



THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

BILL: Senate Bill 470 - Motor Vehicle and Homeowner's Insurance - Use of Claim History in Rating Policies

SPONSOR: Senator Hester

HEARING DATE: February 12, 2020

COMMITTEE: Finance

CONTACT: Intergovernmental Affairs Office, 301-780-8411

POSITION: SUPPORT

The Office of the Prince George's County Executive **SUPPORTS Senate Bill 470** which prohibits an insurer from increasing the premium for a private passenger motor vehicle insurance policy, because of a homeowner's insurance claim. In the reverse, the bill also prohibits an insurer from increasing the premium for a homeowner's insurance policy, because of a private passenger motor vehicle insurance claim.

Access to affordable automobile insurance is critical for many individuals who rely on their vehicles to transport them to and from work. Affordable automobile insurance is even more crucial to individuals who live in low and moderate income communities, where there is a lack of access to reliable public transportation. Similar to a majority of states, Maryland requires all drivers to purchase liability coverage. Even though a mandate exists, there are still barriers to affordable automobile insurance for many consumers.

Using homeowner's insurance claims can disadvantage consumers who are victims of natural disaster or environmental issues beyond the homeowner's control. Removing the ability to use homeowner's insurance claims as a rating factor allows insurers to focus on more important patterns regarding the insurability of an applicant, like driving history. For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS Senate Bill 470** and asks for a **FAVORABLE** report.