

SB865 Public Testimony.pdf

Uploaded by: Lien Hoang

Position: FAV

ALONZO T. WASHINGTON
Legislative District 22
Prince George's County

Finance Committee



James Senate Office Building
11 Bladen Street, Room 314
Annapolis, Maryland 21401
410-841-3155 · 301-858-3155
800-492-7122 Ext. 3155
Fax 410-841-3699 · 301-858-3699
Alonzo.Washington@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 25, 2026

The Honorable Pamela Beidle, Chair
Finance Committee
Maryland State Senate
Annapolis, Maryland

**Re: SB865 - Workgroup on the Affordability of Private Passenger Automobile Insurance –
Extension and Alteration of Membership and Duties**
Position: Favorable

Dear Chair Beidle and Members of the Committee:

I respectfully submit this testimony in support of Senate Bill 865, legislation that promotes consumer protection and fairness by extending the termination date and altering the membership and duties of the Workgroup on the Affordability of Private Passenger Automobile Insurance.

Chapter 395 of the Acts of the General Assembly of 2025 directed the Maryland Insurance Administration (MIA) to establish a workgroup to study the affordability of private passenger automobile (PPA) insurance and report its findings and recommendations to the Governor and the General Assembly. Despite identifying territorial rating and other nondriving rating factors as key areas of concern, the workgroup did not reach consensus and was unable to provide specific legislative recommendations to modify or reform the use of territorial rating in Maryland. Additionally, the current membership lineup failed to include representatives of a nonprofit research or consumer advocacy organization with demonstrated expertise in automobile insurance rating practices and affordability.

An insurer that engages in territorial rating assesses the risk of potential claims and losses based on the physical location where a vehicle is primarily parked overnight and adjusts the location-specific base rate accordingly. According to a joint policy brief by the Consumer Federation of America and the Economic Action Maryland Fund, auto insurance premiums decline as the diversity in a community declines and the white population grows. The average premium for basic coverage decreases by \$72 for each 10% increase in the proportion of white residents in a zip code. For example, the low-income zip code 21216 in Baltimore is 95%

African American and has a median household income of \$40,178. This zip code pays an average annual premium of \$2,424.92, over \$1,000 more than the average premium in the Silver Spring zip code and almost \$1,400 more than the average premium in the Bethesda zip code.

The bill would allow for a longer timeline for Workgroup to develop actionable policy options and change the membership requirements to facilitate more thoughtful and representative feedback to inform deliberations. SB865 would extend the termination date from June 30, 2026, to June 30, 2027, so that data-driven, concrete legislative recommendations to reduce premiums, including specific proposals regarding the use of territorial rating and other nondriving rating factors that may contribute to racial disparities, are developed. The bill would also add two representatives of a nonprofit research or consumer advocacy organization with demonstrated expertise in automobile insurance rating practices and affordability as members. This would allow for another perspective during discussions, especially much needed representation from the consumer side while these important conversations regarding affordability are occurring.

The legislation does not determine what the policy recommendations should be or what “affordability” looks like. It also does not ban or remove territorial rating as a factor when determining rates. The bill will ensure that actionable policy options are discussed and developed and policyholders have someone representing them and their interests during Workgroup deliberations.

During the midst of rising PPA insurance rates and premiums, Marylanders deserve relief and reform, and this legislation will serve as a measure for fairness and consumer protection.

For these reasons, I respectfully request a favorable report on Senate Bill 865.

With Regards,

A handwritten signature in black ink, appearing to read 'Alonzo T. Washington', written in a cursive style.

Alonzo T. Washington

Maryland State Senate

District 22

SB865 Auto Insurance Workgroup Study Econ Action F

Uploaded by: Marceline White

Position: FAV



**SB865 Workgroup on the Affordability of Private Passenger Automobile Insurance – Extension
and Alteration of Membership and Duties**

Position: FAV

February 25, 2026

The Honorable Pam Beidle, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Senate Finance

Chair Beidle and Members of the Committee,

Economic Action Maryland Fund writes in strong support of SB865 which provides a one year extension for the Work Group on the Affordability of Private Passenger Auto Insurance.

I was honored to serve as a member of the Work Group, led by Commissioner Grant, and would be honored to continue to serve on the Work Group. As this committee is aware, the Work Group submitted a [final report](#) which recommended further study into how the state could design and implement a low-cost auto insurance program. SB865 also states that the Work Group should continue to look at the use of territorial ratings as well as other ratings factors that may contribute to disparate impacts of insurance rates.

