



## PRESS RELEASE

For Immediate Release: January 11, 2024

### **Excessive civil tort costs take a toll on Louisiana's taxpayers and economy**

*New data shows lost jobs and revenue in state's major metropolitan areas*

**Baton Rouge, LA** -- Earlier this week, Louisiana began a new chapter with the swearing in of a new governor and legislature. To ensure the need for reforms to Louisiana's civil justice system remain top of mind, [Louisiana Lawsuit Abuse Watch \(LLAW\)](#) released data measuring the impact of excessive civil court costs on the state's overall economy and in the New Orleans and Baton Rouge Metropolitan Statistical Areas (MSAs), specifically. These impacts were derived from the [2024 Economic Benefits of Tort Reform](#) study conducted by The Perryman Group for Citizens Against Lawsuit Abuse using extensive survey data, industry information and a variety of corroborative source material. While the state has begun to see some positive results from reforms made in 2020, Louisiana still has a long way to go as the state continues to lose jobs and revenue because of its civil justice system.

Excessive tort litigation in Louisiana resulted in:

- More than **40,500 lost jobs** across Louisiana
- Personal **income losses to Louisiana residents totaling more than \$2.8 billion**
- Payment of an average **\$965 hidden "tort tax"** by every Louisiana citizen
- Direct **annual costs of more than \$3 billion** statewide
- **State government losses totaling over \$230 million**
- **Local government losses of more than \$192 million**
- State **gross product losses totaling nearly \$4.5 billion**
  
- In the [Greater New Orleans Area](#), excessive tort litigation **costs residents more than \$1.5 billion in personal income annually** and results in a **loss of nearly 22,000 jobs each year**. Excessive costs result in an annual **"tort tax" amounting to nearly \$2000 per person**. Direct costs absorbed by residents and businesses amount to nearly \$1.6 billion annually and in excess of 2.4 billion in gross product is lost due to litigation costs.
  
- The [Greater Baton Rouge Area](#) is also paying the price for excessive civil litigation, with **residents losing more than \$546 million in personal income**. Additionally, more than **7,800 jobs are lost** every year and residents pay an **annual "tort tax" of nearly \$1,000 per person**. Residents and businesses also absorb more than \$588 million in direct costs annually and nearly \$860 million is lost in annual gross product due to tort costs.

"While we have finally begun to see positive results from reforms made in 2020, much more remains to be done to reduce the impacts of lawsuit abuse on citizens, businesses and Louisiana's overall economy. This is especially

evident in the state's two largest MSAs. Our civil justice system exists to determine liability and provide a means to settle legal disputes, but an overly aggressive system has far-reaching impacts on our economy, creating impediments to productivity and economic development. Costs associated with unfounded lawsuits and exorbitant plaintiff awards are continually passed down to families and businesses through higher prices for goods and services." said LLAW Executive Director Lana Venable.

According to the report, "tort reform can lead to substantial economic benefits, and states that have implemented reforms have seen improved judicial efficiency and measurable advancement in economic performance." Civil justice reforms that have resulted in the greatest reduction in losses are those aimed at reducing frivolous lawsuits, capping appeal bonds, setting negligence standards and limiting non-economic damages. These reforms have been shown to enhance innovation and increase productivity, as well as to improve judicial efficiency and economic performance.

"From the years of ongoing coastal lawsuits involving local governments to the constant bombardment of advertising attorneys across multiple platforms, as well as legal fraud by out-of-state law firms preying on hurricane survivors, the culture of excessive lawsuits continues to be a drain on Louisiana's residents and economy," said Louisiana Legal Reform Coalition Executive Director Karen Eddlemon. "In the absence of meaningful civil justice reform, we can expect to see these troubling statistics continue to rise over time."

Louisiana also continues to be ranked among the top Judicial Hellholes in the country, **coming in at number seven in the 2023-24 Judicial Hellholes Report** issued by the American Tort Reform Foundation.

###

***About Louisiana Lawsuit Abuse Watch (LLAW)***

*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. Visit us on Facebook, Twitter (@ReformLouisiana) and [www.llaw.org](http://www.llaw.org).*

***About the Louisiana Legal Reform Coalition (LLRC)***

*The Louisiana Legal Reform Coalition (LLRC) is a group of professional associations, companies and individuals committed to ensuring a fair legal climate for both truly impaired individuals and small and large businesses operating in Louisiana.*

***About The Perryman Group (TPG)***

*An economic and financial analysis firm, The Perryman Group (TPG) provides clients with well-documented, carefully considered answers to even the most complex questions. For more than 30 years, The Perryman Group has met the challenges of thousands of clients through a systematic approach and a level of performance that assures a consistent standard of excellence. The firm has been involved in scores of major events shaping the economic landscape, from crucial corporate locations to landmark legislation to important regulatory policies to notable judicial decisions.*