

Legal Liability Reform

Background: Every year, millions of lawsuits, some frivolous in nature, are filed in the United States. Participants in the plumbing heating cooling industry must expend precious time and dedicate resources to defend themselves against these unfounded frivolous lawsuits when their time could otherwise be better spent improving productivity and expanding ones business. Nearly every business decision is weighed against the prospects of being sued.

Excessive litigation has also driven up insurance premiums. Especially in the plumbing heating cooling industry, even the threat of litigation has steered some insurance companies away from providing coverage. Small businesses, like PHCC members, are the unfortunate targets of these trivial lawsuits. Issues like mold and construction defect are all too familiar for p h c industry professionals.

Status: Some PHCC state chapters have had success addressing construction defect legislation in their state capitols. Nevada recently passed legislation that, among other things, provides for a 60 day window for the contractor to inspect the validity of a claim and establishes a mandatory “pre-litigation” opportunity to repair for contractors and subcontractors. Legislation has been offered at the federal level that would have limited the liability of small businesses in most civil actions, including product liability suits. However, such legislation was limited to small businesses, essentially any business or organization with fewer than 25 full time employees.

Other legislation has been offered to address such matters as medical malpractice and asbestos. Class action legislation that would move certain cases from state to federal courts was also nearing Senate passage. Any national legislation designed to address tort reform is a positive step and one supported by PHCC.

PHCC Nevada Position: PHCC supports legislative efforts to address tort reform. PHCC will prepare tort reform measures specific to the construction industry.

Government Relations Committee Approval:

Board of Directors Approval: Feb. 2, 2009