



March 13, 2026

Dear Members of the Judiciary Committee,

I want to extend my appreciation for your time, attention and thoughtful questions during our hearing for HB816.

During the March 5, 2026 hearing on HB 816, lobbyists for the insurance industry opposed the bill and, in the process, made various statements which are totally unsupportable. You may recall several comments were made suggesting their support for the various bills calling for continued or ongoing studies into auto insurance affordability. While the industry representatives did not directly respond to the question about their position on SB865, which extends the 2025 HB1098 Affordability Workgroup Study, it is worth pointing out that they opposed the bill and provided unfavorable testimony during the hearing on February 25th.

The main assertions that warrant follow-up were the claim that there has never been legislative authorization for considering affordability in MAIF ratemaking and that the MIA was never aware that MAIF considers affordability. The industry also claimed that producers and companies should be able, for marketing purposes, to get a list of cancelled policies, currently provided to MAIF. These positions are frivolous.

Affordability In Maryland Auto Ratemaking Has Been Approved By The Legislature And Applied By The MIA For Decades.

Considering affordability in ratemaking has been an integral part of MAIF's statute since 1985. When Maryland Auto was created in 1973, its rates were set according to the basic insurance rating laws, requiring the rates to be "not excessive, inadequate, or unfairly discriminatory." *Article 48A §243C (Chapter 73, 1973).*

In 1984, the legislatively created *Task Force on Maryland Auto Insurance* reviewed MAIF's rates and recommended amending the statute so that "the adequacy of MAIF rates can be weighed against their affordability so that MAIF can reduce losses by the Fund through its policyholders while at the same time retaining those policyholders who would otherwise go uninsured." The 1984 Task Force noted in its report:

"By providing affordable rates to high-risk drivers, MAIF functions as a safeguard against an increasing uninsured motorists population. This in turn lowers the rates of all private insurers because these insurers do not have

to pass on to their policyholders losses caused by accidents involving uninsured motorists and their own policyholders.”

The legislature responded by adding the language, which is in the current law, *Insurance Article §20–507* that “In reviewing rates filed by the Fund, the Commissioner shall consider not only the rating principles under Title 11 [not excessive, inadequate, or unfairly discriminatory] . . . but also the statutory purpose of the Fund under § 20–301 of this title.” . In the Preamble to the bill (Ch. 610, 1985), the Legislature made its intention crystal clear:

“Rates charged by the Maryland Automobile Insurance Fund must adequately reflect the degree of risk involved but must also remain affordable to that segment of the population which is dependent on the Fund for automobile insurance.”

The Legislature plainly intended MAIF to consider affordability in its ratemaking and MAIF has done so, with the approval of the MIA, for decades.

In 2004, for example, the MIA reaffirmed that affordability was part of the law stating in the *Maryland Automobile Insurance Fund and the Private Insurance Market, Report of the MIA, January 2004*. that “the Fund’s statutory purpose...has been interpreted as adding an affordability component to Maryland Auto’s premiums which results in below adequate premiums or a subsidy for Baltimore City insureds” and that

“Maryland Auto appears to be fulfilling the purpose for which it was created by the General Assembly; that is to offer automobile insurance, at affordable prices, to Maryland citizens that might otherwise not be able to obtain insurance . . .

Moreover, for years, the MIA has consistently approved MAIF rate filings which encompassed affordability concepts including inadequate rates, at times, to support our mission of providing access to insurance, especially in low-income communities.

MAIF clearly has had legislative and MIA approval over the years to consider affordability, and the lobbyist contrary comments were completely misplaced.

MAIF’s Access to MVA Cancellation Data.

The industry lobbyists assert that they should be provided with cancellation information on the same basis as MAIF, as a marketing tool. This issue was fully vetted in 2018, and the industry’s position was rejected. At that time, HB1161 (ch.195) was considered and passed requiring the MVA to provide the Uninsured Division of Maryland Auto with

cancellation data. Trans. Art. §17-106. The purpose was to allow the Uninsured Division to encourage cancelled drivers to be re-insured. Appropriate requirements were adopted in Insurance Article §20- 614 that require the Uninsured Division to provide the cancelled driver with the MVA web site address so that the driver can obtain information about insurers generally and advises the driver that they may contact their producer or prior insurer to determine whether insurance could be placed for the driver.

MAIF's Uninsured Division was the only entity that was granted direct access to the cancellation information. This was intentional, as both federal and State law broadly prohibit disclosure of a driver's information by state motor vehicle departments. *Driver's Privacy Protection Act (DPPA), 18 U.S.C. §2721 et seq. and Maryland Public Information Act, General Provisions Article §4-320.* There are several exceptions where disclosure is permissible including disclosure to a government agency for a legitimate purpose in carrying out its government function:

Personal information ... may be disclosed as follows:

1. For use by any government agency, including any court or law enforcement agency, in carrying out its functions or any private person or entity acting on behalf of Federal, State or local agency in carrying out its functions.

18 U.S.C. §2721(b). Maryland law contains the same exception in General Provisions Article §4-320(f).

The Uninsured Division of MAIF is a unit of State Government and has a clear public purpose in addressing the uninsured motorist problem. The Legislature was well within its authority to provide cancellation data to the Uninsured Division, as this is an acceptable disclosure under the DPPA.

Private Insurers and producers do not have similar status. Insurance companies can obtain information about a specific client, with the client's consent, but they have no authority to receive bulk disclosures of motor vehicle records. This was made clear by the Supreme Court in *Maracich vs. Spears, 570 U.S. 48 (2013)* where it held that none of the exceptions in the DPPA "are written to authorize private individuals to acquire the most restricted personal information in bulk merely to propose a commercial transaction for their own financial benefit." The MVA would violate federal law if the MVA provided the records as requested by the insurance industry representative.