

1 **STUDY ON CLAIMS EXCEEDING STATUTORY LIMIT**

2 2016 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Jani Iwamoto**

5 House Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill addresses a study of personal injury claims that exceed a statutory limit.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ encourages the formation of an informal working group or task force to study how
13 to address statutory limits on individual and aggregate claims for damages for
14 personal injury and to present its findings, conclusions, and conceptual outline for
15 any suggested legislation to the Legislature before the 2017 General Session.

16 **Money Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 None

20 **Uncodified Material Affected:**

21 ENACTS UNCODIFIED MATERIAL

23 *Be it enacted by the Legislature of the state of Utah:*

24 Section 1. **Study regarding personal injury damages claims that exceed the**
25 **statutory limit.**

26 (1) Utah Code Section 63G-7-604 currently contains a limit on the amount that an
27 individual may claim against a governmental entity for damages for personal injury, and a limit



28 on the aggregate amount of individual awards that may be awarded in relation to a single
29 occurrence.

30 (2) If an individual's claim against a governmental entity for damages for personal
31 injury exceeds the amount of that statutory limit, the individual cannot recover the amount of
32 damages that exceed the statutory limit, or the individual has the option of seeking recovery of
33 some or all of that amount through a process before the state Board of Examiners. Likewise, if
34 multiple individuals' claims against a governmental entity for damages for personal injury
35 arising from the same occurrence exceed the aggregate limit, those individuals cannot recover
36 the amount of damages that exceed the statutory limit, or those individuals have the option of
37 seeking recovery of some or all of that amount through a process before the state Board of
38 Examiners.

39 (3) Some have expressed an interest in exploring possible alternatives to the current
40 system in order to enable those with legitimate claims for personal injury damages that exceed
41 the statutory limits to recover their damages while still protecting taxpayer money against large
42 personal injury damage claims.

43 (4) This issue is very complex, and formulating a workable alternative to the current
44 system will require the thoughtful participation of a number of stakeholders.

45 (5) The Legislature encourages the formation of a voluntary, informal working group
46 or task force:

47 (a) to study possible options to the current statutory system for dealing with legitimate,
48 large individual and aggregate personal injury damage claims, while still protecting taxpayer
49 money and limited government resources; and

50 (b) with representation from:

51 (i) the Division of Risk Management;

52 (ii) the Insurance Department;

53 (iii) state agencies covered under the Risk Management Fund;

54 (iv) local governments, including counties, cities, towns, local districts, special service
55 districts, school districts, and other political subdivisions of the state;

56 (v) the Office of the Attorney General;

57 (vi) trial lawyers representing personal injury plaintiffs;

58 (vii) the insurance industry;

59 (viii) the Utah Public Risk Manager's Association; and
60 (ix) other groups, associations, or entities with an interest in the issue described in
61 Subsection (3).

62 (6) The working group or task force should seek and receive input from affected or
63 interested parties, including private individuals who regularly use public facilities and private
64 individuals or companies that perform services for public agencies.

65 (7) Among other things, the working group or task force might consider studying:

66 (a) the effectiveness of the process of presenting a claim before the state Board of
67 Examiners and any options for improving the process or replacing it with a better process;

68 (b) the feasibility of creating a fund or risk pool, with participation from state agencies
69 and local government entities, to provide money or insurance coverage or both for individual
70 and aggregate personal injury damage claims that exceed the statutory limit;

71 (c) the modification of the statutory limit on personal injury individual and aggregate
72 damages; and

73 (d) any other alternatives the working group or task force considers appropriate to
74 address the issues described in this section.

75 (8) The working group or task force should present its findings and conclusions and
76 prepare a recommendation, with a conceptual outline of any suggested legislation, to the
77 Legislature before the 2017 General Session.