



March 11, 2025

Chairman Robert E. Craven
Members of the House Judiciary Committee

Re: H5908 – Courts and Civil Procedure – Causes Of Action

On behalf of The Beacon Mutual Insurance Company, please accept this letter in opposition to H5908 which is presently pending before the House Judiciary Committee. For the reasons outlined below, we oppose this legislation.

As drafted, H5908 would provide for punitive damages in any civil action, including Workers Compensation. Passage of H5908 would eliminate the no fault component of the Workers' Compensation system. Pursuant to the Workers' Compensation Act, employees waive their common law rights, unless they provide their employer with written notice that the employee is retaining their right to sue. In exchange for benefits afforded to them under the Act, the employee foregoes any rights at common law that they may have had against the employer. In return, the employer is prohibited from raising affirmative defenses in relation to the work injury. If passed, H5908 would introduce the issue of fault into the workers' compensation system and increase business expenses for policyholders and carriers due to the added litigation costs.

Further, H5908 wrongly penalizes the workers' compensation carrier, rather than the employer or "defendant" by requiring the carrier to issue punitive damages to the injured worker. This results in a double payment to the employee and would lead to increased workers' compensation premiums. It would also create a potential conflict between the workers' compensation carrier and the policyholder as the carrier would pay the damages. Presumably, the intent of H5908 is to prevent "willful, wanton or reckless" conduct by a defendant that impairs the rights or safety of others. However, if applied to "any civil action" including workers' compensation, H5908 would have an immediate impact on carriers in the form of paying these damages and resulting in a double payment.

For these reasons, we urge that you not pass this bill, or in the alternative, exclude the Workers' Compensation system from those civil actions covered by H5908.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Kevin O. Flood", written in a cursive style.

Kevin O. Flood, Esq.
Assistant Vice President, Legal Services (kflood@beaconmutual.com)

cc: Speaker K. Joseph Shekarchi