

PRESIDENT'S PERSPECTIVE

ROBERT B. HILLE

Fairness for Professionals—Protection for Consumers



Thousands of licensed professionals help New Jersey residents resolve problems every day, whether they are turning to a certified public accountant (CPA), lawyer, dentist or engineer. These professionals, including the over 18,000 members of the New Jersey State Bar Association, are a huge part of their communities and drivers of the state's economy.

Yet because of the instability and lack of predictability with professional malpractice, they often struggle to meet overhead expenses. That's exactly why the NJSBA is putting its full support behind advancing A-1982 during the upcoming lame duck legislative session. This measure would provide critical stability and predictability to professional malpractice cases, protect consumers and put all professionals on a level playing field.

During the upcoming legislative session, the association will also work to advance measures that would revise the law concerning partnerships, end double taxation situations, advance the right to legal counsel to indigent parents during adoption proceedings and address custody issues.

As what is sure to be an unpredictable session gets underway, I ask you to speak up and join our advocacy efforts.

I ask you to tell your representative that you support A-1982. Visit njsba.com to submit a personalized message to your legislator, and add your voice to the chorus of those calling on Trenton to give a critical boost to New Jersey's small businesses and preserve important protections for consumers through fairness in professional malpractice coverage.

A-1982 would:

- Provide stability to the cost of doing business;
- Reduce the statute of limitations to bring a malpractice claim against a professional to two years—similar to what it is for doctors in New Jersey and professionals in New York and Pennsylvania;
- Give consumers two years from the date they reasonably discover a problem to file a malpractice claim;
- Make New Jersey a more competitive place to do business for insurance companies;
- Eliminate fee shifting in legal malpractice claims; and
- Protect citizens by making professional liability insurance

more accessible and more affordable to professionals.

The *status quo* is no longer viable.

Of approximately 25 insurance companies the state Department of Banking and Insurance authorizes to write legal malpractice coverage, just five are actually writing and renewing policies.

The base rate for a New Jersey lawyer to get coverage is 49 percent higher than in New York and 33 percent higher than in Pennsylvania. And because of the overly long statute of limitations, New Jersey has the highest number of claims in the region and exceeds the national average. Additionally, the average claim cost per attorney in New Jersey is double that of Pennsylvania attorneys and 50 percent higher than what New York attorneys experience.

So what is making the New Jersey insurance market so restrictive? Two things: a statute of limitations for professional malpractice claims that is longer than the neighboring states and fee shifting. The result is a restrictive insurance market and higher malpractice insurance rates for lawyers—most of whom work in solo or small firms that form the backbone of their communities and fuel local economies.

A-1982 would bring the statute of limitations in line with neighboring states and eliminate fee shifting in professional malpractice matters, which would make the New Jersey insurance marketplace more attractive and would protect consumers. This will provide accessible and affordable coverage to those small business owners who need it most.

I am proud to report that support for A-1982 is strong and growing.

A coalition of professional organizations, including those representing thousands of dentists, opticians, landscape architects, electrical contractors and CPAs, have joined ours in support of the measure.

Every county bar association in New Jersey—from Cape May County to Sussex County—believes adopting this measure is the right thing to do for licensed professionals and consumers.

Even insurance companies, associations and civil justice organizations back professional malpractice reform to help make New Jersey more competitive.

Help us make this smart, fair change that will improve the lives of consumers and aid the professionals who guide us through the many complicated issues that life brings our way. ♣