

What kind of lawsuits could you face?

If you have not faced a lawsuit yet, there is a genuine possibility that you will face legal or IRS action soon. The average American will be sued four to five times during their lifetime and may also face scrutiny by overzealous government officials. If you are a professional or a business owner, if you are perceived as having assets, or if you provide advice or counsel to the public, you could become the subject of legal action. Read the following information, then see the section at the end entitled: "I am not concerned – I am insured!"

**YOU ARE THREE TIMES MORE LIKELY TO BE IN COURT
THAN YOU ARE TO BE HOSPITALIZED!**

National Center for State Courts

**MORE THAN HALF OF ALL HOUSEHOLDS
HAVE A LEGAL SITUATION RIGHT NOW**

American Bar Association

**EVEN LAW ABIDING AMERICANS WILL ENCOUNTER
A POTENTIAL LEGAL SITUATION AN AVERAGE OF
FOUR TO SIX TIMES PER YEAR!**

National Resource Center for Consumers of Legal Services

We recently received an email listing the annual Stella awards. The Stella's are named after 81-year-old Stella Liebeck who spilled coffee on herself and successfully sued McDonalds. That case inspired the Stella Awards for the most frivolous successful lawsuits in the United States. Reprinted from Capital Trust January 2004 Newsletter

5th place (Tied)

Kathleen Robertson of Austin Texas was awarded \$780,000 by a jury of her peers after breaking her ankle tripping over a toddler who was running inside a furniture store. The owners of the store were understandably surprised at the verdict, considering the misbehaving toddler was Ms. Robertson's son.

5th place (Tied)

19-year-old Carl Truman of Los Angeles won \$74,000 and medical expenses when his neighbor ran over his hand with a Honda Accord. Mr. Truman apparently did not notice there was someone at the wheel of the car when he was trying to steal the hubcaps.

5th place (Tied)

Terrence Dickson of Bristol Pennsylvania was leaving a house he had just finished robbing by way of the garage. He was not able to get the garage door to go up since the automatic door opener was malfunctioning. He could not reenter the house because the door connecting the house and garage locked when he pulled it shut. The family was on vacation and Mr. Dickson found himself locked in the garage for 8 days. He subsisted on a case of Pepsi he found and a large bag of dry dog food. He sued the house owner's insurance carrier, claiming the situation caused him undue mental anguish. The Jury agreed to the tune of \$500,000.

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4th place

Jerry Williams of Little Rock, Arkansas was awarded \$14,500 and medical expenses after being bitten on the buttocks by his next door neighbor's beagle. The beagle was on a chain in its owner's fenced yard. The award was less than he sought because the jury felt the dog might have been a little provoked at the time since Mr. Williams who had climbed over the fence into the yard was shooting it repeatedly with a pellet gun.

3rd place

A Philadelphia restaurant was ordered to pay Amber Carson of Lancaster, Pennsylvania \$113,500 after she slipped on a soft drink and broke her coccyx (tailbone). The beverage was on the floor because Ms. Carson had thrown it at her boyfriend 30 seconds earlier during an argument.

2nd place

Kara Walton of Claymont, Delaware sued the owner of a nightclub in a neighboring city when she fell from the bathroom window to the floor and knocked out two of her front teeth. This occurred while Ms. Walton was trying to sneak out of the window in the ladies room to avoid paying the \$3.50 cover charge. She was awarded \$12,000 and dental expenses.

1st Place

This year's runaway winner was Mr. Merv Grazinski of Oklahoma City, Oklahoma. Mr. Grazinski purchased a brand new Winnebago motor home. On his trip home from a football game, having driven onto the freeway, he set the cruise control at 70 mph and calmly left the driver's seat to go into the back and make himself a cup of coffee. Not surprisingly, the RV left the freeway, crashed and overturned. Mr. Grazinski sued Winnebago for not advising him in the owner's manual that he could not actually do this. The jury awarded him \$1,750,000 plus a new Winnebago.

The company actually changed their manuals on the basis of this suit just in case there were any other complete morons buying their recreation vehicles.

Or consider these actual lawsuits.

- In New York State, a clumsy workman, high on a lunch of cocaine and beer, fell off a roof; the owner of the roof had to cough up \$1 million.
- In Houston, a nurseryman buying flowers and shrubs tried to pay in cash; he was apprehended because he fit the profile of a drug dealer, and the \$9,600 he was carrying was confiscated. It took him two years to get the cash returned, even though he was not convicted.
- In Maryland, two men tried to dry their hot-air balloon in a commercial dryer, which exploded; the dryer manufacturer was hit for nearly \$900,000.
- Farm worker Joseph Lopes' mentally disturbed son planted some marijuana in the back yard. The son got probation and counseling and never had another legal problem. But an overzealous law enforcement officer reopened the file, and Lopes lost the home he'd saved 49 years to buy.
- In Pennsylvania, an overweight man with a history of heart disease suffered a heart attack while trying to start a lawnmower; he sued the lawnmower manufacturer and a jury awarded him \$1 million-plus half a million more in interest.

“I AM NOT CONCERNED – I AM INSURED!”

Simply purchasing insurance may not be sufficient to protect your assets. Please remember that in the event of a claim, if you are covered for the particular claim, the insurer will provide legal counsel but the attorney is there for the benefit of the insurance company. Any benefit that you receive is incidental; and, if it appears that the award will exceed the coverage, the insurance company’s attorneys will often pressure for a settlement rather than aggressively fight the claim as there is no apparent economic benefit to their client, the insurer, in fighting to reduce costs that exceed their coverage.

In the event that a claim is made against you, you should engage counsel for yourself to review the issues and coverages and to monitor the progress of the suit. If the claim is for more than your coverage limits, you should make certain that your attorney takes an active part in the case.

Answer these questions?

Are there gaps in your coverages? What risks are not covered, or have limited coverage in your policy? Do your limits match to level of risks you may face? Do you have an umbrella policy? Have you reviewed your personal and business coverages with more than one licensed insurance professional?

We recommend that our clients periodically review their coverages with more than one licensed insurance professional to assure themselves that they have the coverage they need and that they understand where there are gaps or where there is no protection or limited protection. Our comments apply to business and personal coverage.