

GOVERNMENTAL IMMUNITY LIMITATIONS ON JUDGMENTS

Impacts on Public Entities, Private Businesses, the State Risk Fund, and Excess Liability Brokers/Carriers

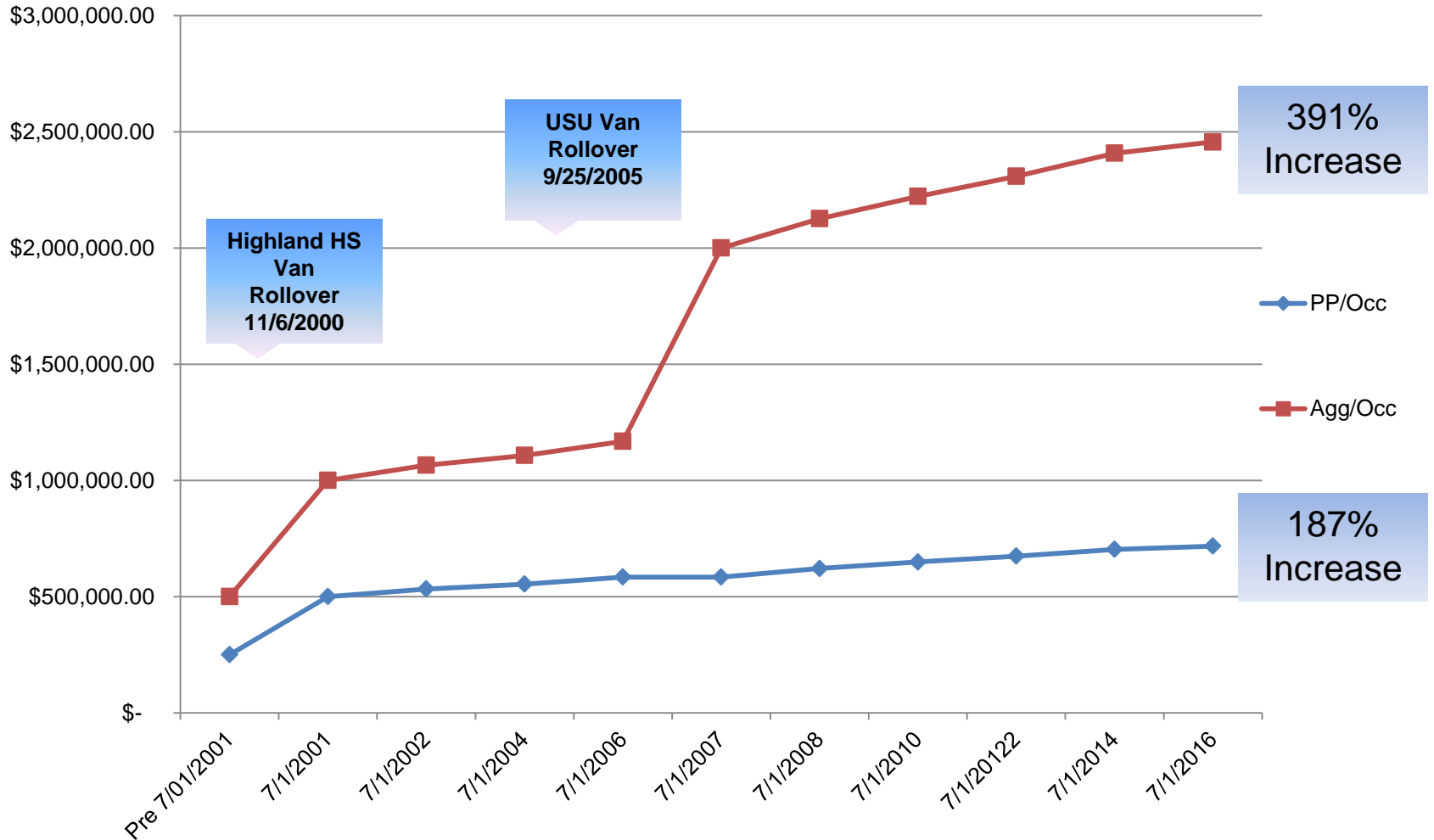
Claims Subject to State Tort Caps

- Personal injury
- Wrongful death
- Property damage
- Loss of consortium
- Wrongful termination
- Invasion/violation of privacy
- Discrimination under state law

Current State Tort Caps

- \$717,100 per person/per occurrence
- \$2,455,900 aggregate/per occurrence
- \$286,900 property damage/per occurrence
- Adjusted biennially per UCA 63G-7-605
- Apply to State and political subdivisions
- Do not apply to torts outside the State

