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NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – [www.NFIB.com/Maryland](http://www.NFIB.com/Maryland)

TO: House Judiciary Committee

FROM: NFIB – Maryland

DATE: February 18, 2026

RE: **OPPOSE HOUSE BILL 906** – Civil Actions – Punitive Damage Awards – Surcharge

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America’s small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland’s small businesses, NFIB opposes House Bill 906 – legislation reducing the standard in Maryland for imposing punitive damages. It also adds a 50% surcharge on those awards.

Altering the standard for imposing punitive damages will expose small businesses to a significantly higher risk of massive rewards. It’s important to note that unlike many states, punitive damages are unlimited in Maryland. When damage awards increase, so do insurance costs. Businesses who cannot operate without liability protection, must then reallocate scarce resources to cover this subsequent increase as the “cost of doing business” in Maryland.

It is important to point out that small business owners ranked “Cost and Availability of Liability Insurance” 17<sup>th</sup> on the “Measures of Small Business Problem Importance” in the most recent [Problems & Priorities](#) report by NFIB. Legislation like HB906 hits especially hard on small businesses as they struggle balancing what they can afford with government actions.

For these reasons, **NFIB opposes HB906** and requests an unfavorable report.