

February 27, 2026

The Honorable Kriselda Valderrama, Chair  
House Economic Matters Committee  
231 Taylor House Office Building  
Annapolis, Maryland 21401

**Re: NAMIC Opposition to HB 1250 - Consumer Protection and Product Liability - Chatbots**

Chair Valderrama and Members of the Committee,

Thank you for the opportunity to provide written testimony on House Bill 1250 - Consumer Protection and Product Liability – Chatbots by Delegate Lily Qi. On behalf of the National Association of Mutual Insurance Companies (NAMIC), we must respectfully oppose HB 1250 and request an unfavorable report.

The National Association of Mutual Insurance Companies (NAMIC) is the foremost trade association representing the property/casualty insurance industry. Serving more than 1,300 member companies—including local and regional insurers as well as some of the nation’s largest carriers—NAMIC members collectively write \$467 billion in annual premiums, representing 61% of the homeowners and 53% of the automobile insurance markets. For more than 130 years, NAMIC has been the leading voice advancing public policy solutions and regulatory frameworks that promote a strong, competitive market and protect our members and their policyholders.

It is our position that the scope of HB 1250 is far broader than necessary to address the harms it aims to prevent. The intended focus appears to be companies whose primary business is developing AI products to sell to others - entities for whom requirements around data de-identification and potential data sales may be relevant. However, the bill’s definitions extend well beyond that, sweeping in routine business uses of AI and chatbots, tools directly tied to consumer-requested transactions, and even non-consumer-facing, back-office applications.

The bill would also subject insurers to overlapping and conflicting regulatory frameworks. Insurers already operate under a robust privacy regime through the federal Gramm-Leach-Bliley Act and corresponding state insurance regulations, which the Maryland Insurance Administration oversees. Bringing insurers into the scope of this bill would conflict with existing exemptions that allow them to fulfill consumer-requested transactions and carry out their legal obligations.

For these reasons, we respectfully request an unfavorable report on House Bill 1250.

Sincerely,



Gina Rotunno  
Regional Vice President, Mid-Atlantic