



**PUBLIC OPINION  
STRATEGIES**

*Turning Questions Into Answers.*

**TO:** INTERESTED PARTIES

**FROM:** BILL MCINTURFF / LORI WEIGEL

**RE.:** KEY FINDINGS FROM A SURVEY OF FLORIDA BUSINESS DECISION MAKERS REGARDING PERCEPTIONS OF LAWSUITS

**DATE:** APRIL 21, 2008

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Public Opinion Strategies recently completed a survey of Florida business decision makers regarding their attitudes toward the general business environment and specifically their perceptions of lawsuits in their state.<sup>1</sup> Overall, the survey found that executives at Florida businesses overwhelmingly view frivolous lawsuits as a serious problem in their state, say the problem is only increasing, and therefore two-thirds say the state needs new laws to protect businesses from frivolous or unfair lawsuits.

Among the specific findings of the survey are the following:

- Florida business executives view frivolous lawsuits as a serious problem. Fully 86% say “the number of frivolous lawsuits” is a serious problem, with a majority (57%) viewing it as a “very serious problem.” Concern extends across different business sectors, including 88% of retail sector business owners and 83% of service sector decision makers who say this is a problem. The view that this is a serious problem also crosses party lines among these corporate decision makers. A large majority, 94% of Republicans and 80% of Democrats say this is a serious problem. Literally in every demographic and attitudinal group, Florida company executives echo the refrain that frivolous lawsuits are a serious problem.

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<sup>1</sup> *Public Opinion Strategies conducted this survey of N=200 business decision makers throughout Florida (margin of error  $\pm$  6.93%). Interviews were structured so that the overall sample is proportionally appropriate for size of company as determined by number of employees for that state. We also conducted an additional 50 interviews among decision makers at companies with 100 or more employees. Each individual interviewed is at a company with three or more employees and indicated that they are either the owner/responsible for running the business, a person responsible for financial decisions or responsible for legal matters at the company. Interviews were collected during business hours March 31-April 14, 2008. The survey was conducted on behalf of the U.S. Chamber of Commerce Institute for Legal Reform.*

- Furthermore, this concern is clearly not just an abstract notion. Business decision makers told us that frivolous lawsuits affect their own business on a number of different levels:
  - Thirty-five percent (35%) say “The threat of frivolous lawsuits being filed against your company” is a serious problem affecting their own company. This increases to a significant 56% among companies with 100 or more employees.
  - Nearly one out of every two business decision makers (47%) has made a business decision *primarily* to avoid a potential lawsuit.
  - Conversely, 89% say the threat of a lawsuit is a factor in the business decisions their company makes. A mere 9% say it is never a factor.
  - Indeed, one-in-five have been sued in the last two to three years (18%), and another 22% say their company has been threatened with a lawsuit. *This is dramatically higher among the largest companies in Florida, as fully 58% have been sued in the last few years alone, and an additional 48% say they have been threatened with civil litigation.*
- The concerns of business decision makers are seen most vividly in specific comments they recounted during the interview. A few examples of how lawsuits are affecting their company, their employees and their customers are provided here:

*“The amount or the threat of frivolous lawsuits have caused us to be indirectly discriminatory with our business practices, as vague as that may sound. As a company in Florida today with the lawsuits, I’m afraid of giving you a honest answer, for fear of a lawsuit.”* – Business decision maker at a service sector company with 100-250 employees

*“Well, coming from a health care perspective, we see a lot of malpractice cases against OB GYN physicians and we often comment that we may not have anyone delivering babies in the future should we not have those physicians any longer. So, there’s a lot of frivolous lawsuits out there. The ones with merit need to be addressed and those that are frivolous need to be, I guess, disregarded or tabled to another venue.”* – Business decision maker at a health care company with 100-250 employees

*“That the ability for us to do more work and hire more Americans is being hindered by the lack of tort reform and by frivolous lawsuits. The trucking industry is always a target for individuals seeking frivolous lawsuits or outrageous amounts in claims. Transportation and trucking is still a major American industry that will employ Americans. We cannot give American trucking jobs away to foreign countries. Those type of driving jobs will stay in America, but the amount of work is being held back by the insurance industries charges to us because they are subject to claims.”* – Business decision maker at a transportation company with 20-49 employees

*“It makes a business owner question whether they should stay in business or not. It’s a serious risk. It is unhealthy. The stress is unhealthy for your business and for you. An unnecessary strain on the business.”* – Business decision maker at a service sector company with 3-9 employees

*“Patient care, time away from patient care for a number of our staff. Cost of repairing and*

*paying people to repair documents. I think it affects the overall attitude of our workers, declines morale, and makes it harder to retain staff.*” – Business decision maker at a health care company with 100-250 employees

