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Costly Lawsuits Hike Risk Rates

IT is no longer necessary to save your money, invest wisely or inherit a fortune in order to become a millionaire.

You could grow to be 7 feet tall and command a fabulous salary as a professional on the basketball courts, or you might go to law courts and win a million-dollar lawsuit.

An epidemic of malpractice suits against doctors, with a number of multimillion-dollar settlements, seems to have encouraged others to go after big money in courts.

Records show that a few Oklahoma law firms have made hundreds of thousands of dollars in fees for representing injured employees under workmen's compensation laws. One client reportedly has been awarded his seventh "total disability" claim.

Apparently anybody and any company is considered to be fair game for a lawsuit. Insurance companies advertise that the price of insurance must reflect the rising cost of paying for losses resulting from such lawsuits and costs of handling them.

A manufacturing firm was listed as a defendant in a \$26 million lawsuit when a plane it had built 18 years before crashed, killing a number of people. It had changed hands several times and had been flown thousands of hours.

A tractor firm has been sued for \$2 million by an Oklahoman who claims the machine was not labeled

as being dangerous for use as highway transportation.

A local mattress retailer sued a manufacturer for \$2.7 million for failing to ship a large number of mattresses. An Oklahoma City woman sued a supermarket for \$3 million because a jar of preserves fell on her shoulder.

Even attorneys fear that they may be sued if clients are dissatisfied with court decisions.

A business newsletter observes that fear of lawsuits against directors and officers of corporations is bound to hamper enterprise and risk-taking. Any "wrong decision" may become a subject for legal action, brought by stockholders, employees, public interest and consumer groups, competitors or anybody, including the government.

The Federal Trade Commission will operate under a new, tougher law beginning in January, while a whole new area for lawsuits is possible under the 1975 Consumer Product Liability Law.

For example, a boy collected \$5 million from a maker of football helmets after he was injured in a game. Cost of insurance against damage suits may exceed potential profits on products involved. Lack of insurance may mean bankruptcy.

Because losses must be added into the cost of doing business, prices are affected, and ultimately the public is a defendant in liability lawsuits.