

Protect Maryland Businesses During Economic Recovery— Pass Senate Bill 210

Businesses of all types and sizes, educational institutions and nonprofit organizations are working hard to protect employees, customers, students, and everyday Marylanders from exposure to COVID-19 in an environment often filled with incomplete and inconsistent information.

The growing risk of opportunistic lawsuits against these organizations poses a significant barrier in our ability to reignite Maryland's economy.

As the private sector contributes to COVID-19 response, it faces liability challenges. As a result, businesses require protection from frivolous lawsuits so they can get Maryland back on the path to economic recovery. Without it, they face unfounded threats of legal action that could wind up costing thousands of dollars at a time when they need every financial resource available to keep their doors open and Marylanders employed.

In the absence of federal action, state governments must act to shield business owners from lawsuits unless plaintiffs can prove a business willfully failed to develop and implement a plan to reduce the risk of COVID-19.

Employers following proper government and health department guidance should not be sued out of business. Employers need assurance that when they do the right thing, and follow the advice of public health experts, they will not face more financial hardships from unwarranted lawsuits.

Relief should be temporary and targeted. Gross negligence and bad actors should be held accountable. As a group of organizations, we are simply asking for temporary 'safe harbor' protections. This is not blanket immunity.

As small business owners in Maryland continue the process of reopening, **it is imperative the legislature establishes protections from the threat of lawsuits that exploit the already damaging effects of COVID-19.**

The potential impact on small businesses is staggering.

- ▶ \$343 billion –U.S. tort system's commercial liability costs (2018)
- ▶ \$182 billion or 53% of total cost—burden placed on small businesses (2018)
- ▶ 39% of liability costs were borne by the smallest businesses—those with under \$1 million in annual revenue
- ▶ ↑14% increase in liability costs from 2016 to 2018

Source: U.S. Chamber Institute for Legal Reform, October 2020

