



191 Main Street, Suite 200 – Annapolis MD 21401 – 410-268-6871

February 26, 2020

The Honorable Luke Clippinger, Chairman
House Judiciary Committee
Room 101
House Office Building
Annapolis, Maryland 21401

RE: HB 1037 –Civil Actions - Noneconomic Damages - Personal Injury or Wrongful Death-OPPOSED

Dear Chairman Clippinger and Members of the Committee,

On behalf of the Maryland Association of Mutual Insurance Companies (MAMIC), I respectfully request an unfavorable report on House Bill 1037 - Civil Actions - Noneconomic Damages - Personal Injury or Wrongful Death

As you may know, MAMIC is comprised of eleven 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. As mutual insurers, MAMIC members are owned entirely by our policyholders, and any profits earned are either retained by the company or returned to policyholders in the form of dividends. By contrast, stock insurers are owned by shareholders. Profits generated by a stock insurer are distributed to investors who may or may not have a policy of insurance with the company.

House Bill 1037 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 cost of liability insurance provided by MAMIC members to Maryland citizens is the product of this statutory formula. It represents a fair balance between the interests of plaintiffs seeking relief and defendants who are responsible for any judgements. The standard proposed in HB 1037 under which the current statutory limitation on noneconomic damages is eliminated, based on one or more "willful, wanton, malicious, reckless or grossly negligent acts or omissions" would not be a "standard" at all. Instead, it would simply create an enormous volume of litigation to define each of those modifiers, the result being that fair and adequate measures of damage would no longer be available. In addition, any payments under this new standard would be delayed for otherwise deserving injured persons. In short, this legislation has no foundation in public policy, and it should not be adopted by the Maryland General Assembly.

We respectfully request your unfavorable report on HB 1037.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jill Showalter', with a long horizontal flourish extending to the right.

Jill Showalter, President