

**Senate Judicial Proceedings Committee**

**SB 1031: Civil Actions – Lead Poisoning – Liability and Statute of Limitations**

**UNFAVORABLE | March 7, 2024**

Chair Smith and Members of the Senate Judicial Proceedings Committee:

On behalf of the National Association of Mutual Insurance Companies<sup>1</sup> (NAMIC) thank you for the opportunity to submit this statement to express our opposition to Senate Bill 1031 and request an unfavorable report.

NAMIC consists of nearly 1,500 member companies, including seven of the top 10 property/casualty insurers in the United States. The association supports local and regional mutual insurance companies on main streets across America as well as many of the country's largest national insurers.

Senate Bill 1031 is very problematic for several reasons:

1. The bill eliminates the statute of limitations for an action alleging injuries from lead poisoning caused by lead-based paint hazards which creates no finality and causes insurers to hold reserves longer which hinders their ability to write new business.
2. Subjects an owner or manager of a property to strict liability for damages and removes the limitations on non-economic damages from applying to claims under this bill. Damages caps provide for a more stable insurance marketplace where damages and insurance costs can be modeled and predictable. Removal of the damage caps will create inconsistent and unfair judgements that become outlier verdicts and create one of the highest cost drivers for the Maryland insurance market because of the difficulty to model for losses without limits.
3. Provides an affirmative defense to a property owner/manager that complied with the statutory requirements at the time of the alleged exposure.
4. Applies the provisions of the law retroactively to revive time-bared claims creating unlimited exposure and adequate premium to cover these losses which can lead to solvency concerns.

For these reasons, NAMIC opposes Senate Bill 1031 and respectfully requests an unfavorable report.

Sincerely,



Matt Overturf, NAMIC Regional Vice President  
Ohio Valley/Mid-Atlantic Region

<sup>1</sup> NAMIC member companies write \$357 billion in annual premiums and represent 69 percent of homeowners, 56 percent of automobile, and 31 percent of the business insurance markets. Through its advocacy programs NAMIC promotes public policy solutions that benefit member companies and the policyholders they serve and fosters greater understanding and recognition of the unique alignment of interests between management and policyholders of mutual companies.