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District 8

Testimony in Support of Bill HB0057, Motor Vehicle Insurance - Rate Filings - Trade Secrets and Factors Used to Establish Rates

To: Chair Wilson and members of the Economic Matters Committee

From: Arielle Juberg

My name is Arielle Juberg. I am a resident of Baltimore County in District 8. I belong to Showing Up for Racial Justice (SURJ) in Baltimore. SURJ is a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City and Baltimore County. We are working in collaboration with Out for Justice. **I am testifying in support of House Bill 0057, Motor Vehicle Insurance - Rate Filings - Trade Secrets and Factors Used to Establish Rates.**

Since moving to Baltimore 10 years ago, I have lived in various neighborhoods in both Baltimore City and Baltimore County. I've purchased auto insurance in each location. Moving between these different residences, I experienced increases and decreases in my rate that didn't seem connected to my driving record. While my experience can be summed up as frustrating, I am disturbed by the racial disparities in auto insurance rates in my community. The Baltimore-Towson metropolitan region was found to have the highest racial disparity in auto insurance premiums in the nation, with average premiums in predominantly [African-American zip codes being nearly double, or 94% higher than, the average premiums in predominantly white communities](#) within the region.

Most of Maryland's top insurers use zip code as a primary factor in setting auto insurance premiums. The [Consumer Federation of America found in a study](#) that, in the densest urban communities, the average premium in predominantly African American ZIP codes are **60 percent higher** than the average premium in equally dense predominantly white urban ZIP codes (\$1,797 vs. \$1,126). This pattern is also true for rural areas and upper middle-income areas.

This bill would eliminate the use of zip codes in auto insurance premiums and allow consumers to know what their insurance costs are actually based on. The proposed legislation would sharply reduce the cost of auto insurance for lower-income black and brown neighborhoods, which are charged nearly double what white neighborhoods are charged, regardless of their actual driving record. [Michigan has banned the use of zip codes](#) altogether. Maryland should follow suit and opt for a broader territorial rating, as HB0057 promotes.

It is for these reasons that I am encouraging you to vote in support of HB0057. Thank you for your time, service, and consideration.