



## An assessment of excessive tort costs in Louisiana and the potential economic benefits of reform

A flawed civil justice system which generates exorbitant levels of damages or numbers of awards and which is unpredictable in its outcomes may result in negative impacts through the misallocation of society's scarce economic and human resources. Tort reform can lead to substantial economic benefits, and states which have implemented reforms have seen improved judicial efficiency and measurable advancement in economic performance.

All major industry groups are negatively affected, with the retail trade, business services, health services, and other services industries typically experiencing the greatest losses.

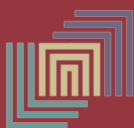
### Losses due to Excessive Tort Litigation in the State of Louisiana

Direct Costs	<b>-\$3.7 billion each year</b>
Gross Product	<b>-\$5.4 billion each year</b>
State Gov Revenue	<b>-\$281.8 million each year</b>
Local Gov Revenue	<b>-\$235.2 million each year</b>
Job Loss	<b>-45,348 jobs</b>
"Tort Tax"	<b>-\$1,180 per person</b>

Source: US Multi-Regional Impact Assessment System, The Perryman Group

#### Notes:

The economic effects of excessive tort costs take into consideration dynamic multiplier effects. The "tort tax" is defined as the per capita loss of gross product in the area. The Perryman Group quantified the 2024 aggregate excess costs associated with the current system, allocated this amount across states, and examined the resulting downstream effects. Tort reform can reduce or eliminate these costs. Thus, these results may also be viewed as a measure of the benefits of reasonable reform measures.



**The Perryman Group**

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