

**PRELIMINARY STAFF MEASURE SUMMARY**

**House Committee On Consumer Protection and Government Effectiveness**

**Fiscal:** Has minimal fiscal impact

**Revenue:** No Revenue Impact

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**Action Date:**

**Action:**

**Meeting Dates:**

**Prepared By:** Victoria Cox, Committee Administrator

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**WHAT THE MEASURE DOES:**

Increases \$500,000 limit on noneconomic damages recoverable in wrongful death actions and other statutorily created causes of action to \$1.5 million. Directs State Court Administrator to adjust limit annually on noneconomic damages, beginning in 2017. Specifies method by which administrator must make adjustment. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

ORS 31.710 limits the amount awarded for noneconomic damages in wrongful death and other actions to \$500,000. House Bill 4136 raises that limit to \$1.5 million. The measure further provides that beginning in 2017 and annually thereafter, the State Court Administrator will adjust the limit based on the percentage increase or decrease in the cost of living for the previous calendar year as reported in the U.S Department of Labor's Consumer Price Index.

At an informational hearing before the Interim House Committee on Consumer Protection and Government Effectiveness held January 15<sup>th</sup>, witnesses testified regarding the results of recent legislation in other states to increase the cap on noneconomic damages. The impact on price and availability of medical malpractice insurance was discussed as was the perceived paradox of unlimited noneconomic damages in cases of injury but not death.