



191 Main Street, Suite 310 – Annapolis MD 21401 – 410-268-6871

November 18, 2025

Maryland Insurance Administration  
Marie Grant, Commissioner  
200 St. Paul Street, #2700  
Baltimore, MD 21202

RE: Comments on Workgroup to Study Private Passenger Automobile Insurance under House Bill 1098

Dear Commissioner Grant,

I am writing in my capacity as President of the Maryland Association of Mutual Insurance Companies (MAMIC) to provide comments on the study of private passenger automobile insurance under House Bill 1098.

MAMIC is comprised of 12 mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of our members are domiciled in Maryland and are key contributors and employers in our local communities. Together, MAMIC members offer a wide variety of insurance products and services and provide coverage for thousands of Maryland citizens.

MAMIC members are all mutual insurers, owned by our policyholders. That connection to the customer is vital to our business model. Most members are also small or medium-sized carriers, which means they are close to the customer. Though few in number, MAMIC members serve an important role in insurance availability to consumers throughout Maryland.

Insurance coverages available from MAMIC members include substantial writings in homeowners and other property insurance across the State. We also include at least one specialty insurer, Medical Mutual, which provides medical professional liability coverage to Maryland physicians. Some MAMIC members offer private passenger automobile insurance as a related line of coverage to homeowners insurance. This is a feature that has become quite important to insurance consumers in recent years.

In order to offer private passenger automobile coverage, the MAMIC members who do so depend on a regulatory environment that is fair, predictable, and permits pricing that is reflective of the risks that insurers must accept every day. Two examples of your current study offer themselves for comment.

First, since the late 1980s Maryland has had a system of competitive rating for private passenger automobile rates and other lines as well. We relinquished a previous system that required regulatory approval before rates could be used in the marketplace. It is important to note that the move to competitive rating did not limit the ability of the Maryland Insurance Administration to evaluate rates and ensure that they are not excessive, inadequate or unfairly discriminatory. These and other statutes provide ample authority for the Administration to carry out its obligation of consumer protection in this area.

Second, over 20 years ago the Maryland General Assembly considered, and after heated debate enacted, a comprehensive statute to govern the use of credit in private passenger automobile insurance pricing. The

resulting statute was one of the strictest in existence at that time. While that law prohibited the use of credit in homeowners insurance pricing, the use of credit was retained for private passenger automobile rating purposes.

That was a momentous decision, one that is reflected in the statutes of many other states. The correlation between certain credit-related information and the risk of loss for an insurer has been repeatedly demonstrated.

The proliferation of credit and other methods of assessing risk in the intervening years has placed some MAMIC insurers at a competitive disadvantage to large, national insurers with substantial resources available for the pricing of risk. Put simply, if credit were removed as a permissible rating factor, it is unclear whether MAMIC insurers would be able to compete effectively in the private passenger automobile insurance line. If they cannot, Maryland automobile consumers will suffer.

We offer these comments for your consideration as the workgroup completes its analysis and any recommendations under the provisions of House Bill 1098. We look forward to working with you during the next legislative session on this and related issues, and we will be happy to respond should you have further questions in the meantime.

Very truly yours,

A handwritten signature in black ink, reading "Melissa G. Shelley". The signature is fluid and cursive, with the first name "Melissa" being the most prominent part.

Melissa Shelley  
President