



2026 PPA Insurance Affordability (SB 865) Workgroup Meeting #1

Marie Grant, Chair
Insurance Commissioner
marie.grant1@maryland.gov

Agenda

- Workgroup member introductions and work plan overview
- Overview of 2025 Workgroup report and expectations for 2026 Workgroup
- Presentation by the Maryland Insurance Administration
- Presentation by the District of Columbia Department of Insurance, Securities and Banking
- Presentation by the Consumer Federation of America
- Comments from Workgroup members
- Comments from public stakeholders (as time allows)



Workgroup Members

Entity Required to be Represented	Representative Name	Representative's Organization
MD State Senator - member of Finance Committee	Alonzo Washington	Maryland Senate
MD State Delegate - member of Judiciary Committee	Kym Taylor	Maryland House of Delegates
Maryland Insurance Commissioner	Marie Grant	Maryland Insurance Administration
Executive Director of the Maryland Automobile Insurance Fund	Al Redmer	Maryland Auto
Representative of an automobile insurer or automobile insurer trade association	Nancy Egan	The American Property Casualty Insurance Association (APCIA)
Representative of a consumer advocacy group that is active in the area of automobile insurance	Marceline White	Economic Action Maryland Fund

Workgroup Members

Entity Required to be Represented	Representative Name	Representative's Organization
Representative of private passenger automobile insurance producers in the State	Michael McCartin	Joseph W. McCartin Insurance, Inc.
Representative of the National Association of Mutual Insurance Companies	Lindsay Scott	USAA
Actuary who is a member of the American Academy of Actuaries	Shantelle Thomas	Allstate Insurance Company
Representative of a nonprofit research or consumer advocacy organization	Douglas Heller	Consumer Federation of America
Representative of a nonprofit research or consumer advocacy organization	Vickie Kilgore	Insurance Research Council

Tentative Workgroup Work Plan Pursuant to SB 865

- Meeting 1: September 24, 2026 - Presentation/Discussion Topics:
 - Relevant Maryland laws and how they compare to those in other states
 - Quantifying how territorial rating and non-driving factors produce disparate impacts in Maryland
 - Evaluating Unintentional Bias in Private Passenger Automobile Insurance
- Meeting 2: October 28, 2026 - Presentation/Discussion Topics:
 - Laws implemented in other states that restrict the use of non-driving factors to establish premium rates, to include a focus on states that have implemented territorial rating reforms, including 2026 auto insurance reforms in New York
 - Alternative rate and form filing laws from other states
 - Begin discussing policy options to provide greater transparency regarding automobile insurance premiums and to increase the affordability of automobile insurance in the State

Tentative Workgroup Work Plan Pursuant to SB 865

- Meeting 3: Date TBD - Presentation/Discussion Topics:
 - The MIA to present policy options based on Workgroup meetings 1&2
 - Working session to refine options being considered for formal policy recommendations
- Meeting 4: Date TBD - Presentation/Discussion Topics:
 - Any previously discussed topics or shareholder feedback requiring further consideration
 - Workgroup members vote on formal policy recommendations to be included in final report
 - Finalization of workgroup report

2025 Workgroup Study on the Affordability of Private Passenger Auto Insurance

- Per 2025 Maryland Laws Ch. 395 (HB 1098), a report was submitted to the MGA on January 1 summarizing the findings and recommendations (to the extent there was consensus) of a workgroup study of:
 - Possible ways to define “affordability” in the context of considering PPA insurance premium rates;
 - Factors affecting the affordability of PPA insurance in the State;
 - Options to enhance transparency surrounding and the affordability of PPA insurance premium rates;
 - How affordability can be considered in establishing PPA insurance rates consistent with ratemaking principles codified in the Insurance Article; and
 - The financial status of PPA insurers in the State and options to address excess profits by PPA insurers.

2025 Workgroup Study on the Affordability of Private Passenger Auto Insurance

- The workgroup was chaired by the Commissioner, and also included:
 - Al Redmer (Executive Director, Maryland Auto);
 - Senator Dawn Gile (member of the Senate Finance Committee);
 - Delegate David Fraser-Hidalgo (member of the House Economic Matters Committee);
 - Nancy Egan, VP & State Government Relations Counsel, American Property Casualty Insurance Association (auto insurer trade association representative);
 - Marceline White, Executive Director, Economic Action Maryland Fund (consumer advocacy group representative); and
 - Michael McCartin, President, Joseph W. McCartin Insurance (representative of PPA insurance producers).

