Testimony of

American Property Casualty Insurance Association (APCIA)

House Judiciary Committee

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

March 31, 2026

Letter of Information.

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 regarding Senate Bill 865.

This bill would extend the workgroup that was established last year. That workgroup required 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. APCIA was a participant in the Workgroup that met over the interim period in 2025. The Maryland Insurance Administration led the workgroup and provided a very extensive report:

https://insurance.maryland.gov/Consumer/Appeals%20and%20Grievances%20Reports/Affordability-of-Private-Passenger-Automobile-Insurance-2025-Workgroup-Report.pdf

As a result of the report, there is legislation this year which is establishing an affordability program for individuals with a household income not more than 250% of the federal poverty level. *See:* **HB0816** **Maryland Automobile Insurance Fund - Affordability Program and Industry Automobile Insurance Association Assessments**

The Workgroup did an extensive review of the costs impacting auto rates, as well as a thorough review of certain rating factors providing details of laws throughout the country. For example, on page 27-29, the report reviewed the details of the use of territory in other states. This extension is asking for territory to be reviewed again and if any recommendations result, provide the impact of any changes on the rates of all policyholders throughout the state. In presentations to the Senate Finance Committee and House Judiciary Committee, the MIA already committed to reviewing territory in the 2026 interim.

APCIA was pleased to participate along with MAIF in the work of the Affordability of Private Passenger Automobile Insurance Workgroup and if the workgroup should move forward, to serve again.

Nancy J. Egan,

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

Nancy.egan@APCIA.org Cell: 443-841-4174