

SENATE BILL 865

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By: **Senator A. Washington**

Introduced and read first time: February 6, 2026

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Workgroup on the Affordability of Private Passenger Automobile Insurance –**
3 **Extension and Alteration of Membership and Duties**

4 FOR the purpose of extending the termination date and altering the membership and
5 duties of the Workgroup on the Affordability of Private Passenger Automobile
6 Insurance; and generally relating to the Workgroup on the Affordability of Private
7 Passenger Automobile Insurance.

8 BY repealing and reenacting, with amendments,
9 Chapter 395 of the Acts of the General Assembly of 2025
10 Section 2 and 3

11 Preamble

12 WHEREAS, Chapter 395 of the Acts of the General Assembly of 2025 required the
13 Maryland Insurance Administration to establish a workgroup to study the affordability of
14 private passenger automobile insurance and to report findings and recommendations to the
15 Governor and the General Assembly; and

16 WHEREAS, The workgroup submitted its final report on December 22, 2025, which
17 provided extensive background analysis of affordability, rate regulation, and the cost to
18 drivers in the private passenger automobile insurance market; and

19 WHEREAS, The report identifies significant disparities in affordability in
20 majority–minority and lower–income zip codes and acknowledges that geographic and
21 nondriving rating factors may contribute to those disparities; and

22 WHEREAS, Despite identifying territorial rating and other nondriving rating
23 factors as key areas of concern, the workgroup did not reach consensus and did not provide
24 specific legislative recommendations to modify or reform the use of territorial rating in
25 Maryland; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 WHEREAS, On numerous major policy questions affecting affordability, including
2 territorial rating, low-cost insurance options, and relief mechanisms for high-cost
3 communities, the workgroup recommended only further study and deferred the
4 development of concrete legislative proposals; and

5 WHEREAS, The General Assembly finds that additional work is necessary to
6 produce data-driven, actionable recommendations that will reduce premiums for Maryland
7 motorists, reduce unjustified geographic and racial disparities, and provide the legislature
8 with specific policy options to reform rating practices in the private passenger automobile
9 insurance market; now, therefore,

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
11 That the Laws of Maryland read as follows:

12 **Chapter 395 of the Acts of 2025**

13 SECTION 2. AND BE IT FURTHER ENACTED, That:

14 (a) (1) The Maryland Insurance Administration shall establish a workgroup
15 to study:

16 (i) the affordability of private passenger automobile insurance in
17 the State, including factors that contribute to premium rate increases and trends in rate
18 increases;

19 (ii) policy options to provide greater transparency regarding
20 automobile insurance premiums and to increase the affordability of automobile insurance
21 in the State;

22 (iii) ways in which the term “affordability” has been or may be
23 defined in the context of the establishment of private passenger automobile insurance
24 premium rates;

25 (iv) methodologies by which affordability can be considered in
26 establishing private passenger automobile insurance rates consistent with rate making
27 principles codified in the Insurance Article; and

28 (v) the current financial status of private passenger automobile
29 insurers in the State and potential options to address excess profits.

30 (2) In conducting the study under paragraph (1) of this subsection, the
31 workgroup shall seek and consider input from relevant stakeholders, including the
32 reinsurance industry.

33 **(3) THE WORKGROUP SHALL DEVELOP, THROUGH A PROCESS**
34 **INVOLVING RECORDED VOTING, DATA-DRIVEN, CONCRETE LEGISLATIVE**

**RECOMMENDATIONS TO REDUCE PREMIUMS, INCLUDING SPECIFIC
RECOMMENDATIONS REGARDING THE USE OF TERRITORIAL RATING AND OTHER
RATING FACTORS THAT MAY CONTRIBUTE TO DISPARATE IMPACTS.**

(b) The workgroup consists of the following members:

(1) one member of the Senate of Maryland who is a member of the Finance Committee, appointed by the President of the Senate;

(2) one member of the House of Delegates who is a member of the [Economic Matters] **JUDICIARY** Committee, appointed by the Speaker of the House;

(3) the Maryland Insurance Commissioner or the Commissioner's designee;

(4) the Executive Director of the Maryland Automobile Insurance Fund, or the Executive Director's designee; and

(5) the following members, appointed by the chair of the workgroup:

(i) one representative of an automobile insurer or automobile insurer trade association;

(ii) one representative of a consumer advocacy group that is active in the area of automobile insurance; [and]

(iii) one representative of private passenger automobile insurance producers in the State; **AND**

(IV) TWO REPRESENTATIVES OF A NONPROFIT RESEARCH OR CONSUMER ADVOCACY ORGANIZATION WITH DEMONSTRATED EXPERTISE IN AUTOMOBILE INSURANCE RATING PRACTICES AND AFFORDABILITY.

(c) The Maryland Insurance Commissioner or the Commissioner's designee shall chair the workgroup.

(d) **(1)** On or before January 1, 2026, the workgroup shall report its findings and recommendations to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

(2) ON OR BEFORE JANUARY 1, 2027, THE WORKGROUP SHALL SUBMIT AN UPDATED REPORT OF ITS FINDINGS AND RECOMMENDATIONS THAT INCLUDES THE RECOMMENDATIONS REQUIRED UNDER SUBSECTION (A)(3) OF THIS SECTION TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2025. Section 2 of this Act shall remain effective for a period of [1 year] **2 YEARS** and, at
3 the end of June 30, [2026] **2027**, Section 2 of this Act, with no further action required by
4 the General Assembly, shall be abrogated and of no further force and effect.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
6 1, 2026.