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The Honorable Pam Beidle
202 James Senate Office Building
Annapolis, MD 21401

RE: Senate Bill 292 - Civil Actions - Tortious Injury to or Death of Pet - Compensatory Damages (Buddy's Law) - Opposed

Dear Senator Beidle and Members of the Senate Finance Committee,

I am writing on behalf of the Maryland Association of Mutual Insurance Companies (MAMIC) in opposition to SB 292-Civil Actions -Tortious Injury to or Death of Pet - Compensatory Damages (Buddy's Law).

MAMIC is comprised of 12 mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of MAMIC members are domiciled in Maryland. They are key contributors and employers in their local communities. Together, MAMIC members offer a wide variety of insurance products and services and provide coverage for thousands of Maryland citizens. Although some mutual insurance companies may be large organizations, MAMIC members tend to be small and medium-sized businesses.

This bill applies to tort damages a person may suffer from injury to, or death of, a pet. Damages under this law are determined by the "fair market value" of the pet. The damages must be caused by the tortious conduct of an individual, and do not require the intent of the person causing the harm. The general measure of damages in a tort claim is to place the person suffering the harm in the same position they were in just before the tortious conduct occurred.

MAMIC's key objection to this bill is the significant increase in the amount of damages potentially recoverable for the injury to, or death of, a pet. If enacted, the bill may create a situation where a claim for the loss of a pet is presented to an insurer for an amount substantially in excess of the actual value of the pet. The value of a pet is inherently subjective, and thus difficult to precisely measure. Although veterinary expenses, which are currently covered under the law, are readily ascertainable, the same is not true for the value of a pet. No generally recognized market for pets exists, and given the wide variety of mixed breeds it would be impracticable to determine an accurate value. It is also worth noting that, especially during the current pandemic that we are experiencing, many pets are acquired from shelters, where provenance is impossible to verify.

If a claim for the death of a pet is the subject of litigation, the practical effect of this legislation would be to magnify the problem of accurately determining damages. Although MAMIC acknowledges the importance of pets to the well being of policyholders who own them, we respectfully suggest that the true value of pets lies in their attachment to their owners and the several ways that pets can benefit their human companions. As noted above, current law, which is unchanged in SB 292, establishes a standard of fair market value to determine the value of a pet. Increasing that standard from \$10,000 to \$25,000 would do nothing to reflect a pet's true value. Instead, it would simply encourage greater, and potentially frivolous litigation. This, in turn, would increase the cost of claims that an insurer must consider and the cost of such litigation would be incurred by all policyholders.

For these reasons, MAMIC respectfully requests an unfavorable report on SB 292.

Very truly yours,



Bryson F. Popham