SB865 strengthens the mandate of the earlier work group in two ways; first, by requiring the workgroup to develop legislative recommendations on ways to reduce premiums, and, secondly by adding two members of consumer research organizations to the Work Group.

Developing concrete legislative recommendations for the General Assembly to consider as well as establishing a work group that provides a more balanced composition between insurance producers and advocates will likely produce a robust debate as well as recommendations within the final report that represent broad support.

For all these reasons, we support SB865 and urge a favorable report.

Best,

Marceline White
Executive Director

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

2209 Maryland Ave · Baltimore, MD 21218 | www.econaction.org
Marceline White · Marceline@EconAction.org | Jennifer Bevan-Dangel · Jennifer@EconAction.org

SB 865 - MIA - Support.pdf

Uploaded by: Marie Grant

Position: FAV

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



MARIE GRANT
Commissioner

JOY Y. HATCHETTE
Deputy Commissioner and
Acting Associate Commissioner,
Property & Casualty Insurance

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2113
1-800-492-6116 TTY: 1-800-735-2258
www.insurance.maryland.gov

Date: February 25, 2026

Bill # / Title: Senate Bill 865 - Workgroup on the Affordability of Private Passenger Automobile Insurance – Extension and Alteration of Membership and Duties

Committee: Senate Finance Committee

Position: Support

The Maryland Insurance Administration (MIA) appreciates the opportunity to share its support for Senate Bill 865.

Senate Bill 865 would extend and add to the duties of the Workgroup on the Affordability of Private Passenger Automobile Insurance established under 2025 Maryland Laws Ch. 395. Specifically, this bill would require the workgroup to further study and report to the General Assembly by January 1, 2027 on certain issues relating to the establishment of premium rates for private passenger automobile insurance. The legislation also adds to the workgroup two additional representatives of a nonprofit research or consumer advocacy organization with demonstrated expertise in automobile insurance rating practices and affordability. The report would include specific recommendations concerning appropriate legislative action to address any disparate impacts that may result from certain rating methodologies, including territorial rating.

The original study and report completed pursuant to 2025 Maryland Laws Ch. 395 was broad and comprehensive, examining numerous factors and policies that may impact the affordability of private passenger automobile insurance. Senate Bill 865 would enable the workgroup to continue and focus its work on delivering concrete recommendations on legislative action that can be taken to ensure fairness in the processes that private passenger automobile insurers use to establish premium rates for Maryland drivers.

For the reasons set forth above, the MIA respectfully requests a favorable committee report on Senate Bill 865 and thanks the Committee for the opportunity to share its support.

Testimony of the Consumer Federation of America In

Uploaded by: Michael DeLong

Position: FAV



**Testimony of the Consumer Federation of America Before the
Senate Finance Committee in Support of SB 865—Workgroup
on the Affordability of Private Passenger Automobile
Insurance—Extension and Alteration of Membership and
Duties**

February 23rd, 2026

Senator Pamela Beidle
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

Cc: Vice Chair Antonio Hayes, Members of the Senate Finance Committee

The Consumer Federation of America (CFA) urges the Senate Finance Committee to support SB 865—Workgroup on the Affordability of Private Passenger Automobile Insurance—Extension and Alteration of Membership and Duties. At a time of rising auto insurance costs, this reformed workgroup would be structured to make recommendations on reducing auto insurance premiums, including recommendations regarding insurers' use of socioeconomic rating factors in pricing Marylanders, and it would include additional voices of consumer advocates.

Maryland requires every driver to purchase and maintain auto insurance. Therefore, the state has a responsibility to make sure coverage is affordable for safe drivers and that consumers do not experience unfair discrimination. But rising premiums and auto insurers' use of socioeconomic factors have made auto insurance expensive and often unaffordable for many Marylanders. Premiums have gone up while—and perhaps in part because—auto insurers in Maryland have earned above average profit returns from 2014 to 2023, the ten most recent years for which the National Association of Insurance Commissioners (NAIC) has published data.¹ Additionally, auto insurers have a below average loss ratio in Maryland compared to the rest of the country. And as the Maryland insurance market proves better than average for companies,

¹ National Association of Insurance Commissioners, June 2025. *2024 Market Share Reports for Property/Casualty Groups and Companies by State and Countrywide.*

Maryland consumers suffer, facing the eighth highest average expenditure on auto insurance in the country, according to NAIC data.²

