



Tort Reform Picks Up Steam in the Southeast

Once considered too controversial to take on, tort reform has become a focal point in state legislatures across the U.S. This growing interest can be attributed to mounting concerns over the economic impact of litigation on both businesses and the broader economy.

Tort litigation costs vary from state to state, as do the key issues facing lawmakers. For example, for some jurisdictions addressing third-party litigation funding may be a priority as it often raises the question of what disclosure requirements should a state enact to prevent a conflict of interest. For others, the focus may be trial tactics that may result in a nuclear verdict.

The [U.S. Chamber of Commerce Institute for Legal Reform](#) recently shared their 146-page guide on how to **promote fair and effective civil justice**. Their research offered up suggestions on how to promote rational liability rules and improve product liability law in an effort to address what many consider an environment that is over-regulated and over-enforced. While creating a legal system that safeguards fairness and impartiality can benefit everyone, the scale and complexity of doing so can be overwhelming.

Here's how some states in the Southeast are grappling with the challenge of balancing a legal environment conducive to economic growth while still holding the appropriate parties accountable for wrongdoing.

CONTACT

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Florida: Positive impacts on frivolous lawsuits

In 2023, Florida passed three bills: [House Bill 837](#), [Senate Bill 360](#) and [House Bill 1205](#).

- **HB 837** was implemented to help reduce the number of frivolous lawsuits in the state and limit what many considered the long-standing abuse of Florida's prior bad faith law. It also brought Florida in line with 34 other states across the U.S. that apply a modified comparative negligence system.
- **SB 360** revised the timeframe during which design, planning and construction defect claims can be brought. It also revised the date on which the statute of limitations period begins.
- **HB 1205** prohibits advertisers from using language that implies their message is a public service announcement rather than an ad for legal services. It also bans the use of government logos that suggest support by the entity and protects consumer health information of those who respond to legal ads.

One significant outcome of the 2023 legislation includes the **rebuttal assumption against liability** of apartment owners and managers included in HB 837. The statute requires “**certification of crime prevention through environmental design**” showing that the property meets specific security measures. By maintaining this certification, property owners and managers may be able to limit their liability in instances of claims resulting from criminal acts by third parties.

[A roadmap for property owners looking to implement security measures required under HB 837 can be found here.](#)

Another meaningful product of these recent laws is the **provision of a reasonable timeframe for insurers to respond** to time limit demands found in HB 837. This provision has given insurers more time to investigate losses without the risk of committing bad faith and facing excess limits exposure. Previously, there was no objective standard for response time, leaving it to the jury's discretion to determine what was reasonable.

Overall, these bills have had a positive impact on frivolous litigation which is [down by double digits](#). Building on this progress, there is speculation that a **bill requiring third-party litigation funding transparency** will be introduced this year. However, third-party funding transparency is a relatively new concept nationwide – there is limited experience with how juries will react to the knowledge that a plaintiff's case is funded by an external investment firm.

Depending on the structure of Florida's potential bill and law, this could positively influence jury awards in cases involving litigation funding. Amwins will conduct a thorough analysis of the bill upon its introduction.

Georgia: Tort reform passes both houses

Georgia is currently ranked among the [top five judicial hellholes](#) due to nuclear verdicts, inflated medical awards, expansive premises liability and laws perceived to disadvantage defendants. However, with a renewed focus on tort reform, the 2025 state legislative session has brought about change.

In January 2025, [Gov. Brian Kemp released his plan to tackle tort reform](#) and help bring stability to the state's insurance landscape. The state legislature acted quickly, passing [SB 68](#), which includes the following:



Anchoring: Restricts the use of anchoring tactics (e.g., a high initial claim for damages) by counsel while allowing the jury to use their discretion when determining an award amount.



Phantom damages: Requires plaintiffs to disclose both initial and adjusted medical claims amounts while still covering the litigation costs for successful claims.



Liability limitations: Shields property owners from liability in specific scenarios, including when the injured party was a trespasser, the incident occurred off-premises or the injured individual was committing a crime at the time of injury.



Standardized legal framework: Provides a more uniform approach to premises liability cases, reducing unpredictability of interpretations of the law.



Protection for security contractors: Gives security contractors hired by property owners the same liability protections as the owners themselves; however, their liability cannot exceed that of the property owner.



Jury considerations: Mandates the judge to order a retrial concerning liability and damages if a jury fails to assign reasonable fault to a third party responsible for wrongful conduct.

Georgia [SB 69](#) has also passed both houses. It focuses on **third party litigation funding**, enhancing transparency for all parties and ensuring plaintiffs know their rights while prohibiting funders from influencing the plaintiff's legal strategy. It also puts the spotlight on:



Registration requirement: Requires entities providing litigation financing to register with the Department of Banking and Finance and disclose any affiliations, including those with foreign persons or principals.