2025 Workgroup Study on the Affordability of Private Passenger Auto Insurance

- The workgroup held 4 virtual meetings during the course of its study, which were open to the public.
- Feedback from public stakeholders, including consumer advocates and members of the insurance industry, was solicited and considered by the workgroup.
- Other sources consulted by the workgroup in conducting its study and drafting its report include:
 - Laws and regulations adopted by other states;
 - Studies by insurance regulatory agencies in other states;
 - Information published by the Federal Insurance Office (“FIO”);
 - Briefings and reports published by nonprofit research organizations;
 - Data and recommendations published by the National Association of Insurance Commissioners; and
 - Aggregated information reported by insurers in rate filings and financial disclosures.

2025 Workgroup Study on the Affordability of Private Passenger Auto Insurance

- The workgroup report can be accessed at:
<https://insurance.maryland.gov/Consumer/Appeals%20and%20Grievances%20Reports/Affordability-of-Private-Passenger-Automobile-Insurance-2025-Workgroup-Report.pdf>.
- Recordings of workgroup meetings, stakeholder feedback, and other reference material can be accessed at:
<https://insurance.maryland.gov/Consumer/Pages/Private-Passenger-Automobile-Insurance-Affordability-Workgroup.aspx>.

2025 Workgroup Recommendations

- **The MIA should periodically report on Federal Insurance Office affordability index metrics for Maryland.**
 - The FIO index expresses the average cost of PPA liability insurance on the voluntary market in ZIP codes that are low-income or have a majority-minority population as a percentage of median family income. The FIO index does not consider affordability on the (higher risk) residual market, so these periodic reports would not include metrics for Maryland Auto's book of business.
- **The workgroup recommended further study into the feasibility of updating the Department of Public Safety and Correctional Services system used by police officers during traffic stops so that it can connect with the Motor Vehicle Administration Online Insurance Verification Program, thereby enabling officers to accurately identify instances in which the subject of a traffic stop has been driving without insurance.**
 - Expanding enforcement capabilities in this manner may result in higher rates of compliance with Maryland PPA insurance requirements and positively impact the affordability of uninsured motorist coverage.
- **The workgroup recommended further study into towing and post-towing procedures following an accident that occurs on roadways other than State highways.**
 - The study should examine the extent to which inflated bills submitted by towing companies impact PPA premium rates, and whether legislative action may be appropriate to curtail unfair insurance billing practices by towing companies.

2025 Workgroup Recommendations

- **The workgroup recommended further study of how the legislature could establish an equitable and sustainable low-cost auto program or economic relief credit program to reduce the cost of PPA insurance for low-income Maryland drivers, including consideration of the following:**
 - Whether the program should be open to income-eligible residents with good driving records who are able to obtain coverage on the voluntary market, or limited to high-risk drivers insured through Maryland Auto;
 - Whether and how coverage types and coverage limits for policies offered through a low-cost auto program should be constrained to control program costs;
 - Appropriate eligibility criteria for coverage through a low-cost auto program, such as having:
 - Individual or household income below a certain threshold;
 - A good driving record or being a new driver; and/or
 - A vehicle valued below a certain amount;
 - Whether a low-cost auto program should be completely self-funded via adequate rates and surcharges paid by its policyholders, or if a supplemental funding source should be designated;
 - How a low-cost auto program or economic relief credit program should be administered; and
 - How an economic relief credit program should be funded.

2025 Workgroup Recommendations

- **The workgroup recommended further study into whether changes should be made to Maryland’s graduated licensing and traffic safety laws to reduce the frequency of collision claims and fatal crashes involving teen drivers, and to reduce the risk of bodily injury to children and rear seat passengers during collisions.**
 - Any such study should consider adverse effects that more burdensome licensure requirements could have on the economic opportunities and overall quality of life available to Maryland families.
- **Maryland Auto should adjust the length of its policy terms from 12 to 6 months.**
 - Maryland Auto indicated that such action will lower down payments due from its policyholders, encourage participation in the voluntary market (by encouraging more frequent comparison shopping), and hasten its progress towards achieving rate adequacy by enabling it to realize rate adjustments in half the time.
 - **Maryland Auto should also monitor and report to the MIA on the effects of changing the length of its policy terms over the 2 years immediately following the change.**
- **The MIA should annually report to the legislature on the overall financial performance and underwriting profitability of PPA insurers in Maryland during the preceding calendar year.**
 - The MIA plans to include this information in future iterations of its Annual Report on the Effect of Competitive Rating on the Insurance Markets in Maryland (the most recent iteration can be accessed at: <https://bit.ly/2025-Report-on-the-Effect-of-Competitive-Rating-on-the-Insurance-Markets-in-MD>)

2026 Workgroup Logistics and Expectations

Workgroup meetings will:

- All be virtual and open to the public
- Occur between September and December, with the dates for the third and fourth to be determined at a later date, based on the availability of workgroup members

Workgroup membership:

- Workgroup membership for seats appointed by the Commissioner is retained by the individual, not the organization. Should a member leave their organization, MIA staff will consider appropriate replacements for their seat.

