

## Bryson F. Popham, P.A.

Bryson F. Popham, Esq.

191 Main Street  
Suite 310  
Annapolis, MD 21401  
[www.papalaw.com](http://www.papalaw.com)

410-268-6871 (Telephone)  
443-458-0444 (Facsimile)

February 1, 2021

The Honorable Delores G. Kelley  
3 East, Miller Senate Office Building  
Annapolis, MD 21401

RE: Senate Bill 372 - Civil Action - Surety Insurance - Failure to Act in Good Faith – UNF

Dear Chair Kelley 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 372 - Insurance - Claim Payment – Clarification.

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 and 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.

MAMIC notes that similar legislation was introduced in 2020, in the form of Senate Bill 801, and that both SB 801 and this year's SB 372 have been opposed by the insurance industry. SB 801 was likewise opposed by the Maryland Insurance Administration.

MAMIC joins that opposition, on the principle that expansion of a sureties duty to act in good faith for the benefit of a claimant who is not party to the surety contract is unwarranted. Furthermore, we note that there is no compelling factual predicate to justify such an expansion. Accordingly, MAMIC respectfully requests an unfavorable report of Senate Bill 272.

Very truly yours,



Bryson F. Popham

cc: Members of the Senate Finance Committee  
Jill Showalter, President – MAMIC  
Andrew Kirkner, NAMIC