

**League\_HB\_1616\_Baltimore Life\_SUPPORT FIN.pdf**

Uploaded by: Matthew Celentano

Position: FAV



15 School Street, Suite 200  
Annapolis, Maryland 21401  
410-269-1554

March 26, 2026

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

**House Bill 1616 – Mutual Insurance Holding Companies - Conversion to Mutual Insurers**

Dear Chair Beidle,

The League of Life and Health Insurers of Maryland, Inc. respectfully supports *House Bill 1616 – Mutual Insurance Holding Companies - Conversion to Mutual Insurers* and urges the committee to give the bill a favorable report.

League members are supportive of HB 1616 as it will provide additional flexibility to Maryland insurers to organize their company in the way that works best for them. HB 1616, which is identical to Senate Bill 982, expands on a bill passed in 2000, House Bill 119 – Mutual Insurance Holding Company Act, which allowed mutual insurance companies to reorganize into a stock insurance company that is majority-owned by a mutual insurance holding company. While Maryland mutual insurers valued the ability to take advantage of this structure, the original bill did not provide a mechanism for companies to revert back to their original mutual insurance company form.

HB 1616 would provide companies that have maintained 100% control over their capital stock with the ability to revert to the simpler and more streamlined company structure. Importantly, HB 1616 also ensures that the same process is followed whether a company is reorganizing into a holding company structure or reverting back to a mutual insurer, keeping key protections in place. The bill had no opposition in the House and passed unanimously.

For these reasons, the League urges the committee to give House Bill 1616 a favorable report.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Matthew Celentano'.

Matthew Celentano  
Executive Director

cc: Members, House Judiciary Committee

# **HB1616\_Rogers\_Finance.pdf**

Uploaded by: Mike Delegate Rogers

Position: FAV

**MIKE ROGERS**  
*Legislative District 32*  
Anne Arundel County



The Maryland House of Delegates  
6 Bladen Street, Room 162  
Annapolis, Maryland 21401  
410-841-3372 · 301-858-3372  
800-492-7122 Ext. 3372  
Fax 410-841-3437 · 301-858-3437  
Mike.Rogers@house.state.md.us

Economic Matters Committee

*Subcommittees*

Banking, Consumer Protection, and  
Commercial Law

Unemployment Insurance

**THE MARYLAND HOUSE OF DELEGATES**  
ANNAPOLIS, MARYLAND 21401

March 26<sup>th</sup>, 2026

**Testimony in Favor of HB1616**  
**Mutual Insurance Holding Companies - Conversion to Mutual Insurers**

**Chair Beidle, Vice Chair Hayes and members of the Finance Committee,**

I respectfully request a favorable report of HB1616. In 2000, Maryland passed the House Bill 119 – Mutual Insurance Holding Company Act, to allow mutual insurance companies to reorganize into a new, hybrid corporate structure that combines elements of both stock and mutual insurers. Under the legislation from 2000, a mutual insurance company can reorganize into a stock insurance company that is majority-owned by a mutual insurance holding company. The policyholders of the converted stock insurer become members of the mutual insurance holding company and therefore retain indirect control of the converted insurer. This legislation was intended to provide a means for a mutual insurance company to address certain disadvantages of the mutual insurance company organizational form, like accessing outside capital by selling some of the stock insurer's stock to outside investors or acquiring third party companies without having to combine the two insurers, while still preserving policyholder ownership and control of the enterprise.

Since then, only four companies have converted from a mutual insurance company into a stock. The first company to reorganize was Baltimore Life Insurance Company ("Baltimore Life"). However, Baltimore Life has never used the mutual insurance holding company structure to raise outside capital or acquire other insurance companies. Baltimore Life would like the opportunity to return to their former status as a mutual insurer, if needed, in the future. Under current law, there is no clear mechanism for Baltimore Life or any other mutual insurance holding company to return to the mutual insurance company structure. While mutual insurers may reorganize to become a stock insurer and establish a mutual insurance holding company, there are no provisions related to voluntarily unwinding such a reorganization and returning to the original mutual insurance company corporate structure.

HB1616 adds a new section to Maryland law allowing mutual insurance holding companies that directly or indirectly own 100% of the capital stock of the stock insurer to convert back to a single mutual insurer. Under HB1616 the process for reorganizing back to a mutual insurer mirrors the process, and the safeguards, that currently exist for mutual insurance companies that convert to a mutual insurance holding company structure. The bill also authorizes the Maryland Insurance Commissioner to adopt regulations related to these reorganizations.

I respectfully request a favorable report on HB1616.

Sincerely,

*Mike Rogers*

Mike Rogers

Maryland Delegate, 32<sup>nd</sup> District

**Baltimore Life \_HB 1616 Testimony FIN.pdf**

Uploaded by: Sarah Case-Herron

Position: FAV



David M. Funk (1947-2025)  
Bryan D. Bolton  
Ren Tundermann

Brett A. Baulsir  
Sarah Case-Herron  
Matthew E. Celentano\*  
Darcy Costello\*  
Donald B. Davis, Jr.  
Colby E. Derr\*  
Joshua Feldmark\*  
Benjamin H. Groff  
Philemon G. Kendzierski\*  
Ashiah S. Parker

Luke P. Pinton  
Lindsey A. Rader  
Ann L. Ramsey  
Ash-Lynn Randolph\*  
Lee B. Rauch  
Eric S. Schuster  
Benjamin R. Smith\*  
James F. Taylor  
Scott M. Trager



March 26, 2026

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

**House Bill 1616 – Mutual Insurance Holding Companies - Conversion to Mutual Insurers**

Dear Chair Beidle,

On behalf of our client, the Baltimore Life Insurance Company or Baltimore Life, we are writing in support of *House Bill 1616 – Mutual Insurance Holding Companies - Conversion to Mutual Insurers* and to request a favorable report.

Baltimore Life was founded in 1882 and has provided life insurance to seven generations of Marylanders. They are also one of only a handful of insurance companies who have taken advantage of the ability, originally conferred under House Bill 119 – Mutual Insurance Holding Company Act (2000) to convert from a mutual insurer to a mutual insurance holding company structure.

While Baltimore Life was grateful for the ability to convert to a mutual insurance holding company structure, they believe it would benefit Maryland mutual insurance holding companies to have the flexibility to potentially revert to their original mutual insurer structure. Under current law, mutual insurance companies can reorganize into the mutual holding company structure but cannot revert back to a “pure” mutual company. House Bill 1616, which is identical to Senate Bill 982, would correct this issue and allow mutual insurers that have reorganized into a holding company system, if they directly or indirectly own 100% of their capital stock, to return to their original mutual insurance company structure.

The language of this bill mirrors the current process for a mutual insurer’s reorganization to a mutual insurance holding company and maintains protections for company members and policyholders. The Maryland Insurance Administration had the opportunity to review this bill and had no concerns with the language and process included. Moreover, HB 1616 has no fiscal impact and passed out of the House unanimously.

For these reasons, Baltimore Life urges the committee to give House Bill 1616 a favorable report.

Sincerely,

Sarah Case-Herron  
Principal, Government Relations  
Funk & Bolton, P.A.