	\$33	\$158	371.3%
PA	Washington	8.5	32.6	285.4%	\$3,829	\$4,583	19.7%	\$32	\$149	361.3%
NJ	Sussex	8.6	31.7	269.5%	\$3,812	\$4,444	16.6%	\$33	\$141	330.7%
National		4.2	13.6	222.8%	\$3,808	\$4,590	20.5%	\$16	\$62	289.1%

Map 2 illustrates November animal strike claim frequency by county. A lower exposure threshold was applied to the map because results are expressed in ranges. Northern and western Pennsylvania, northern West Virginia, southern Iowa, and southern Illinois appear to have the highest concentration of high claim frequencies.

Map 2: November animal strike frequency by county, 2013–22



► Discussion

November is the peak month for animal strikes. Insurance claims for animal collisions are more than twice as high during November as in a typical month earlier in the year. The insurance claims data available to HLDI do not specify the animals involved, but deer are likely the main ones. The November peak in animal strike claims coincides with the deer mating season, when bucks are likely to be roaming. That may also help explain the rise in claim severity at this time. A greater proportion of the struck animals in October and November are likely to be deer, which cause more severe damage than smaller animals.

The November animal strike claim frequency was lower in 2020 than in previous years. This is likely because there were fewer vehicles on the road during the first part of the COVID-19 pandemic. However, the lowest November claim frequency over the 10-year study period occurred in 2022. One possible explanation is that more companies started to provide data on animal strikes that year. HLDI will continue to monitor the trend as more data become available.

References

- Highway Loss Data Institute. (2008). Losses due to animal strikes. *Loss Bulletin*, 25(8).
- Highway Loss Data Institute. (2022). Losses due to animal strikes. *Loss Bulletin*, 39(23).



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The Highway Loss Data Institute is a nonprofit public service organization that gathers, processes, and publishes insurance data on the human and economic losses associated with owning and operating motor vehicles. DW202304 DH

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To: Maryland Insurance Administration

Attn: Associate Commissioner Mary Kwei

Via email: listening.sessions@maryland.gov

In re: Effects of Wild Animal Collisions on Premium Increases for Private Passenger Automobile Insurance Study
September 5, 2024

Thank you for providing the opportunity to provide comments regarding the Study on Wild Animal Collision. We appreciate the Maryland Insurance Administration's thorough approach to address the study's requests for analysis. The American Property Casualty Insurance Association (APCIA) is a national trade organization whose members write approximately 55.2% of the personal auto insurance market in Maryland. During the 2024 session, legislation was introduced that would prohibit an insurer, with respect to private passenger motor vehicle insurance, from increasing a premium 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-roaming wild animal and for which the insured was not at fault for the loss.

As APCIA stated in its written testimony, the legislation would limit 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. Common automobile policy language classifies contact with an animal as "other than collision" which is typically covered under comprehensive coverage.

As DLS pointed out in its fiscal note, the language of the bill was unclear, and 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 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. If insurers are limited in this way, then the costs of these losses would be spread across all policyholders, instead of those who have more losses. In addition, not all insurers may increase premiums for comprehensive losses, such as hitting an animal, but the proposed language may unintentionally encourage companies to change their practices.

To assist the MIA in its analysis, attached is a bulletin issued by the Highway Loss Data Institute (HLDI) regarding losses due to animal strikes. Specific to Maryland, data provided to APCIA by HLDI shows that the frequency and severity of animal strikes has been declining in recent years.

Accident Year	Claim Frequency (per 1,000 Exposures)	Claim Severity (Average Loss)
2021	6.88	\$ 4,820
2022	6.70	\$ 5,587
2023	5.35	\$ 5,928

In addition, based on APCIA analysis of the latest Fast Track report, an estimated 88% of vehicles insured for BI liability also have comp coverage, and 84% have collision coverage. Fast Track does not include the entire industry, but on a countrywide basis represents approximately 70% of the industry. (State specific market share is not available.)

Fast Track Year-End Q4 2023 PPA			
	Maryland	Maryland	Maryland
	BI Liab Exposures	Comp Exposures	Coll Exposures
	2,943,595	2,587,482	2,461,503
		88%	84%

Once again, thank you for the opportunity to provide comments on the study and we are here to answer any questions.



Nancy J. Egan

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Dip in deer strikes poses a mystery for insurers ahead of peak season

October 18, 2023



Insurance claims for animal strikes inexplicably dipped to pandemic-lockdown levels last November. Will they drop further or spike again in 2023?

The rate of animal-strike-related insurance claims in November is more than twice the yearly average, according to an analysis of claims from 2013 to 2022 conducted by the Highway Loss Data Institute. The peak coincides with mating season, when deer are most active. The fewest animal strike claims typically occur in August.

