

February 1, 2017

Montana State Legislature  
Senate Judiciary Committee  
P.O. Box 200400  
Helena, MT 59620-0400

*sent via email to:*  
[pschindler@mt.gov](mailto:pschindler@mt.gov)

**RE: HB 165 – Revised Punitive Damages - NAMIC’s written testimony IN SUPPORT of legislation**

Dear Senator Reiger, Chair; Senator Fielder, Vice-Chair; Representative Court, Vice-Chair; and honorable members of the Senate Judiciary Committee:

Thank you for affording the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to the Senate Judiciary Committee for the February 3, 2017, public hearing.

The National Association of Mutual Insurance Companies (NAMIC) is the largest property/casualty insurance trade association in the country, with more than 1,400 member companies. NAMIC supports regional and local mutual insurance companies on main streets across America and many of the country’s largest national insurers. NAMIC members represent 40 percent of the total property/casualty insurance market, serve more than 170 million policyholders, and write nearly \$225 billion in annual premiums. NAMIC has 134 members who write property/casualty in the State of Montana, which represents 40% of the insurance marketplace.

NAMIC is pleased to support this sound public policy legislation designed to promote a fair, balanced, and common-sense approach to the awarding of punitive damages, and bring thoughtful and necessary tort reform to the state of Montana.

The proposed legislation would add a qualifier to the current punitive damages cap to relate the calculation of these damages to the underlying actual damages in the case. HB 165 would add the provision, “or three times the total amount of compensatory damages awarded” language to the current punitive damages cap. This approach is consistent with the national trend on punitive damages caps. Of the states that even allow the awarding of punitive damages, the vast majority of those states have punitive damages caps, and most of those states have a provision in the law that relates the punitive damages award to the amount of the compensatory damages. These 18 states, along with the United States Supreme Court have recognized that it make sense and promotes judicial fairness to consider the amount of the underlying actual damages of the plaintiff when calculating punitive damages awards.

Even pro-plaintiff attorney states like California require that the punitive damages awarded have a “reasonable relationship” to the other damages awarded in the underlying case.

When all public policy rationales are considered, HB 165 is reasonable, fair, and consistent with the interests and needs of *all* stakeholders.

For the aforementioned reasons, NAMIC respectfully requests that the Senate Judiciary Committee **VOTE YES on HB 165.**

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at [crataj@namic.org](mailto:crataj@namic.org), if you would like to discuss NAMIC’s written testimony.

Respectfully,

A handwritten signature in black ink, appearing to read "Christian John Rataj". The signature is written in a cursive, flowing style.

Christian John Rataj, Esq.  
NAMIC – Senior Director of State Affairs  
Western Region