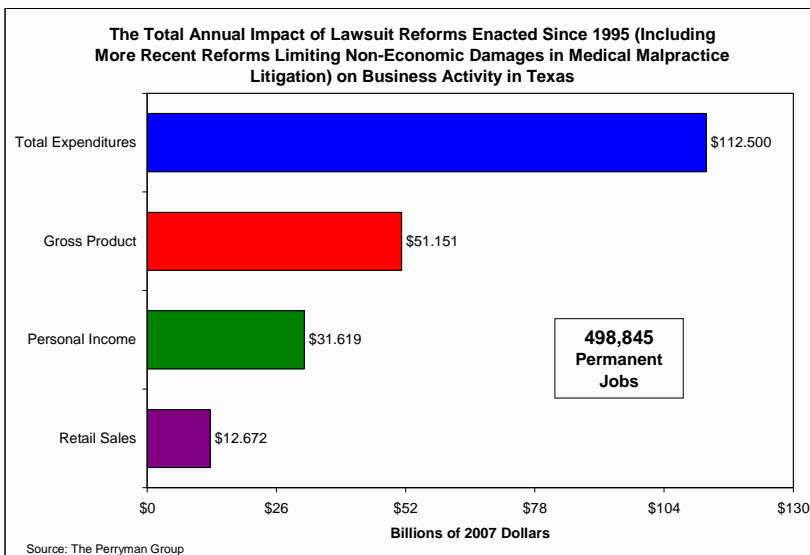


# A TEXAS TURNAROUND: THE IMPACT OF LAWSUIT REFORM ON BUSINESS ACTIVITY IN THE LONE STAR STATE

## STUDY HIGHLIGHTS AND RESULTS FOR HOUSE DISTRICT 60



Lawsuit reform has dramatically improved the fairness and efficiency of Texas' civil justice system. Just a few years ago, the Lone Star State held a position near the bottom of state rankings and was frequently a source of derision in the national media. Now, **objective studies place the state's civil justice system at the top of most measures** (though some challenges remain).

This notable turnaround has brought substantial benefits in

many areas including enhancing product innovation, improving productivity, reducing accidental deaths, improving access to health care through lower costs, and many others. These effects, in turn, enhance the efficiency of the economy and the competitiveness of the state's businesses. Gains are spread across the state, positively affecting communities both large and small.

In a recent study, The Perryman Group (TPG) measured the incremental gains from tort reform and found that the total impact of tort reforms implemented since 1995 includes gains of **\$112.5 billion in spending each year** as well as almost **499,000 jobs in the state**. The **fiscal stimulus to the State from judicial reforms is almost \$2.6 billion per year**.

A particularly important aspect of reform relates to **limiting non-economic damages in medical malpractice litigation, which alone lead to gains of \$55.3 billion in spending per year** and

more than **223,000 jobs**. In addition, these impacts are responsible for approximately **430,000 individuals having health insurance than would otherwise**, and there has been an **increase in the number of doctors**, particularly in rural areas and other regions which have been facing severe shortages.

Increasing the effectiveness and efficiency of the civil justice system has brought significant dividends to Texas, and **ongoing efforts can help to assure long-term competitiveness, prosperity, and economic opportunity**.

### GAINS IN HOUSE DISTRICT 60

House District 60 has experienced substantial economic benefits from tort reforms since 1995 including gains in business activity of

- **\$191.94 million** in total annual spending,
- **\$94.65 million** in annual output, and
- **982** permanent jobs.

*M. Ray Perryman*