The severity of claims, measured in dollars insurers pay to cover losses, also climbs during the peak month. The average cost of November animal strike claims over the 10-year period was \$4,600, compared with \$3,522 for February, the month with the least-severe crashes.

The data do not include information about the type of animal. However, both the timing of the spike in crashes and the greater damage they cause suggest that most of these collisions involve deer, rather than smaller animals.

While the [seasonal pattern](#) is familiar, the November 2022 figures present a mystery.

After holding steady for many years, November animal strike claim frequency dropped from 14.1 claims per 1,000 insured vehicle years in 2019 to 12.6 claims per 1,000 insured vehicle years in 2020 as pandemic-related lockdowns dramatically reduced the mileage drivers logged during the peak mating season. An industry measure, an insured vehicle year represents one vehicle insured for one year or two vehicles insured for six months, and so on.

As expected, the November claim frequency rebounded to around the 10-year average in 2021 (13.6 claims per 1,000 insured vehicle years) as the miles people traveled returned to pre-pandemic levels.

Then, as even more workers returned to the office full time and normal life resumed in countless other ways last year, the number of deer strikes plunged once again. November claim frequency, at 11.9 claims per 1,000 insured vehicle years, was even lower than during the 2020 lockdown.

"This is a real head-scratcher," said Matt Moore, senior vice president of HLDI. "Originally, we thought we might get a big spike in November 2021, thinking more deer might have survived the 2020 season. Maybe an increase in hunting prevented that from happening. But that doesn't explain the drop in 2022. It might be related to changes in commuting patterns as people continue to work from home, or we might just be seeing variations in the data. Time will tell."

Monthly travel patterns don't explain the drop. Travel on U.S. roads fell a little more than 1 percent in November 2022, compared with November 2021, according to the Federal Highway Administration. But the 264 billion vehicle miles logged during the month was still a massive increase over the lockdown period, when drivers logged only 232 billion vehicle miles in November.

It's possible that some newer automatic emergency braking (AEB) systems, especially those designed to prevent pedestrian crashes, can also prevent animal strikes. However, the overall number of equipped vehicles is probably still too small to have a noticeable impact, and it didn't change dramatically between 2021 and 2022. In 2022, vehicles equipped with front AEB of any sort accounted for around 23 percent of the fleet, compared with 18 percent in 2021.

Better headlights, including curve-adaptive ones, can also help prevent deer strikes. But there was not a big change in the U.S. fleet between 2021 and 2022 with respect to headlights, either.

There's also no strong evidence of fewer deer. Hunters killed around 6.2 million deer in 2021, compared with 6.3 million in a record-setting 2020 and around 6 million in 2019, according to the National Deer Association's annual Deer Report. However, state wildlife departments generally believe their deer populations to be stable or increasing, particularly in urban areas.

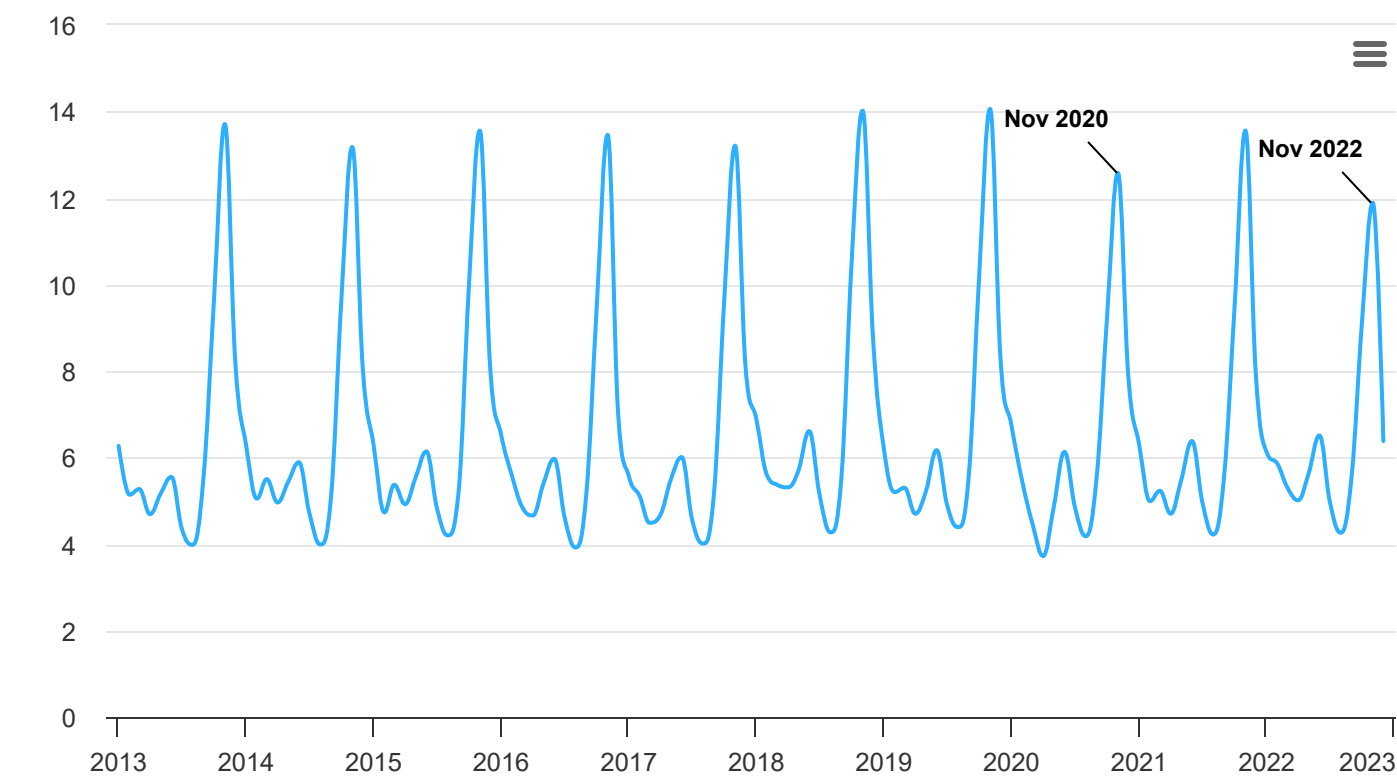
For the most part, the states with the highest claim frequencies for animal strikes remained the same in November over 2013-22 as in previous analyses. As was the case over 2006-21, West Virginia topped the list with a claim frequency of more than 3 times the national average, and Iowa, Kentucky, Michigan and Pennsylvania feature high claim rates.