The use of non-driving rating factors – including credit-based insurance scores, job title and occupation, education level, age, gender, marital status, homeownership status, ZIP code or territory, and prior insurance coverage – further exacerbates the high prices for lower-income Marylanders. These Marylanders would struggle to comply with the state’s insurance mandate even without being targeted for socioeconomic status penalties by insurance companies. A 2021 joint policy brief by CFA and Economic Action Maryland found that Maryland drivers pay dramatically different rates for auto insurance based on their ZIP code, and residents of ZIP codes with majority African American populations pay far higher premiums compared to residents of ZIP codes with majority white populations. For Maryland ZIP codes where less than 10% of residents were African American, the average premium was \$988. For contrast, for ZIP codes where 70-80% of residents were African American, the average premium was \$1,962.³

Insurers’ use of credit information is especially harmful to consumers. CFA’s 2023 report on credit scores found that Maryland drivers with excellent credit paid an average annual premium of \$805. By contrast, Maryland drivers with fair credit paid an average premium of \$1,116, and drivers with poor credit paid an average premium of \$1,422—a 77% premium hike compared to drivers with excellent credit.⁴ Other reports found that consumers with poor credit paid similar penalties. A 2015 study by Consumer Reports found that Maryland drivers with poor credit and a perfect driving record paid an average annual premium of \$2,904, but Maryland drivers with excellent credit and a drunk driving conviction

² National Association of Insurance Commissioners, June 2025. *2023 Auto Insurance Database Average Premium Supplement*.

³ “How ZIP Codes Affect Auto Insurance Premiums in Maryland.” Consumer Federation of America and Economic Action Maryland. March 2nd, 2021. Available at [https://econaction.org/wp-content/uploads/2022/11/PolicyBrief-HowZipCodesImpactMarylandAutoInsurancePremiums.docx3 .pdf](https://econaction.org/wp-content/uploads/2022/11/PolicyBrief-HowZipCodesImpactMarylandAutoInsurancePremiums.docx3.pdf).

⁴ “The One Hundred Percent Penalty: How Auto Insurers’ Use of Credit Information Increases Premiums for Safe Drivers and Perpetuates Racial Inequality.” By Douglas Heller and Michael DeLong. Consumer Federation of America. July 31st, 2023. Available at https://consumerfed.org/wp-content/uploads/2023/07/Official-CFA-Credit-Score_2023-FINAL-REPORT.pdf.

paid an average premium of \$1,268. In this case, safe Maryland drivers with poor credit paid \$1,636 more than convicted drunk drivers with a high credit score.⁵

Auto insurers' use of socioeconomic characteristics is not limited to rating. Many Maryland drivers, even if they have clean driving records, have trouble getting coverage in the usual market if they have a low credit score or a past lapse in insurance coverage. The website for Maryland Auto, the state's insurer of last resort, notes that:

"In fact, 60 percent of the drivers we insure have 'clean' driving records with one or no points on their licenses. While we do provide coverage for drivers who have been cancelled or denied based on their driving record, many of our policyholders have been cancelled or denied because of lapses in coverage or credit issues. Whatever the reason, we provide a transitional solution to keep you covered until you are eligible for the standard market."⁶

The high rates and above average profits in the Maryland auto insurance market, combined with the severe penalties for drivers just because of their socioeconomic characteristics, show the need for major reforms. As we have noted in our past comments, we recommend the following reforms:

- 1) **Require insurers to justify their rates and pricing models.** The Workgroup should recommend legislation that will shift market oversight of rates and rating rules to a prior approval system that requires insurers to justify their rates and pricing models to MIA before going to market with them.
- 2) **Stop unfair discrimination in the auto insurance market that leaves low-income Marylanders and people of color paying more for insurance.** The Maryland Insurance Administration (MIA) should restrict the use of socioeconomic rating factors pursuant to its authority to prohibit unfair discrimination and seek legislative reforms, requiring insurance companies to demonstrate that the

⁵ "The Secret Score Behind Your Rates." Consumer Reports. July 30th, 2015. Available at <https://www.consumerreports.org/cro/car-insurance/credit-scores-affect-auto-insurance-rates/index.htm>.

⁶ "Maryland Auto Insurance Claims Q&A." Retrieved on February 20th, 2026. Available at <https://www.mymarylandauto.com/site/claims/claims-qa/>.

models they use throughout the insurance lifecycle – from marketing, underwriting, and rating to claims handling and fraud fighting – do not perpetuate or create discrimination in the Maryland market.

