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March 9, 2026

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

RE: Senate Bill 871 - Civil Actions - Punitive Damage Awards – Surcharge

UNFAVORABLE

Dear Chairman Smith and Members of the Committee,

I'm writing today on behalf of the Maryland Association of Mutual Insurance Companies (MAMIC) in opposition to Senate Bill 871.

MAMIC is comprised of 12 mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of its 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.

Senate Bill 871 would make a very significant change in Maryland law with respect to the award of punitive damages. The State has a long history of case law on this subject, which operates to ensure that all damage awards, including those of punitive damages, are fairly administered. Furthermore, this bill introduces the concept of an assessment imposed by the State Court Administrator of 50% on a punitive damage award. The real purpose for this assessment is found on page 2, lines 25 and 26 of the bill, which require that the surcharge be deposited into a State fund intended to support education.

Should the General Assembly wish to examine the subject of punitive damages awards in connection with civil liability judgments, MAMIC believes the better approach is to convene a legislative study for that purpose. Respectfully, therefore, we urge an unfavorable report on Senate Bill 871.

Very truly yours,

Melissa Shelley, President, MAMIC

cc: Bryson Popham