Eight of the 10 counties with the highest November claim frequencies over 2013-22 were in Pennsylvania, with drivers in list-topper Crawford County, in the northwestern corner of the state, filing claims at more than 6 times the national average for the month. The two other counties were in neighboring New Jersey. All 10 counties had November claim frequencies that were more than twice the national average.

Repairs made necessary by crashes involving deer and other animals are covered by comprehensive insurance, which also covers theft and physical damage from causes other than crashes. Of the 37 companies that report comprehensive coverage to HLDI, only 25 provide information about animal strikes. Over the 10-year study period, that amounted to a total exposure of around 579 million insured vehicle years and more than 3.5 million claims.

National animal strike claim frequency, January 2013-December 2022

Claims per 1,000 insured vehicle years



States with the highest November animal strike claim frequency, 2013-22

November (highest month on average) vs. August (lowest month on average)

Animal strike claims per 1,000 insured vehicle years		
	November	August
West Virginia	44.1	14.4
Iowa	31.6	9.0
South Dakota	30.0	11.0
Pennsylvania	27.9	7.0
Kentucky	27.6	7.1
Montana	24.2	14.2
Arkansas	23.0	7.0
Wisconsin	22.4	6.6
Michigan	22.3	6.1
North Dakota	21.8	9.7

Counties with the highest November animal strike frequency, 2013-22

November (highest month on average) vs. August (lowest month on average)

Animal strike claims per 1,000 insured vehicle years


	November	August
Crawford, PA	86.9	26.6
Indiana, PA	75.3	20.3
Somerset, PA	68.5	20.3
Mercer, PA	50.3	11.6
Butler, PA	48.7	12.2
Fayette, PA	44.6	9.6
Westmoreland, PA	34.8	8.2
Hunterdon, NJ	34.5	8.7
Washington, PA	32.6	8.5
Sussex, NJ	31.7	8.6

Related

[HLDI Bulletin Vol. 40, No. 5](#) 

Losses due to animal strikes

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The **Highway Loss Data Institute (HLDI)** shares and supports this mission through scientific studies of insurance data representing the human and economic losses resulting from the ownership and operation of different types of vehicles and by publishing insurance loss results by vehicle make and model.

Both organizations are wholly supported by these auto insurers and insurance associations.

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SenatorBailey_FAV_SB551.pdf

Uploaded by: Jack Bailey

Position: FAV

JACK BAILEY
Legislative District 29
Calvert and St. Mary's Counties

Budget & Taxation Committee



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February 12, 2025

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

Dear Chair Beidle and Members of the Committee,

I am writing to introduce Senate Bill 551. This legislation would prohibit an insurer, with respect to private passenger motor vehicle insurance, from increasing a premium, adding a surcharge, or removing, altering, or refusing to consider a discount based on accidents or losses caused by a collision with a free-roaming wild animal and for which the insured was not at fault for the loss.

Last year, I came before you with legislation based on my own personal experience with this issue. In September 2021, I was involved in a collision with a deer. My insurance company determined I was not at fault for this accident. However, this incident was later combined with a previous incident from 2020 as cause to increase my premium by 26%.

