



Show-Me State Showing Nation Fresh New Look

Weak, weaker, weakest—three words to describe the condition of Missouri’s economy the past few years. And truth be told, there was no reason to describe it in any other way. Doctors were leaving the state, employers were frustrated with an out-of-balance workers’ compensation system, Missouri’s civil litigation environment was listed as one of the worst in the country, economic development packages were virtually nonexistent and the cost of our state-funded health care welfare system was soaring. And, in case you forgot, just two years ago Missouri led the nation in the number of lost jobs.

Thankfully, new leadership in Governor Matt Blunt took office this past January and brought with him a philosophy that the free enterprise system and individual initiative will bring our state opportunity, economic growth and prosperity. This, compared to the philosophy of the past, which relied on growing our state’s economy by growing the government on higher taxes. The new leadership came outfitted with a plan to complement its philosophy—a plan that looks to individuals to serve their state and country by achieving the best that is within them. Throughout the 2005 legislative session, we worked to implement this plan in order to energize and revitalize our economy and state.

The most notable changes implemented were the reforms to the state’s workers’ compensation system and the civil liability system. Over the years, the balance of justice in these systems became lopsided, and cost our state jobs. Workers’ compensation claims were being filed and won for injuries that didn’t occur on the job. Knowing full well that if they could prove a defendant was just 1% liable, that defendant would be responsible for paying the entire settlement, trial attorneys worked to draw “deep pockets” into their lawsuits. In a practice known as venue shopping, plaintiffs manipulated the system in order to have their case heard in St. Louis or Kansas City, the cities with higher-than-average payouts.

The transformation began with Senate Bill 1 which overhauls our workers’ compensation system. The legislation requires work to be the “prevailing factor” in the injury as opposed to simply a “substantial factor.” I spoke with many small business owners and they expressed great frustration at the lack of fairness in the old system. None of them denied their responsibility to defray the cost of an injury incurred on the job; their frustration came from injuries that weren’t directly tied to work. Imagine the frustration of these business owners ready to expand their business or ready to invest in new machinery

that will make them even more competitive in their market, but unable to do so because of the cost of settling a claim for an injury that occurred on the softball field, not the factory floor.

If you think this is favoring wealthy business owners, then you are greatly missing the point. It is small business owners that provide the jobs in our state. Maybe the owner was going to hire a recent college graduate as their newest salesman; maybe the equipment they wanted to invest in came from the company for which you or someone you know works. Whatever the case may be, an unnecessary workers' compensation claim injects impurities into the engine that drives our state's economy. Senate Bill 1 strikes a balance between protecting employees injured on the job, while protecting employers from fraudulent claims and the resulting higher insurance premiums of claims in which work is not the cause of the injury.

Much-needed reform continued with House Bill 393, which brings a balance between culpability and financial responsibility in Missouri's tort system. We have put an end to the practice of venue shopping and with a \$350,000 cap on non-economic damages in medical malpractice cases, we have done away with the possibility of juries handing out outrageous awards, which drive insurance premiums up. We also dealt with the issue of "joint and several liability", which allows one defendant to be held financially liable for anything other liable defendants are unable to pay. To bring proportionate fairness to the system, defendants will now be responsible for economic damages beyond their percentage of liability *only* if the jury determined them to bear more than 50 percent of fault, and the other defendant(s) cannot cover their part. These changes guarantee a more proportionate distribution of liability for the defendant and justice for the plaintiff. Expensive insurance forces businesses to move out of state and doctors to stop practicing high-risk procedures in Missouri. Doctors leaving the state cause the level of healthcare in the state to fall, and since doctors are employers too, it causes the loss of jobs.

The product of creating a pro-business environment is not simply creating more jobs, but creating quality jobs with decent wages, health insurance, and job stability. The reforms to our tort and workers' compensation system will create a pro-job environment, but we went even further when we passed the Missouri Quality Jobs Act. To attract quality jobs to Missouri, the legislation allows job providers to utilize a tax credit equal to the amount of tax revenue the new jobs would bring to the state. This legislation is fiscally responsible because it doesn't affect existing state revenues nor will it increase the tax burden on Missouri citizens.

To further protect small businesses and to help prevent excessive regulation and red tape in Missouri, we passed a new regulatory fairness law. House Bill 576 gives small businesses a greater voice with the Regulatory Fairness Board and judicial review when state agencies refuse to follow regulatory fairness laws. This provides a forum for small businesses to express the impact of regulations that government agencies place on small businesses and will help put our small businesses on a more level playing field with larger companies.

These are four significant legislative actions that will improve our state's business climate. They serve as a breath of fresh air to a state previously stuck. Missouri is showing the nation what it means to trust in individuals and their initiative to bring our state greater prosperity. No other state made such sweeping changes to its business environment this past year than our state, and I invite you to join me in the upcoming weeks as we look at the fresh new look that we are bringing to other areas of Missouri government.

Contact Me

As always, I appreciate hearing your comments, opinions and concerns. Please feel free to contact me in Jefferson City at (573) 751-2459. You may write to me at Jason Crowell; Missouri Senate; State Capitol; Jefferson City, MO 65101, or email me at: jcrowell@senate.mo.gov or visit me on the web at <http://www.jasoncrowell.com>.

Thank you for your time.

Senator Jason Crowell represents the people of Bollinger, Cape Girardeau, Madison, Mississippi, Perry and Scott counties in the Missouri Senate.