

SECOND REGULAR SESSION

HOUSE BILL NO. 1553

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DEGROOT.

3089H.02I

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 510.263, 510.265, 538.205, and 538.210, RSMo, and to enact in lieu thereof six new sections relating to punitive damages.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 510.263, 510.265, 538.205, and 538.210, RSMo, are repealed and six new sections enacted in lieu thereof, to be known as sections 510.258, 510.263, 510.264, 510.265, 538.205, and 538.210, to read as follows:

510.258. 1. Except as otherwise provided by statute, punitive damages shall not be awarded unless the plaintiff proves by clear and convincing evidence that the defendant intentionally harmed the plaintiff without just cause or acted with a deliberate and flagrant disregard for the safety of others. No claim for punitive damages shall be based in whole or in part on harm to nonparties.

2. Punitive damages shall not be awarded against an employer or a principal because of the act or conduct of an employee or agent unless the plaintiff can satisfy the standard of proof under subsection 1 of this section and:

(1) Prior to the act or conduct, the employer or principal expressly authorized the doing and manner of the act or conduct;

(2) During or after the act or conduct, the employer or principal, with full knowledge of the doing and manner of the act or conduct, expressly ratified the act or conduct; or

(3) The employee or agent was unfit to perform acts or duties of the kind for which a punitive damage award is sought, the employer or principal knew or had reason to know that the employee or agent was unfit to perform acts or duties of that kind, and the

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 employer or principal expressly authorized the employee or agent to perform acts or duties
18 of that kind.

19 **3. For purposes of this section, with respect to an employer or principal that is a**
20 **legal entity or partnership, only the act, conduct, authorization, ratification, or intention**
21 **of or by:**

22 **(1) The president, chair, or chief executive officer;**

23 **(2) The members of the governing body of the legal entity or partnership, if acting**
24 **as such; or**

25 **(3) Any other officer, employee, or agent with policy-making authority**

26

27 shall be deemed to be the act, conduct, authorization, ratification, or intention of the
28 employer or principal.

29 **4. No initial pleading in a civil action shall contain a claim for punitive damages.**
30 **Any later pleading containing a claim for punitive damages may be filed only with leave**
31 **of the court. A trial court may grant leave to file such a pleading only on written motion**
32 **by the plaintiff, filed no later than one hundred twenty days prior to the date set for trial.**
33 **The motion shall be supported by evidence tending to establish a reasonable basis upon**
34 **which a trier of fact could award punitive damages. Within thirty days of the filing of the**
35 **motion, any party opposing it may file a response, including evidence tending to establish**
36 **that there is no reasonable basis upon which a trier of fact could award punitive damages.**
37 **The court shall grant the motion if it is determined that a reasonable basis exists upon**
38 **which a trier of fact could award punitive damages. If the motion is not granted within**
39 **forty-five days after its filing, the motion shall be deemed to have been denied by the court.**

40 **5. As used in this section, the term "punitive damages" includes punitive damages,**
41 **exemplary damages, or damages awarded for aggravating circumstances.**

42 **6. The provisions of this section shall apply to:**

43 **(1) Any civil action pending on August 28, 2020, in which a claim for a punitive**
44 **damage award has been asserted in any pleading, unless in that action a verdict or**
45 **judgment containing a punitive damage award has been returned or entered prior to such**
46 **date;**

47 **(2) Any civil action pending on August 28, 2020, in which a party seeks, on or after**
48 **such date, to assert a claim for a punitive damage award; and**

49 **(3) Any civil action filed on or after August 28, 2020.**

510.263. 1. All actions tried before a jury involving punitive damages, including tort
2 actions based upon improper health care, shall be conducted in a bifurcated trial before the same
3 jury if requested by any party.

