



# Setting THE record straight

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## Latest attempt to further erode Pa.'s legal system counter to needed reform

While job creators, health-care providers, consumers and others impacted by Pennsylvania's dismal legal system continue the fight for any progress on meaningful lawsuit abuse reform, some state lawmakers are pushing instead for legislation that would further erode the system – not that Pennsylvania can fare much worse.

### Just how bad is Pa.'s legal system?

Pennsylvania ranked dead last for its legal climate in the recent *Boardroom Guide to Litigation: An Analysis of the Legal Climates of all 50 States*. The study's authors specifically noted that Pennsylvania's unbalanced liability climate strongly discourages job creation and growth, and shows no signs of improvement in the near future. Another study, the *Institute for Legal Reform's* most recent *Lawsuit Climate: Ranking the States*, positioned Pennsylvania 36<sup>th</sup>. Other studies indicate similar results – Pennsylvania has one of the worst liability climates in the nation.

Given the glaringly obvious need for reform, it flies in the face of reason why the legislature would advance legislation (H.B. 2246) that would benefit personal injury lawyers at the expense of consumers and job creators.

A Trial Bar-pushed amendment adopted to H.B. 2246 prior to final passage in the House would allow lawyers in auto-related civil cases to argue at closing specific amounts for non-economic damages (pain and suffering), using either lump sums or mathematical formulas. The bill recently advanced from the Senate Transportation Committee and is pending a vote by the full Senate.

The bill would overturn a 1969 Pennsylvania Supreme Court ruling that prohibits either party to argue specific amounts for non-economic damages. The court determined doing so would allow closing argument rhetoric to have too much influence in a jury's decision.

The legislation also sets a dangerous precedent that could eventually lead to broader applications of judicial procedure.

### Personal injury lawyers' gain is consumers' loss

Excessive damage awards result in higher consumer prices and decreased availability of services. The high legal costs paid by Pennsylvania health-care providers, employers and governments inhibit job growth, increase health-care costs and limit access to medical care. And H.B. 2246, with its personal-injury-lawyer friendly amendment aimed at preying on the emotions of a jury in order to reap exorbitant awards, would raise awards and settlements, thereby disrupting an auto insurance marketplace that has served consumers well. That's a cost that consumers, job creators and the Commonwealth can't afford.

### Other states welcome progress

Evidence shows that commonsense legal reforms enacted in other states over the past 20 years have lowered consumer costs, created jobs, reduced insurance costs and increased business investment and innovation. States like Texas and Mississippi know this, and are often recognized for having legal climates that help foster investment and jobs. Too bad Pennsylvania is not reaping these benefits. And if state lawmakers continue to side with trial lawyers, Pennsylvania will never realize progress in this area.

The PA Chamber, along with a coalition of business and health-care organizations, is urging Senate lawmakers to reject yet another example of Pennsylvania moving in the wrong direction on the road to what is truly needed– meaningful lawsuit abuse reform that will inject fairness, common sense and personal responsibility into the legal system.

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The Pennsylvania Chamber of Business and Industry is the state's largest broad-based business association, with its membership representing nearly 50 percent of the private workforce. More information is available on the Chamber's website at [www.pachamber.org](http://www.pachamber.org)

