

The Hartford Courant.



THE OLDEST CONTINUOUSLY
PUBLISHED NEWSPAPER IN AMERICA

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Repeal Outdated Liability Law

An outdated Connecticut law is prompting car-leasing companies to threaten to stop doing business here.

The law involves so-called vicarious liability, which means that if someone driving a leased car causes an accident, the injured party can sue the company that owns the leased car. Only Connecticut, New York and Rhode Island allow unlimited damages against leasing companies.

Legislators in all three states are considering repealing the laws. The General Assembly's Banks Committee is holding a public hearing today.

Leasing companies took notice last year when Chase Auto Finance Corp., a major player in the business, lost a \$28 million judgment in a Rhode Island case involving a woman who was burned and paralyzed when her car was hit by a leased car driven by a teenager. Hundreds more liability lawsuits are pending in the three states.

As a concept, vicarious liability makes little sense. There is no good reason why a lessor should be held liable for the negligent actions of a

driver of one of its cars.

Aggrieved parties can sue the driver, who, in Connecticut, must carry at least \$300,000 in liability coverage. If legislators conclude that the insurance minimum is too low, they ought to increase it rather than hold leasing companies responsible.

Leasing has become a significant portion of the new car market. About 20 percent of private cars in Connecticut are leased. But that figure is closer to 50 percent in urban areas, meaning that lower-income residents could be affected disproportionately should car-leasing companies withdraw from the market.

Wells Fargo Auto Finance already has pulled out of Connecticut. General Motors Acceptance Corp. vows to withdraw if the law is not changed.

Vicarious liability is another example of tort law abuse, in which lawyers sue parties with the deepest pockets.

Legislators ought to repeal this relic and put Connecticut in line with most of the rest of the nation.