

State Must Continue to Move Forward; More Legal Reform Needed, Michigan Chamber Foundation Study Shows

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With Michigan facing significant economic challenges, now is the time to consider additional legal reform measures to improve Michigan's economic competitiveness, according to a public policy study released today by the Michigan Chamber Foundation.

"Michigan was once considered a leader among states in legal reform, but we are falling behind," said Jim Barrett, President & CEO of the Michigan Chamber of Commerce. "The majority of states have caught up by enacting reform legislation, leaving Michigan ranking 22nd in the best-to-worst legal systems in America."

"Given the real, tangible benefits legal reform brings to Michigan families, health care providers and job providers, implementing additional legal reforms, particularly in Michigan's current economic climate, is good public policy," said Wendy Block, Director of Health Policy & Human Resources for the Michigan Chamber. "Unfortunately, there are those who wish to make Michigan the first state in the nation to legislatively roll back its legal reform measures - some of which have been the law for more than 20 years."

The 32-page report, titled Legal Reform in Michigan - Past, Present and Future, is intended to inform lawmakers and other opinion leaders about the legislative history, current status and future direction of the debate over legal reform in Michigan.

The Michigan Chamber Foundation study identifies four legal reforms that would significantly improve Michigan's legal climate and deserve serious consideration:

REFORM #1: Limit contingent attorney fees - To protect injured claimants from receiving an inadequate recovery due to lawyers' demands for an unjustified or unreasonable portion of an award or settlement.

REFORM #2: Provide incentives to settle - To encourage the resolution of disputes prior to litigation and discourage frivolous lawsuits.

REFORM #3: Enact "loser pay" law - To discourage meritless claims and introduce some fairness to our legal system by permitting the prevailing party in a civil suit to recover attorneys' fees.

REFORM #4: Provide for sanctions for meritless/frivolous claims - To strengthen a court's ability to impose additional sanctions upon the lawyer, law firm or party that advocates a frivolous claim or defense in a civil action.

A copy of Legal Reform in Michigan - Past, Present and Future is available on the Michigan Chamber's Web site at http://www.michamber.com/nr/studies/MCC_LegalReform_final_mil.pdf. For a hard copy of the study, contact Betty McNerney, Director of Communications, at bmcnerney@michamber.com or by phone at 517-371-7663.

The Michigan Chamber of Commerce is a statewide business advocacy organization representing over 7,000 employers, trade associations and local chambers of commerce.

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