



OFFICE OF THE GOVERNOR

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JB PRITZKER
GOVERNOR

March 25, 2021

To the Honorable Members of
The Illinois House of Representatives,
102nd General Assembly:

Today I veto House Bill 3360 from the 101st General Assembly, which provides for the recovery of prejudgment interest on all damages set forth in a judgment in any action brought to recover damages for personal injuries or wrongful death, whether by negligence, willful and wanton misconduct, intentional conduct, or strict liability of the other person or entity. HB 3360 would be effective immediately.

While I support joining the majority of states that allow prejudgment interest in personal injury cases in order to encourage their prompt resolution, the provisions of HB 3360 would be burdensome for hospitals and medical professionals beyond the national norm, potentially driving up healthcare costs for patients and deterring physicians from practicing in Illinois. The majority of Illinois hospitals are self-insured, and, as a result, would be required to pay the costs of this legislation directly, at a time when they can least afford this added expense.

HB 3360 imposes a rate of 9% per annum prejudgment interest, which would begin to accrue on the date the defendant has notice of the injury. Even states with prejudgment interest, such as Michigan or Wisconsin, provide a more reasonable rate structure by tying the interest rate to market conditions such as the federal prime rate, as opposed to a flat rate. The proposed 9% flat rate is higher than many of these market-based rates adopted by other states, even when accounting for additional percentages that many states add to the market-based rates as part of the calculation of prejudgment interest. Because many businesses have been severely and negatively affected by today's economic climate, 9% interest is high and tying to market conditions would be less onerous. A 9% rate could similarly be damaging to entities like hospitals.

Further, HB 3360 would allow for prejudgment interest to be calculated on non-economic damages such as pain and suffering and loss of normal life. Again, when we compare this legislation to states that have prejudgment interest, many of them exclude non-economic damages from the calculation. For example, the prejudgment interest statutes in Massachusetts and Minnesota limit the application of prejudgment interest in personal injury cases to pecuniary damages. Minnesota law explicitly excludes future, punitive or noncompensatory damages.

While I appreciate the hard work of the House and Senate sponsors of the bill and their commitment to advocate for injured Illinoisans, HB 3360 simply didn't receive sufficient input from some of the most impacted parties, including health care providers. At a time when the health care industry and the medical professionals who have dedicated their lives over the past year to combating a deadly virus are in need of support, I cannot in good conscience sign a bill that would place these individuals and entities in further financial distress.

I have urged the sponsors to return to negotiate a compromise that includes stronger protections for health care providers while encouraging the faster resolution of these cases that can leave families devastated for years. It is in the best interest of all Illinoisans for this issue to be fully negotiated with an opportunity to for input from all stakeholders, advocates, and other interested parties.

I understand that this compromise legislation is now advancing through the General Assembly with these suggested changes and additional feedback from stakeholders.

Therefore, pursuant to Section 9(b) of Article IV of the Illinois Constitution of 1970, I hereby return House Bill 3360, entitled "AN ACT concerning civil law," with the foregoing objections, vetoed in its entirety.

Sincerely,

Governor JB Pritzker