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HB 447 – Ohio House Judiciary Committee Opponent Testimony

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Chair Thomas, Vice Chair Swearingen, Ranking Member Synenberg, and members of the House Judiciary Committee, thank you for the opportunity to testify today on behalf of the Ohio Business Roundtable in opposition to House Bill 447. My name is Nick Rhodes and I am the Director of Policy & Special Projects at the Ohio Business Roundtable, a statewide organization comprised of 125 CEOs of the leading companies operating in our state. Together, our members employ over 600,000 Ohioans and are deeply invested in maintaining a fair, predictable, and competitive business climate.

While we appreciate Representative Stewart’s intent to address concerns surrounding noneconomic damage caps, House Bill 447 would represent a serious step backwards for Ohio’s legal and economic environment. By automatically indexing the caps on noneconomic damages to inflation, the bill would effectively remove legislative oversight from one of the most significant elements of Ohio’s civil-justice system. The result would be an unpredictable and ever-escalating liability environment that undermines the very stability that has made Ohio a model for tort reform and economic competitiveness over the past two decades.

Ohio’s existing statutory framework already strikes an appropriate balance between fairness for injured parties and predictability for employers, insurers, and health-care providers. Current law does not cap economic damages, meaning injured individuals may recover the full amount of their actual losses and, in cases of egregious conduct, seek punitive damages as well. The existing caps on noneconomic damages—pain and suffering, emotional distress, and other subjective harms—were enacted in 2004 (SB 80 – 125th General Assembly) after years of uncertainty that drove up premiums, discouraged investment, and strained Ohio’s health-care system. These reforms have helped stabilize



insurance markets, protect access to care, and ensure that Ohio remains competitive with neighboring states.

The Ohio Business Roundtable itself was born out of that same era—a time when runaway lawsuits and an unpredictable legal climate were driving businesses and jobs out of Ohio. OBRT was founded to help restore balance and rebuild confidence in the state’s economy.

House Bill 447 threatens to undo much of that progress. The bill would raise the current cap from \$350,000 to \$580,000 per plaintiff and, more significantly, require the Department of Taxation to increase those limits annually based on changes in the Consumer Price Index (“CPI”). The CPI, however, measures the price of consumer goods—not the cost of litigation or the value of noneconomic damages. Linking these two concepts is arbitrary and unjustified. The cost of milk or housing does not reflect the cost of jury awards. Instead, automatic indexing would cause the caps to rise each year regardless of whether there has been any change in the nature of claims or the health of Ohio’s insurance and business climate.

These automatic increases would inevitably translate into higher insurance premiums, increased litigation exposure, and greater operating costs for employers and professionals across the state. For Ohio’s manufacturers, small businesses, and health-care providers, that means less money to hire workers, invest in equipment, or expand operations. For physicians and hospitals, it means higher malpractice premiums, more defensive medicine, and higher costs for patients. **Simply put, this bill would make it more expensive to do business in Ohio and weaken our state’s competitive position relative to our peers.**

Moreover, this legislation is premature. The Ohio Supreme Court is currently considering two cases—*Paganini v. Cataract Eye Center of Cleveland* (Case No. 2025-0386) and *Lyon v. Riverside Methodist Hospital* (Case No. 2025-1317)—that directly address the constitutionality of Ohio’s existing caps on noneconomic damages. In *Paganini*, the Eighth District Court of Appeals struck down the statute as unconstitutional as applied, and in *Lyon*, the 10th District Court of Appeals declared the caps unconstitutional on due-process and equal-protection grounds. Both cases are now before the state’s highest court, with multiple business and medical organizations—including the Ohio Alliance for Civil Justice, Ohio Hospital Association, and others—filing amicus briefs in support of maintaining the caps. These cases will determine the future of Ohio’s tort system, and the General Assembly should allow that process to unfold before making legislative changes that could conflict with the Court’s eventual ruling or create further instability.

The business community is deeply concerned that House Bill 447 would effectively dismantle the predictable framework that has encouraged companies to grow and invest in Ohio. When businesses evaluate where to locate new facilities or expand operations, they look for states that offer certainty—not one where legal exposure grows automatically every year without review or debate. Reintroducing uncertainty into our civil-justice system at a time when Ohio is attracting major investment in energy, manufacturing, and technology would be both counterproductive and costly.

The Ohio Business Roundtable urges policymakers to stay the course that has served this state well for the past two decades. Ohio's civil-justice reforms have been instrumental in creating a fair and balanced legal environment—one that protects individuals while keeping the state competitive and open for business. We should not abandon that progress by tying our tort system to an inflation formula that bears no relation to actual justice or economic reality. Instead, the prudent path is to await the Ohio Supreme Court's rulings in *Paganini* and *Lyon*, which will provide the clarity necessary to guide any future legislative action.

For these reasons, the Ohio Business Roundtable respectfully urges the Committee to reject House Bill 447. Thank you, Mr. Chairman and members of the Committee, for your time and consideration. I would be happy to answer any questions.