



"USA TODAY hopes to serve as a forum for better understanding and unity to help make the USA truly one nation."

—Allen H. Neuharth  
Chairman and Founder  
Sept. 15, 1982

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# OPINION

## The Debate: INSURANCE CRISIS

Today's debate includes our opinion that reforms are needed to control the costs of liability lawsuits so insurance will be available and affordable, an opposing view from Louisiana, other views from California, Massachusetts, and the District of Columbia, and voices from across the USA.

### ROYAL F. OAKES

Guest columnist

## Don't make insurance a scapegoat

LOS ANGELES — It's time to stop using the insurance industry as scapegoat for our national obsession with litigation. The USA is facing a lawsuit crisis, not an insurance crisis.

The reason it costs so much to buy liability insurance is that people have concluded that the answers to all of life's problems are found at the bottom of a "deep pocket."

Evidence is not hard to find:

■ A man suffers a heart attack trying to start a balky lawn mower. He sues, and a jury orders the manufacturer to pay more than \$1 million.

■ Another man attempts suicide by leaping in front of a subway train. He survives and sues the city for not erecting guard rails that would have prevented him from jumping.

■ A swimmer drowns, and a community is sued for failing to post a sign that the ocean is "inherently dangerous."

■ While attempting to break

into a store, a burglar is injured when he falls through a skylight. So, he sues the owner of the building.

Isolated examples, you say?

Not when you consider that 25 percent of the \$12 billion in liability insurance premiums collected each year goes to pay lawyers to defend lawsuits.

But are statistics and examples really necessary?

Does anyone seriously question that going for the gold in court has replaced baseball as our national pastime?

Whenever life takes an unfortunate turn, an insured person or company immediately becomes a target for a lawsuit.

Two steps should be taken to help solve the lawsuit crisis:

■ The "deep pockets" rule, which says defendants found only partly responsible for an injury must pay for *all* damages if the other guilty parties are broke, should be repealed.

*Royal F. Oakes, an attorney, hosts the syndicated radio feature It's the Law.*

Efforts to abolish the rule are under way in several of the 36 states where it is in effect.

■ "Punitive damages" should be abolished. These awards often have nothing to do with the extent of a person's injury but are designed instead to "teach the defendant a lesson." Multimillion-dollar punitive damage verdicts are common these days, and have turned our legal system into a slot machine. Hire a lawyer, file a lawsuit, hope the jury gets angry, and you may find yourself being interviewed on *Lifestyles of the Rich and Famous*.

The lawsuit crisis won't be solved by freezing premium rates and prohibiting cancellation of insurance policies. The time has come to reform our out-of-control legal system.