



## **HB 57 - Motor Vehicle Insurance - Rate Filings - Trade Secrets and Factors Used to Establish Rates Support**

The Maryland Association for Justice (MAJ) envisions a fair and impartial legal system that protects the rights and safety of all people. The Maryland Association for Justice is dedicated to improving and protecting the civil justice system through legislative advocacy and the professional development of trial lawyers.

MAJ supports HB 57, which would prohibit a private passenger motor vehicle insurer that uses territory to rate an insurance policy from using more than five territories. The bill also repeals the ability of property and casualty insurers to identify that part of a rate filing includes proprietary rate-related information that must be kept confidential.

Under current law, a private passenger automobile insurer in the State is authorized to use territory as a rating factor only if the insurer submits a statement to the Insurance Commissioner certifying that (1) the territories used by the insurer have been reviewed within the previous three years and (2) the use of the territories is actuarially justified.

Under the bill, a private passenger motor vehicle insurer that uses territory as a rating factor may not use more than five territories. The insurer must also submit a statement to the Commissioner certifying that it did not use more than five territories.

Under the bill, all authorizations and procedures related to proprietary rate-related information are repealed. As a result, each filing and any supporting information is open to public inspection as soon as it is filed.

Shining a light on insurance rate setting data will help promote access to fairly priced and affordable auto insurance is good policy in ensuring that drivers involved in accidents can get access to healthcare, recover lost wages, and ultimately be made whole.

**MAJ respectfully urges a Favorable Report**