- 3) **Create a low-cost auto insurance program for low-income, safe drivers who cannot afford private market premiums.** The Workgroup should look to the success of California’s low-cost auto insurance program for safe, low-income drivers and recommend the adoption of a similar program to provide bare bones coverage for good drivers.⁷ This low-cost program would allow qualifying drivers to buy coverage below the minimum required limits as a way to avoid becoming (or remaining) completely uninsured; it would be self-sustaining and funded by the premiums of participating drivers. California’s version of the program allows participants to drive legally for about \$400 per year and currently serves over 63,000 drivers. We understand that the MIA is interested in establishing similar program, and so we urge MIA and the Workgroup to consult with the California Department of Insurance, which has worked for years to improve the efficacy of this program.

SB 865 would encourage the Legislature to further consider these reforms. It would make several changes to Maryland’s current workgroup on the affordability of auto insurance, which has heard testimony and submitted a final report on auto insurance costs, but has not reached consensus or provided specific legislative recommendations on territorial rating in auto insurance, or on other major policy questions.

First, SB 865 requires the Workgroup to develop data-driven, concrete recommendations to lower auto insurance costs, including recommendations about the use of territorial rating and other rating factors that contribute to unfair discrimination. The Workgroup will accomplish this through recorded votes.

Second, the composition of the Workgroup will be changed. It will include one member of the House Judiciary Committee, appointed by the Speaker, and two representatives of consumer advocacy organizations

⁷ “California’s Low-Cost Auto Insurance.” Retrieved on February 20th, 2026. Available at <https://www.mylowcostauto.com>.



with expertise in auto insurance rating and affordability. This will help ensure that consumer voices are heard and that the Workgroup is not solely dominated by members of the insurance industry.

Finally, the Workgroup will submit an updated report of its findings and recommendations to the Governor. This report will be delivered either on or before January 1st, 2027.

At a time when auto insurance costs across the nation have increased by 55% since February 2020, and the insurance industry is now earning record profits, Maryland drivers need relief and real reform so they can get the coverage they need. We thank Senator Washington for his sponsorship of SB 865 and urge a favorable report on this bill.

Please contact us at mdelong@consumerfed.org with any questions.

Sincerely,

Douglas Heller
Director of Insurance
Consumer Federation of America

Michael DeLong
Research and Advocacy Associate
Consumer Federation of America



SB 865_IAB_UNF.pdf

Uploaded by: Bryson Popham

Position: UNF



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
2. Automobile Insurance Plans Service Office (AIPSO): *Ranking of States by Residual and Total Market Premium*, www.aipso.com/Industry-Data
3. SB 530 of 2023: <https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/SB0530?ys=2023rs>



SB 865_MAMIC_UNF.pdf

Uploaded by: Bryson Popham

Position: UNF



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

February 23, 2026

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

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

Dear Chair Beidle and Members of the Committee,

On behalf of the Maryland Association of Mutual Insurance Companies (MAMIC), we respectfully oppose Senate Bill 865.

As you may recall, 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.

Both the Maryland General Assembly and the Senate Finance Committee have consistently taken a cautious, measured approach toward making policy changes in Maryland statute. That approach is often based, broadly, on a process of study by which legislative committees obtain the facts they need to make policy decisions. Those studies themselves, to be effective, need to be completely objective and comprehensive. One way to ensure that result is to have a group of individuals participating in the study of differing backgrounds and experience. Another way is to ensure that such studies permit sufficient diversity among viewpoints to allow the legislative committees who review their work product to consider both a range of legislative issues and the study group's view of those issues.

The initial study under House Bill 1098 in 2025 was conducted by the Insurance Commissioner through a legislative workgroup. The Commissioner serves as the legislature's advisor on insurance issues. The workgroup's membership, while small, covered a range of subjects that are fairly described as a broad survey of automobile insurance issues throughout the United States. When the Insurance Commissioner presented the House Bill 1098 Workgroup report to the Senate Finance Committee on January 22, 2026, the Commissioner stated that some of these issues are likely to be taken up for further study and action, both by the Commissioner's office and through recommendations to the General Assembly.

Senate Bill 865 seeks to extend the House Bill 1098 workgroup; however, it makes significant changes to the traditional approach of such legislative studies described above. For example, Senate Bill 865 prescribes certain recommendations to be made, including "specific recommendations regarding the use of territorial rating" and also, "rating factors that may contribute to disparate impacts." These charges to the reconstituted workgroup serve only to prejudge a result with respect to territorial rating and invite a conclusory approach to the broad subject of insurance rating factors through use of the term "disparate impacts."

