SAY NO TO SB 538:



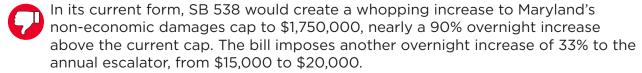
WHY IT MATTERS

A non-economic damage cap was first enacted in Maryland in 1986 at \$350,000. This cap has been adjusted over the years by the annual escalator. Maryland chose to cap non-economic damages because pain and suffering are difficult to quantify, and putting a reasonable cap on damages is the best public policy to balance the need for recovery for these injuries with the avoidance of excessive awards.

THE FACTS







WHAT WOULD SB 538 MEAN FOR MARYLANDERS?



If enacted, SB 538 would increase insurance costs for consumers and businesses, as demonstrated by a comparison of similar non-economic damage cap information, 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, SB 538 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, SB 538 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.

BOTTOM LINE

This legislation 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.

SAY NO TO SB 538:

Preserve Maryland's Non-Economic Damages Cap Levels

WHAT CAN YOU DO?

Stand with hardworking Marylanders and say NO to SB 538! For the reasons stated, an overnight increase to the cap of nearly 90% to \$1,750,000 as well as the overnight 33% increase to the annual escalator are excessive, unfounded, and should be rejected.

There is no basis or justification for arbitrarily raising the cap to \$1,750,000. Adjusting the cap for the actual amount of inflation that has occurred since it was set in 1994 would move it up to \$1,020,000. If the cap on non-economic damages needs to be adjusted at all, it should only be adjusted to reflect actual inflation, which would be \$1,020,000, and under no circumstances exceeding \$1,100,000.



The following groups strongly oppose SB 538

Allegany County Chamber of Commerce

American Tort Reform Association

American Property Casualty Insurance

Association

Baca Chiropractic Services

Big I Maryland | Association for

Independent Agents

Calvert County Chamber of Commerce

Crow Entertainment

Cybersecurity Association of MD, Inc.

Frederick County Chamber of Commerce

Greater Baltimore Chamber of Commerce

Greater Ocean City Chamber of

Commerce

Hampton Inn by Hilton

Idea Solutions

MBS Keystone

Maryland Building Industry Association

Maryland Chamber of Commerce

Maryland Employers for Civil Justice

Reform Coalition

Maryland Hospital Association

Maryland/Metropolitan Transportation Builders & Materials Association

Maryland Motor Truck Association

MD Section of the American College of

Obstetricians and Gynecologists

MedChi, The Maryland State Medical

Society

Medical Mutual Liability Insurance Society

of Maryland

Medical Professional Liability Association

Montgomery County Chamber of

Commerce

National Association of Mutual Insurers

NFIB

Northern Anne Arundel County Chamber

of Commerce

Professional Advocate Insurance

Company

Salisbury Area Chamber of Commerce

The Doctors Company

Washington County Chamber of

Commerce

Worcester County Chamber of Commerce