

Catastrophic Claims:

All levels of government in New Jersey need to discuss how to better coordinate their risk management programs to reduce costs and better protect the taxpayers. Every year, New Jersey governmental entities spend tens of millions for excess liability and workers' compensation insurance coverage, but most governmental units, including the state itself lack sufficient limits to address truly catastrophic events.

One approach that could substantially reduce costs is to create a statewide catastrophic coverage fund including the state as well as all local units and BOEs that would cover liability and workers' compensation claims excess of \$10 million. Premiums should be risk based. Inter-level risk management cooperation should also include planning for catastrophic claims that impact multiple levels of government as well as sharing safety and claims control programs.

Half of the states also minimize this risk by enacting provisions in their public entity tort liability statutes that cap jury awards ranging from a \$100,000 per occurrence in Illinois and Rhode Island to Georgia's \$3 million per occurrence. While a number this low may not be acceptable in New Jersey, some reasonable cap should be enacted.

Tort Liability Limits By State

Delaware:	\$300,000 per occurrence
Florida:	\$100,000 per claimant, \$200,000 per occurrence
Georgia:	\$1 million per claimant, \$3 million per occurrence
Illinois:	\$100,000 per occurrence
Kansas:	\$500,000 per occurrence
Kentucky:	\$100,000 per claimant, \$250,000 per occurrence
Louisiana:	\$500,000 per claimant
Maine:	\$400,000 per occurrence
Maryland:	\$200,000 per claimant
Massachusetts:	\$100,000 per claimant
Minnesota:	\$300,000 per claimant, \$1 million per occurrence
Montana:	\$750,000 per claimant, \$1.5 million per occurrence
New Hampshire:	\$250,000 per claimant, \$2 million per occurrence
New Mexico:	\$400,000 per claimant, \$750,000 per occurrence
North Carolina:	\$500,000 per occurrence
Oklahoma:	\$125,000 per claimant
Oregon:	\$100,000 per claimant, \$500,000 per occurrence
Pennsylvania:	\$250,000 per claimant, \$1 million per occurrence
Rhode Island:	\$100,000 per tort action
South Carolina:	\$300,000 per claimant, \$600,000 per occurrence
Texas:	\$250,000 per claimant, \$500,000 per occurrence
Utah:	\$500,000 per claimant, \$1 million per occurrence
Vermont:	\$250,000 per claimant, \$500,000 per occurrence
Virginia:	\$100,000 per occurrence
Wyoming:	\$250,000 per claimant, \$500,000 per occurrence