



191 Main Street, Suite 310 – Annapolis MD 21401 – 410-268-6871

February 23, 2026

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

RE: Senate Bill 865-*Workgroup on the Affordability of Private Passenger Automobile Insurance – Extension and Alteration of Membership and Duties Insurance* **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 865.

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.

Both the Maryland General Assembly and the Senate Finance Committee have consistently taken a cautious, measured approach toward making policy changes in Maryland statute. That approach is often based, broadly, on a process of study by which legislative committees obtain the facts they need to make policy decisions. Those studies themselves, to be effective, need to be completely objective and comprehensive. One way to ensure that result is to have a group of individuals participating in the study of differing backgrounds and experience. Another way is to ensure that such studies permit sufficient diversity among viewpoints to allow the legislative committees who review their work product to consider both a range of legislative issues and the study group's view of those issues.

The initial study under House Bill 1098 in 2025 was conducted by the Insurance Commissioner through a legislative workgroup. The Commissioner serves as the legislature's advisor on insurance issues. The workgroup's membership, while small, covered a range of subjects that are fairly described as a broad survey of automobile insurance issues throughout the United States. When the Insurance Commissioner presented the House Bill 1098 Workgroup report to the Senate Finance Committee on January 22, 2026, the Commissioner stated that some of these issues are likely to be taken up for further study and action, both by the Commissioner's office and through recommendations to the General Assembly.

Senate Bill 865 seeks to extend the House Bill 1098 workgroup; however, it makes significant changes to the traditional approach of such legislative studies described above. For example, Senate Bill 865 prescribes certain recommendations to be made, including "specific recommendations regarding the use of territorial rating" and also, "rating factors that may contribute to disparate impacts." These charges to the reconstituted workgroup serve only to prejudge a result with respect to territorial rating and invite a conclusory approach to the broad subject of insurance rating factors through use of the term "disparate impacts."

Respectfully, MAMIC believes the better approach is the one outlined by the Commissioner in her presentation to the Finance Committee in January. This process is ongoing, and may well require more time than is available during the 2026 Maryland General Assembly.

For these reasons, MAMIC recommends that the Commissioner continue her important work on this subject beyond this session and through the next legislative interim.

Thank you for your consideration.

A handwritten signature in black ink that reads "Melissa Shelley". The signature is written in a cursive, flowing style.

Melissa Shelley
President, MAMIC

cc: Bryson Popham