

Bryson F. Popham, P.A.

Bryson F. Popham, Esq.

191 Main Street
Suite 310
Annapolis, MD 21401
www.papalaw.com

410-268-6871 (Telephone)
443-458-0444 (Facsimile)

March 3, 2025

The Honorable Pam Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 893 - Insurance - Enforcement, Impaired Entities, Homeowner's Insurance Policies, and Unfair Claim Settlement Practices – Revisions - UNFAVORABLE

Dear Chair Beidle and Members of the Committee,

On behalf of the Maryland Association of Mutual Insurance Companies (MAMIC), we respectfully oppose Senate Bill 893.

As you may recall, 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.

Senate Bill 893 essentially rewrites practices already authorized of the Maryland Insurance Commissioner governing the subject of unfair claims practices by insurers; however, the bill is highly prescriptive and would force the Commissioner to utilize procedures that may be different, costly to implement and less effective than current practices.

The bill takes the concept of a market conduct examination, and essentially mandates review of an insurer's claims-handling practices under certain circumstances.

Currently, the Maryland Insurance Administration has discretionary authority to determine when the conduct of an insurer requires closer examination. This flexibility permits the Commissioner to allocate limited resources to those areas that are most in need of closer scrutiny. By contrast, Senate Bill 893 substitutes a rigid legislative formula that may thwart the effectiveness of current procedures at the Agency.

For these reasons, MAMIC respectfully requests an unfavorable report on Senate Bill 893.

Thank you for your consideration.

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

Bryson Popham