

**AWARD SURVEY** *cont'd from page 3*

In those surveys, we found that arbitrators awarded punitive damages in only about 2.1% of the Awards. We also found that, in terms of proportionality, arbitrators exceeded a punitive-to-compensatory award ratio of 3-to-1 in 12% of the punitive damage cases and exceeded a 5-to-1 ratio in only 7% of such Awards. That 2.1% average, though, was spread among Awards with claims of all sizes. Once we compared the incidence of punitive awards to the various claim sizes, we discovered that dispersal was not uniform. In fact, the incidence of punitive awards ranges

from .9% for low-dollar claims to 6.9% for compensatory claims over \$1 million!

More than one-third of the Awards surveyed concern compensatory claims not exceeding \$10,000. Because many of these claims are handled via the Small Claims procedures, involve only a single Arbitrator, are often decided without a hearing ("on the papers"), and less frequently request punitive damages, one cannot be too surprised that the incidence of punitive awards (.9%) is low. From that level upwards,

though, the incidence of punitive awards in each succeeding damage category heightens, peaking at 6.9% of the time in the \$1 million-and-over category.

This compares quite closely with the incidence of punitive damage awards found in the RAND Study of civil jury verdicts mentioned in this issue's "In Brief." Juries are not often asked to deliberate on claims less than five figures. Eliminate those and it seems arbitrators are doing what juries do, about as often as juries do, except that,

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<b>Size Of Claim Breakdown (With Punitive Award Results) CustomerMember And Small Claims</b>										
<b>5/10/89...6/30/95</b>										
Size Of Comp. Claim (\$000's)			(RCC) "Related" Comp. Claims (\$000's)	(TA) Total Awards (\$000's)	Punitive Awards*				Percentages	
	No. Awd's.	No. Cust. Wins			(#PA) No. Puni Awd's	Total Puni Awards (\$000's)	(PRCC) "Related" Comp. Claims (\$000's)	#PA #AWDS %	Cust. Wins %	TA RCC %
>\$0... ≤\$10.0	3,395	1,683	7,977	6,515	29	238	123	.9	50	82
>\$10.0... ≤\$50.0	2,309	1,274	36,542	24,615	48	1,289	1,527	2.1	55	67
>\$50.0... ≤\$100.0	1,183	660	49,637	31,039	33	2,572	2,589	2.8	56	63
>\$100.0... ≤\$500.0	1,653	991	224,844	108,437	59	13,134	14,309	3.6	60	48
>\$500.0... ≤\$1000.0	246	163	118,991	41,131	10	2,070	7,901	4.1	66	35
Over \$1MM	189	118	449,610	109,100	13	8,352	24,884	6.9	62	24
\$s Not Specified	555	280	---	24,043	18	1,794	---	3.2	50	---
All \$ Cat- egories	9,530	5,169	887,600	344,881	210	29,450	51,333	2.2	54	39
* Excludes all Awards where an award of punitive damages was made on the counterclaim or in an industry or employment dispute.										