



Insurance Agents
& Brokers

March 25, 2024

The Honorable Luke Clippinger
Chair, House Judiciary Committee,
Room 101, House Office Building
Annapolis, Maryland 21401

RE: Senate Bill 538 - Civil Actions - Noneconomic Damages - Personal Injury and Wrongful Death
UNFAVORABLE

Dear Chair Clippinger and Members of the House Judiciary Committee,

I am writing as an independent insurance agent and Chair of the Legislative Committee for the Insurance Agents and Brokers of Maryland (IA&B), a trade association comprised of nearly 200 independent agencies, employing approximately 1,800 Maryland insurance producers, which are located in and doing business throughout the State of Maryland and surrounding states. IA&B has followed the debate on Senate Bill 538 throughout this session and wishes to register their opposition to this legislation.

Although the insurance market is cyclical and expectedly fluctuates between what are known as hard and soft markets, we are currently in the midst of an insurance crisis that has been unparalleled in recent decades. These crisis conditions have been driven primarily by a corresponding increase in the frequency and severity of claims, which itself has been driven by several factors, including inflation, supply chain issues, severe weather events, litigation abuse, and counterproductive regulatory measures. Many of these factors are uncertain and uncontrollable, but the regulatory environment is not one of them.

Homeowners, auto, and commercial liability insurance have become increasingly difficult to afford. A dramatic increase to the cap on noneconomic damages, as proposed under Senate Bill 538, would only serve to further increase the severity of losses in liability claims, which will result in even higher premiums for consumers in an already hard market.

For this reason, IA&B urges an unfavorable vote on Senate Bill 538.

Very truly yours,

Stacey Nicholson
IA&B Legislative Committee Chair

cc: John Savant, Claire Pantaloni, Bryson Popham