4 2. In the first stage of [a] **the** bifurcated trial, [~~in which the issue of punitive damages is~~
5 ~~submissible,~~] the jury shall determine [~~liability for~~] **whether** compensatory damages[~~, the~~
6 ~~amount of compensatory damages, including nominal damages, and the liability of a defendant~~
7 ~~for punitive damages]~~ **are to be awarded and in what amount.** Evidence of defendant's
8 financial condition shall not be admissible in the first stage of such trial unless admissible for
9 a proper purpose other than the amount of punitive damages.

10 3. [~~If during the first stage of a bifurcated trial the jury determines that a defendant is~~
11 ~~liable for punitive damages, that jury shall determine, in a second stage of trial, the amount of~~
12 ~~punitive damages to be awarded against such defendant. Evidence of such defendant's net worth~~
13 ~~shall be admissible during the second stage of such trial.] **The second stage of the bifurcated**
14 **trial shall be conducted only if the jury determines in the first stage that a defendant is**
15 **liable for compensatory damages in an amount greater than zero. In the second stage of**
16 **the bifurcated trial, the jury shall determine whether a defendant is liable for punitive**
17 **damages and, if so, the amount of punitive damages, subject to the provisions of section**
18 **510.265. Evidence of the defendant's financial condition shall be admissible in the second**
19 **stage of the bifurcated trial.**~~

20 4. Within the time for filing a motion for new trial, a defendant may file a [~~post-trial~~]
21 **posttrial** motion requesting the amount awarded by the jury as punitive damages be credited by
22 the court with amounts previously paid **in any state or federal court** by the defendant for
23 punitive damages arising out of the same conduct on which the imposition of punitive damages
24 is based. At any hearing, the burden on all issues relating to such a credit shall be on the
25 defendant and either party may introduce relevant evidence on such motion. Such a motion shall
26 be determined by the trial court within the time and according to procedures applicable to
27 motions for new trial. If the trial court sustains such a motion, the trial court shall credit the jury
28 award of punitive damages by the amount found by the trial court to have been previously paid
29 by the defendant arising out of the same conduct and enter judgment accordingly. If the
30 defendant fails to establish entitlement to a credit under the provisions of this section, [~~or~~] the
31 trial court finds from the evidence that the defendant's conduct out of which the prior punitive
32 damages award arose was not the same conduct on which the imposition of punitive damages
33 is based in the pending action, or the trial court finds the defendant unreasonably continued the
34 conduct after acquiring actual knowledge of the dangerous nature of such conduct, the trial court
35 shall disallow such credit, or, if the trial court finds that the laws regarding punitive damages in
36 the state **or federal court** in which the prior award of punitive damages was entered substantially
37 and materially deviate from the law of the state of Missouri, **except with respect to section**
38 **537.675**, and that the nature of such deviation provides good cause for disallowance of the credit

39 based on the public policy of Missouri, then the trial court may disallow all or any part of the
40 credit provided by this section.

41 5. The credit allowable under this section shall not apply to causes of action for libel,
42 slander, assault, battery, false imprisonment, criminal conversation, malicious prosecution or
43 fraud.

44 6. The ~~[doctrines]~~ **doctrine** of remittitur ~~[and additur]~~, based on the trial judge's
45 assessment of the totality of the surrounding circumstances, shall apply to punitive damage
46 awards. **The doctrine of additur shall not apply to punitive damage awards.**

47 7. As used in this section, "punitive damage award" means an award for punitive or
48 exemplary damages or an award for aggravating circumstances.

49 8. Discovery as to a defendant's ~~[assets]~~ **financial condition** shall be allowed only after
50 ~~[a finding by the trial court that it is more likely than not that the plaintiff will be able to present~~
51 ~~a submissible case to the trier of fact on the plaintiff's claim of punitive damages]~~ **a trial court**
52 **has granted leave to file a pleading seeking punitive damages in accordance with subsection**
53 **4 of section 510.258.**

54 9. The provisions of this section shall apply to:

55 (1) Any civil action pending on August 28, 2020, in which a claim for a punitive
56 damage award has been asserted in any pleading, unless in that action a verdict or
57 judgment containing a punitive damage award has been returned or entered prior to such
58 date;

59 (2) Any civil action pending on August 28, 2020, in which a party seeks, on or after
60 such date, to assert a claim for a punitive damage award; and

61 (3) Any civil action filed on or after August 28, 2020.