Respectfully, MAMIC believes the better approach is the one outlined by the Commissioner in her presentation to the Finance Committee in January. This process is ongoing, and may well require more time than is available during the 2026 Maryland General Assembly.

For these reasons, MAMIC recommends that the Commissioner continue her important work on this subject beyond this session and through the next legislative interim.

Thank you for your consideration.

A handwritten signature in black ink, reading "Melissa G. Shelley". The signature is written in a cursive style with a large, stylized initial "M".

Melissa Shelley
President, MAMIC

cc: Bryson Popham

SB 865 Workgroup on the Affordability OPPOSE NJE U

Uploaded by: Nancy Egan

Position: UNF



Testimony of

American Property Casualty Insurance Association (APCIA)

Senate Finance Committee

Senate Bill 865 - Workgroup on the Affordability of Private Passenger Automobile Insurance – Extension and Alteration of Membership and Duties

February 25, 2026

Unfavorable

The American Property Casualty Insurance Association (APCIA) is the primary national trade organization representing nearly 67.4 percent of the Maryland private passenger auto insurance market. APCIA appreciates the opportunity to provide written testimony in opposition to Senate Bill 865.

The bill proposes to expand and extend the duties of the Workgroup on the Affordability of Private Passenger Automobile insurance to engage in further study of territorial rating and other rating factors that have been permitted in Maryland for decades and have been the subject of numerous legislative hearings. APCIA was a participating member of last year's workgroup and contributed to its discussions and recommendations. We understand the concern about affordability of auto insurance in Maryland. However, the workgroup has already issued a [report](#) and made a series of recommendations that have only just started to be acted on.

For example, one of the recommendations is addressed in [HB1583](#), which would require the Maryland Insurance Administration (MIA) to establish a workgroup to study how the General Assembly could establish an equitable and sustainable low-cost auto program or economic relief credit program to reduce the cost of private passenger automobile insurance for low-income drivers in the State; and requiring the workgroup to submit its findings and recommendations to the Governor and the General Assembly on or before January 1, 2027.

The charges of the workgroup and the preamble make significant changes to the workgroup and its operations.

Firstly, the preamble to the bill claims that the [t]he 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; however, upon review of the report there was not any area that pointed to significant disparities in affordability in majority-minority and lower-income zip codes. That language should be deleted in the preamble.

In addition, in the preamble states “Despite identifying territorial rating and other nondriving rating factors as key areas of concerns While the report does memorialize the workgroup’s discussion of the subject, and the reports that were reviewed, this was not cited as a “key area of concern” or included in the report’s recommendations. The language should be struck.

In addition, at a recent briefing to members of Senate Finance in January, the MIA committed to reviewing territorial rating and issue its findings. This would duplicate their efforts and would add additional time commitments outside of the other workgroup recommendation to study on lo-cost auto.

There is also legislation examining the MD Auto Insurance Fund and its sustainability and current assessments on the private passenger market which impact rates as these assessments are ultimately paid for by all policyholders in all territories of Maryland.

In addition, the bill while extending the workgroup's efforts, makes significant changes to the traditional approach of previous studies. "The workgroup shall develop through a process involving records voting, data, driven, concrete legislative recommendations to reduce premiums including "specific recommendations regarding the use of territorial rating" and also, "rating factors that may contribute to disparate impacts." These charges to the reconstituted workgroup serve only to prejudge a result with respect to territorial rating and invite a conclusory approach to the broad subject of insurance rating factors through use of the term "disparate impacts."

The bill also adds two additional members to the workgroup of a nonprofit research or consumer advocacy organization with demonstrated expertise in automobile insurance rating practices. If this workgroup should move forward, APCIA recommends that an additional automobile insurer or trade association be added as a means to provide additional statistical actuarial expertise to the workgroup and that one of the members asked to be added to the workgroup above be a member of the American Academy of Actuaries.

For all the reasons above, APCIA believes that this workgroup is unnecessary and duplicative. APCIA appreciates the opportunity to provide written testimony regarding Senate Bill 469 and urges the Committee to provide an unfavorable report.

Nancy J. Egan, Esq.

State Government Relations Counsel, Mid-Atlantic

Nancy.egan@APCIA.org

Cell: 443-841-4174