

## **What's Hot and What's in Store in the World of Claims**

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The United States has long had a reputation for being a litigious society, limited only by the imagination of the plaintiffs' bar.

Indeed, the U.S. tort problem has been perceived by the World Economic Forum as serious enough to pose a significant risk to the rest of the world.<sup>[i]</sup> Tort reform in the U.S. has had minimal effects. Instead, jury awards and court costs continue to rise and further stress the economy. In the same vein, settlements are rising and businesses are bracing for more lawsuits in the coming year.

As the U.S. approaches mid-term elections, the impact of the election of President Obama and a Democratic-led Congress are being re-evaluated. President Obama's perceived failure to restart the ailing U.S. economy and to reduce unemployment may take a toll on the Democratic stronghold. And if history serves as a guide, any change in political climate will likely have an effect on litigation trends in the U.S.

Although there has been a decrease in securities class action lawsuits overall in the first half of 2010, a weak economy and creative plaintiffs' attorneys provide fertile ground for continuing the trend of increased litigation in the U.S. Over the last 12 months, the U.S. has experienced an increase in class action lawsuits claiming breach of fiduciary duty as well as those alleging product/operations defect. Product recall lawsuits are on the rise and suits involving new technology and energy concerns such as hydraulic fracturing are being filed. Further, the trend continues of plaintiffs using litigation to supplant or supplement regulation and legislation of environmental and toxic hazards including suits against utilities over greenhouse gas emissions, and other environmental concerns.

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[i] World Economic Forum, "Global Risk Report," January 2008, pp 3-4,45, found at <http://www.weforum.org/pdf/globalrisk/globalrisks2010.pdf>.