510.264. 1. A defendant shall not be liable for punitive damages if:

2 (1) The product alleged to have caused the harm was designed, manufactured,
3 packaged, labeled, sold, or represented in relevant and material respects in accordance
4 with the terms of an approval, license, or similar determination of a government agency;

5 (2) The product was in compliance with a statute of this state or the United States
6 or with a standard, rule, regulation, order, or other action of a government agency under
7 statutory authority if such statute or agency action is relevant to the event or risk allegedly
8 causing the harm and the product was in compliance at the time the product left the
9 control of the manufacturer or seller; or

10 (3) The act or transaction forming the basis of the claim involves terms of service,
11 contract provisions, representations, or other practices authorized by or in compliance
12 with the rules, regulations, standards, or orders of or a statute administered by a
13 government agency.

14 **2. This section shall not apply if the claimant establishes that the defendant, at any**
15 **time before the event that allegedly caused the harm, did any of the following:**

16 **(1) Sold the product or service after the effective date of an order of a government**
17 **agency to remove the product from the market, to withdraw its approval of the product**
18 **or service, or to substantially alter its terms of approval of the product or service in a**
19 **manner that would have prevented the claimant's alleged injury;**

20 **(2) Intentionally and in violation of applicable regulations withheld from or**
21 **misrepresented to the government agency information material to the approval or**
22 **maintaining of approval of the product or service, and such information is relevant to the**
23 **harm the claimant allegedly suffered; or**

24 **(3) Made an illegal payment to an official or employee of a government agency for**
25 **the purpose of securing or maintaining approval of the product or service.**

 510.265. 1. No award of punitive damages against any defendant shall exceed the
2 greater of:

3 (1) Five hundred thousand dollars; or

4 (2) Five times the net amount of the judgment awarded to the plaintiff against the
5 defendant. Such limitations shall not apply if the state of Missouri is the plaintiff requesting the
6 award of punitive damages, or the defendant pleads guilty to or is convicted of a felony arising
7 out of the acts or omissions pled by the plaintiff.

8 2. The provisions of this section shall not apply to civil actions brought under section
9 213.111 that allege a violation of section 213.040, 213.045, 213.050, or 213.070, to the extent
10 that the alleged violation of section 213.070 relates to or involves a violation of section 213.040,
11 213.045, or 213.050, or subdivision (3) of subsection 1 of section 213.070 as it relates to
12 housing.

13 **3. The provisions of sections 510.258 and 510.263 and subsection 4 of section**
14 **213.111 shall not apply to civil actions that allege a violation of section 213.040, 213.045,**
15 **213.050, or 213.070, to the extent that the alleged violation of section 213.070 relates to or**
16 **involves a violation of section 213.040, 213.045, or 213.050, or subdivision (3) of subsection**
17 **1 of section 213.070 as it relates to housing.**

 538.205. As used in sections 538.205 to 538.230, the following terms shall mean:

2 (1) "Catastrophic personal injury", a physical injury resulting in:

3 (a) Quadriplegia defined as the permanent loss of functional use of all four limbs;

4 (b) Paraplegia defined as the permanent loss of functional use of two limbs;

5 (c) Loss of two or more limbs;

