

November 25, 2025

Maryland Insurance Administration  
Private Passenger Automobile Insurance Affordability Workgroup  
200 St. Paul Street, #2700  
Baltimore, MD 21202

**Re: Private Passenger Automobile Insurance Affordability Workgroup Meeting**

On behalf of the National Association of Mutual Insurance Companies (NAMIC), thank you for the opportunity to provide feedback to the Private Passenger Automobile Insurance Affordability Workgroup. We appreciate the workgroup's ongoing review of the preliminary recommendations under consideration and its commitment to improving affordability and access for Maryland drivers. Our comments below focus on maintaining a competitive, risk-based insurance market that protects consumers, supports innovation, and ensures long-term market stability.

As the workgroup evaluates potential restrictions on rating practices, NAMIC urges the preservation of a competitive and transparent rating system. Independent ratings provide consumers and businesses with confidence by demonstrating an insurer's financial strength and ability to meet its obligations. When multiple rating agencies apply rigorous standards, insurers must maintain strong financial health to remain competitive. This benefits policyholders by ensuring carriers remain reliable, resilient, and capable of paying claims promptly. A competitive rating environment also strengthens overall market stability by expanding consumer choice and reducing barriers to competition.

As noted in our November 18<sup>th</sup> letter, NAMIC strongly opposes restrictions on ratemaking and risk assessment. Insurers rely on actuarially sound, risk-based rating systems to predict potential losses and set premiums that reflect the true cost of insuring risk. This ensures that consumers pay rates aligned with their individual risk profiles rather than subsidizing others. Accurate risk assessment promotes fairness, supports market stability, and allows insurers to maintain the financial strength needed to serve policyholders and innovate.

Restrictions on territorial rating would significantly undermine these principles. Geographic factors, such as exposure to natural disasters, crime, traffic density, or loss trends, are essential components of risk analysis. Limiting an insurer's ability to incorporate territorial data reduces pricing accuracy and can create adverse outcomes, including higher premiums for some consumers, decreased availability of coverage, or reduced competition. Protecting sound territorial rating practices is important for preserving a fair and sustainable insurance marketplace.

Telematics programs are another important tool for promoting fairness and accuracy in rating. These voluntary programs use technology to measure driving behaviors such as speed, mileage, and braking, allowing insurers to price policies based on actual risk rather than broad demographic or geographic averages. Telematics empowers consumers by rewarding safe driving and offering opportunities to reduce costs. Restricting the use of telematics would limit consumer choice, hinder innovation, and slow progress

toward a more efficient, data-driven insurance market. Accurate behavioral data also helps reduce fraud, improve risk assessment, and enhance overall financial stability - all of which support policyholders and public safety.

NAMIC appreciates the workgroup's consideration and review of the factors affecting auto insurance affordability in Maryland. As the workgroup moves toward final recommendations, we encourage the continued protection of competitive rating practices, sound risk assessment, and innovative tools such as telematics, all of which work together to ensure a fair, stable, and consumer-focused insurance marketplace.

We look forward to continued collaboration with the Maryland Insurance Administration and the workgroup.

Sincerely,

*Gina Rotunno*

Gina Rotunno  
Regional Vice-President,  
Mid-Atlantic Region