GIA Tort Cap Increases



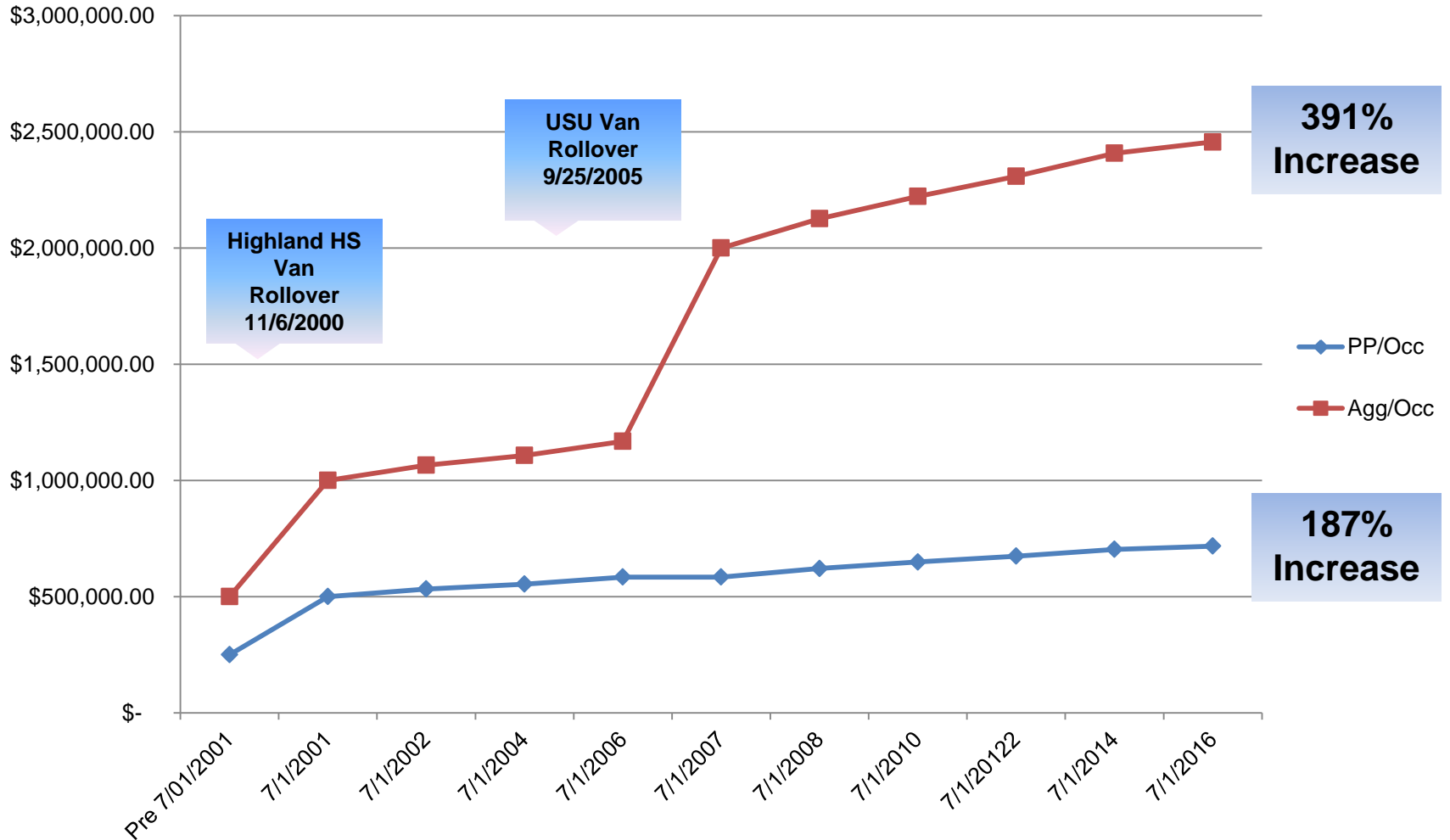
2017 Session – SB98

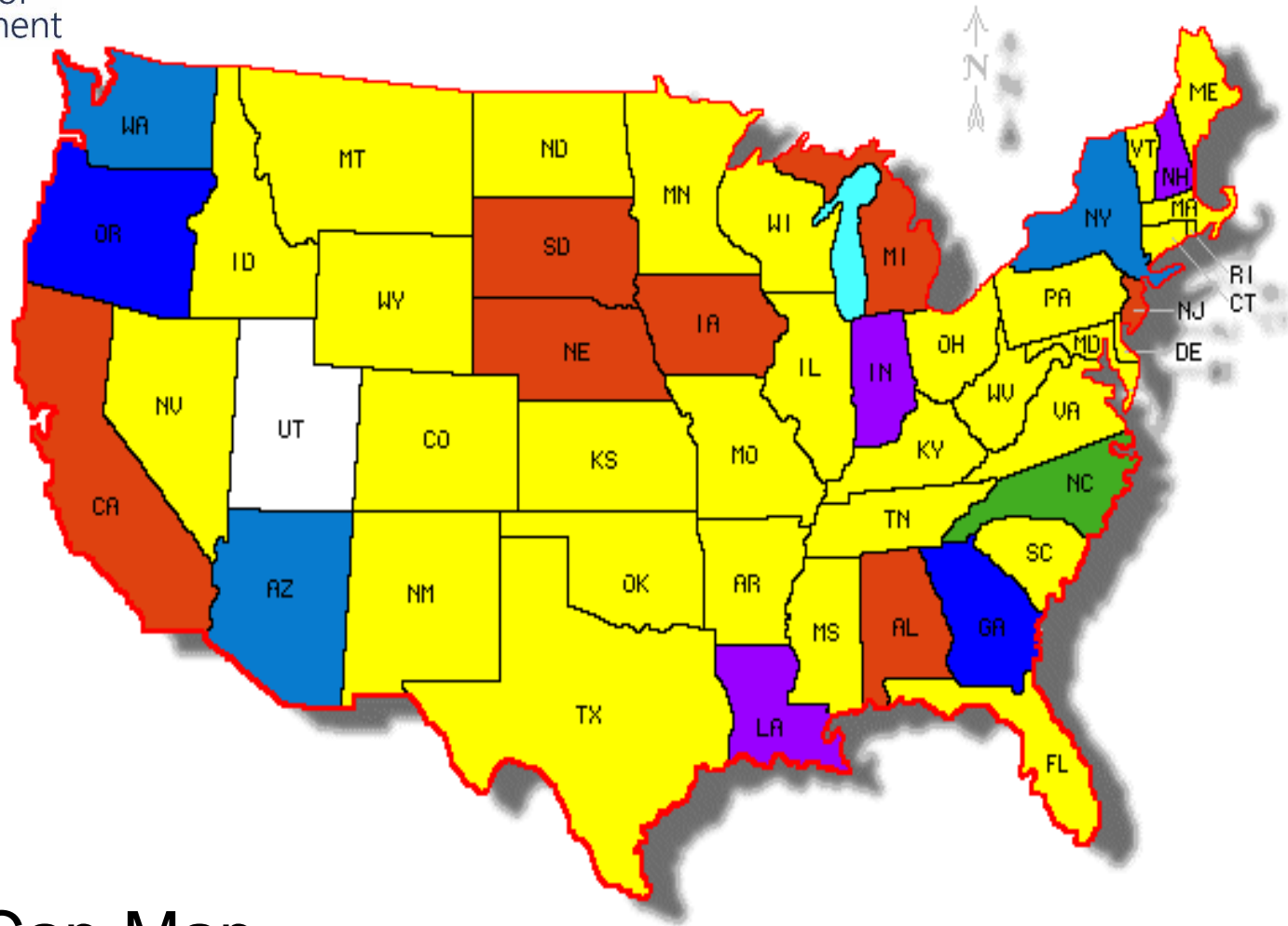
- Revised tort cap calculation places greater emphasis on medical care indexes to address health care inflation.

Calculation Method	Liability BI Per Person	Liability BI Per Occurrence	Property Damage
2014 Caps	\$703,000	\$2,407,700	\$281,300
2016 Caps	\$717,100	\$2,455,900	\$286,900
Pre-SB98 Increase	\$14,100 (2%)	\$48,200 (2%)	\$5,600/0%
2016 Caps (SB98)	\$723,000	\$2,476,000	\$286,900
Post-SB98 Increase	\$20,000 (2.84%)	\$68,300 (2.84%)	\$5,600/0%

- Next biennial adjustment – July 1, 2018.

GIA Tort Cap Increases





State Tort Cap Map

- No Caps/Ltd Gov Immunities
- No Caps/∧ Gov Immunities
- Per Person Caps > Utah

- Aggregate (Agg) Caps > Utah
- Per Person & Agg Caps > Utah
- Per Person & Agg Caps < Utah

Federal Claims with Caps

- Employment discrimination claims
 - \$50K: 15-100 employees
 - \$100K: 101 – 200 employees
 - \$200K: 201 – 500 employees
 - \$300K: >500 employees

Federal Claims with NO Caps

- Section 1983
- 1st Amendment
- 4th Amendment
- 5th Amendment
- 8th Amendment
- 14th Amendment

