



February 18, 2026

Legislative Position: Unfavorable
Senate Bill 474
Civil Actions - Noneconomic Damages - Personal Injury and Wrongful Death
Senate Judicial Proceedings Committee

Dear Chairman Smith and members of the committee:

Founded in 1969, the Howard Chamber of Commerce is dedicated to helping businesses—from sole proprietors to large international firms—grow and succeed. With the power of 700 members that encompass more than 170,000 employees, the Howard County Chamber is an effective partner with elected officials and advocates for the interests of the county's business community.

As introduced, SB 474 would eliminate the cap on non-economic damages. If passed, this legislation would have far-reaching, negative implications for Maryland businesses and consumers. We strongly urge you to oppose this misguided bill.

According to studies, non-economic damages, which involve no direct economic loss and have no precise value, are one of the leading components of so-called “nuclear” verdicts, which are typically \$10 million and more. Rightfully, many states have caps on non-economic damages and Maryland's cap is already one of the highest in the nation. Passing SB 474 and eliminating the non-economic damages cap could lead to more frequent and excessive nuclear verdicts, as well as potential bankruptcies, for Maryland businesses. It would also lead to a significant increase in frivolous lawsuits that drive up the costs of defense, settlement, and claims administration—contributing to increased legal system abuse that Maryland businesses will pay for via higher “tort taxes.”

This bill would also put upward pressure on insurance premiums for businesses across the state. In fact, when this legislation was considered in the 2024 session, an analysis conducted by an independent actuarial firm found that it could have increased personal liability by as much as 19% and commercial auto liability by up to 30%. These increases would pile new cost burdens on the backs of Maryland businesses, at a time when they can least afford it.

Please help keep insurance rates for Maryland businesses low by rejecting SB 474. **We encourage an unfavorable report.**

Sincerely,

Kristi Simon
President & CEO
Howard County Chamber of Commerce