February 22, 2021

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

RE: Senate Bill 669 - Constitutional Amendment - Civil Jury Trials - Opposed

Dear Chairman Smith, Senator Waldstreicher and Members of the Committee,

On behalf of the Maryland Association of Mutual Insurance Companies (MAMIC), I respectfully request an unfavorable report on Senate Bill 669 – Constitutional Amendment – Civil Jury Trials.

By way of background, 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. 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.

Senate Bill 669 is a companion piece of legislation to Senate Bill 670. The passage of Senate Bill 670 would require an amendment to the Maryland Constitution, as provided in Senate Bill 669.

Both bills are virtually identical to legislation introduced, but not enacted, in 2020. Our opposition to Senate Bill 669 is essentially the same as our opposition to Senate Bill 670: The enactment of this legislation would deprive many defendants in civil actions of the ability to remove an action from the District Court to the Circuit Court, where appropriate rules of discovery would be available. A balance was achieved in Maryland in 2010, when the current limit for a matter in controversy before the District Court was established. This statute struck an important balance between plaintiffs and defendants. As to the choice of forum for an action to be brought, there has been no evidence of any need to change this balance.

We should also note that, in the majority of states, no threshold of any kind exists. Among those states that have thresholds, Maryland is an outlier, with one of the highest thresholds in the Nation. Increasing the threshold now – doubling it – would only upset this balance without a demonstrated need. Instead, many defendants would be disadvantaged by an inability to gather the facts necessary to produce a fair resolution of the controversy surrounding the lawsuit. MAMIC member companies routinely rely on discovery in litigation matters to help evaluate claims and accurately determine settlement demands. As companies that are owned by their policyholders, they have a responsibility to do so.

Accordingly, MAMIC respectfully requests an unfavorable report on Senate Bill 669.

Sincerely,

Robert F. Glass, CPCU, ARM, MBA
President