



REPORT OF THE INSURANCE TASK FORCE OF AMERICAN TRUCKING ASSOCIATIONS

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The pro-tort-reform environment that marked a significant portion of the early years of this decade has come to an end. Passage of the 20 to 45 significant state tort reform measures per year that we saw from 2002 through 2006 is now a thing of the past. Modest reforms in less critical areas are all that has been achievable in the past two years, due to the negative political climate in states where reform is still needed.

The much colder political environment means that our efforts must now be aimed at preserving the reforms we worked so hard for in the past. Our friends at the American Tort Reform Association report that plaintiffs' lawyers have been working hard to undo recent reform measures. Last year, over 80 bills were introduced in some 25 states to roll back reforms and more than 100 such measures have been introduced this year. Those proposals include extending statutes of limitations, increasing non-economic and punitive damage limits, creating new causes of action, and restoring joint and several liability. The good news is that those pro-plaintiff proposals have been largely defeated. But that will change if we and other pro-reform interests are not diligent. The ITF and the trucking industry should take pride in the fact that we have remained fully engaged in this effort and have played a key role in defending existing reforms.

With affirmative tort-reform opportunities scarce, the ITF needs to continue to look for other ways to influence the factors that affect motor carrier insurance costs. One very promising area is the elimination of unfair indemnification clauses that expand a motor carrier's liability to include losses caused by the negligence of others. The ITF has begun vigorously supporting the "anti-indemnification" effort; it offers a politically viable target that provides meaningful benefits. So far this year, Kansas, Oklahoma, and Tennessee have achieved such reforms, and there is a good chance that several more states will follow their lead before the end of 2008.

Remember that the ITF is only as effective as our front-line troops, the state trucking associations - and they are very good. We owe all of our successes over the years largely to the state associations' great on-the-scene efforts.

The 2008 elections provide another opportunity to advance tort reform by supporting candidates that favor a fair civil justice system. Later this year, the ITF will identify candidates for state governors, legislatures, and courts which can be counted on to respect the integrity of the civil justice system.

A word now on the finances of the Task Force. On January 1 this year, cash on hand amounted to \$98,108. As of May 1, we had received \$3,000 in contributions and earned over \$900 in interest, while we had made contributions of \$58,361. Among these were \$10,000 apiece to the state trucking associations of Colorado, Louisiana, and Ohio, to further their tort reform activities. On May 1, the ITF had on hand \$43,658. My thanks again to the members of the ITF and all of its contributors.

Respectfully submitted,

Michael S. Card
Chairman, ATA Insurance Task Force