Public Feedback Opportunities:

- Public comments will be accepted at the end of each meeting, as time allows, following the workgroup's discussion
- Written comments will be accepted for two weeks following each public meeting, on the topics covered in that meeting

Written Comments

Written comments will be accepted through EOD Thursday, October 8, 2026,
on the topics covered in today's meeting.

Those can be submitted via email to:

jamie.sexton@maryland.gov





Maryland

INSURANCE ADMINISTRATION

PPA Insurance Affordability (SB 865) Workgroup

September 24, 2026

Marie Grant

Insurance Commissioner

marie.grant1@maryland.gov

Overview of MIA Presentation

Rate Regulation

- Types of rate filing regulatory systems
- A shift towards greater scrutiny of rate filings
- Maryland competitive rating laws
- Current notice requirements under MD law regarding PPA premium increases

Non-driving Rating Factors

- States that Ban Certain Non-Driving Rating Factors
- A Closer Look at Non-Driving Rating Factors
 - Credit
 - Territorial Rating

Negligence Standards

- Types
- State Comparison

A Model for PPA Reform?

- New York



Types of Rate Regulatory Systems

(from most to least restrictive)

Determined by Commissioner: Rates are set by the state's insurance commissioner.

Prior Approval: Rate changes must be filed with and approved by the regulator before they can be implemented. Approval can be by means of a deemer provision, which indicates approval if filed rates are not denied within a specified number of days.

Modified Prior Approval: Rate revisions involving change in expense ratio or rate relativity require prior approval. Rate revisions based on experience only are subject to "file and use" laws.

Types of Rate Regulatory Systems

(from most to least restrictive)

Flex Rating: Prior approval of rate changes are required only if they exceed a specified percentage above (and sometimes below) the previously filed rates.

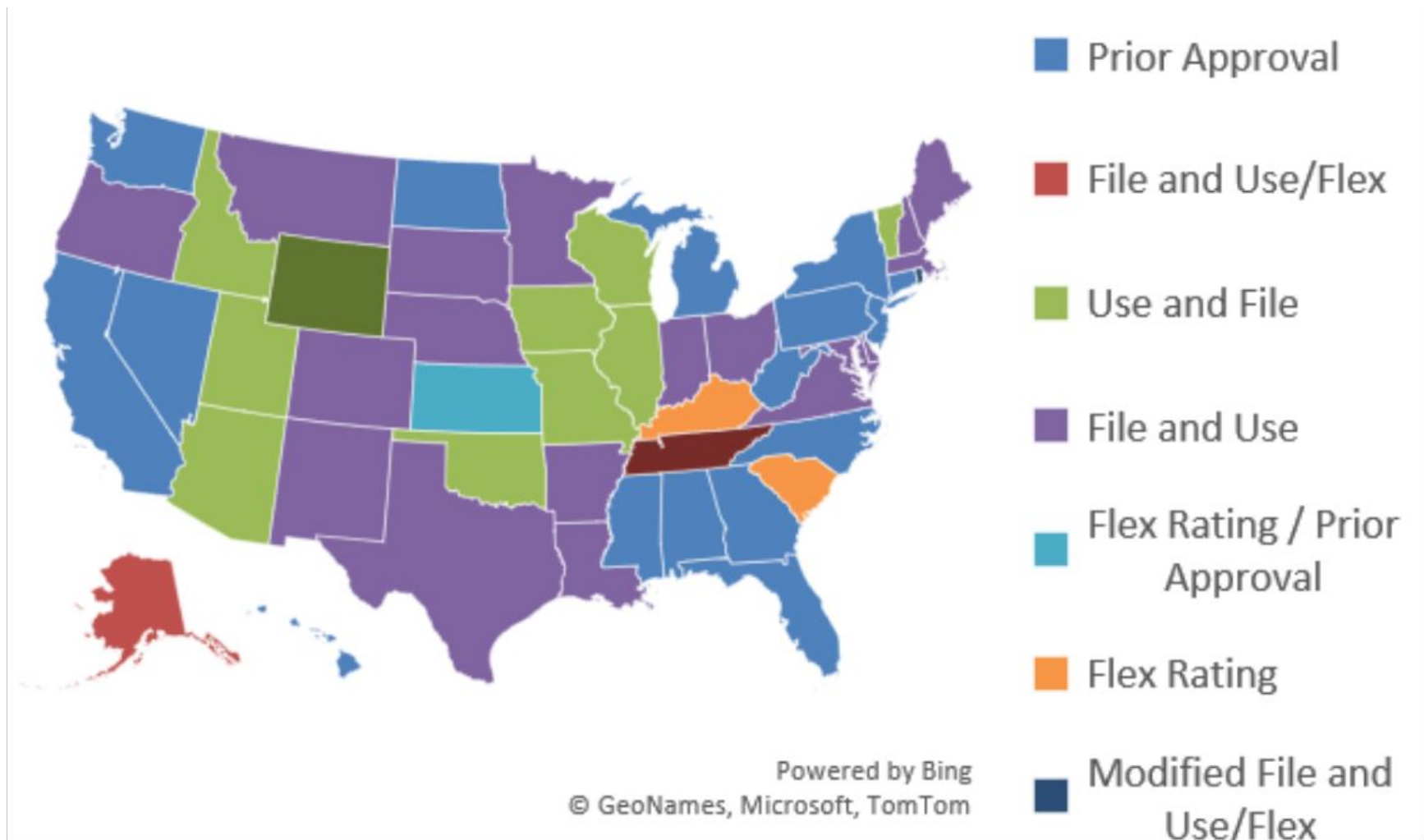
File and Use: Rates must be filed with the regulator prior to use. Specific approval is not required.

