



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 31, 2025

**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:

- (1) In a claim 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 limitations on damages for noneconomic loss set forth in subsection (1) by amounts 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, Rachael Eubanks, State Treasurer of the State of Michigan, hereby certify that the annual percentage change in the Detroit consumer price index for the 2024 calendar year was 3.0% (3.0 percent). For causes of action arising after September 30, 1993, this results in a cumulative 109.4% increase in the standard limitation on noneconomic damages for a 2025 limitation of \$586,300 and a cumulative 109.4% increase in the limitation on noneconomic damages for certain permanent disabilities for a 2025 limitation of \$1,047,000. For causes of action alleging medical malpractice arising before October 1, 1993, the 3.0% increase in the Detroit consumer price index results in a cumulative 173.7% increase in the previous \$225,000 limitation of noneconomic damages for a 2025 limitation of \$615,800.

And further, in an action for product liability for damages for economic loss not readily ascertained by the trier of fact, the estimated state average median family income for 2023, reported in the 2023 American Community Survey, is \$88,499. Effective January 1, 2025, the 5.8% increase in the calendar year 2023 Detroit consumer price index results in a 2024 median family income of \$93,651. The cumulative 9.0% net increase in the Detroit consumer price index between calendar year 2022 and 2024 results in a 2025 median family income of \$96,498. (The 2020 Census Bureau decennial census did not collect income data.)



Rachael Eubanks
State Treasurer

January 31, 2025

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

	Malpractice and Product Liability						
	Malpractice	Excluding		Certain	Product Liability		
		Pre 10/1993	Certain		Permanent	Economic Damages Not Readily	
			Disabilities		Disabilities	Ascertained by Trier of Fact	
Original Amount	<u>\$225,000</u>	<u>\$280,000</u>	<u>\$500,000</u>	<u>\$36,652</u>	<u>\$53,457</u>	<u>\$57,996</u>	
MCL	600.1483(1) and 600.2946a(1)		600.2946a(4)				
Effective Date	10/01/1986		04/01/1994 and 03/28/1996		3/28/1996		
Original Year	1986	1994	1994	1989 Median Family Income	1999 Median Family Income	Post 2005 ACS Family Income (1)	
Year of Limit							
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			57,996	
2007	414,200	394,200	704,000			59,618	
2008	421,700	401,500	717,000			60,615	
2009	431,300	410,800	733,500			56,681	
2010	428,600	408,200	729,000			56,101	
2011	432,000	411,300	734,500			58,068	
2012	446,200	424,800	758,500			59,295	
2013	455,200	433,400	774,000			60,846	
2014	462,400	440,200	786,000			62,143	
2015	467,300	444,900	794,500			63,893	
2016	460,800	438,800	783,500			67,330	
2017	468,000	445,500	795,500			69,664	
2018	477,900	455,000	812,500			72,036	
2019	489,400	465,900	832,000			75,703	
2020	495,700	471,800	842,500			79,736	
2021	500,600	476,600	851,000			80,523	
2022	522,000	497,000	887,500			85,865	
2023	564,800	537,900	960,500			88,499	
2024	597,800	569,000	1,016,000			93,651	
2025	615,800	586,300	1,047,000			96,498	

(1) Listed median family income for years 2006-2023 is the American Community Survey (ACS) Michigan median family income for each given year. The listed 2024 and 2025 median family incomes represent the 2023 ACS Michigan median family income grown by inflation. The Census Bureau conducts the ACS annually. The most recently published ACS data are for 2023. The Census Bureau did not collect income data in its 2010 decennial census or its 2020 decennial census.