



February 16, 2026

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

RE: **SB 474 / HB 476 – Noneconomic Damages Cap Elimination - UNFAVORABLE**

Dear Chairman Smith and members of the Senate Judicial Proceedings Committee:

On behalf of the Insurance Agents and Brokers of Maryland (IA&B), a trade association comprised of nearly 200 independent agencies employing approximately 1,800 Maryland insurance producers, we respectfully submit this letter in opposition to SB 474.

IA&B members work directly with Maryland families, small businesses, nonprofits, and community organizations to place and maintain essential insurance coverage. We see firsthand how rapidly rising premiums and shrinking carrier appetite are affecting Marylanders' ability to secure and maintain essential coverage, particularly in personal auto, commercial auto, general liability, and umbrella/excess liability lines that protect Maryland drivers, employers, and property owners every day.

Over the past several years, Maryland has experienced tightening insurance market conditions, commonly known as a "hard market" marked by increasing premiums, higher deductibles, more restrictive underwriting. These trends are being driven by sustained increases in both the frequency and severity of claims, influenced by multiple factors including inflation, rising medical and repair costs, supply-chain disruptions, severe weather events, higher reinsurance costs, increased litigation costs, and regulatory pressures.

While many of the factors contributing to rising premiums and reduced affordability are uncertain or beyond the control of the General Assembly, the regulatory environment is not.

HB 476 would move Maryland in the wrong direction by eliminating Maryland's long-standing limitation on noneconomic damages in civil actions for personal injury and wrongful death. Rising litigation costs and larger jury awards are already putting significant pressure on liability insurance markets. The growth of nuclear verdicts and the increased unpredictability of noneconomic awards are widely recognized drivers of increasing liability loss costs and reduced insurance capacity. In a difficult market environment, Maryland should not adopt any policy that would further increase the severity and unpredictability of liability claims.

Importantly, the existing noneconomic damages cap does not prevent injured Marylanders from recovering meaningful compensation. The cap applies only to noneconomic damages, while preserving full recovery of economic damages such as medical bills, rehabilitation expenses, lost wages, and future care costs. As of October 1, 2025, the cap is \$965,000, with automatic annual increases of \$15,000.





Insurance Agents
& Brokers

These limits exist for a reason. Noneconomic damages are, by definition, inherently subjective and difficult to quantify. Without reasonable and predictable boundaries, awards can vary widely based on the venue, the jury, and other factors unrelated to the underlying harm. Predictability in this area is critical to stable liability insurance pricing and availability. It promotes fair and timely settlements, helps avoid protracted litigation, and makes it possible for insurers to offer coverage at rates Maryland consumers and businesses can afford.

At a time when Marylanders are already struggling with the affordability and availability of coverage, repealing the noneconomic damages cap would significantly increase liability exposure, further destabilize the insurance marketplace, and lead to higher premiums for insureds across the State.

For these reasons, IA&B respectfully urges an unfavorable report on SB 474.

Sincerely,

John Savant
Government Affairs Director