Use and File: Rates must be filed with the regulator within a specified period after they have been implemented.

No File: Rate changes are not required to be filed with or approved by the regulator. However, the company must maintain records of information used to develop the rates and make them available to the regulator upon request.

Source -*2022/2023 Auto Insurance Database Report*, National Association of Insurance Commissioners (Jan. 2025):

<https://content.naic.org/sites/default/files/publication-aut-pb-auto-insurance-database.pdf>



2025 Rate Filing Laws By State

A Shift Towards Greater Scrutiny of Rate Filings

The following states and the District of Columbia have successfully revised statutory rate regulatory standards in recent years:

- D.C. 25-123- District of Columbia (Effective February 15, 2024)
 - Requires prior approval of any PPA insurance rate filing, and provides that a rate filing is deemed approved if no determination is rendered within 90 days
 - Supplants prior file and use standard
- H. 137- Vermont (Effective July 1, 2025)
 - Maintains pre-existing file and use standard
 - Extends the number of days prior to the effective date that a PPA insurance rate filing must be submitted from 15 to 30 days, providing more lead time for regulators to scrutinize and challenge rate filings

A Shift Towards Greater Scrutiny of Rate Filings

(Continued)

The following states and the District of Columbia have successfully revised statutory rate regulatory standards in recent years:

- S.B. 714- Illinois (Effective July 1, 2027)
 - Requires 30 day notice to consumers if PPA renewal premiums will increase more than 10%
 - Authorizes the DOI to order rebates be issued to consumers if the DOI determines that a rate is excessive, inadequate, or unfairly discriminatory, subject to an insurer's right to request a hearing
 - Prohibits cost-shifting: state-specific data must be relied upon in the setting of rates (state-specific data may be supplemented with countrywide, regional, or out-of-state loss experience if actuarially credible)

Maryland Competitive Rating Laws

(Title 11, Subtitle 3 of the Insurance Article)

- The Insurance Reform Act of 1995 changed the standard of review for PPA (private market) and certain other lines of P&C insurance from prior approval to file and use. The resultant “competitive rating laws” (codified at Title 11, Subtitle 3 of the Insurance Article) provide in part:
 - Each authorized insurer and designated rating organization must file all rates and supplementary rate information, as well as any changes thereto, on or before the date they become effective.
 - The MIA may not disapprove a filed PPA insurance rate as excessive unless the Commissioner has determined that the rate is unreasonably high for the insurance provided and issues a ruling that a reasonable degree of competition does not exist in a market to which the rate is applicable.

Source -*2025 Report on the Effect of Competitive Rating on the Insurance Markets in Maryland*, MIA (May 2025):

<https://bit.ly/2025-Report-on-the-Effect-of-Competitive-Rating-on-the-Insurance-Markets-in-MD>

Maryland Competitive Rating Laws

(Title 11, Subtitle 3 of the Insurance Article)

- Several states moved from prior approval of rates to competitive rating in the 1990s to allow insurers to react quickly to business cycles by decreasing rates when claims experience is favorable, and increasing rates when claims experience deteriorates. Proponents of competitive rating maintain that:
 - Competition between insurers prevents excessive rates, because insurers are not willing to raise rates to the point where they will lose significant market share to one or more competitors; and
 - Competition encourages insurers to accept more risks, thereby making insurance more widely available.

