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January 26, 2026

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

RE: Senate Bill 52 - Insurance - Property Insurance - Settlement of Claims and Notices 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 52, as drafted.

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.

We wish to advise the Committee that we have participated with the Maryland Insurance Administration in discussions of this subject for nearly a year. MAMIC acknowledges the important consumer protection function of the MIA under Maryland law. For that reason, we recommend that the Committee engage in a continuation of these discussions, in an attempt to arrive at appropriate consumer notifications connected with the sale and negotiation of policies utilizing actual cash value (ACV) to determine the amount of claims payments.

We should also point out to the Committee that most MAMIC members offer property coverage as a major line of insurance. Accordingly, MAMIC members are quite familiar with issues of valuation under first party property insurance policies. We hope to share some of that experience at the Committee hearing on this bill.

MAMIC members believe that the longstanding use of actual cash value in adjusting property insurance claims treats the consumer fairly. We are also deeply concerned that the major change in loss valuation required under Senate Bill 52 could be highly disruptive to the property insurance market in the State.

We do agree, however, that it may be appropriate to educate consumers in advance about this process. More robust notice and disclosure requirements can accomplish that goal. We look forward to working with the Finance Committee, and the MIA, to achieve an equitable resolution of these issues.

For these reasons, MAMIC respectfully requests an unfavorable report on Senate Bill 52 as drafted.

Thank you for your consideration.

Melissa Shelley
President, MAMIC

cc: Bryson Popham
Jamie Sexton, MIA