



State Senator
TINA MAHARATH

3rd District

Sponsor Testimony
Senator Tina Maharath
Senate Bill 154
Insurance and Financial Institutions Committee
Wednesday, September 25, 2019

Chairman Hackett, Ranking Member Craig, Vice Chairman Hottinger and members of the Insurance and Financial Institutions committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 154. Senate Bill 154 sets out the factors insurers may or may not use when determining premium rates.

As we all know, driving without auto insurance in the state of Ohio is illegal. Low-income individuals and families often struggle with paying even the state minimum coverage. Depending on the factors that insurance companies rely on, some individuals may pay more based on their income, where they live and other factors that are unrelated to their driving. This legislation aims to reduce that discrepancy and ensures that everyone, no matter where you live, has access to affordable auto insurance – thereby keeping drivers on the road and strengthening our economy.

The goal of Senate Bill 154 is to make sure that insurance rates are determined by factors related to an individual's driving and not factors that are outside their control or are otherwise not directly correlated to their driving.

Among the factors that may be considered by insurers in Senate Bill 154 are the insured's certified abstract, the number of miles driven annually, the number of years of driving experience, and any other factors that the Superintendent of Insurance deems necessary. These factors are weighted in descending order of importance, and factors deemed necessary by the superintendent must also be weighted. Factors that may not be considered are the number of claims made in the area where an insured's vehicle is garaged, whether the vehicle is used for business purposes, the number of vehicles insured, the amount of insurance under the policy in question, income, the number of dependents under the policy, the vehicle make or model, sex, marital status and credit history.

I recognize that the auto insurance industry is often complex in their policies and strategies in setting rates. I look forward to working with members of the Insurance and Financial Institutions Committee to find an appropriate solution to ensure Ohio drivers can fairly afford their car insurance. I appreciate your attention to this important issue and respectfully request your favorable consideration of Senate Bill 154. Thank you and I am happy to respond to questions from the committee.