



## **Statement Regarding Governor Landry's Veto of HB 423**

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Baton Rouge, LA – Louisiana Lawsuit Abuse Watch (LLAW) is disappointed that Governor Landry has used his executive power to veto Representative Michael Melerine's HB 423, which would have revised Louisiana's judicially-created collateral source rule, increasing transparency in our civil justice system.

This common-sense legislation was part of a comprehensive legal reform package proposed by Insurance Commissioner Tim Temple to tackle Louisiana's worsening insurance crisis. Incorporating compromises in both chambers, HB 423 received broad bipartisan support in both the House and Senate. This bill would have revised the current rule, allowing civil juries to have access to important information when making judgement decisions, including both the "sticker price" of medical bill(s) and the amount actually paid by the insurance company. There is often a significant discrepancy between these amounts, with the insurance company paying much less than the amount billed by the health care provider. Currently, a jury is not allowed to know the difference between these amounts, and the additional money recovered by the claimant results in a boon to both the attorney and the claimant. The goal should be to make the claimant whole, not to win the "lawsuit lottery."

In addition to creating more transparency and helping lower insurance rates, this bill would have brought more fairness and balance to our civil justice system, and more predictability to our business climate. Lawsuit abuse does not discriminate – everyone pays the price when the resulting costs are passed down to all of us.

Louisiana has been a fixture on the American Tort Reform Foundation's Judicial Hellholes list for 14 consecutive years, with excessive tort litigation resulting in more than \$230 million in fiscal impact to the state and more than 40,500 lost jobs last year. Additionally, Louisiana residents' personal income losses totaled nearly \$3 billion, and every single Louisiana citizen paid a hidden "tort tax" of nearly \$1,000 as a result of these abuses. To change these statistics, we must enact comprehensive legal reform.

LLAW will continue to fight to improve our civil justice system and protect consumers from absorbing the added costs that result when it is abused. We applaud and stand with Representative Melerine, Senator Seabaugh (who handled the bill in the Senate), and the many other lawmakers who are committed to civil justice reform.

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***About Louisiana Lawsuit Abuse Watch:***

*Louisiana Lawsuit Abuse Watch (LLAW) is a high-impact watchdog group with nearly 20,000 supporters across the state dedicated to fixing Louisiana's broken legal system through transparency, accountability and lawsuit reform. Learn more at [www.llaw.org](http://www.llaw.org).*