

**RESOLUTION NO. 14-11
CAMDEN COUNTY INSURANCE COMMISSION
RESOLUTION SUPPORTING S-2404 CAPPING ATTORNEY FEES IN LITIGATION
AGAINST PUBLIC ENTITIES**

Whereas: the Municipal Excess Liability Joint Insurance Fund is comprised of 389 member municipalities, 72 utility authorities, 2 counties, 26 first aid/fire districts, 88 housing authorities, 2 health commissions and 2 authorities.

Whereas: According to a ten year closed claim study recently completed by the Municipal Excess Liability Joint Insurance Fund, the cost of employment practices liability per employee was \$26 in the year 2000 and increased to \$125 per employee for most of the decade

Whereas: According to the same study, it increased 175% to \$354 per employee in just the past two years.

Whereas: 65% of these claims are for police and the 2011 projected cost of these claims is \$740 per officer.

Whereas: Legal fees historically represent over 70% of the cost

Whereas: Provisions in various laws such as LAD and CEPA providing for fee shifting have encouraged attorneys to make unreasonable demands in otherwise minor cases.

Whereas: John Farmer, Dean of the Rutgers Law School and former NJ Attorney General stated: "Even cases with marginal relevance are now being presented by plaintiffs' counsel as having substantial settlement value."

Whereas: in a recent case, a NJ court awarded the plaintiff's attorney a fee of \$450,000 even though the jury awarded his client only \$20,000.

Whereas: The explosion of employment practices cases will continue until reasonable caps are placed on legal fee applications:

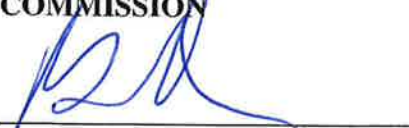
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF FUND COMMISSIONERS OF THE CAMDEN COUNTY INSURANCE COMMISSION THAT: the legislature is urged to adopt S-2404 placing a cap on attorney fee awards in fee shifting cases against public entities as follows:

- For awards (compensatory and punitive damages combined) of \$50,000 or less, the maximum fee award should be \$50,000, though a lower fee should be awarded if warranted based on considerations of reasonableness
- For awards over \$50,000, the fee award should not exceed the verdict, though a lower fee should be awarded if warranted based on considerations of reasonableness

BE IT FURTHER RESOLVED that a copy of this resolution be sent to members of the Municipal Excess Liability Joint Insurance Fund, Governor Christie, Senate President Sweeney and Assembly Speaker Oliver.

**CAMDEN COUNTY INSURANCE
COMMISSION**

Attest:



CHAIRMAN



SECRETARY