

Effective 5/5/2021

63G-7-605 Adjustments to limitation of judgment amounts.

(1) As used in this section:

- (a) "Adjusted consumer price factor" means what the consumer price index would be without the medical care component and the medical services component.
- (b) "Aggregate limit" means the limit on the aggregate amount of personal injury damages claims from a single occurrence, as provided in Subsection 63G-7-604(1)(d).
- (c) "Applicable index" means:
 - (i) the consumer price index, for a calculation of the percentage change in the consumer price index;
 - (ii) the adjusted consumer price factor, for a calculation of the percentage change in the adjusted consumer price factor;
 - (iii) the medical care component, for a calculation of the percentage change in the medical care component; or
 - (iv) the medical services component, for a calculation of the percentage change in the medical services component.
- (d) "Base applicable index" means an applicable index for the year that is three years before the year in which the legislative fiscal analyst calculates new limits under this section.
- (e) "Consumer price index" means the annual index reported by the United States Bureau of Labor Statistics for consumer prices for all urban consumers, not seasonally adjusted.
- (f) "Individual limit" means the limit on the amount of a judgment for damages for personal injury, as provided in Subsection 63G-7-604(1)(a).
- (g) "Latest aggregate limit" means the aggregate limit, as last adjusted by the risk manager under this section.
- (h) "Latest individual limit" means the individual limit, as last adjusted by the risk manager under this section.
- (i) "Latest property damage limit" means the property damage limit, as last adjusted by the risk manager under this section.
- (j) "Medical care component" means the medical care sub-index of the consumer price index.
- (k) "Medical services component" means the medical care services sub-index of the consumer price index.
- (l) "Percentage change" means the amount of change between the base applicable index and the applicable index for the year before the year in which the legislative fiscal analyst calculates new limits under this section, expressed as a percentage of the base applicable index.
- (m) "Property damage limit" means the limit on the amount of a judgment for property damage, as provided in Subsection 63G-7-604(1)(c).
- (n) "Risk manager" means the state risk manager appointed under Section 63A-4-101.5.

(2) Each even-numbered year, the legislative fiscal analyst shall, subject to Subsection (3):

- (a) calculate a new individual limit by adding to the latest individual limit the sum of:
 - (i) 66.5% of the latest individual limit, multiplied by the percentage change in the adjusted consumer price factor;
 - (ii) 16.75% of the latest individual limit, multiplied by the percentage change in the medical care component; and
 - (iii) 16.75% of the latest individual limit, multiplied by the percentage change in the medical services component;
- (b) calculate a new aggregate limit by adding to the latest aggregate limit the sum of:
 - (i) 66.5% of the latest aggregate limit, multiplied by the percentage change in the adjusted consumer price factor;

- (ii) 16.75% of the latest aggregate limit, multiplied by the percentage change in the medical care component; and
 - (iii) 16.75% of the latest aggregate limit, multiplied by the percentage change in the medical services component;
 - (c) calculate a new property damage limit by adding to the latest property damage limit the amount of the latest property damage limit multiplied by the percentage change in the consumer price index;
 - (d) round up to the nearest \$100 the individual limit, aggregate limit, and property damage limit calculated under Subsections (2)(a), (b), and (c); and
 - (e) no later than May 1, communicate the newly calculated limits under Subsections (2)(a), (b), and (c) to the risk manager.
- (3) The newly calculated individual limit, aggregate limit, or property damage limit under Subsection (2) may not be less than the amount of the limit before the new calculation under Subsection (2).
- (4)
- (a) Each even-numbered year, the risk manager shall make rules, to become effective no later than July 1 of that year, that establish a new individual limit, aggregate limit, and property damage limit, as calculated under Subsection (2).
 - (b) A newly calculated individual limit, aggregate limit, or property damage limit under this section has prospective effect only from the date the rules establishing the new limit take effect.
 - (c) An individual limit, aggregate limit, or property damage limit, as newly calculated under this section, applies only to a claim for injury or loss that occurs after the effective date of the rules that establish the newly calculated limit.

Amended by Chapter 33, 2021 General Session