

Testimony of
American Property Casualty Insurance Association (APCIA)
House Judiciary Committee
SB 670 Courts - Civil Jury Trials - Amount in Controversy
SB 669 Constitutional Amendment - Civil Jury Trials - Amount in Controversy
March 31, 2021

Letter of Opposition

The American Property Casualty Insurance Association (APCIA) is a national trade organization representing nearly 60 percent of the U.S. property casualty insurance market. APCIA appreciates the opportunity to provide comments in opposition to Senate Bill 670 and Senate Bill 669. SB 670 amends the provision in the Courts and Judicial Proceedings Article to raise the limit for requesting a jury trial in a civil case from its current limit of \$15,000 to \$30,000. SB 669 sets in process the constitutional amendment to be approved by voters, as required by the Maryland Declaration of Rights.

In 2010, the jury trial threshold was raised substantially to \$15,000. There is no need to further increase it to \$30,000. Currently, Maryland's jury trial threshold is highest in the nation and a vast majority of states have limits of \$10,000 or lower.

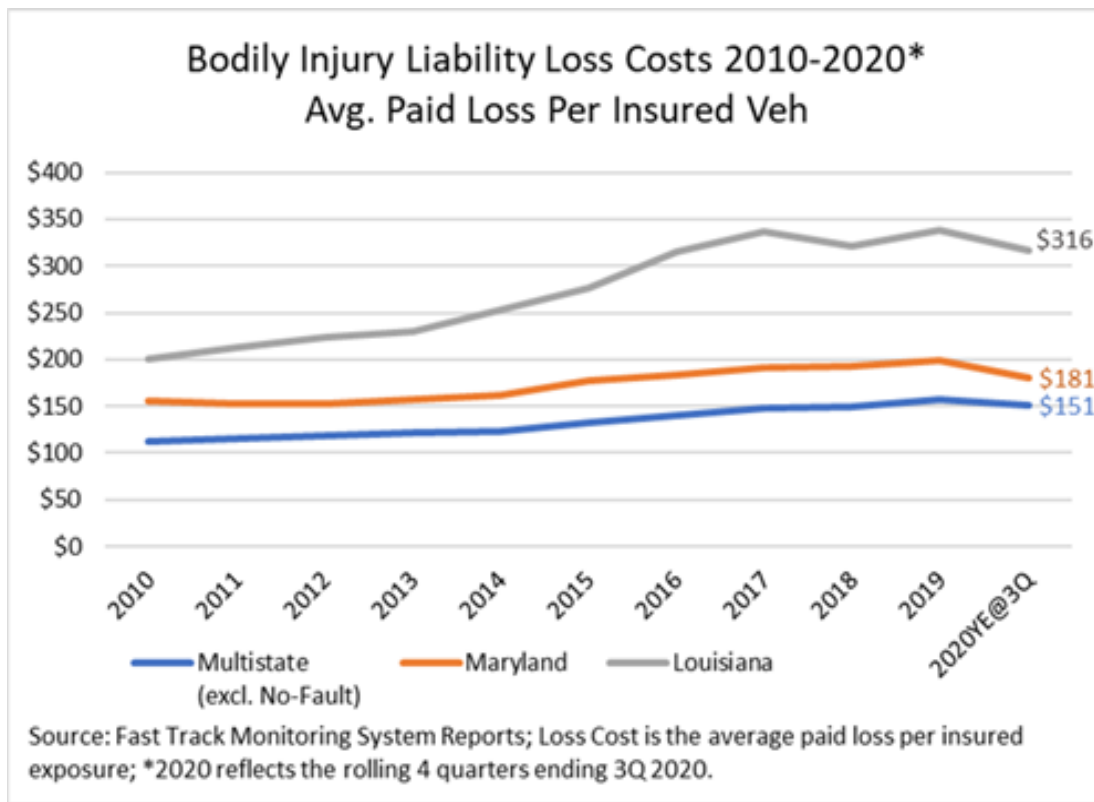
Medical inflation does not justify the **doubling of**—or any meaningful increase in— Maryland's current jury trial threshold. Maryland's threshold was only \$5,000 in 1990, which equates to just over \$16,000 in current dollars. See <https://www.in2013dollars.com/Medical-care/price-inflation/1990-to-2021> Instead, the legislation itself will likely inflate legal costs, as district courts tend to award higher amounts to plaintiffs. These bills incentivize the filing of cases for ever higher amounts without concern by plaintiffs about thorough discovery or a jury trial. Plaintiffs could file cases for up to \$30,000 with just the barest of facts in the complaint and the possibility of filing a limited number of interrogatory responses.

Who really wants this bill besides the trial lawyers? The civil trial threshold would not only impact auto defendants in insurance cases but small businesses in slip and fall claims or contract disputes, it would impact all **civil defendants**, including **consumers facing debt collection and tenants being sued for back rent actions**.

High jury trial thresholds correspond to high insurance loss costs. One state, Louisiana, as part of its efforts to lower the cost of auto insurance in the state, recently lowered its jury threshold from \$50,000 to \$10,000. In 2019, Louisiana had the highest jury limit thresholds in the country. They also had the **second** highest auto costs in the country. According to [the National Association of Insurance Commissioners Auto Insurance Database Report for 2017](#) (the most recent year available) Louisiana had the 2nd highest and Maryland had the 12th highest personal auto liability average premium in the country. Louisiana's efforts stand in stark contrast to Maryland's consideration of an increased threshold, putting pressure on already high bodily injury loss costs.

Moreover, data demonstrates that since 2010 (the last time Maryland increased its jury trial threshold), claim costs in Maryland have significantly risen, and are well above the national average. Increasing the jury trial threshold would put still more pressure on these claims cost levels.

Chart of Average Paid Loss Per Vehicle 2010-2020



(2020 reflects the first 3 quarters of 2020 and the impact of COVID-19.)

SB 669/670 put defendants at a disadvantage about discovery by increasing the number of suits brought in district court where there is limited discovery and no ability to file a motion for summary judgment. District courts only permit 15 interrogatories (written questions) when a deposition (in person interview) could better determine the amount in controversy, especially for soft tissue injuries in accidents. The ability to depose a plaintiff is generally not available in district court unless by stipulation filed with the court.

There is a role for the district courts in administering justice flexibly for smaller claims, but not at the expense of the rights of litigants, particularly when such significant sums are at stake.

There is no need to pass these bills now. This would not appear on the ballot until 2022. Although the Pandemic has obviously brought all jury trials to a halt in 2020, this bill would not have any impact on that issue because it would not take effect until January 2023 if approved by the voters in the 2022 election, when expectations are that timeframes will be returning to normal.

The APCIA urges the Committee to provide an unfavorable report on Senate Bill 669 and 670.

Respectfully submitted,

Nancy J. Egan, State Government Relations Counsel, DE, MD, VA, WV

Nancy.egan@APCI.org Cell: (443) 841-4174