



February 16, 2026

The Honorable William C. Smith, Jr., Chair
The Honorable Jeff Waldstreicher, Vice Chair
Senate Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

Re: Opposition to Senate Bill 474: Noneconomic Damages – Personal Injury and Wrongful Death

Dear Chair Smith, Vice Chair Waldstreicher, and members of the Senate Judicial Proceedings Committee:

Thank you for the opportunity to submit written testimony regarding Senate Bill (SB) 474, which would repeal the existing limitation on noneconomic damages in personal injury or wrongful death lawsuits. SB 474 would change the damages structure for personal injury and wrongful death cases by eliminating the current per-plaintiff cap and the 150% aggregate cap on cases involving multiple wrongful-death beneficiaries. The bill would also eliminate the court's duty to reduce jury awards to below or equal to existing caps.

On behalf of the Allstate Insurance Company enterprise, I respectfully urge the members of this Committee to issue an unfavorable report on SB 474.

1. SB 474 eliminates predictability.

SB 474 would upset the current longstanding and predictable personal injury framework, which is indexed for inflation, and replace it with unlimited and highly volatile exposure. Evidence from other states that have taken similar actions shows that repealing noneconomic damages caps drives insurance premiums up, resulting in higher costs to consumers, employers, and public entities. Repealing noneconomic damages caps results in large, persistent increases in insurance premiums; it has been universally demonstrated that boundless noneconomic severity drives premiums up, affecting policyholders, taxpayers, and insurers and reinsurers across the industry.

Proponents of SB 474 may argue that the current cap deprives the most severely injured plaintiffs of justice. However, economic damages are not presently subject to a cap, and SB 474 would not impose an economic damages cap. Medical expenses, lost earnings, and future care are and remain fully compensable, meaning the most severely injured plaintiffs have access to a full measure of justice under the existing system.

2. SB 474 removes a key source of stability.

Maryland has relied for decades on the annually-indexed ceiling for noneconomic damages and the 150% aggregate limit in multi-beneficiary wrongful-death cases. This framework has provided insurers with predictability and reserving discipline. Its removal will reintroduce volatility into the system. Repealing the cap will provoke unnecessary uncertainty, which will quickly drive up premiums.

3. SB 474 raises costs for consumers, small businesses, municipalities, and nonprofits.

Unlimited noneconomic damages exposure will increase the instability of the tort system and raise the costs of losses. SB 474 will have a substantial impact on loss payments, especially for businesses. The increase in tort costs is likely to translate directly into an increase in the cost of premiums for Marylanders. The economic burden of SB 474 will be borne by insurance consumers and taxpayers.

Plus, studies show that premium increases after the repeal of a noneconomic damages cap are larger than premium reductions after the passage of a cap; this asymmetry is cause for concern.

4. SB 474 would discard Maryland's current balanced tort compensation framework in favor of a costly, unbalanced alternative.

SB 474 would represent an abrupt departure from Maryland's existing approach to tort compensation. The current framework seeks to fairly compensate the injured while limiting the risk of runaway severity. SB 474 would discard that framework—with expensive consequences.

Reliable scholarly research demonstrates that premiums increase after the repeal of noneconomic damages caps. The Maryland noneconomic damages cap represents a core cost-control backstop; it should not be eliminated without the concurrent passage of a targeted replacement cost-control measure.

Allstate appreciates the opportunity to provide written comments in opposition to SB 474 and respectfully urges the Committee to issue an unfavorable report on the bill. Thank you for your time and consideration of this important issue.

Sincerely,



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