



Ocean City, Maryland Chamber of Commerce

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TESTIMONY OFFERED ON BEHALF OF THE GREATER OCEAN CITY CHAMBER OF COMMERCE

IN OPPOSITION OF:

SB0538 – Civil Actions - Noneconomic Damages – Personal Injury and Wrongful Death

Before:
House Judiciary Committee
Hearing: 3/27/24 at 1:00 PM

The Greater Ocean City Chamber of Commerce, representing over 700 regional businesses and job creators, strongly **OPPOSES Senate Bill SB0538 – Civil Actions - Noneconomic Damages - Personal Injury and Wrongful Death.**

This legislation, altering certain limitations on noneconomic damages in civil actions for personal injury or wrongful death, would only benefit the plaintiffs' lawyers because a cap increase produces the same nearly 90% increase in their attorneys' fees, which are based on a percentage of the damages recovered. This profound increase has no basis or rationale and will make Maryland an extreme outlier among states with caps.

What Would SB0538 Mean for Marylanders?

- If enacted, SB0538 would increase insurance costs for consumers and businesses, as demonstrated by data and studies compiled by the National Association of Insurance Commissioners (NAIC). Additionally, the NAIC found that premium rates were lower in states that capped the amount of non-economic damages.
- If enacted, SB0538 would lead to a significant increase in claims and lawsuit filings, driving up the costs of defense, settlement and claims administration that will ultimately be passed on to consumers.
- If enacted, SB0538 would lead to impediments in reaching reasonable settlements, since plaintiffs' lawyers will demand significantly higher amounts for immeasurable harm as they hold out for the chance of a jackpot verdict.

Ultimately, if enacted, SB0538 would negatively impact any employer and business due to increased insurance rates and lead to greater liability and cost – particularly for small businesses.

The Ocean City Chamber respectfully requests an **UNFAVORABLE REPORT on SB0538.**

Please feel free to contact the Chamber directly at 410-213-0144, or Dennis F. Rasmussen, dfr@rasmussengrp.net at 410-303-4658 should you have any questions.

Respectfully submitted,

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