Prohibition of foreign influence: Prevents entities with ties to foreign governments or wealth funds from financing litigation to avoid foreign interference in Georgia's legal proceedings.



Limitations on financier control: Prevents litigation financiers from influencing legal decisions, ensuring these remain with the parties and their attorneys.



Disclosure requirements: Mandates revealing litigation financing agreements in civil cases, making them discoverable but not necessarily admissible in court, enhancing transparency.

While it's premature to determine the full impact of the two bills on Georgia's classification as a judicial hellhole, we anticipate a reduction in the number of cases proceeding to trial. The new legislation will provide insurers and defendants with additional defenses, thereby increasing the risk for plaintiffs. This shift is expected to encourage more settlements, ultimately reducing legal expenses and the occurrence of nuclear verdicts.



Louisiana: Trying to build on a successful 2024

Last year, Louisiana passed a number of laws aimed at tort reform, including:

- **Senate Bill 355:** Focused on third party litigation transparency, this new law went into effect August 1, 2024. It includes provisions requiring the disclosure of funding from foreign third parties as well as prohibiting third-party funders from influencing certain litigation and settlement decisions. Third party litigation funding agreements are also now subject to discovery under Louisiana’s Code of Civil Procedure and Code of Evidence rules.
- **Senate Bill 16:** This bill makes amendments to expert testimony rules, specifying that qualified experts may testify if their opinions reliably apply principles and methods to case facts. The bill also updates the criteria for expert testimony, changing “expert has reliably applied” to “expert’s opinion reflects a reliable application.” This aligns Louisiana’s standards with the 2023 amendments to Federal Rule 702, ensuring consistent evaluation of expert testimony across jurisdictions.

In the past five years, the **state legislature has improved the litigation climate in many areas**. For example, the Louisiana Supreme Court recently adopted a more effective method of evaluating whether an award is excessive. The Civil Justice Reform Act of 2020 reduced the jury trial threshold from \$50,000 to \$10,000 and repealed a prohibition on informing jurors that a plaintiff was not wearing a seatbelt, greatly impacting civil cases resulting from auto accidents. And, in 2022, laws were enacted to address misleading legal advertising, specifically ads designed to scare viewers.

As we move into 2025, the **state is having a hard time agreeing on next steps**. Nuclear verdicts are driving discussions on additional tort reform aimed at bodily injury and litigated claims, while ongoing, long-term coastal litigation is helping to cement the state’s position as a top 10 judicial hell hole.



South Carolina: Struggling to find common ground

Liquor liability in the state of South Carolina has long been considered cost prohibitive with carriers **losing as much as \$2.60 for every \$1 of premium earned**, making it unprofitable to do business in the state and therefore limiting coverage options.

On March 31, 2025, the **Senate passed SB 244** reducing the liability coverage requirement for bars and restaurants from \$1M to \$500k. Joint and several liability rules were also adjusted, requiring businesses pay economic damages according to their fault in an incident. A business found to be more than 50% at fault would remain responsible for the full economic damage.

The bill now moves to the House of Representatives, where it is expected to see stiff debate. Earlier this year, the House passed a much narrower version of the bill which carved out liquor liability from broader tort reform. It remains to be seen if the House and Senate will be able to come to an agreement this year.

Should the bill pass with the reduced coverage requirement to \$500k, it should have a positive impact – making certain cases easier for insurers to evaluate. This may result in faster settlements in cases involving significant damages, thereby reducing expense costs and excess exposure risks for carriers.

Takeaway

The common thread among all these reforms is their positive impact on risk mitigation. Whether it's encouraging property owners and managers to reinvest in their communities or providing additional safety training for employees, these laws seek to protect businesses who are proactive in managing their risk.

We expect this positive momentum will promote fairness in the legal system and create a standard for other states to follow. However, it will take time for the effects of the reforms of the past few years to be realized.

As the new laws are tested in court, we expect plaintiff's attorneys will continue to seek new ways to expand theories of liability and expose potential loopholes in the legal system. We will be watching closely for any additional legislation meant to clarify or potentially claw back provisions of the laws recently put into place.

Amwins helps you win

Tort reform is still evolving; however, there has been an increase in legislative interest across the Southeast. In some states, current efforts to implement change are more aggressive than previously seen – despite opposition from powerful lobby groups for plaintiffs' attorneys – while others are facing stiff headwinds and lack the political support needed to pass meaningful reform.

Partnering with a wholesale specialist like Amwins can help you navigate the changes in the insurance marketplace that can arise from an ever-changing legal landscape. Collaboration is a core tenet of our business, and we live it through our strategic partnerships with leading insurance carriers. No matter the coverage requirements, our top priority is helping you secure the solutions that best serve the needs of your clients.

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