



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

February 16, 2026

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

RE: Senate Bill 474 - *Civil Actions - Noneconomic Damages - Personal Injury and Wrongful Death*
UNFAVORABLE

Dear Chairman Smith and Members of the Committee,

On behalf of the Maryland Association of Mutual Insurance Companies (MAMIC), we oppose Senate Bill 474.

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.

Senate Bill 474 completely upends the system of determining noneconomic damages under Maryland's tort liability law that has been in place for many years. MAMIC is aware of no evidence that would support such a radical change. The Committee is well aware that inflation has been a major driver in the increasing cost of property and liability insurance in Maryland and across the country. As smaller insurers in the highly competitive Maryland market, MAMIC members strive to keep costs as low as possible for our policyholders.

Like all insurers, MAMIC members must purchase reinsurance – essentially, insurance for insurance companies. The cost of reinsurance has been rising rapidly as well and that places extra pressure on our members who are offering their Maryland policyholders various products and services.

We should point out that MAMIC includes the second oldest mutual insurer in the United States, located in District 46 in Baltimore City. We have other domestic insurer-members headquartered in Bel Air, Hagerstown and Frederick. Other members may be headquartered in adjoining states, but Maryland is a very important market for them. For example, one MAMIC member is a major writer of residential property (homeowners) insurance on the Lower Eastern Shore. Experienced legislators know that coastal insurance exposures are among the most difficult to insure. In short, MAMIC members offer insurance products that is vitally important to many Marylanders.

All MAMIC members depend heavily on solid, stable, reinsurance programs. Reinsurers in Maryland, by extension, depend on a solid, stable, tort liability environment in order to offer their products at affordable rates. The passage of Senate Bill 474 would completely disrupt our statutorily constructed model for assessing noneconomic damages in our State. This model has developed over decades, and it serves Maryland citizens well. To be effective, the model requires a healthy, competitive liability insurance market that can pay claims, including claims for noneconomic damages, when necessary.

For these reasons MAMIC and its members do not believe that any material change to the system of ascertaining noneconomic damages is warranted. In fact, we believe the dangers far outweigh any speculative benefit offered by the proponents of this bill. We respectfully request an unfavorable report on Senate Bill 474.

For these reasons, MAMIC respectfully requests an unfavorable report on Senate Bill 474.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink that reads "Melissa G. Shelley". The signature is written in a cursive style with a large, prominent initial "M".

Melissa Shelley
President – MAMIC

cc: Bryson Popham