

June 17, 2019

TOWN HALL

Damage Caps Involving Municipal Claims

Brenda Green is the newest member of GS Insurance Company. GS Insurance Company specializes in insurance for governmental agencies. Recently, she received a claim where a governmental employee rear-ended another vehicle while in the course and scope of her employment. As a result of the accident, the claimant sustained injuries and incurred \$100,000 in medical bills.

After receiving the medical records and bills, Brenda contacted the claimant's attorney, Sam Brown, about resolving the claim. Fully confident in the case, Sam demanded \$1 million to settle all claims. Sam is unwilling to reduce the demand. Are there any tactics that could help Brenda facilitate a settlement?

R.C. § 2744.05(C)(1) provides that "there shall not be any limitation on compensatory damages that represent actual loss of the person awarded damages. However, except in wrongful death actions...damages...that do not represent the actual loss...shall not exceed two hundred fifty thousand dollars in favor of any one person." Actual loss includes wages, salary, past and future medical bills, and property damage.

R.C. § 2744.05(C)(1) provides a cap on non-economic damages a.k.a. compensation for pain and suffering. Based on the cap, the claimant is entitled to \$100,000 in medical bills (economic damages) and \$250,000 (non-economic damages) for a total of \$350,000.

Armed with new information, Brenda calls Sam explaining that the cap on damages is \$350,000. Grudgingly, Sam reduces his demand—slightly—to \$350,000.

Please contact Attorneys [Robert P. Lynch, Jr.](#) and [Steven D. Strang](#) with any questions about this topic or questions regarding Municipal Law.