Source -*2025 Report on the Effect of Competitive Rating on the Insurance Markets in Maryland*, MIA (May 2025):

<https://bit.ly/2025-Report-on-the-Effect-of-Competitive-Rating-on-the-Insurance-Markets-in-MD>

Premium Increase Notice Requirements Under MD Law

- §27-610(a)(2) of the Insurance Article requires that, unless an insurer provides notice of its intention not to renew a PPA policy, the insurer must notify the policyholder of the renewal premium at least 45 days before it's effective.
- **An insurer is not required to explain to a policyholder the reasons for a general (across-the-board) rate increase.**
- §27-614 requires that, at least 45 days before increasing a policy premium via a surcharge, removal/reduction of a discount, or retiering/reclassification, the insurer provide the policyholder with an explanatory notice that:
 - Is on a form approved by the Commissioner;
 - States in clear and specific terms the basis for the premium increase; and
 - Explains that the policyholder may protest the premium increase and, in the case of a premium increase of more than 15%, request a hearing before the Commissioner.

MIA Bulletin 24-26 is available at: <https://bit.ly/MIABulletin2426>

Premium Increase Notice Requirements Under MD Law

- MIA Bulletin 24-26 clarifies that notice of a premium increase based on information about an insured's driving behaviors collected through a telematics program:
 - Must identify each behavior measured through the program and included in the calculation of the increase;
 - Must specify, if applicable, that the increase was due to insufficient driving data or disenrollment; and
 - May not use vague phrases like “may have included,” or “based on factors such as.”

MIA Bulletin 24-26 is available at: <https://bit.ly/MIABulletin2426>

States that Ban Certain Non-Driving Rating Factors

Maryland PPA rating restrictions align with the majority approach (Md. Code Ann., Ins. §§11-306 and 27-501):

- Rates may not be inadequate (to maintain the insurer's solvency), excessive, or unfairly discriminatory (premium rate differentials cannot be based on something other than actuarial risk).
- Insurers are prohibited from collecting/using information about the race, creed, color, or national origin of applicants or insureds.

States that Ban Certain Non-Driving Rating Factors

Some states have outright banned the use of certain non-driving rating factors viewed as potential proxies for unfair discrimination (e.g., due to correlation with socioeconomic status or race).

Examples are listed below.

- California (Cal. Ins. Code §1861.02; Cal. Code Regs. tit. 10, §2632.5 and 2632.8): An insurer is only permitted to use factors mandated or expressly permitted by statute or regulation to rate a PPA policy, and must weight the relative importance of those factors as described by regulation.
 - Mandatory factors: driving safety record, miles driven annually, and years of driving experience
 - Factors that an insurer is not permitted to use include: gender, age, credit history, education, occupation, employment status, residential status, and insurance history
 - Commissioner Ricardo Lara recently announced proposed regulations to prohibit insurance companies from using a driver's marital status as an optional factor when setting private passenger automobile insurance rates.
- Hawaii (Haw. Rev. Stat. Ann. §431:10C-20): A PPA insurer may not base any rating standard or rating plan on age, gender, length of driving experience, credit bureau rating, or marital status.

States that Ban Certain Non-Driving Rating Factors

Examples of states that ban the use of certain non-driving rating factors (continued):

- Massachusetts (211 Mass. Code Regs. 79.04): PPA insurance rates may not be based on gender, marital status, age (except discounts for persons who are 65 years or older), occupation, income, education, homeownership, or credit history.
- Michigan (Mich. Comp. Laws Ann. §500.2111):
 - PPA insurers are limited to using one or more of the rating factors specified by statute, and must apply the selected factors on a uniform basis across the state.
 - Insurers are prohibited from basing PPA premium rates on gender, marital status, home ownership, educational level attained, occupation, credit score, or postal zone (through territorial rating is permitted).

States that Ban Certain Non-Driving Rating Factors

Examples of states that ban the use of certain non-driving rating factors (continued):

- North Carolina (N.C. Gen. Stat. Ann. §58-36-10): A rating classification for PPA insurance may not be based upon age or gender.
- New York (N.Y. Comp. Codes R. & Regs. tit. 11, §154.6A): A PPA insurer may not use occupational status or educational level as rating factors, *unless* the insurer demonstrates to the satisfaction of the Superintendent of Financial Services that the use of these factors does not result in rates that are unfairly discriminatory.

