



Maryland Motor Truck Association

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HEARING DATE: March 27, 2024

BILL NO/TITLE: Senate Bill 538: Civil Actions - Noneconomic Damages - Personal Injury or Wrongful Death

COMMITTEE: House Judiciary Committee

POSITION: **Oppose**

Maryland Motor Truck Association (MMTA) is extremely concerned about efforts to eliminate or substantially increase Maryland's noneconomic damages cap given the rise in nuclear verdicts and staged truck accidents that have plagued the trucking industry in recent years.

The American Transportation Research Institute completed a study in 2020 to better understand the impact of rising verdicts on trucking. The research evaluated 600 cases between 2006 and 2019. In the first five years of data, there were 26 cases over \$1 million involving heavy-duty trucks. In the last five years, there were nearly 300 cases. The number of verdicts over \$10 million nearly doubled in that time. According to CaseMetrix, the average verdict against a trucking company in 2012 was about \$2.6 million. In 2017, that figure was just over \$7 million. As of 2019 it exceeded \$17 million. The impacts on motor carriers have included bankruptcy filings, businesses closing, and unsustainable higher insurance premiums as fewer insurance companies are willing to provide insurance to the trucking industry. Over the past few years carriers such as Nationwide E&S and Zurich have exited the truck insurance market.

Another outcome of these large awards is the target that has been branded on the industry in the form of staged fraudulent accidents. In these cases, cars intentionally collide with trucks or buses in the hopes of a large jury award or insurance settlement. In Louisiana at least 47 individuals have been charged federally going back to 2020, with at least 30 guilty pleas. Those individuals caused at least 77 wrecks involving commercial trucks. In January 2022, a federal indictment charged 23 defendants in Washington, California, Michigan, Nevada, and British Columbia, Canada with participating in a staged automobile accident scheme.

Accident data shows that in about 75% of serious injury or fatal crashes involving a car and a truck, the fault of the accident was with the car driver. Many trucking companies have now resorted to the added cost of installing dashboard cameras to their fleets to protect their drivers and businesses. In the case of non-fraudulent accidents, dash cam footage can help exonerate a commercial driver. As for staged accidents, video evidence can expose the criminal activity.

Maryland statute already allows for the noneconomic damages cap to increase annually. If the cap were indexed to inflation since the base was last increased in 1994, it would be \$1,020,000, far below the \$1,750,000 amended by the Senate. Increasing the cap to such an exorbitant level will make Maryland a laboratory for similarly staged accidents and expose the trucking industry to far greater liability, making it more difficult to obtain insurance and operate in the state.

For the reasons noted above MMTA respectfully requests an unfavorable report on SB538.

About Maryland Motor Truck Association: Maryland Motor Truck Association is a non-profit trade association representing the trucking industry since 1935. In service to its 1,000 members, MMTA is committed to support, advocate and educate for a safe, efficient and profitable trucking industry in Maryland.

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