



February 23, 2026

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

RE: **SB 865 - Workgroup on the Affordability of Private Passenger Automobile Insurance –  
Extension and Alteration of Membership and Duties - UNFAVORABLE**

Chair Beidle and Members of the Committee:

The Insurance Agents and Brokers of Maryland (IA&B) respectfully submits this letter in opposition to SB 865. IA&B is a trade association of nearly 200 independent agencies employing approximately 1,800 Maryland insurance producers and was an active contributor to the Workgroup on the Affordability of Private Passenger Automobile Insurance over the last year.

Our concerns begin with the bill's framing of the 2025 Workgroup report. SB 865 includes the following clause:

*WHEREAS, The report identifies significant disparities in affordability in majority–minority and lower–income zip codes and acknowledges that geographic and nondriving rating factors may contribute to those disparities;*

Unfortunately, this characterization is not an accurate reflection of the Workgroup report. The report does not conclude that geographic and nondriving rating factors may contribute to affordability disparities.

Notably, the Report's discussion of "disparate impact" is limited and, where it appears, it references a single market conduct examination conducted by the District of Columbia Department of Insurance, Securities & Banking (DISB) in July 2024. That reference does not constitute a Maryland-specific finding by the Workgroup, nor does it establish that any particular nondriving rating factor is responsible for affordability disparities in Maryland.

Importantly, the DISB examination was included in the report alongside numerous other studies and analyses cited throughout the Workgroup's deliberations, many of which conclude that territorial rating and other nondriving factors, including credit-based insurance scores, are actuarially sound, predictive of risk, and widely used across jurisdictions for that reason. These studies, drawn from regulatory, academic, and industry research, were presented as part of the evidentiary record considered by the Workgroup. They are no less valid or relevant than the DISB examination. If the mere mention of the DISB report is interpreted as a conclusive finding by the Workgroup, then consistency would require the same treatment for the multiple studies cited in the report supporting the use of these rating factors.





IA&B is also concerned that SB 865 alters the Workgroup's composition in a manner that could disrupt the balance of perspectives necessary to produce a credible and broadly supported report. The bill adds two additional representatives from consumer advocacy organizations "with expertise in rating practices and affordability." It is unclear why this expansion is necessary, particularly given that consumer advocacy organizations were already well-represented on the 2025 Workgroup.

We are especially concerned that the addition of these members, combined with SB 865's unusual mandate requiring majority votes on specific issues, would shift the Workgroup from a fact-finding body to one designed to produce predetermined outcomes driven by its composition and voting structure, rather than by an impartial review of the data.

For these reasons, IA&B respectfully urges the Committee to issue an unfavorable report on SB 865. We stand ready to work with the Committee on constructive, data-driven approaches that genuinely improve affordability while preserving market stability.

Thank you for your consideration.

Sincerely,

John Savant  
Government Affairs Director

1. MAIF presentation to the Senate Finance Committee, January 22, 2026: [https://mgaleg.maryland.gov/meeting\\_material/2026/fin%20-%20134135033962649181%20-%20Briefing%20Materials%20-%20MAIF%20and%20MIA%2001-22-26%202PM.pdf](https://mgaleg.maryland.gov/meeting_material/2026/fin%20-%20134135033962649181%20-%20Briefing%20Materials%20-%20MAIF%20and%20MIA%2001-22-26%202PM.pdf)
2. Automobile Insurance Plans Service Office (AIPSO): *Ranking of States by Residual and Total Market Premium*, [www.aipso.com/Industry-Data](http://www.aipso.com/Industry-Data)
3. SB 530 of 2023: <https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/SB0530?ys=2023rs>