- Florida company executives tell us they do not see this concern going away. A majority (55%) say the number of frivolous lawsuits against companies in their state has increased in the past three to five years (23% say it is about the same and a mere 2% think it has decreased). A solid majority sees this trend continuing, as 61% think the number will increase in the next three to five years (just 4% predict the number of frivolous lawsuits against companies will decrease, while 29% say it will stay about the same).
- Thus, it is no surprise that the vast majority of Florida business decision makers desire change. Nearly two-thirds (65%) say Florida “needs to pass new laws to protect business from frivolous or unfair lawsuits.” A majority of every size company’s executives believe that the state needs new laws rather than already has enough – a significant call for government action from this fairly conservative audience. Not surprisingly, support for new laws to protect businesses from frivolous lawsuits is higher among those who say their company has been sued in the last few years (79% support new laws), but still stands at 62% even among those whose company has not been directly affected.
- Similarly, three quarters (76%) say there ought to be change to the current lawsuit system (rating change as 51-100 on a scale where 100 means significant change and 0 means no change at all to the lawsuit system).

*In summary, it is clear Florida business decision makers view frivolous lawsuits as a serious problem and that they are individually being affected in numerous ways by this issue. They overwhelmingly call for action to protect businesses from frivolous lawsuits and desire change on this front.*

## ADDENDUM

The 18% of Florida business decision makers who indicated they had been sued in the last two to three years were provided the opportunity to describe their most recent experience: *“Thinking about the most recent case, very briefly can you tell me what issues the allegations centered on and what impact that had on your company?”* Some of the more descriptive comments are provided as examples of what state business owners and decision makers said they are facing when it comes to lawsuits.

“We had a trespasser at night that crawled into a customer’s boat. He fell off and sued, which cost seventeen thousand dollars to settle. We had to pay and he had no rights in my opinion.” – Business decision maker in Transportation/Utility/Communications, 20-49 employees

“The most recent one was an unemployment claim. We actually won. Just because the person had voluntarily resigned, but wanted to collect anyway without working. Time, more than anything and effort. Had to put time and effort into disputing it.” – Business decision maker in Transportation/Utility/Communications, 100-250 employees

“It was just a deal that wasn’t our fault. We got blamed for it anyway because the judicial system doesn’t understand our business. It had a car fire. We worked on the rear of a car, and the motor caught on fire two weeks later. It burned the van up. They sued me for the van because it was our fault we worked in the back and it caught on fire in the front. The legal system didn’t understand that.” – Business decision maker in Service Industry, 3-9 employees

“It was a workers comp suit. The young man failed a drug test. The insurance company settled with him before it went to court, which jacked up our insurance premiums. Why have the rules that they can’t do drugs. We require that they take a drug test in the case of an accident. We don’t randomly drug test our employees. After he failed, they still ended up paying him off. The accident was caused by pure stupidity or being intoxicated on drugs.” – Business decision maker in Industrial/Manufacturing, 10-19 employees

“There were various issues. In most cases I’ve found that when I file a lien if someone hasn’t paid me, the first thing that they do is get an attorney and turn around and sue me for the same amount of money as the lien. To me it’s just a frivolous lawsuit. They claim faulty workmanship, but why they didn’t say that when it was being built. Significant monetary impact and it wastes a lot of my time trying to defend these. I spend money on attorneys and lawsuits.” – Business decision maker in Industrial/Manufacturing, 3-9 employees

“We were involved in an accident that was somebody else’s fault. Because we are a trucking company they came after us instead, even though we are not at fault. It was an accident involving three or four vehicles and our large truck. One of the vehicles caused the accident. Since they had limited insurance, the other parties came after us. We have larger insurance. We need tort reform. I think it’s quite necessary to keep awards in line with standardized tort reform, so that we can not hinder business’s ability to prosper and hire more people.” – Business decision maker in Transportation/Utility/Communications, 100-250 employees

“We had a contract assignment taken over by another company. We had it for five weeks and they had it for five years. Lack of performance.” – Business decision maker in Service Industry, 10-19 employees

“The allegations surrounded a worker slipping and falling. The worker slipped and fell. Then was asked to go and see a doctor. The person said that they were okay, but as the management of the company we did report it to the workers’ compensation only to find out months later that we were being sued for it. The thing is that when the worker decided not to because the person said that they were fine, we still went ahead and reported it. Then about six to eight months later, the person left the employment. Then we got a letter saying that we were being sued for the fall. It didn’t really affect us because we were really surprised that happened because the worker in question is much to be decided on the reputation of the person, because the person left and filed unemployment first and wasn’t successful there because the conditions in which the person left. When that avenue did not work, they thought they would get something from the company since they couldn’t get unemployment, they would sue the company. It’s still being adjudicated.” – Business decision maker in Service Industry, 3-9 employees

“A used car was purchased by a gentleman and he complained that there were heating problems and we found what the issues were and we repaired all those issues. It was fine for a while and then the head gasket which was part of the engine on the inside eventually blew meaning that the seals were leaking water into the engine and that required a replacement of the engine. The blame was placed on us for not determining that was going to be a problem. We were sued for the price of a new engine. I am actually in the middle of that one now. On the complete company itself, I guess just a financial impact. These are unexpected expenditures that were meant for something else are now going to an attorney.” – Business decision maker in Service Industry, 3-9 employees