

Legal reform can help bring costs under control [opinion]

Something must be done to put a lid on lawsuits that are crippling Pennsylvania businesses.



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Pennsylvanians want relief from rising costs, but the state's flawed judicial system is working nonstop to drive those costs higher.

Today, Pennsylvania's legal environment makes it too easy to file meritless personal injury lawsuits, primarily against small businesses. These lawsuits are a significant percentage of the \$19.5 billion that our state's legal system costs us every year.

The longer we let this go on, the more we'll have to pay in hidden taxes while more small businesses, faced with rising legal costs, are forced to close down forever.

Lawsuit-related costs amount to approximately \$3,800 per Pennsylvania household. Everyday life is expensive enough already; no one can afford to pay thousands more thanks to the actions of predatory attorneys.

These lawyers begin their predations by targeting small businesses that have enough resources for a payout but not enough to afford a legal defense against a meritless case.

Once they've identified their mark, the attorneys go down a list of potential cases until they find something they can exploit — like a customer slipping on a patch of ice outside the doors of a small business. They'll then pull out all the stops to put together a case with an exorbitant payout — otherwise known as a “nuclear verdict” — worth hundreds of thousands of dollars or more.

The small business can't pay the verdict in its entirety and is often forced to settle for a lower amount. But the damage is done. Months after paying off the shakedown, their insurance and malpractice rates skyrocket, eating into whatever profit margin they had left and forcing them to close their doors permanently.

What's especially frustrating is that this problem isn't without solutions. The Pennsylvania Coalition for Civil Justice Reform, which my group is proud to support, has laid out a clear path forward: updating our legal system so cases don't take advantage of venue changes for permissive rulings, increasing transparency in third-party litigation funding and putting a reasonable limit on damages awarded. The lawsuit industry shouldn't be allowed to take big paydays from nuclear verdicts at the expense of the rest of society.

These necessary reforms are simply commonsense solutions that restore balance to the scales of justice. Policymakers should do everything they can to make sure these proposals become law.

Failure to act will leave hardworking Pennsylvania families continuing to pay the lawsuit tax that burdens our health care providers, abuses our employers, and drains our community groups and local governments.

These suits are never about justice; they're about how much bad-faith actors can get away with and how much they can take away from law-abiding citizens. Meanwhile, they leave a trail of economic devastation in their wake. Honest small businesses and even some health clinics and regional hospitals

will be forced to close their doors. People who are just trying to make a living can't compete with ambulance chasers who have Pennsylvania's broken judicial system on their side.

Harrisburg can balance an even-handed judicial system while upholding the prosperity of our citizens — those things should work together. Lawmakers owe it to workers and families to restore balance and rein in a system that too often rewards abuse instead of honest attempts to follow the rules. If we fail to act, the consequences won't just be higher insurance bills — they'll be fewer jobs, fewer local businesses, and fewer opportunities in our communities.

As an advocate for the people who make things here in the commonwealth, I want to keep employers open to serve their customers, care for their employees, provide sales to their suppliers, and sustain the well-being of communities across Pennsylvania. But without meaningful reform to stop lawsuit abuse, that becomes harder every year.

It's time to fix this broken system before more opportunity, prosperity, and basic fairness is stripped away from our people.