Excess Liability Insurance

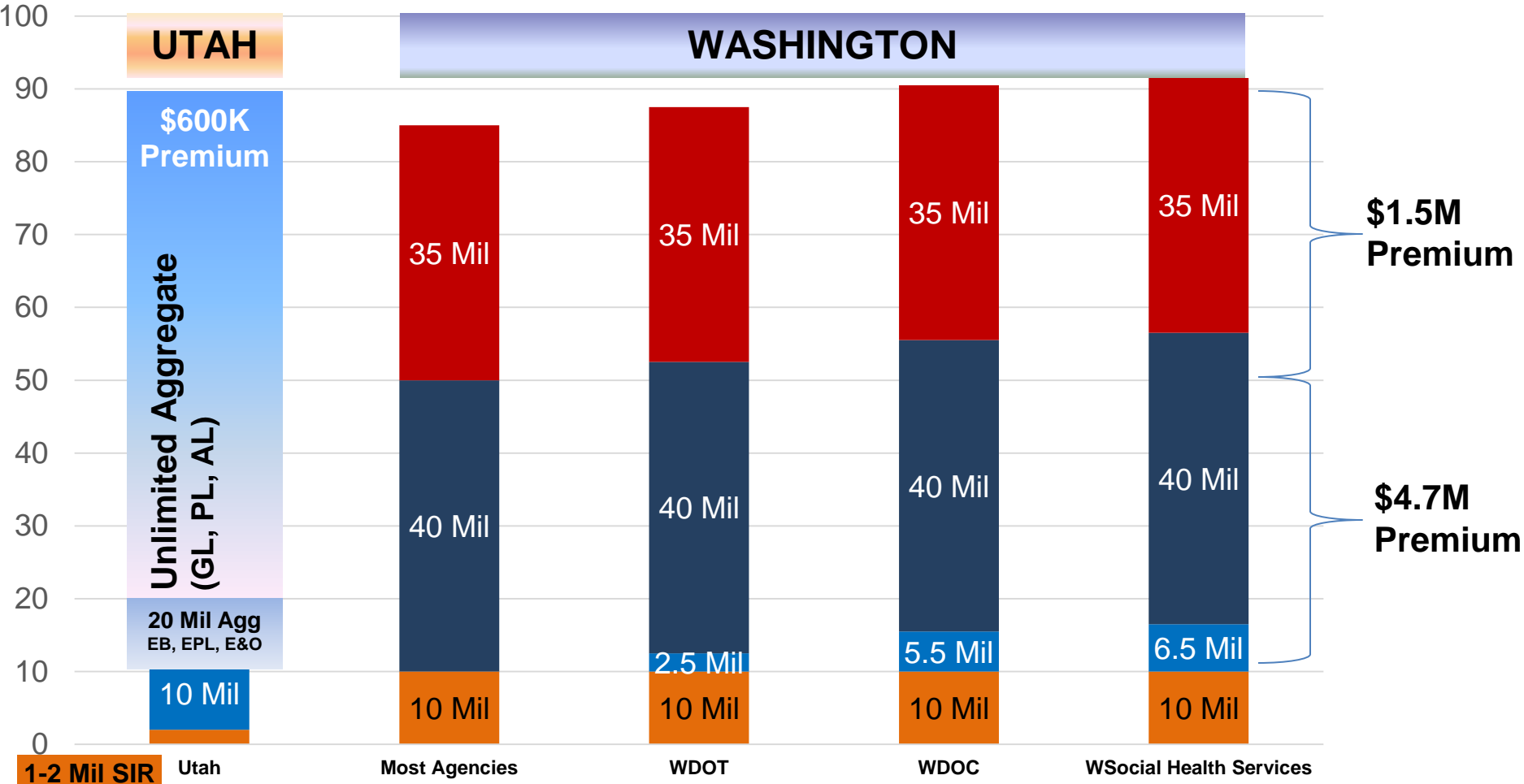
- “Gap” Coverage Rationale
 - Out-of-state auto/bus losses
 - Non-capped civil rights claims
- Market Hardening
 - Law enforcement liability and transit claims
 - Only two carriers left in public sector space
- Increasing premiums with reduced coverage
- Caps promote underwriting stability

State of Utah Excess Liability Program

Unlimited Annual Aggregate			Broker: Aon Insurer: Lloyd's Brit Syndicate Annual Premium: \$600,300		
			\$20 Million Annual Aggregate		
\$10 Million Per Occurrence					
\$2 Million Self-Insured Retention/\$1M Corridor					
General Liability EXCLUDING Products & Completed Operations	General Liability & Premises Liability	Auto Liability	Errors & Omissions	Employment Practices Liability	Employee Benefits

\$\$ In Millions

Utah/Washington Liability Programs



- Additional Excess Aggregate Insurance Purchased
- Excess Aggregate Insurance Purchased
- Additional Self Insurance by Agency
- Self Insurance Liability Account by Risk Fund

Private Business Impacts

- Public Facilities
- Civic Center Statute (Schools)
- Risk Transfer
 - Indemnification
 - Insurance
- Private businesses should carry insurance approaching or exceeding the caps, depending on risk
- As caps increase, private businesses will have to procure more insurance to contract with public entities

QUESTIONS?

Brian Nelson, Director
Utah Division of Risk Management
5120 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-9576
Email: benelson@utah.gov