



191 Main Street, Suite 310 – Annapolis MD 21401 – 410-268-6871

February 26, 2024

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

RE: House Bill 430 - Firearms - Liability Insurance - Public Wearing and Carrying - UNFAVORABLE

Dear Chair Clippinger and Members of the Committee,

MAMIC is comprised of 12 mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of our members are domiciled in Maryland and are key contributors and employers in our local communities. Together, MAMIC members offer a wide variety of insurance products and services and provide coverage for thousands of Maryland citizens.

At the outset, we wish to remind the Chair that you have already received a letter on this legislation from one of our members, the Baltimore Equitable Society. As information to the Committee, Baltimore Equitable is a homeowners insurer that was founded in Baltimore in 1794 and continues to operate from its Baltimore City headquarters today. A copy of the Baltimore Equitable letter to you is attached for review by your Committee.

All MAMIC members are sensitive to the potential harm to our society from the improper use of firearms. We respect the obvious intentions of the sponsors to ensure additional security for citizens of Maryland by the passage of this bill. Unfortunately, we have concluded from a review of the bill that it raises more questions than it answers. For example, we are unsure of the scope of “firearm liability insurance” first cited in Section 5-902 of the bill. All of Subtitle 9 is new language, replete with new statutory definitions of commonly used terminology in this field. It is unclear to us what devices may be included under the new statutory language.

Perhaps more important, it is equally unclear whether the bill contemplates that the term “firearm liability insurance” first found on page 4, line 21 of the bill is the same type of insurance described in 5-902 (A) on page 5, lines 11-17 of the bill. For insurers like many MAMIC members, this distinction is critical. Liability losses arising from the use of firearms are not frequent. Coverage and rating decisions made by insurance companies require a body of claim information that would permit the insurer to formulate rates that are not excessive, inadequate or unfairly discriminatory, as required under Maryland insurance laws. There is simply insufficient data for small and medium size insurers, like MAMIC members, to responsibly create rates that reflect the exposure to loss.

Also, these concerns do not address an insurer’s potential decision to decline offering coverage for firearm claims to begin with – a subject not addressed in House Bill 430. Although the bill does not specifically state a requirement that all general liability insurers must include this coverage, it is a question that must be answered.

Finally, we note that other states, such as New Jersey, have been unsuccessful in imposing limitations on the use of firearms. House Bill 430 takes the different approach of requiring insurance coverage instead. MAMIC

recommends, as a logical first step, that the General Assembly consult with the Maryland Insurance Administration on the availability and affordability of insurance coverage for the use of firearms. Should you decide to proceed with a legislative approach, we believe such information will be essential to your decision-making process.

For these reasons, MAMIC and its members respectfully request an unfavorable report on this legislation.

Sincerely,

A handwritten signature in cursive script that reads "Jeane A. Peters". The signature is written in black ink and is positioned above the typed name.

Jeane A. Peters, President MAMIC

cc: The Honorable C.T. Wilson, Chair – House Economic Matters Committee



**Baltimore
Equitable
Insurance**

Perpetually Great Homeowners Insurance

February 21, 2024

The Honorable Luke Clippinger
House Judiciary Committee
Annapolis, Maryland

Re: HB 430 – Firearms – Liability Insurance – Public Wearing and Carrying

Dear Chair Clippinger,

On behalf of The Baltimore Equitable Society, thank you for the opportunity to submit this statement to express our concern over the text of House Bill 430 and request an unfavorable report.

The Baltimore Equitable Society is a part of MAMIC and has been asked to express our concerns regarding House Bill 430.

The bill includes the phrase “Public” in the title of the bill but within the text itself, “public” wearing and carrying is not addressed. Wearing and carrying by itself without the word “Public” is used which could lead to unintended consequences of requiring liability insurance while within an individual’s own private home or property. The same can be said for the use of the word “storage” resulting in an unintended requirement of liability insurance of at least \$300,000 for when a firearm is stored at an individual’s private residence.

The majority of, if not all, homeowners, renters, and condo owner insurance policies provide liability coverage for occurrences that result in property damage, bodily injury, or death arising from an occurrence that is deemed an accident. Based on the text of this bill, it is not clear if an insured would be in compliance with the bill’s requirement if they were covered under one of these policies.

If a homeowners, renters, or condo owner insurance policy would in fact be sufficient to meet the bill’s requirements, insureds may find it difficult to be able to provide proof of liability insurance without presenting their entire policy. Additionally, Police Officer’s requesting proof of liability insurance, may find it difficult to determine whether the individual’s policy provides the required liability insurance without reading the insured’s actual policy language.

Due to the policy language of homeowners, renters, and condo owner insurance policies, not all insureds would have their names listed on the policy. For example, a relative that lives in the household, may not be listed as a “Named Insured” on the policy documents but would be provided the same coverages as a “Named Insured”. This would include liability coverage for occurrences that result in property damage, bodily injury, or death arising from an occurrence that is deemed an accident. It is unclear how this insured would provide proof that they meet the bill’s liability insurance requirements.

Lastly, this bill could result in increased insurance premiums, putting a financial burden on those individuals who may be unable to afford the coverage.

For these reasons, The Baltimore Equitable Society is opposed to House Bill 430 and respectfully requests an unfavorable report of the bill.

Sincerely,

Mary B Harlee

Mary B. Harlee

President/CEO - The Baltimore Equitable Society