A Closer Look at Credit History (Non-Driving Rating Factor)

- **At least 4 states forbid PPA insurers from using credit history in rating:**
 - California (Cal. Ins. Code §1861.02 and Cal. Code Regs. tit. 10, §2632.5)
 - Hawaii (Haw. Rev. Stat. Ann. §431:10C-207)
 - Massachusetts (Mass. Gen. Laws Ann. ch.175E, §4)
 - Michigan (Mich. Comp. Laws Ann. §500.2162)

A Closer Look at Credit History (Non-Driving Rating Factor)

Continued

Several states limit how PPA insurers may engage in this practice. Examples that differ from Maryland law:

- Utah (Utah Code Ann. §31A-22-320): An insurer can only use credit history as the basis for a premium discount.
- Oregon (Or. Rev. Stat. Ann. §746.661): If a policy was assigned a higher premium rate due to disputed credit history, the insurer shall rerate the policy retroactive to the effective date based on accurate credit history.
- Connecticut (Conn. Gen. Stat. Ann. §38a-686):
 - An insurer with a rating plan that uses credit history must submit to the Commissioner documentation showing how the program impacts consumers in urban versus non-urban territories, and of different ages.
 - A credit-based rating score cannot be impacted by collection accounts with a medical industry code.
 - An insurer shall grant a reasonable exception to its credit-based rating rules if an applicant's credit history was adversely impacted during the past 3 years by: catastrophic illness/injury, divorce, identity theft, death of a spouse/child/parent, involuntary unemployment of 3+ months, or a loss rendering their home uninhabitable.

A Closer Look at Credit History (Non-Driving Rating Factor)

- **How Maryland law limits the ways PPA insurers can use credit history** (Md. Code Ann., Ins. §27-501):
 - An insurer may not refuse to underwrite, cancel, refuse to renew, or increase the renewal premium based on credit history.
 - An insurer may not require a particular payment plan for a policy based on credit history.
 - An insurer that uses credit history in rating a new policy shall inform an applicant at the time of application.
 - An insurer shall, on request of the applicant, provide a premium quotation that separately identifies the portion of the premium attributable to the applicant's credit history.
 - An insurer may not apply a discount or surcharge of more than 40% based on credit history.
 - An insurer may not rate a policy based on the absence of or inability to obtain credit history, the number of credit inquiries, or any credit history factor that is more than 5 years old.
 - An insurer that used credit history to rate a policy shall review the insured's credit history every 2 years or upon request by the insured, and adjust the premium rate if the insured qualifies for a more favorable credit history rating category.

A Closer Look at Territorial Rating (Non-Driving Rating Factor)

Overview of territorial rating:

- An insurer that engages in territorial rating assesses the risk of potential claims and losses based on the physical location where a vehicle is primarily parked overnight and adjusts the location-specific base rate accordingly.
- Territorial base rates are higher for locations with higher concentrations of risk factors.
 - The likelihood of accidents leading to claims is higher in areas with high traffic density and accident rates.
 - The likelihood of criminal activity leading to claims is higher in areas with high rates of vehicle theft.
- A policyholder's premium rate may be higher or lower than the territorial base rate due to individual risk factors.
- Territories can be expressed in different geographic terms (e.g., ZIP codes or groupings of ZIP codes).
- The more policyholders an insurer has within a territory, the more data they accumulate on past losses and claims in that territory. Thus, larger insurers tend to use a greater number of smaller territories, whereas smaller insurers tend to use a lesser number of larger territories.

A Closer Look at Territorial Rating (Non-Driving Rating Factor)

Continued

Territorial rating requirements under Maryland law (Md. Code Ann., Ins. §§11-306 and 11-319):

- A rate may not be based wholly or partly on geographic area itself, as opposed to underlying risk considerations, even though expressed in geographic terms.
- An insurer that uses territory as a factor in establishing automobile insurance rates shall submit a statement to the Commissioner certifying that: the territories used by the insurer have been reviewed within the previous 3 years; and use of the territories is actuarially justified.

A Closer Look at Territorial Rating (Non-Driving Rating Factor)

No state completely bans territorial rating by PPA insurers, but some states limit how the practice can be applied.

- New Jersey (N.J. Stat. Ann. §17:29A-48): Territories must
 - Recognize both qualitative similarities and differences in driving environments or mix of driving environments, which may include traffic and population density, severity of loss, and the degree of homogeneity within a territory in terms of driving environments, population, and driver classification;
 - Be comprised of towns or cities which are contiguous;
 - Contain a sufficient number of exposures to result in statistically credible experience, and be defined in a manner which minimizes the effect of variability of loss in a territory on a year-to-year basis;
 - Take into account the impact of the overlapping of traffic patterns on exposure to loss;
 - Result in an equitable distribution of exposures among territories throughout the State;
 - Not result in disproportionate differences in territorial relativity factors or territorial base rates between contiguous territories with similar driving environments; and
 - Not result in unfair inter-territorial subsidization among territories with significant differences in driving environments, population density, traffic density, mix of driver classifications, and degree of severity of loss.

