

January 21, 2021

Honorable JB Pritzker
Governor
State of Illinois
207 State House
Springfield IL 62706

Dear Governor Pritzker:

On behalf of our respective organizations, and the millions of Illinoisans that we employ, we respectfully request a veto of HB 3360 that recently passed the General Assembly. This legislation, introduced and passed with no debate in the closing days of the 101st General Assembly, will make Illinois an outlier nationally while significantly increasing litigation costs on Illinois employers who are currently dealing with financial distress during the pandemic.

Illinois and our nation experienced the worst health and economic crisis in generations over the last year resulting in the deaths of 375,000 individuals, closure of thousands of businesses, and loss of millions of jobs. Our organizations and the companies listed below responded to the pandemic in amazing ways by providing life-saving care to patients, researching and creating vaccines and therapies to defeat the virus, supplying nutritious food and essential products to our stores, and ensuring that our families and businesses have access to energy and communications.

Unfortunately, HB 3360 passed in the waning days of session with no input or discussion with Illinois employers who will be forced to absorb even higher litigation costs. Rather than working with the employer community on proposals to protect our health care workers and hospitals, restore our retail sector, and increase manufacturing production, lawmakers passed HB 3360 that unfairly penalizes job creators with egregious penalties.

As Governor, we would like to work with you to ensure that moving forward job creators have a seat at the negotiating table in the future so as to avoid future unilateral and one-sided approaches such as HB 3360 that come at the expense of job creation and health care. Illinois has many innate advantages and working together, we can move forward to brighter days.

We have multiple concerns with the legislation including:

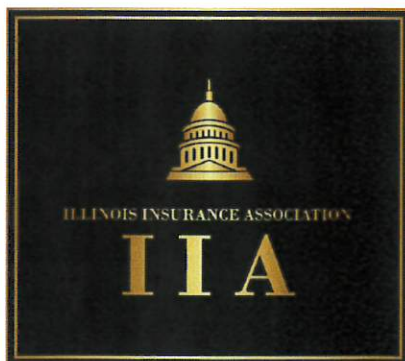
- HB 3360 imposes interest on “all damages set forth in the judgment” which includes not only lost wages and medical expenses but also “non-economic damages.” Interest should not accrue on non-economic damages and even states that have pre-judgment interest such as Arizona, Maryland, Tennessee, Utah, and Washington exclude non-economic damages.
- HB 3360 would require the payment of prejudgment interest for costs that are not yet known such as future medical costs and have not yet been incurred. Employers would be forced to pay interest, that could potentially go back years, for costs that have not yet occurred.
- HB 3360 adds interest penalties on punitive damages that were set by the judge and jury based on the facts of the case. This increases costs above and beyond what the judicial

system found was a fair decision. States that exclude prejudgment interest on punitive damages include Arizona, California, Indiana, Maryland, Massachusetts, Ohio, Tennessee, and Utah.

- HB 3360 creates an untenable trigger date of “the date the defendant has notice of the injury from the injury itself or written notice.” Employers would be forced to pay interest even if no claim has been filed against the employer and there has been no investigation to determine fault. States such as California, Iowa, Michigan, Minnesota, and Ohio all provide that interest does not begin to accrue until the lawsuit is filed or a settlement is made.
- HB 3360 creates an unreasonable and punitive 9 percent interest rate that does not reflect the current economy and is quadruple the current rate of inflation. It is tantamount to a windfall for an individual rather than a reflection of the time-value of a person’s losses. Under Illinois law, for contracted damages and liquidated damages, the interest rate is 5 percent and there is a 6 percent rate for post judgments against a unit of government. Mortgage rates are under 3 percent and the 30-year Treasury rate is 1.25 percent. There is no correlation for an extremely high interest rate.

We strongly urge a veto of HB 3360 and we are committed to working with you in the 102nd General Assembly on policies that will move Illinois forward. Thank you in advance for your consideration.

Thank you.



Advocate Aurora Health
American Property Casualty Insurance Association
AMITA Health
API – Illinois
Archer Daniels Midland Co.
Associated General Contractors of the Quad Cities
Bayer
Central Illinois Builders of AGC
Chemical Industry Council of Illinois
Chicagoland Associated General Contractors
Contractors Association of Will & Grundy Counties
CSX
Deere & Company
Ford Motor Company
Freedman Seating
Great Lakes Construction Association
Greater Peoria Contractors and Suppliers Association
Illinois Construction Industry Committee
Illinois Road & Transportation Builders Association
Illinois Valley Contractors Association
National Association of Mutual Insurance Companies
National Electrical Contractors Assn, Inc. - Illinois Chapter
Northwest Memorial
Selective Insurance Company
Southern Illinois Builders of AGC
Tate & Lyle
Technology & Manufacturing Association
The Greater Springfield Chamber of Commerce
WestRock

Cc: Anne Caprara, Chief of Staff
Dan Hynes, Deputy Governor
Christian Mitchell, Deputy Governor