- 6 (d) An injury to the brain that results in permanent cognitive impairment resulting in the
7 permanent inability to make independent decisions or engage in one or more of the following
8 activities of daily living: eating, dressing, bathing, toileting, transferring, and walking;
- 9 (e) An injury that causes irreversible failure of one or more major organ systems; or
- 10 (f) Vision loss such that the patient's central visual acuity is no more than
11 twenty/two-hundred in the better eye with the best correction or whose field of vision in the
12 better eye is restricted to a degree that its widest diameter subtends an angle no greater than
13 twenty degrees;
- 14 (2) "Economic damages", damages arising from pecuniary harm including, without
15 limitation, medical damages[;] and those damages arising from lost wages and lost earning
16 capacity;
- 17 (3) "Employee", any individual who is directly compensated by a health care provider
18 for health care services rendered by such individual and other nonphysician individuals who are
19 supplied to a health care provider by an entity that provides staffing;
- 20 (4) "Equitable share", the share of a person or entity in an obligation that is the same
21 percentage of the total obligation as the person's or entity's allocated share of the total fault, as
22 found by the trier of fact;
- 23 (5) "Future damages", damages that the trier of fact finds will accrue after the damages
24 findings are made;
- 25 (6) "Health care provider", any physician, hospital, health maintenance organization,
26 ambulatory surgical center, long-term care facility, including those licensed under chapter 198,
27 dentist, registered or licensed practical nurse, optometrist, podiatrist, pharmacist, chiropractor,
28 professional physical therapist, psychologist, physician-in-training, and any other person or entity
29 that provides health care services under the authority of a license or certificate;
- 30 (7) "Health care services", any services that a health care provider renders to a patient
31 in the ordinary course of the health care provider's profession or, if the health care provider is an
32 institution, in the ordinary course of furthering the purposes for which the institution is
33 organized. Professional services shall include, but are not limited to, transfer to a patient of
34 goods or services incidental or pursuant to the practice of the health care provider's profession
35 or in furtherance of the purposes for which an institutional health care provider is organized;
- 36 (8) "Medical damages", damages arising from reasonable expenses for necessary drugs,
37 therapy, and medical, surgical, nursing, x-ray, dental, custodial and other health and
38 rehabilitative services;
- 39 (9) "Noneconomic damages", damages arising from nonpecuniary harm including,
40 without limitation, pain, suffering, mental anguish, inconvenience, physical impairment,

41 disfigurement, loss of capacity to enjoy life, and loss of consortium but shall not include punitive
42 damages;

43 (10) "Past damages", damages that have accrued when the damages findings are made;

44 (11) "Punitive damages", damages intended to punish or deter ~~[willful, wanton or]~~
45 **malicious misconduct or conduct that intentionally harmed the plaintiff**, including exemplary
46 damages and damages for aggravating circumstances;

47 (12) "Self-insurance", a formal or informal plan of self-insurance or no insurance of any
48 kind.

538.210. 1. A statutory cause of action for damages against a health care provider for
2 personal injury or death arising out of the rendering of or failure to render health care services
3 is hereby created, replacing any such common law cause of action. The elements of such cause
4 of action are that the health care provider failed to use that degree of skill and learning ordinarily
5 used under the same or similar circumstances by members of the defendant's profession and that
6 such failure directly caused or contributed to cause the plaintiff's injury or death.

7 2. (1) In any action against a health care provider for damages for personal injury arising
8 out of the rendering of or the failure to render health care services, no plaintiff shall recover more
9 than four hundred thousand dollars for noneconomic damages irrespective of the number of
10 defendants.

11 (2) Notwithstanding the provisions of subdivision (1) of this subsection, in any action
12 against a health care provider for damages for a catastrophic personal injury arising out of the
13 rendering or failure to render health care services, no plaintiff shall recover more than seven
14 hundred thousand dollars for noneconomic damages irrespective of the number of defendants.

15 (3) In any action against a health care provider for damages for death arising out of the
16 rendering of or the failure to render health care services, no plaintiff shall recover more than
17 seven hundred thousand dollars for noneconomic damages irrespective of the number of
18 defendants.

