



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

ROBERT J. KLEINE  
STATE TREASURER

**Revised January 20, 2009**

**LIMITATION ON NONECONOMIC DAMAGES  
and  
PRODUCT LIABILITY DETERMINATION ON ECONOMIC DAMAGES**

Subsection 1 of Section 1483 of Act No. 236 of the Public Acts of 1961 (M.C.L. Section 600.1483), as amended by Act No. 78 of 1993, states the following:

Sec. 1483. (1) In an action for damages alleging medical malpractice by or against a person or party, the total amount of damages for noneconomic loss recoverable by all plaintiffs, resulting from the negligence of all defendants, shall not exceed \$280,000.00 unless, as the result of the negligence of 1 or more of the defendants, 1 or more of the following exceptions apply as determined by the court pursuant to section 6304, in which case damages for noneconomic loss shall not exceed \$500,000.00:

- (a) The plaintiff is hemiplegic, paraplegic, or quadriplegic resulting in a total permanent functional loss of 1 or more limbs caused by 1 or more of the following:
  - (i) Injury to the brain.
  - (ii) Injury to the spinal cord.
- (b) The plaintiff has permanently impaired cognitive capacity rendering him or her incapable of making independent, responsible life decisions and permanently incapable of independently performing the activities of normal, daily living.
- (c) There has been permanent loss of or damage to a reproductive organ resulting in the inability to procreate.

Subsection 4 of Section 1483 of Act No. 236 of the Public Acts of 1961, as amended (M.C.L. Section 600.1483), states the following:

Sec. 1483. (4) The state treasurer shall adjust the limitation on damages for noneconomic loss set forth in subsection (1) by an amount determined by the state treasurer at the end of each calendar year to reflect the cumulative annual percentage change in the consumer price index. As used in this subsection, "consumer price index" means the most comprehensive index of consumer prices available for this state from the bureau of labor statistics of the United States department of labor.

Enacting Section 4 of Act No. 78 of 1993 provides, in part:

Section 4. (1) Section(s) 1483 . . . of Act No. 236 of the Public Acts of 1961, as amended by this amendatory act, do(es) not apply to causes of action arising before October 1, 1993.

Subsection 1 of Section 2946a of Act No. 236 of the Public Acts of 1961 (M.C.L. Section 600.2946a), as amended by Act No. 249 of 1995 states the following:

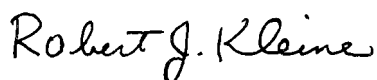
Sec. 2946a. (1) In an action for product liability, the total amount of damages for noneconomic loss shall not exceed \$280,000.00, unless the defect in the product caused either the person's death or permanent loss of a vital bodily function, in which case the total amount of damages for noneconomic loss shall not exceed \$500,000.00. On the effective date of the amendatory act that added this section, the state treasurer shall adjust the limitations set forth in this subsection so that the limitations are equal to the limitations provided in section 1483. After that date, the state treasurer shall adjust the limitations set forth in this subsection at the end of each calendar year so that they continue to be equal to the limitations provided in section 1483.

Subsection 4 of Section 2946a of Act No. 236 of the Public Acts of 1961 (M.C.L. Section 600.2946a), as amended by Act No. 249 of 1995 states the following:

Sec. 2946a. (4) If damages for economic loss cannot readily be ascertained by the trier of fact, then the trier of fact shall calculate damages for economic loss based on an amount that is equal to the state average median family income as reported in the immediately preceding federal decennial census and adjusted by the state treasurer in the same manner as provided in subsection (1).

Pursuant to the above requirements, I, Robert J. Kleine, State Treasurer of the State of Michigan, hereby certify that the annual percentage increase in the Detroit consumer price index for the 2008 calendar year was 2.3%. For causes of action arising after September 30, 1993, this results in a cumulative 46.7% increase in the standard limitation on noneconomic damages for a 2009 limitation of \$410,800 and a cumulative 46.7% increase in the limitation on noneconomic damages for certain permanent disabilities for a 2009 limitation of \$733,500. For causes of action alleging medical malpractice arising before October 1, 1993, the 2.3% increase in the Detroit consumer price index results in a cumulative 91.7% increase in the previous \$225,000 limitation of noneconomic damages for a 2009 limitation of \$431,300.

And further, in an action for product liability for damages for economic loss not readily ascertained by the trier of fact, the state average median family income for 1999, reported in the 2000 decennial census, is \$53,457. Effective January 1, 2009, the 2.3% increase in the Detroit consumer price index results in a cumulative 24.9% increase in the median family income to \$66,768.