A Closer Look at Territorial Rating (Non-Driving Rating Factor)

No state completely bans territorial rating by PPA insurers, but some states limit how the practice can be applied (continued).

- Michigan (Mich. Comp. Laws Ann. §500.2111): An insurer may group automobile insurance risks by territory, but may not establish or maintain a rate or rating classification based on the postal zone in which the insured resides.

A Closer Look at Territorial Rating (Non-Driving Rating Factor)

Examples of states that limit how PPA insurers can apply territorial rating (continued):

- California (Cal. Ins. Code §11628)
 - A territory must be at least 20 square miles.
 - *NOTE: One reason to mandate larger territories is to broaden the socioeconomic characteristics of individuals within the territories.*
 - An insurer shall submit to the Commissioner a biennial report that contains its loss experience for each territory, including a breakdown of actual loss experience statistics by ZIP code, for examination to ensure that the territories reflect homogeneity of loss experience. The report shall include separate loss data for each type of coverage underwritten, including liability or physical damage coverage.
 - The Commissioner shall make the reported data available to the public after examination, in aggregate form by ZIP code or statewide basis so individual insurers' loss experience for specific territories are not revealed.
 - Differentiation in rates between territories shall not constitute unfair discrimination.

A Closer Look at Territorial Rating (Non-Driving Rating Factor)

Examples of states that limit how PPA insurers can apply territorial rating (continued):

- Connecticut (Conn. Gen. Stat. Ann. §38a-686)
 - Any change in territorial classifications shall be subject for prior approval by the Commissioner.
 - A rating plan that includes territorial classifications shall assign a weight of 75% to individual territorial loss cost indication and 25% to the statewide average loss cost indication.
 - *NOTE: The weighting requirement is intended to moderate the impact of territorial rating on urban areas.*

Negligence Standards

- **Contributory Negligence** (also referred to as pure contributory negligence): Bars an injured driver from recovering damages arising out of a motor vehicle accident if the injured driver is even 1% liable (at fault).
- **Comparative Negligence** (also referred to as pure comparative negligence): An injured driver's recovery of damages arising out of a motor vehicle accident is proportional to their percentage of liability for the accident. For example, an injured driver that is determined to be 75% at fault would receive 25% of the total amount of damages awarded by a trier of fact.
- **Modified Comparative Negligence**: An injured driver may recover damages arising out of an accident if they are less than 50% at fault in some states or less than 51% at fault in other states.

