

Written Testimony in Support of SB654/HB1577  
Motor Vehicle Liability Insurance – Premium Increases – Consumer Complaints

Testimony of Erik Roskes  
March 11, 2020

1. On 8/13/18, my daughter had an accident in a parking garage. My daughter left a note on the other person's car, and she contacted us to inform us that the damage came to \$951. We filed a claim.
2. In December 2018, at our next bill, the insurance rate for this car increased from \$457.71 to \$643.08, a 40.5% increase. We concluded that this increase was related to the accident/claim, and we resigned ourselves to paying it going forward.
3. In June 2019, we received the next bill, which had a subsequent increase to \$719.43, increasing our rate by a total of 58.6% from the rate prior to the accident. This struck us as an egregious rate increase, and after talking to our agent, we filed a protest to the MIA
4. In response, we were informed by the MIA that because we filed our protest more than 30 days after the insurance statement was mailed, our protest was not timely and was denied. No decision was made on the merits of our complaint.
5. In correspondence, I was informed, several times, that there is no subsequent process in current statute – in other words, the initial denial of our complaint constitutes the final decision by the MIA, and there is no appeal. After speaking with the initial MIA respondent and to her supervisor at MIA, I was eventually informed that my only option would be to file a suit in Circuit Court.
6. Subsequently, I sent an email to the mediation unit at the OAG, but they informed me that MIA is the only agency that can respond to a complaint about an insurer. They recommended that I could complain to the governor's office.
7. I did file such a complaint with the governor's office, and I received a two page letter which merely restated the 30 day timeframe for complaints, and which did not address my complaint as to the absence of any subsequent opportunity for redress.
8. Upon realizing I would get nowhere within the executive branch, I turned to my then-delegate, Shelly Hettleman, explaining my family's predicament.
9. Like many people, likely including some of the legislators considering this bill, my family often sets aside invoices that are not yet due. Specifically here, the insurer sends out our invoices approximately 7 weeks prior to their due dates, and we generally set them aside until closer to that due date, paying them as the due date approaches.
10. The 30 day timeframe is very tight, almost guaranteeing that many consumers will miss the deadline. Complaints must be initiated within 30 days from the **mailing** of the invoice, which places the consumer at risk for any delays in receiving mail. Second, human nature results in delaying of payment until payment is necessary, such that even consumers who receive the invoice quickly may miss their opportunity to file an objection simply by not attending to what they believe to be a non-urgent issue.
11. Additionally, I am aware of no other process which allows no opportunity for appeal. I have worked in the criminal and civil justice systems for many years, and the absence of due process here strikes me as at best immoral, if not contrary to the basic constitutional principles.
12. I strongly support the removal of the 30 day limit on when consumers can file complaints in the bill put forward by my now-Senator, Shelly Hettleman. As the law currently stands, the balance is tipped far in favor of insurers, who are free to raise rates almost at will. This is unfair to consumers, and I urge you to support this change to the current statute. I am aware of the

proposed amendment which would impose a 120 day limit on the filing of protests, which I would not oppose as a compromise position.

13. I also strongly support the language requiring the MIA to report annually to the legislator data regarding complaints and their outcomes. As Justice Brandeis said, sunlight is the best disinfectant.

Thank you for allowing me to provide my input.