

November 18, 2025

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

Re: November 18th Private Passenger Automobile Insurance Affordability Workgroup Meeting

Members of the Private Passenger Automobile Insurance Affordability Workgroup,

On behalf of the National Association of Mutual Insurance Companies (NAMIC), thank you for the opportunity to provide written comments to the workgroup.

NAMIC is the largest mutual insurance trade association in the United States, representing more than 1,300 member companies. Our membership includes regional and local mutual insurance carriers as well as some of the nation's largest insurers. Collectively, NAMIC member companies write 61% of the homeowners insurance market, 48% of the automobile insurance market, and 25% of the business insurance market.

Recently, the Maryland Insurance Administration released a list of discussion questions for consideration by the Private Passenger Automobile Insurance Affordability Workgroup. Among these was the potential restriction or prohibition of certain non-driving rating factors, including banning or further limiting the use of credit history as a rating factor.

The correlation between credit-based information and the risk of loss has been repeatedly validated through actuarial studies and regulatory reviews. Credit-based insurance scores are predictive of claim frequency and severity, providing insurers with an objective tool to assess risk accurately. As a result, consumers benefit through broader coverage availability, competitive pricing, and greater market stability. This predictive value helps insurers price policies fairly, ensuring that lower-risk drivers are not subsidizing higher-risk drivers.

Importantly, the use of credit-based scoring enhances fairness by reducing reliance on less accurate factors and helps maintain a competitive marketplace that lowers costs for the majority of policyholders. Removing this factor would limit insurers' ability to offer competitive pricing and innovative products, ultimately reducing consumer choice in the marketplace.

NAMIC urges the workgroup to maintain the current statutory framework that allows the use of credit in private passenger automobile insurance rating. Doing so supports actuarially sound pricing, promotes fairness, and helps keep insurance affordable for Maryland drivers.

Another discussion point included for the Workgroup was in regard to whether Maryland should maintain its competitive rating system or should legislative action be taken to establish an alternative rate

regulatory system.

Maryland should maintain its current competitive rating system because it fosters a fair and predictable regulatory environment that allows insurers to price coverage accurately according to risk. Since the late 1980s, this system has replaced the outdated prior-approval model, enabling rates to be used in the marketplace without unnecessary delays while still preserving robust consumer protections. The MIA retains full authority to review rates and ensure they are not excessive, inadequate, or unfairly discriminatory. This balance between market competition and regulatory oversight has proven effective for decades, supporting both consumer interests and insurer stability.

Thank you for your consideration of these comments. We look forward to continuing to work with the Maryland Insurance Administration and the Private Passenger Automobile Insurance Affordability Workgroup.

Sincerely,

Gina Rotunno

Gina Rotunno
Regional Vice-President,
Mid-Atlantic Region