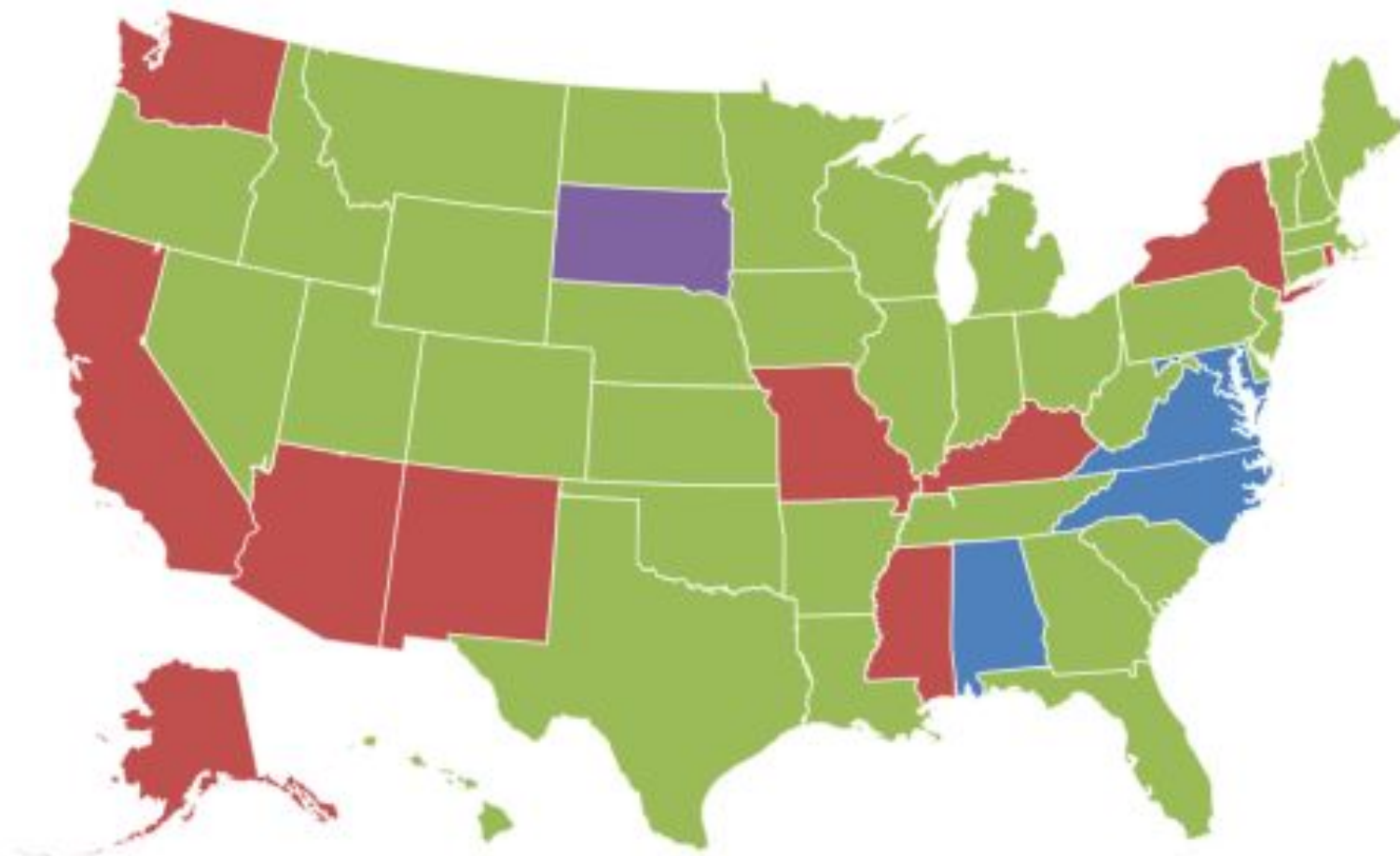
Negligence Standards

A Comparison by States:

- Pure Contributory Negligence: Standard in a minority of states, including Alabama, Maryland, North Carolina, Virginia, Washington, D.C. (except for “vulnerable users” whose negligence is less than the aggregated total negligence of the other driver(s) and not a proximate cause of injury)
- Pure Comparative Negligence: Alaska, Arizona, California, Kentucky, Louisiana, Michigan (for economic damages), Mississippi, Missouri, New Mexico, Rhode Island, Washington
- Modified Comparative Negligence
 - 50% or more bars recovery: Arkansas, Colorado, Georgia, Idaho, Kansas, Maine, Nebraska, New York North Dakota, Tennessee, Utah
 - 51% or more bars recovery: Connecticut, Delaware, Florida (except in med mal cases), Hawaii, Illinois, Indiana, Iowa, Massachusetts, Michigan (for non-economic damages), Minnesota, Montana, Nevada, New Hampshire, New Jersey, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Vermont, West Virginia, Wisconsin, Wyoming
- “Slight” Negligence: South Dakota
 - If an injured driver’s negligence is determined to be “slight” as compared to the negligence of the other driver(s), damages will be reduced in proportion to the amount of the injured driver’s contributory negligence.

2025 Negligence Law By State

- Contributory
- Pure comparative
- Modified comparative
- Slight-gross negligence comparative



NEW YORK: A MODEL FOR PPA REFORM?

- **The Reforms**

- Chapter 55 of the Laws of 2026 (“Chapter 55”) was signed into law on May 27, 2026, and Chapter 58 of the Laws of 2026 (“Chapter 58”) was signed into law on May 26, 2026. Chapter 55 and Chapter 58 amended the Insurance Law, Penal Law, and CPLR to address drivers of rising costs affecting motor vehicle insurance premiums, including fraudulent and abusive claims practices, and to ensure that insurers obtain prior approval before increasing motor vehicle insurance rates.
- Expanded Definition of “Fraudulent Insurance Act”
- Serious Injury and Non-Economic Damage Amendments
 - Revised Definition of “Serious Injury” and Procedural Sequencing
 - Cap on Non-Economic Damages: \$100,000 cap under certain circumstances (i.e., injured party was operating an uninsured vehicle they were responsible for insuring; commission of, and conviction for, certain crimes while the injured party was operating the vehicle)
 - Adoption of Modified Comparative Negligence
- Flex Rating for Nonbusiness Motor Vehicle Insurance: Prohibits an insurer from implementing overall average rate level increases of up to 5% without the Superintendent’s prior approval, while continuing to permit overall average rate level decreases of up to 5% without the Superintendent’s prior approval

Contact Information

Maryland Insurance Administration

800-492-6116 (toll-free)

410-468-2000 (local)

800-735-2258 (TTY)

insurance.maryland.gov



MIA WEBSITE