19 3. ~~[(4)]~~ This section shall also apply to any individual or entity, or ~~[their]~~ **the**
20 **individual's or entity's** employees or agents~~;~~ :

21 (1) That ~~[provide, refer, coordinate, consult upon, or arrange]~~ **provides, refers,**
22 **coordinates, consults upon, or arranges** for the delivery of health care services to the plaintiff;
23 and

24 (2) Who is a defendant in a lawsuit brought against a health care provider under this
25 chapter, or who is a defendant in any lawsuit that arises out of the rendering of or the failure to
26 render health care services.

27 4. No health care provider whose liability is limited by the provisions of this chapter
28 shall be liable to any plaintiff based on the actions or omissions of any other entity or individual

29 who is not an employee of such health care provider, unless the individual is an employee of a
30 subsidiary in which the health care provider has a controlling interest and the subsidiary does not
31 carry a professional liability insurance policy or self-insurance covering said individual of at least
32 one million dollars per occurrence and a professional liability insurance policy or self-insurance
33 covering said subsidiary of least one million dollars per occurrence.

34 5. The limitations on liability as provided for in this section shall apply to all claims for
35 contribution.

36 6. In any action against a health care provider for damages for personal injury or death
37 arising out of the rendering of or the failure to render health care services, where the trier of fact
38 is a jury, such jury shall not be instructed by the court with respect to the limitation on an award
39 of noneconomic damages, nor shall counsel for any party or any person providing testimony
40 during such proceeding in any way inform the jury or potential jurors of such limitation.

41 7. For purposes of sections 538.205 to 538.230, any spouse claiming damages for loss
42 of consortium of ~~their~~ **his or her** spouse shall be considered to be the same plaintiff as ~~their~~
43 **his or her** spouse.

44 8. Any provision of law or court rule to the contrary notwithstanding, an award of
45 punitive damages against a health care provider governed by the provisions of sections 538.205
46 to 538.230 shall be made only upon a ~~showing by a plaintiff~~ **finding by the jury that the**
47 **evidence clearly and convincingly demonstrated** that the health care provider ~~demonstrated~~
48 ~~willful, wanton or malicious misconduct with respect to his actions which are found to have~~
49 ~~injured or caused or contributed to cause the damages claimed in the petition~~ **intentionally**
50 **harmed the plaintiff or demonstrated malicious misconduct that harmed the plaintiff.**
51 **Evidence of negligence including, but not limited to, indifference to or conscious disregard**
52 **for the safety of others shall not constitute a basis for an award of punitive damages**
53 **against a health care provider.**

54 9. For purposes of sections 538.205 to 538.230, all individuals and entities asserting a
55 claim for a wrongful death under section 537.080 shall be considered to be one plaintiff.

56 10. The limitations on awards for noneconomic damages provided for in this section
57 shall be increased by one and seven-tenths percent on an annual basis effective January first of
58 each year. The current value of the limitation shall be calculated by the director of the
59 department of commerce and insurance, who shall furnish that value to the secretary of state~~;~~
60 ~~who~~ . **The secretary of state** shall publish such value in the Missouri Register on the first
61 business day following January first, but the value shall otherwise be exempt from the provisions
62 of section 536.021.

63 11. In any claim for damages under this chapter, and upon ~~post-trial~~ **posttrial** motion
64 following a jury verdict with noneconomic damages exceeding four hundred thousand dollars,

65 the trial court shall determine whether the limitation in subsection 2 of this section shall apply
66 based on the severity of the most severe injuries.

67 12. If a court of competent jurisdiction enters a final judgment on the merits that is not
68 subject to appeal and that declares any provision or part of either section 1.010 or this section
69 to be unconstitutional or unenforceable, then section 1.010 and this section, as amended by this
70 act and in their entirety, are invalid and shall have no legal effect as of the date of such judgment,
71 and this act, including its repealing clause, shall likewise be invalid and of no legal effect. In
72 such event, the versions of sections 1.010 and this section that were in effect prior to the
73 enactment of this act shall remain in force.

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