

E-News from the Texas Civil Justice League

Leading the Lawsuit Reform Fight Since 1986

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Texas Ranks First in National Tort Liability Index

AUSTIN, TEXAS -- Texas ranks first in the American Justice Partnership (AJP) and Pacific Research Institute (PRI) "U.S. Tort Liability Index: 2006 Report" released today. The findings acknowledge the positive economic results of lawsuit reform, according to the Texas Civil Justice League (TCJL), an AJP state partner.

Thirty-nine variables were weighed in five categories to determine the liability index rankings, including monetary tort losses, threats, monetary caps, substantive-law rules and reforms, and procedural/structural rules and reforms. Among other factors considered were the existence of venues where it is difficult for a defendant to get a fair trial, the ratio of attorneys per dollar of gross state product, and the total number of cases per 100,000 residents.

"State officials and legislators have worked hard during the last twenty years to bring balance and fairness to the Texas judicial system," said Ralph Wayne, TCJL president. "The results speak for themselves. Legal reform is fuel for growth." Texas now has the best business climate in the nation, according to *Site Selection* magazine, a publication that tracks new plant openings and corporate relocations.

Texas became known as the "world's courtroom" during the 1980s when the state's judicial system was undermined by frivolous lawsuits and exorbitant jury awards. Founded in 1986, TCJL was the first statewide lawsuit reform coalition and has worked closely with businesses, defense lawyers, governmental organizations, professional and trade associations, and Citizens Against Lawsuit Abuse groups to improve the civil justice system. Recent legislative action made reforms in key areas, including asbestos and silica litigation, class actions, forum-shopping, joint and several liability, medical malpractice and punitive damages.

"While the state liability index results are encouraging, we know there is still room for improvement," said Dr. George S. Christian, TCJL general counsel. "Texas is on the right track, but weaknesses remain

in the state's civil justice system. The report's findings should encourage lawmakers to 'keep up the good work.'"

"Even top-ranked Texas ranked 50th in seven variables," according to the report's authors. "Texas has not reached tort nirvana." The state ranks last in judicial "hellholes," caps on non-economic damages (excluding medical malpractice), contingency attorney-fee limits, attorney-fee limitations, construction liability, judicial selection and collateral-source rule.

The state's top ranking in the AJP/PRI report is significantly different than the findings of the recent U.S. Chamber/Institute for Legal Reform Harris Survey, which placed Texas forty-third among the fifty states. Methodological differences account for the disparity. Taken together, the complementary data provide a more complete overview of state civil justice systems. The Harris Survey was based on interviews with 1,465 senior corporate attorneys about their experiences in managing litigation. The AJP/PRI report analyzed empirical data in thirty-nine performance areas in five categories.

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NOTE: A copy of the AJP/PRI report is available for download at www.pacificresearch.org.