



Rhode Island Insurance Federation

Via Email to HouseJudiciary@rilegislature.gov

March 11, 2025

Representative Robert E. Craven
Chair, House Judiciary Committee
Rhode Island State House
Providence, RI 02903

RE: House Bill 5908— Provides for punitive damages in civil actions—Statement in Opposition.

Dear Chair Craven:

The Rhode Island Insurance Federation submits this statement in opposition of House Bill No. 5908, which provides for punitive damages in civil actions where there is willful or wanton conduct or a reckless disregard for health, safety and welfare.

This legislation does not cap punitive awards nor does it set in statute the evidentiary standards for such civil actions. Together this can lead to a substantial increase in awarded damages, increases the likelihood for nuclear verdicts, and diminishes a level of predictability in outcomes that insurers rely upon to accurately assess the risk profile of our policyholders.

According to the U.S. Chamber of Commerce, Institute for Legal Reform (ILR), The median punitive awards in our country increased from \$35 million in 2017 to more than \$87 million in 2022, with the mean topping \$690 million in 2022. Punitive damages are becoming a hidden cost for consumers and businesses alike, as the awards are becoming much larger than necessary for effective deterrence.

Rhode Island already has punitive damages scattered throughout the statutory framework, which allows policymakers to take a surgical approach to permitting these awards. However, this legislation's applicability to all civil actions will likely have a consequential impact on the business community and future economic development of Rhode Island.

For the reasons set forth above, the Federation opposes House Bill 5908, and we urge the Committee to recommend passage.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Christopher S. Stark", is placed above the printed name.

Christopher S. Stark
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