Robert J. Kleine, State Treasurer

January 20, 2009

**Limitation on Noneconomic Damages  
and  
Product Liability Determination on Economic Damages**

Original Amount MCL Effective Date	<u>\$225,000</u> <u>600.1483(4)</u> <u>10/01/1986</u>	<u>\$280,000</u> <u>600.1483(4) and 600.2946a(1)</u> <u>04/01/1994 and 03/28/1996</u>	<u>\$500,000</u> <u>600.2946a(1)</u> <u>04/01/1994 and 03/28/1996</u>	<u>\$36,652</u> <u>600.2946a(4)</u> <u>3/28/1996</u>	<u>\$53,457</u> <u>600.2946a(4)</u> <u>3/28/1996</u>
Original Year	1986	1994	1994	1989 Median Family Income	1999 Median Family Income
<u>Year of Limit</u>					
1987	\$228,128				
1988	235,620				
1989	244,600				
1990	257,650				
1991	270,930				
1992	280,410				
1993	286,309				
1994	294,101				
1995	303,371	\$288,825	\$515,759		
1996	313,062	298,052	532,235	\$44,534	
1997	321,300	305,800	546,200	45,703	
1998	329,200	313,600	560,000	46,841	
1999	336,600	320,600	572,500	47,904	
2000	345,400	328,700	587,000	49,114	
2001	357,800	340,500	608,000	50,873	
2002	367,400	349,700	624,500	52,266	
2003	376,900	359,000	641,000		\$58,375
2004	384,500	366,000	653,500		59,498
2005	390,600	371,800	664,000		60,460
2006	402,100	382,800	683,500		62,224
2007	414,200	394,200	704,000		64,148
2008	421,700	401,500	717,000		65,271
2009	431,300	410,800	733,500		66,768

Prepared by Office of Revenue and Tax Analysis, Michigan Department of Treasury

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JENNIFER M. GRANHOLM  
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**ESTATES AND PROTECTED INDIVIDUALS CODE**  
**COST-OF-LIVING ADJUSTMENTS TO SPECIFIC DOLLAR AMOUNTS**

Section 1210 of Act No. 386 of the Public Acts of 1998 (MCL Section 700.1210), states the following:

Sec. 1210. (1) The specific dollar amounts stated in sections 2102, 2402, 2404, 2405, and 3983 apply to decedents who die before January 1, 2001. For decedents who die after December 31, 2000, these specific dollar amounts shall be multiplied by the cost-of-living adjustment factor for the calendar year in which the decedent dies.

(2) Before February 1, 2001, and annually after 2001, the department of treasury shall publish the cost-of-living adjustment factor to be applied to the specific dollar amounts referred to in subsection (1) for decedents who die during that calendar year. A product resulting from application of the cost-of-living adjustment factor to a specific dollar amount must be rounded to the nearest \$1,000.00 amount.

Subdivision (i) of Section 1103 of Act No. 386 of the Public Acts of 1998 (MCL Section 700.1103), states the following:

Sec. 1103. (i) "Cost-of-living adjustment factor" means a fraction, the numerator of which is the United States consumer price index for the prior calendar year and the denominator of which is the United States consumer price index for 1997. As used in this subdivision, "United States consumer price index" means the annual average of the United States consumer price index for all urban consumers as defined and reported by the United States department of labor, bureau of labor statistics, or its successor agency, and as certified by the state treasurer.

Pursuant to the above requirements, I, Robert J. Kleine, State Treasurer of the State of Michigan, hereby certify that the cost-of-living adjustment factor for the 2009 calendar year is 1.341, which, before rounding, increases the specific dollar amounts by 34.1%. The average U.S. Consumer Price Index is 215.303 for 2008 and 160.5 for 1997. After rounding, the specific dollar amounts are as listed on the following page:

*Robert J. Kleine*

Robert J. Kleine, State Treasurer

January 20, 2009

**Estates and Protected Individuals Code  
Cost-of-Living Adjustments to Specific Dollar Amounts**

	<b><u>Original Amount</u></b>	<b><u>Amount for 2001</u></b>	<b><u>Amount for 2002</u></b>	<b><u>Amount for 2003</u></b>	<b><u>Amount for 2004</u></b>
2102, MCL 700.2102	150,000	161,000	165,000	168,000	172,000
2102, MCL 700.2102	100,000	107,000	110,000	112,000	115,000
2402, MCL 700.2402	15,000	16,000	17,000	17,000	17,000
2404, MCL 700.2404	10,000	11,000	11,000	11,000	11,000
2405, MCL 700.2405	18,000	19,000	20,000	20,000	21,000
3982, MCL 700.3982	15,000	16,000	17,000	17,000	17,000
3983, MCL 700.3983	15,000	16,000	17,000	17,000	17,000

	<b><u>Amount for 2005</u></b>	<b><u>Amount for 2006</u></b>	<b><u>Amount for 2007</u></b>	<b><u>Amount for 2008</u></b>	<b><u>Amount for 2009</u></b>
2102, MCL 700.2102	177,000	183,000	188,000	194,000	201,000
2102, MCL 700.2102	118,000	122,000	126,000	129,000	134,000
2402, MCL 700.2402	18,000	18,000	19,000	19,000	20,000
2404, MCL 700.2404	12,000	12,000	13,000	13,000	13,000
2405, MCL 700.2405	21,000	22,000	23,000	23,000	24,000
3982, MCL 700.3982	18,000	18,000	19,000	19,000	20,000
3983, MCL 700.3983	18,000	18,000	19,000	19,000	20,000