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The Honorable C.T. Wilson
Chairman, House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401

RE: House Bill 1159 - Insurance - Property and Casualty Insurance - Minimum Acceptable Loss Ratio and Premium Refunds - UNFAVORABLE

Dear Chairman Wilson and Members of the Committee,

On behalf the Maryland Association of Mutual Insurance Companies (MAMIC) I am writing in respectful opposition to House Bill 1159.

MAMIC is comprised of 12 mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of its 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.

House Bill 1159 has been taken, in large part, from the federal Patient Protection and Affordable Care Act, which was enacted in 2010. That statute, popularly known as "ObamaCare," was intended to establish terms and conditions for the provision of individual and certain small employer sponsored health insurance plans throughout the United States. It established a uniform federal regulatory scheme for the first time for the provision of health insurance to individuals and certain small businesses. ObamaCare remains the structural framework for health insurance in these markets in both Maryland and nationally.

By contrast, property and casualty insurance has, since 1946, been regulated exclusively by individual states under the provisions of the federal McCarran Ferguson Act. Furthermore, property and casualty insurance is substantively distinctly different from health insurance in almost every respect. While ObamaCare was highly prescriptive, requiring a specific minimum loss ratio of 85% for the relatively few private insurers subject to its provisions, there are literally thousands of property and casualty insurers in many different states that often serve highly localized markets. Applying this federal standard for health insurance in Maryland property and casualty insurance would be highly disruptive of what is currently an orderly and competitive insurance market.

For these reasons, we respectfully urge the Committee for an unfavorable report on House Bill 1159

Very truly yours,

A handwritten signature in black ink that reads "Bryson Popham". The signature is fluid and cursive, with the first name "Bryson" and last name "Popham" clearly legible.

Bryson Popham