



**MARYLAND**  
AUTO INSURANCE  
**TESTIMONY – HOUSE BILL 57**

**Date:** January 20, 2022

**Position:** Informational

**Bill Number:** House Bill 57

**Bill Title:** Motor Vehicle Insurance – Rate Filing – Trade Secrets and Factors Used to Establish Rates

**House Bill 57 Review and Analysis**

House Bill 57 provides that an insurer, including Maryland Auto, may not use more than five territories in establishing automobile insurance rates. Maryland Auto has used territory rating to determine premiums for decades as location is an important actuarial factor in evaluating risk and predicting claims. If territory rating was limited to five territories, Maryland Auto rates would increase on average by +4.9% for 53% of our policyholders and decrease by -4.6% for 47% of our policyholders. The breakdown by region, on average, would be as follows:

<b>REGION</b>	<b>% Change in Average Premium</b>
Baltimore Metropolitan Area	-3.4%
Northeastern Maryland	+2.6%
Eastern Shore	+5.8%
Southern Maryland & Anne Arundel County	+0.1%
Western Maryland	+1.9%
Montgomery & Howard Counties	+0.5%
Prince George's County	+0.4%

HB 57 would affect, both positively and negatively, the cost of insurance for policyholders of Maryland Auto.

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