

Testimony to the Maryland Legislature

Judiciary Committee

Re: House Bill 113: Noneconomic Damages- Personal Injury and Wrongful Death

February 13, 2025

Honorable members of the Judiciary Committee, thank you for the opportunity to submit testimony on House Bill 113: Noneconomic Damages- Personal Injury and Wrongful Death. UPS strongly opposes this bill and is overly concerned about the effort to remove Maryland's cap on non-economic damages. As the largest logistics company in the world that employs Teamsters, I am here to express my concerns about the proposed bill allowing unlimited noneconomic damage awards in personal injury and wrongful death cases.

Non-economic damages are a major factor in "nuclear verdicts" of \$10 million or more. In states without limits on these damages, these verdicts are becoming more common and larger, causing higher costs for consumers and businesses and driving up insurance rates. If HB 113/SB 584 were to pass into law, it could have serious negative effects. An independent study found it could raise personal auto insurance by up to 19% and commercial auto insurance by up to 30%. Higher insurance premiums would increase the costs which would be passed on to consumers. Maryland already has one of the highest caps on non-economic damages in the country. Keeping Maryland's cap on non-economic damages is crucial for controlling costs and keeping insurance premiums lower for everyone.

The trucking industry has seen an increase in nuclear verdicts and fake truck accidents that have troubled the trucking industry recently. Verdicts from 2006 to 2019 of over \$10 million nearly doubled in that time and the average verdict against a trucking company rose from about \$2.6 million in 2012 to \$17 million by 2019. These large awards have made the trucking industry a magnet for staged accidents and fraud with vehicles deliberately crashing into trucks or buses hoping for a big jury award or insurance payout. Maryland law already allows the non-economic damages cap to increase each year. This change will lead to higher settlement demands and unpredictable awards, which could raise insurance rates and the cost of doing business for everyone in Maryland.

UPS urges the legislature to maintain the current limits on noneconomic damages to ensure a stable and fair civil justice system in Maryland. Removing these limits could lead to unpredictable and excessive awards while also raising prices for consumers in Maryland.

Thank you for your time and consideration.

Sincerely,



Axel Carrion
Vice President – State Public Affairs
UPS