Legal Consumer's Bill Of Rights Act

Section 1. {Title} This Act shall be called and may be cited as the “[Legal Consumer's Bill of Rights Act]”.

Section 2. {Purpose}

For the average person, the legal process is confusing and expensive. The often-complex path to justice is strewn with undisclosed costs, and may be further complicated by the abuse of contingent fees by some attorneys who are more concerned with pocketing a quick dollar than with giving their clients the attention and service they deserve. When used properly, the contingent fee system provides access to courts for people of low or moderate incomes. When abused, the contingent fee system costs some plaintiffs far too much in fees, leaves some with no representation for valid claims, and results in excess costs being passed onto the public. Consumers are often uninformed of the basics about a contingent fee, such as the costs and fee structures, the likelihood of success on their claim, the amount of time and effort an attorney will have to invest in the case, or other important details.

The purposes of this Act are to provide a “Legal Consumer's Bill of Rights” that identifies basic rights for every injured person in this State who may need the services of a personal injury lawyer; promote the free flow of information between injured consumers and personal injury lawyers; and lessen economic burdens on the public. By requiring consumers to be given more information about legal services, the Act will increase the efficiency of the market for legal services and lessen the current imbalance of information between personal injury lawyers and their clients. Consumers will become empowered to be smarter shoppers for legal services.

Section 3. {Legal Consumers Bill of Rights}

A.) Unsolicited communications to an individual, estate, or legal guardian, expressing interest in representing that party for the intent of pursuing a personal injury or wrongful death claim is not allowed before the 45th day following the date of the accident. However, nothing herein shall prevent an insurance company’s representative from making such contact as is necessary in the investigation of a claim or the adjustment of a loss.

B.) An attorney who is retained by a claimant on a contingent fee basis shall, at the initial meeting, disclose to the claimant the claimant’s right to receive a written statement of the information described in paragraphs (c) through (e) of this subsection, and disclose the claimant’s rights set forth in paragraphs (f) and (g) of this subsection.

C.) An attorney retained by a claimant on a contingent fee basis shall, within a reasonable time not later than 30 days after the initial meeting, disclose in a written statement to the claimant:

1. the estimated number of hours of the attorney’s services that will be spent handling the claim through settlement and/or trial;

2. a. the attorney’s contingent fee for services regarding the claim and any conditions, limitations, restrictions, or other qualifications on that fee the attorney deems appropriate,

   b. the amount of any costs or expenses that the client must bear; and,

   c. all other fee agreements to be made concerning the claim, including the amount to be paid to any co-counsel associated with the case and/or any agreement to refer the client to another attorney in exchange for a referral fee.

D.) An attorney retained by a claimant on a contingent fee basis must keep accurate records of the time spent on the claimant’s case and, during the pendency of the claim, must give monthly reports to the claimant on time spent, work performed and progress in the case.

E.) A claimant has the right to request an objective review of a contingent fee by a court or a bar association committee to assure that the fee is reasonable and fair in the circumstances, including such factors as whether liability was contested, whether the amount of damages was clear, and how much actual time a lawyer reasonably spent on the case.

F.) An attorney retained by a claimant on a contingent fee basis shall, within a reasonable time not later than 30 days after the claim is finally settled or adjudicated, disclose in a written statement to the claimant:

1. the actual number of hours of the attorney’s services spent in connection with the claim;

2. the total amount of the contingent fee for the attorney’s services in connection with the claim;

3. the actual fee per hour of the attorney’s services in connection with the claim, determined by dividing the total contingent fee by the actual number of hours of the attorney’s services;

4. the claimant’s right to request an objective review of a contingent fee by a court or a bar association committee to assure that the fee is reasonable and fair in the circumstances, including the address and telephone number for such court of bar association committee.

G.) An attorney who fails to disclose to a claimant any information required by this Act shall be liable to such claimant in an amount determined by a court. An attorney who intentionally fails to disclose to a claimant any information required by this Act shall additionally be liable for exemplary damages. A claimant to whom an attorney fails to disclose information required by this Act may bring a civil action for damages against his or her attorney in the court in which the claim was or could have been brought.
Section 4. (Definitions)

A.) As used in this Act,

(1) "attorney" means any natural person, professional law association, corporation, or partnership authorized under applicable State law to practice law;

(2) “attorney’s services” means the professional advice or counseling of or representation by an attorney, but does not include other assistance incurred, directly or indirectly, in connection with an attorney’s services, such as administrative or secretarial assistance, overhead, travel expenses, witness fees, or preparation by a person other than the attorney of any study, analysis, report, or test;

(3) “claim” means a civil action for wrongful death or personal injury brought in a court in this State;

(4) “claimant” means any natural person who brings a claim, and, if such a claim is brought on behalf of the claimant’s estate, the term shall include the claimant’s personal representative; if such a claim is brought on behalf of a minor or incompetent, the term shall include the claimant’s parent, guardian, or personal representative. The term does not include an artificial organization or legal entity, such as a firm, corporation, association, company, partnership, society, joint venture, or governmental body;

(5) “contingent fee” means the cost or price of an attorney’s services determined by applying a specified percentage, which may be a firm fixed percentage, a graduated or sliding percentage, or any combination thereof, to the amount of the settlement or judgment obtained in a claim;

(6) “initial meeting” means the first conference or discussion between the claimant and the attorney, whether by telephone or in person, of the details, facts or basis of a claim;

(7) “retain” means the act of a claimant in engaging an attorney’s services, whether by express agreement or impliedly by seeking and obtaining the attorney’s services.

Section 5. (Effective Date) The provisions of this Act shall take effect on the date of enactment and shall apply to all civil actions filed after such date.

Did you know that Victor Schwartz—a lawyer who represents companies in product litigation—was the corporate co-chair in 2011?

Adopted by the Civil Justice Task Force and approved by the ALEC Board of Directors in 1998. Amended at the 2002 Spring Task Force Summit.