After last session, the Maryland Insurance Administration conducted a study to examine current insurer practices with regards to increasing premiums based on collisions with wild animals. This study found that no insurance companies in Maryland remove a discount specifically for collisions with wildlife. However, it did find that seven companies applied surcharges due to a claim for a collision with wildlife, and 15 companies consider the overall number or dollar amount of claims under comprehensive coverage, including collisions with wildlife, to determine qualification for a safe driver or loss free discount. Senate Bill 551 will prohibit these practices to ensure that consumers are protected from the risk of premium increases resulting from these deer strikes.

As we are all aware, deer collisions are far too common in Maryland. I don't believe that Marylanders should be required to pay more for their auto insurance because of an accident for which they were not at fault. This legislation is intended to ensure that Marylanders who find themselves in a similar situation in the future are protected from the premium increases that I experienced.

I want to thank Chair Beidle for referring this matter to the Maryland Insurance Administration for further study and the MIA for their report on this important issue. I respectfully request a favorable report on Senate Bill 551. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Bailey".

Senator Jack Bailey

SB 551_IAB_UNF.pdf

Uploaded by: Bryson Popham

Position: UNF



Insurance Agents
& Brokers

February 10, 2025

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

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

Dear Chair Beidle and Members of the Committee,

On behalf of the Insurance Agents & Brokers of Maryland, we are writing to respectfully request an unfavorable report on Senate Bill 551, which would prohibit insurers from using collisions with wild animals as a rating factor in automobile insurance. IA&B is a trade association comprised of nearly 200 independent agencies, employing approximately 1,800 licensed Maryland insurance producers, which are located in and doing business throughout Maryland and the surrounding states.

It is the responsibility of the Maryland Insurance Administration to ensure insurers' rating practices comply with laws, including requirements that any rating factor must be actuarially justified. In other words, rating factors must reflect the level of risk being insured. Past vehicle collisions of any kind are typically indicative of a higher likelihood of future accidents.

By restricting actuarially justified rating factors, the legislature would shift costs to lower-risk drivers, requiring them to effectively subsidize higher-risk individuals with prior collisions. IA&B recommends that before making such changes, the legislature should request a study from the Maryland Insurance Administration to assess the impact they would have on other drivers' premiums.

For these reasons, we respectfully request an unfavorable report on Senate Bill 551. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Johnathan Savant'.

Johnathan Savant
Director, Government Affairs

cc: Claire Pantaloni
Bryson F. Popham

SB 551_MAMIC_UNF.pdf

Uploaded by: Bryson Popham

Position: UNF



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

February 10, 2025

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

RE: Senate Bill 551 Private Passenger Motor Vehicle Insurance - Premium Increases - Collisions With Wild Animals – UNFAVORABLE

Dear Chair Beidle and Members of the Committee,

We are writing to respectfully request an unfavorable report on Senate Bill 551, a bill that would prohibit the longstanding use of a legitimate rating factor in automobile insurance.

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.

The Maryland Insurance Administration has, among its primary duties, the obligation to review the rating practices of insurers to guarantee compliance with both State insurance statutes and other applicable laws. In automobile insurance, the collision of a vehicle with another object, whether that object is, for example, another vehicle, a fixed object such as a tree, or a deer, may give rise to a permissible rating factor under conditions established by the MIA. The MIA is responsible for overseeing the use of all such rating factors by insurers. Traditionally, the General Assembly has consulted with the MIA on such matters and followed its advice.

The use of such rating factors ensures fairness of automobile insurance rates across the *entire insured population*. We note that the MIA has not, to our knowledge, recommended to the General Assembly that it should prohibit a rating factor based on collision with a deer (or any wild animal).

MAMIC also notes, for the Committee's consideration, the introduction of [Senate Bill 635](#). Although this bill has been referred to the Education, Energy and the Environment Committee, it provides a better alternative to the remedy found in Senate Bill 551 of requiring other policyholders to subsize losses from wild animal collisions. Instead, Senate Bill 635 places its focus on prevention. For example, the use of fencing to prevent wild animals from crossing roads has been described by the [Humane Society of the United States](#) as "one of the most successful techniques for alleviating animal vehicle collisions."

MAMIC urges the Committee to consider such measures rather than requiring the majority of automobile insurance policyholders – those who have no losses – to subsidize those who do.

For these reasons, we respectfully request an unfavorable report on Senate Bill 551. Thank you for your consideration of our views on this legislation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jeane A. Peters".

Jeane A. Peters, President

cc: The Honorable Jack Bailey
Bryson F. Popham

SB 551 Premium Increase APCIA Animal FINAL OPPO

Uploaded by: Nancy Egan

Position: UNF



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.¹ 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.²

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

¹ <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.

² 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.

Nancy J. Egan,

State Government Relations Counsel, DC, DE, MD, VA, WV

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