



Insurance Agents
& Brokers

July 26, 2025

Via Email: insuranceregreview.mia@maryland.gov

Jessica Blackmon

Maryland Insurance Administration

200 St. Paul Place, Suite 2700

Baltimore, Maryland 21202

Dear Jessica:

RE: IA&B COMMENTS – CREDIT USE HISTORY DISCLOSURE

On behalf of the Insurance Agents & Brokers of Maryland (IA&B), thank you for the opportunity to review and provide comments on the Maryland Insurance Administration's proposed regulatory revision addressing the disclosure of the use of credit history in rating new private passenger motor vehicle insurance policies. We appreciate the Department's efforts to ensure transparency in the insurance marketplace. However, we respectfully submit that this proposed change, while intended to reduce regulatory burden and offer greater flexibility to insurers, would ultimately create confusion, elevate agents' liability exposure, and diminish the clarity and effectiveness of existing consumer disclosures.

Under existing regulatory language, insurers are required to include written notice on the insurance application if they use credit history to underwrite or rate a policy. Written disclosures are clear, uniform, and verifiable. They are not subject to miscommunication, memory lapses, or disputes over what was said and when. From a regulatory perspective, written disclosures provide a reliable and auditable record that is far more robust than individually documented verbal interactions.

Replacing this written requirement with an option for verbal disclosure, particularly when paired with an obligation to document the date, time, and manner of that verbal communication, introduces ambiguity into an otherwise straightforward process. Oral communications are inherently less reliable and more prone to miscommunication, memory lapses, or disagreement over what was conveyed.

This is not merely an additional option which increases flexibility in how the disclosure is given. In practice, insurers can and likely will require independent producers to deliver these verbal notices, effectively transferring both the administrative burden and the Errors & Omissions (E&O) liability for any noncompliance from the insurer to the agent. Even the most diligent agent could face an E&O claim arising from a dispute over whether a verbal disclosure was adequately communicated or properly documented. Consumers may not recall the conversation, particularly if multiple applications are submitted or discussed, as is often the case when independent agents obtain quotes from multiple insurers at a time.

Maryland's existing written disclosure requirement has served both consumers and the insurance industry well. It promotes consistency, reduces liability exposure for agents, and ensures that responsibility for credit-based rating disclosures remains with the insurer. Allowing insurers to substitute verbal delivery and impose this task on agents undermines this well-functioning system.



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For these reasons, IA&B urges the Maryland Insurance Administration to rescind the proposed change and retain the current requirement that disclosure of credit history use be provided in writing on the application itself. Should the MIA choose to proceed with permitting verbal disclosures as an alternative, it should stipulate that both the delivery of the verbal disclosure and the documentation of the date, time, and manner be performed by an employee of the insurer, not merely a representative acting on the insurer's behalf.

Sincerely,

Johnathan Savant
Government Affairs Director

Cc: Jason Ernest, President & CEO, IA&B
Claire Pantaloni, VP Advocacy, IA&B
Don Bankus, Director of Legal & Corporate Affairs, IA&B