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Attorney General Brown Joins Brief to Protect Homeowners from Discriminatory Insurance Industry Practices *AGs Oppose Industry Bid for Regulatory Exemption to HUD Discriminatory Effects Rule*

BALTIMORE, MD (October 18, 2024) – Attorney General Anthony G. Brown joined a coalition of 19 state attorneys general in filing an [amicus brief](#) urging a federal court to reject a challenge to the Department of Housing and Urban Development’s (HUD) Discriminatory Effects Rule. The homeowners insurance industry is challenging the rule, which clarifies that insurers and other parties are liable under the Fair Housing Act for housing practices that may have a discriminatory effect on persons in protected classes regardless of whether the insurer intended to discriminate. This form of discrimination is often called a “disparate impact.”

“Having insurance is an essential part of owning a home. This lawsuit will help ensure that the insurance industry does not reinforce the harmful history of housing discrimination,” **said Attorney General Brown**. “Our office will do whatever it can to make sure that all Marylanders have an equal opportunity of home ownership and to achieve the American Dream.”

Courts have long recognized the Fair Housing Act bars housing practices that have a disparate impact on individuals based on race, national origin, or another protected characteristic. However, a group of companies that sell property and casualty insurance sued to have HUD’s Discriminatory Effects Rule declared invalid as it applies to homeowners insurance pricing and underwriting. The plaintiffs argued that HUD should have granted a blanket exemption to the rule when rates that have a discriminatory effect are authorized by state-level insurance laws and regulations. They asserted that the state level authorization shielded them from the enforcement of federal fair housing laws.

A separate coalition of attorneys general, including Attorney General Brown, [filed a brief](#) in 2023 before the trial court in this case, arguing that HUD reasonably declined to create broad exemptions for homeowners insurance in favor of an approach that respect individual states’ policies and regulatory choices. The trial court expressly acknowledged the 2023 brief in its opinion upholding the rule, describing it as “significant” evidence that HUD’s approach was reasonable.

In today's brief, filed in the U.S. Court of Appeals for the Seventh Circuit, the coalition of attorneys general oppose the claim that applying the Discriminatory Effects Rule to the homeowners insurance industry interferes with state-level insurance regulation, which varies from state to state. The coalition notes in its brief that in many states, including Maryland, HUD's rule complements state anti-discrimination laws and state efforts to regulate the insurance market extend to the homeowners insurance industry. The group argues that the fact that some states may impose a rule that prevents disparate-impact liability does not justify exempting the whole industry from such liability on a nationwide basis.

In filing the brief, Attorney General Brown joins the attorneys general of Arizona, California, Colorado, Delaware, the District of Columbia, Illinois, Massachusetts, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, and Washington.

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