

Department of Legislative Services  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 865

(Senator A. Washington)

Finance

Judiciary

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**Workgroup on the Affordability of Private Passenger Automobile Insurance –  
Extension and Alteration of Membership and Duties**

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This bill expands the duties of the Maryland Insurance Administration’s (MIA’s) workgroup on private passenger automobile insurance affordability to include (1) the development of concrete legislative recommendations to reduce premiums, including specific recommendations regarding the use of territorial rating and other rating factors that may contribute to disparate impacts, as specified, and (2) in developing its recommendations, considering the impact of any modifications or alternative rating approaches on rates across the State. The bill extends the termination date of the workgroup by one year to June 30, 2027, and alters the membership of the workgroup, as specified. The workgroup must submit an updated report of its findings and recommendations to the Governor and General Assembly by January 1, 2027. **The bill takes effect June 1, 2026.**

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**Fiscal Summary**

**State Effect:** The bill’s requirements can likely be handled with existing budgeted resources, as discussed below. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Insurance in the State is regulated by MIA, an independent agency headed by the Insurance Commissioner, whom the Governor appoints with the advice and consent of the Senate. The administration licenses, examines, and audits insurance companies

operating in the State; reviews rates and policies; collects premium and retaliatory taxes; licenses producers; investigates fraud as well as consumer complaints regarding insurance and health plan coverage; and educates the public on insurance matters. Chapter 395 of 2025 requires MIA to establish a workgroup to study:

- the affordability of private passenger automobile insurance in the State, including factors that contribute to premium rate increases and trends in rate increases;
- policy options to provide greater transparency regarding automobile insurance premiums and to increase the affordability of automobile insurance in the State;
- ways in which “affordability” has been defined in the context of the establishment of private passenger automobile insurance premium rates;
- methodologies by which affordability can be considered in establishing private passenger automobile insurance rates consistent with ratemaking principles codified in the Insurance Article; and
- the current financial status of private passenger automobile insurers in the State and potential options to address excess profits.

The workgroup terminates June 30, 2026. The final report of the workgroup was released in December 2025 and can be found on MIA’s website [here](#).

**State Expenditures:** MIA advises that to support the workgroup under Chapter 395, it contracted with an actuary to assist with some of the complex analyses that may be needed to fulfill the requirements of the Act. MIA advises that it can likely handle the additional responsibilities established for the workgroup by the bill using existing budgeted resources with assistance from the National Association of Insurance Commissioners; however, to the extent that additional analyses are required from the actuary, special fund expenditures for MIA increase, likely minimally, to expand the scope of the contract.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Insurance Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - February 20, 2026  
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