

March 3, 2025

Members of the House Judiciary
Committee

Via email

Re: NAMIC opposition to SB 1099 - Civil Actions - Punitive Damage Awards - Surcharge

Members of the Committee:

The National Association of Mutual Insurance Companies (NAMIC) is reaching out to express our concerns with Senate Bill 1099, which requires plaintiffs to prove by clear and convincing evidence that a defendant acted with gross negligence before punitive damages may be awarded, and imposes a surcharge on defendants subject to punitive damages,.

NAMIC is the largest property and casualty insurance trade association in the country, with more than 1,300 member companies. NAMIC supports regional and local mutual insurance companies as well as some of the country's largest national insurers. NAMIC member companies write \$383 billion in annual premiums nationally, and our members account for 61 percent of homeowners, 48 percent of automobile, and 25 percent of the business insurance markets.

Our members have a responsibility to protect policyholders from increased risks and unpredictable financial burdens. We believe that this bill, if enacted, could have negative consequences for both the insurance industry and the free market. While SB 1099's intent may be to address egregious behavior, the increased uncertainty surrounding the application of punitive damages and the additional surcharge could raise liability costs significantly for both insurance providers and policyholders. This may lead to higher premiums and limit access to affordable coverage.

For these reasons, NAMIC strongly opposes Senate Bill 1099 and respectfully requests that an unfavorable report be issued for the bill.

Sincerely,



Gina Rotunno
Regional Vice President
Mid-Atlantic Region