Summary

The purpose of this Act is to limit the costly and unpredictable size of awards for pain and suffering of an injured party. Excessively large damage awards have led substantially to the increased cost of medical malpractice insurance and the growth in the practice of defensive medicine. This bill would provide fair compensation amounts for pain and suffering.

ALEC's Noneconomic Damage Awards Act provides that the award for noneconomic damage shall not exceed $250,000 of the amount awarded in economic damages, whichever amount is greater. Actual economic damages would be fully compensated and would not be subject to any limitation.

Model Legislation

Section 1. This Act shall be known and may be cited as the Noneconomic Damage Awards Act.

Section 2. The following words, as used in this Act, shall have the meaning set forth below, unless the context clearly requires otherwise:

(A) "Noneconomic damages" means subjective, nonpecuniary damages arising from pain, suffering, inconvenience, physical impairment, disfigurement, mental anguish, emotional distress, loss of society and companionship, injury to reputation, humiliation, other nonpecuniary damages, and any other theory of damages such as fear of loss, illness, or injury.

(B) "Actual economic damages" means objectively verifiable pecuniary damages arising from medical expenses and medical care, rehabilitation services, custodial care, loss of earning capacity, loss of income, burial costs, loss of use of property, costs of repair or replacement of property, costs of obtaining substitute domestic services, loss of employment, loss of business or employment opportunities, and other objectively verifiable monetary losses.

Section 3. In any personal injury action, the prevailing plaintiff may be awarded:

(A) Compensation for actual economic damages suffered by the injured plaintiff; and

(B) Compensation for the noneconomic damages suffered by the injured plaintiff not to exceed

(1) $250,000; or

(2) The amount awarded in economic damages, whichever amount is greater.

Section 4. (Special Damages Findings Required.)

(A) If liability is found in a personal injury or wrongful death action, then the trier of fact, in addition to other appropriate findings, shall make separate findings for each claimant specifying the amount of:

(1) any past damages; and

(2) any future damages and the periods over which they will accrue, on an annual basis, for each of the following types of damages:

(a) medical and other costs of health care;

(b) other economic loss; and

(c) noneconomic loss.

(B) The calculation of all future medical care and other costs of health care and future noneconomic loss must reflect the costs and losses during the period of time the claimant will sustain those costs and losses. The calculation for other economic loss must be based on the losses during the period of time the claimant would have lived, but for the injury upon which the claim is based.
Section 5. (Repealer clause.)

Section 6. (Severability clause.)

Section 7. (Effective date.)


Center for Media and Democracy's quick summary

This bill limits noneconomic damages, the payments injured plaintiffs receive as compensation for the diminished “quality of life” caused by the injury. It limits these damages to $250,000 or the amount awarded in economic damages (whichever is greater) in medical malpractice suits. The $250,000 limit is far too low to compensate individuals who may be severely injured (or the family members of those killed). The cap also will make it very difficult to bring a medical malpractice claim -- because lawyers representing injured clients in such suits are usually paid on a contingency basis, receiving a percentage of the capped $250,000 award in successful suits would usually not cover their costs.

In 2011 Wis Act 2, Wisconsin Governor Scott Walker added punitive damage caps to protect abusive or negligent nursing home providers from financial liability (see Wis Stat 893.555). Wisconsin also limits noneconomic damages in medical malpractice cases (see Wis Stat 893.55).