



28 actions.

29 (2) (a) Beginning July 1, 2002 and each July 1 thereafter, the limit for damages under  
30 Subsection (1)(c) shall be adjusted for inflation by the state treasurer.

31 (b) By July 15 of each year, the state treasurer shall:

32 (i) certify the inflation-adjusted limit calculated under this Subsection (2); and

33 (ii) inform the Administrative Office of the Courts of the certified limit.

34 (c) The amount resulting from Subsection (2)(a) shall:

35 (i) be rounded to the nearest \$10,000; and

36 (ii) apply to a cause of action arising on or after the date the annual adjustment is made.

37 (3) As used in this section, "inflation" means the seasonally adjusted consumer price  
38 index for all urban consumers as published by the Bureau of Labor Statistics of the United  
39 States Department of Labor.

40 (4) The limit under Subsection (1) does not apply to awards of punitive damages.

41 Section 2. Section **78-14-7.5** is amended to read:

42 **78-14-7.5. Limitation on attorney's contingency fee in malpractice action.**

43 (1) In any malpractice action against a health care provider as defined in Section  
44 78-14-3, an attorney shall not collect a contingent fee for representing a client seeking damages  
45 in connection with or arising out of personal injury or wrongful death caused by the negligence  
46 of another which exceeds [~~33-1/3% of the amount recovered.~~];

47 (a) 40% of any amount recovered up to and including \$50,000;

48 (b) 33 1/3% of any amount recovered that is over \$50,000, up to and including  
49 \$100,000;

50 (c) 25% of any amount recovered that is over \$100,000, up to and including \$600,000;

51 and

52 (d) 15% of any amount recovered that is in excess of \$600,000.

53 (2) This limitation applies regardless of whether the recovery is by settlement,  
54 arbitration, judgment, or whether appeal is involved.

**Legislative Review Note**

as of 1-22-03 10:28 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**

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**Fiscal Note**  
**Bill Number HB0118**

**Medical Malpractice Awards Adjustment**

*11-Feb-03*

*10:13 AM*

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**State Impact**

No fiscal impact on the state

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**Individual and Business Impact**

This bill could have a significant impact on malpractice insurers, attorneys, and individuals involved. Limits on non-economic damages could moderate and reduce insurance costs and premiums. Attorneys will be limited in the amount of money they can collect from contingency fees in any malpractice action. The individual claimants will also be limited in the amounts they can collect in non-economic awards.

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**Office of the Legislative Fiscal Analyst**