SB 5059 – Lawsuit prejudgment interest

Unfair and costly

Please vote NO on SB 5059

***The LRC: Since 1986, local governments, health care professionals and employers committed to ending lawsuit abuse.***



SB 5059 changes long-standing Washington law and threatens to raise the cost of seeking justice for businesses, schools, local governments, front-line health care providers and non-profit organizations.

Proponents of SB 5059 are again trying to “start the clock earlier” on judgment interest, interfering with the rights of - and increasing costs for - defendants seeking their day in court. Here’s why legislators should vote NO:

* Longstanding Washington law has allowed adding interest to judgments paid by at-fault parties to plaintiffs, starting from the date a judgment is entered by the court.
* SB 5059 would “start the clock” on interest payments from “the date the cause of action accrued,” meaning the *date of the plaintiff’s claimed injury*, not the date of the judgment. This serves as a disincentive to the plaintiff to file, litigate or settle claims in a timely manner, because the interest on any award from the court is already being added, even before fault and facts have been established.
* Once a judgment is entered against a defendant, the court would retroactively apply interest going all the way back to the injury itself – a moment long before the defendant received a claim from the plaintiff, conducted an investigation to determine fault, or assessed the value of the plaintiff’s claimed damages.
* Major insurers have estimated that the annual increase in insurance costs for consumers and businesses in Washington resulting from the implementation of prejudgment interest could reach between $170-$450 million.
* SB 5059 would apply the “earlier clock” to interest not just for out-of-pocket losses, like lost wages or medical expenses, but also *noneconomic damages*, which are often costlier, subjective in nature, and not devalued by inflation or passage of time.
* SB 5059 would create an additional burden for injuries alleged to have occurred d*ecades* before a claim is filed. When claims from previous years are presented, these claims are settled at current dollar values, not the amount that would have been paid five, ten or 15 years ago.

**For more information, please contact Kris Tefft at** **kris@olygov.com** **or Christine Brewer at** **christine@olygov.com** **Revised 1/15/24**