

SAY NO TO SB 584: Preserve Maryland's Noneconomic Damages Cap Levels

Why It Matters

A noneconomic 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 noneconomic 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

- Noneconomic damages are damages that may be awarded for pain and suffering in negligence actions. In Maryland, these damages are capped at \$935,000, and they go up each year by \$15,000.
- Many states have caps on noneconomic damages, and Maryland's cap is already one of the highest in the nation.
- In its current form, SB 584 would completely remove the current cap on noneconomic damages and expose small businesses across the state to untenable liability that will increase the price of goods and services for consumers.

What Would SB 584 Mean for Marylanders?

- If enacted, SB 584 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, SB 584 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 584 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 elimination of the cap will result in the potential for unlimited attorney 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 Can You Do?

Stand with hardworking Marylanders and say NO to SB 584! For the reasons stated, an overnight elimination of is excessive, unfounded, and should be rejected.

Removing the noneconomic damages cap would have a cascading effect on businesses, employment opportunities, and the price of goods. Maryland simply cannot afford to subject its businesses and residents to untenable liability that will limit economic growth and opportunity.

For these reasons, the following groups strongly oppose SB 584

Allegany County Chamber of Commerce
Associated Utility Contractors of Maryland
Calvert County Chamber of Commerce
Experience Prince George's
Howard County Chamber of Commerce
Maryland Arborist Association
Salisbury Area Chamber of Commerce
Washington County Chamber of Commerce