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### **Tort Reform**

Is anybody doing anything?

### **Legal Innovation Updates**

What you need to know, today.

### **Adapting to Covid Costs**

Insurance & Corporate Counsel's Support



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### **Tort Reform.**

American Lawyer Magazine reports that the total number of tort lawsuits filed in the United States has increased since 2020. As the coronavirus plague effects have gotten involved in the cross-hairs of the medical insurance community, we would expect to see tort reform affecting these cases by 2025.

Historically, legal reform always takes time. However it is improving. As an example, the following cases have taken less time historically to settle than their predecessors, but we could still look to see more improvement in the circuit court case process as large, bulge-bracket lawsuits make their way to the courthouse.

Here are some examples:

- \* There are 56 airline passenger ticket refund cases pending in the State of Illinois alone
- \* Nursing homes in almost every state now have to handle extra cases involving plague-related deaths and mismanagement matters
- \* Lung injury cases involving vaping (electronic cigarettes) are seeing an increase, including cases concerning teen illness, and in some cases, death
- \* Our commercial cruiseline companies (Carnival, Princess, and others) are now spending money defending over 1,500 coronavirus-related cases,
- \* The vaginal mesh cases continue, as do the opioid cases. Last week, Delaware awarded \$7.5M in compensatory relief on a vaginal mesh case, and also last week, pharmacare company Johnson & Johnson was the losing party to a plaintiff's attorney for the demand of \$230 million in New York, on a matter regarding opioid prescription uses.

Nationwide, the numbers top \$26 Billion for all opioid cases, with funds trickling down to any number of attorneys, attorney's clients, vendors, online information service providers and care companies. If the thrust of those lawsuits is that the drug is labeled as non-addictive while also being aggressively promoted, then similar to the 1960's – present use of anti-anxiety drugs such as Xanax and Valium, we would expect pharmacare companies in the near future to include safety-level codes for their medicine labeling, which many currently do not. Instead, the printed label provides the standard dialect of: may be habit-forming, may cause dehydration, prolonged use may include undesirable side

effects. For example, aspirin or Tylenol might have a safety-level code of "1" (general use, very safe), whereas opioids might be given a safety-level code of "20" (meaning, not very safe). Consumers are educated, and most look for branding and labels on their food. GMO, U.S FDA-approved, organic, and cruelty-free, are all labels we have become accustomed to seeing. Why not use the same labeling for pharmacy-regulated medicine?

Regarding opioid cases as a whole, the U.S. government reports close to 500,000 U.S. deaths as a direct result of the drug's use.

For financial restitution in single medical injury cases, many State courts cap the total damage amount that can be claimed at \$750,000. Some States, such as Tennessee, Kentucky, Louisiana and New York, have no damage claim maximums. Interestingly, Virginia is the only State that caps its damage awards at \$2 Million per person, per claim. Based on Platinum Lynx's review, the average for all States is a cap of \$350,000, including lawsuits alleging defects, side effects, permanent damage, pain and suffering, and more.

Federally, the Circuit court #'s are very, very different in medical cases. The recent Delaware Court award of \$7.5M for a single vaginal mesh case provides a much larger playing field for Judges, corporations, lawyers and their clients. However for both State and Federal cases, tort law has yet to set a deadline for closure or settlement.

As the coronavirus cases of all types make their way up through the Court system we could expect to see more tort reform. In the coming months and years, the medical and the insurance companies must work within the Court systems to alleviate loss, redress wrongs, and ensure that risk management systems change more efficiently and on a timely basis, to address consumers' very real experiences.

## **Legal Innovation Updates.**

With the loss of data protection and privacy on the WorldWideWeb, law firms are increasingly hiring their own infrastructure management teams to self-insure their own brand of information privacy guarantees. They are also continuing to enact resources to protect against any loss of their valuable intellectual property, dynamic marketing initiatives, and client data.

Innovation continues to top the list of operating criteria that law firms value most.

In reviewing how the most popular law firm commercial databases have fared as a result of covid, Dun & Bradstreet, Inc. reported an annual increase in earnings of almost 30% last year, following a Q.2 loss of \$25 Million. Overall earnings did increase 10%, for that same period.

Conversely, Lexis-Nexis and Westlaw, also information providers heavily used by lawyers across the U.S., both posted financial losses, with Westlaw posting a decline in revenues explained mostly by companies looking to re-host events due to Covid interruption, and noting that a transition to virtual courts instead could be seen as one growth area. Lexis-Nexis posted declines in revenue of -9% for 2020, and an operating loss of -18%.

Law firms both large, medium and small will need to keep their websites up-to-date and their work-from-home employees motivated as legal fee competition increases and corporations feel the need to reduce or control line-item expenses such as litigation expense. This will only benefit the economy at large, as market branding on the web will stay strong - and markets remain protected.

## **Adapting to Coronavirus Costs.**

News reports cite that workers compensation costs could top \$80 Billion, as Federal level financial support tries to meet growing needs as well. Insurance companies and corporate counsel both report that reduction in payroll costs are their top priority, in addition to managing their employees' ever-changing communication and mobile technology needs. As well, market research companies indicate a renewed emphasis on clean data, real-time analysis, and knowing the individuals as customers, bucking some, but not all, of the recent online virtual currency events.

Company managers will continue to ask their financial officers what items in their operating costs are reasonable, and what makes up the biggest chunks of their revenue? Micro-management will most likely become a thing of the past.

Features and inputs for positive change will then become measured on a more complete, and reliable, basis, turning coronavirus cost centers into areas of profitability.

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## *The Platinum Lynx Company, LLC*

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