

# FRAUD AND DECEIT IN TEXAS COURTS

LONE STAR ECONOMIC ALLIANCE



The cost of insurance for  
Texas job creators has skyrocketed **due to**  
**abusive lawsuit tactics.**

**All Texas Employers  
Have A Stake in Lawsuit Reform.  
Join the Alliance.**



Job creators are spending more and more money on insurance due to the increasingly high risk of being sued. **Plaintiff's lawyers are raking in profits on the backs of businesses.** They mislead juries, **exaggerate injuries, inflate medical bills and introduce irrelevant, prejudicial evidence** at trial, resulting in unjustified high verdicts in personal injury and wrongful death cases in Texas courts.



## TEXANS ARE PAYING THE PRICE

From small businesses to large employers, **every business operating in Texas is seeing operating costs skyrocket** due to lawsuit abuse. Every business is at risk of suffering a business-ending judgment. And the ripple effects are far-reaching, as **every Texan is paying more for the goods and services they need.**

# UNFAIR TRIALS YIELD NUCLEAR VERDICTS THAT COST ALL TEXANS

## THE PROBLEM

### INFLATED MEDICAL BILLS

Personal injury lawyers collaborate with select healthcare providers to over-diagnose, over-treat and over-bill clients on a contingency fee basis, yielding fraudulent medical bills that can be 10 times what the provider usually gets paid. These inflated bills mislead jurors into thinking the plaintiff is badly injured, leading to dramatically increased damage awards at trial. The lawyers and healthcare providers profit while the clients get whatever is left over.

### ANTI-BUSINESS FEARMONGERING

In personal injury cases, plaintiff's lawyers create a false narrative about the company's safety and hiring practices to instill fear and anxiety in the jury. Then they suggest punishment—through an award of millions of dollars in damages—is necessary to protect the public. Their goal is to deceive the jury and compel them to decide the case on emotion, not facts.

### MISLEADING DAMAGE AWARDS

Due to a lower burden of proof, plaintiffs' lawyers encourage jurors to punish defendants by awarding pain & suffering and mental anguish damages rather than punitive damages. But pain & suffering damages are used to compensate, not punish. This trick—coupled with the use of fraudulent medical bills and misleading evidence about the defendant's safety and hiring practices—can lead to massive verdicts built on fraud and deceit.

## THE SOLUTION

### MEDICAL BILL TRANSPARENCY

To give juries an accurate picture of the cost of medical bills in litigation, Texas should require disclosure of agreements between plaintiff's lawyers and healthcare providers and ensure the evidence presented to jurors is based on what third-party payers like insurance companies actually pay, and what the providers commonly accept in payment. Juries shouldn't be misled to think the plaintiff is badly injured due to made-up and inflated medical bills.

### RELEVANT EVIDENCE

To ensure fair trials in personal injury lawsuits, juries need to hear evidence directly related to the cause of the injury so they can appropriately determine fault. Texas courts should exclude irrelevant and exaggerated evidence that has nothing to do with the event in question.

### INJURY-BASED COMPENSATION

Jurors must be given clear instructions that pain & suffering and mental anguish damages cannot be awarded to punish a defendant. Instead, a verdict awarding pain & suffering and mental anguish damages should be unanimous and based solely on evidence about the plaintiff's injury.

**Interested in joining the Lone Star Economic Alliance?**

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