HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 806 **DATE:** March 27, 2003

   Version: First Engrossment

   Authors: Kielkucki and Wilkin

   Subject: Civil Liability Limits; Certain Nonprofit Corporations

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Overview

The bill applies the local government damage limits to liability claims for harm to clients or for activities of clients against nonprofits that provide services to mentally retarded children or adults or that operate orphanages. Provides exceptions.

Section

1   **Limited liability for certain nonprofit corporations.** Applies to nonprofit corporations that provide day training for adults or developmental achievement services for children with mental retardation and related conditions, or that are residential treatment centers, group homes, or private child placing agencies. Gives these entities the same liability limits for liability claims that apply to local governments ($300,000 per claim/$1 million per occurrence) in claims arising out of the care or treatment of clients or the activities of clients while in the nonprofit's care, if the nonprofit has insurance equal to the state liability limits. The liability limits do not apply if the nonprofit acted intentionally or with gross negligence.

Provides that if the nonprofit has insurance over the state liability limits, the excess insurance is a waiver of the limits to the extent of the insurance amount and only for claims in the scope of coverage.

Prohibits government units that contract with the covered nonprofits from requiring more insurance coverage than the statutory liability limits.

2   **Effective date; application.** Applies to claims from incidents occurring on or after the effective date, which is July 1, 2003.