

ARIZONA

Karl J. Gruse
RENAUD COOK DRURY MESAROS, PA

1 North Central, Suite 900
Phoenix, Arizona 85004
Phone: (602) 307-9900
Fax: (602) 307-5853
E-Mail: kgruse@rcdmlaw.com

1. What are the venues/areas in Arizona that are considered “dangerous” or “liberal?”

Whether a county is “liberal” or “dangerous” to defendants can be determined by examining several factors, including the number of plaintiff verdicts that come out of the county; the average award of a plaintiff verdict; and political leaning of the county.

On the whole, Arizona tends to lean Republican, and Arizona juries in civil matters tend to be predisposed towards defendants. In fact, in the latest available census of jury verdicts, several counties did not report a single civil plaintiff’s verdict (Mohave County, La Paz County, Yuma County, Coconino County, Apache County, Greenlee County, Graham County, Santa Cruz County, and Pinal County). Of these counties, Apache County, Santa Cruz County, and Coconino County actually tend to lean Democratic. It must be noted though, that the low or nonexistent number of plaintiff’s verdicts could also be a function of the fact that many Arizona counties are sparsely populated, with civil trials being a rarity.

The two largest Arizona counties by population are Maricopa County, followed by Pima County. Maricopa County leans Republican, with the largest recent plaintiff’s verdict being an award of \$7.9 million. *Dupray v. JAI Dining Services, Inc., et. al.*, CV2014-007697. In contrast, the largest reported verdict in Pima County was for \$15 million. *Tripp v. University of Arizona Medical Center, et al.*, C2014-4811. This verdict is consistent with the general consensus that Pima County is the most plaintiff-friendly county in Arizona.

For reference, major cities and towns in Pima County include Tucson, Oro Valley, and Marana. Major Interstate highways through Pima County are Interstate 10 and Interstate 19, and major Arizona State Routes in Pima County are State Route 77, 85, and 86.

2. Identify any significant trucking verdicts in Arizona during 2017-2018, both favorable and unfavorable from a trucking company’s perspective.

Crocher v. Yanez:

Plaintiff Anthony Crocher was driving a motorcycle southbound on McClintock Drive in Tempe, Arizona, when Defendant Ricardo Yanez, a driver for Doble [sic] A Trucking, Inc., driving a truck for his employer, also southbound on McClintock Drive, executed a right-hand turn from the middle lane of travel, in front of the Plaintiff, who was traveling in the curb lane.

Defendant Yanez's turn caused Plaintiff to lay his motorcycle down in order to avoid a collision. In doing so, Plaintiff sustained serious injuries to his wrist and other bodily injuries.

Result: The parties settled Mr. Crocher's claims for \$175,000.

De Leon v. Perkins:

Plaintiff Rolendio De Leon was driving an automobile eastbound on Interstate 10 in Cochise County, when his vehicle was struck from behind by a tractor trailer operated by Defendant Frank Harris, Jr., a driver for ACJ Transport. Plaintiff alleged to have incurred serious bodily injuries as a result of the accident.

Result: The jury awarded Plaintiff \$200,000.

Jara v. Maestas:

Plaintiff Jesus Jara was driving a 2007 Toyota Camry westbound on Lower Buckeye Road in Phoenix, Arizona, when Defendant Shatell Maestas, driving a tractor trailer for Fed Ex, struck the rear quarter panel of Plaintiff's vehicle while executing a left hand turn into the Fed Ex yard.

Result: The jury awarded Plaintiff \$40,000, but determined that he was 51% at fault, reducing Plaintiff's recovery to \$19,600.

Estate of Quinonez v. Ramirez:

Decedent Jesus Quinonez was riding a bicycle through a crosswalk when a tractor trailer, being driven by Defendant Juan Ramirez, attempted to execute a right hand turn on a red light and collided with Plaintiff. The Defendant denied negligence and contended that Decedent was riding his bicycle against the flow of traffic.

Result: Defense verdict.

Estate of Schafer v. Jackson:

Cynthia Schafer, driving her automobile on Interstate 10 westbound, was involved in a collision with a tractor trailer operated by defendant Raymond Jackson, a driver for Phenix [sic] Transportation West, Inc. Specifically, the passenger's side front portion of Mr. Jackson's tractor hit the left rear portion of Ms. Schafer's 1973 Volkswagen Beetle. Ms. Schaefer subsequently died as the result of a prescription opioid overdose. The issue was whether her overdose was causally related to obtaining relief from pain as a result of the injuries she received in the accident. Ms. Schafer was survived by her two adult daughters, who also brought claims for loss of consortium.

Result: Defense verdict on all causes of action.

Sulkowski v. Skanon Investments:

Plaintiff Edmund Sulkowski was driving a convertible automobile with the top down while eastbound on Lone Mountain Road when he came to a stop in the left turn lane the intersection with Scottsdale Road. At that time, a cement mixer truck owned and operated by Defendant Skanon Investments, drove past Plaintiff's vehicle, and sprayed hydraulic fluid and/or oil on Plaintiff and his vehicle. Plaintiff alleged that the fluid sprayed into his eyes, injuring them and causing him to sustain permanent injuries to his vision.

Result: The jury awarded Plaintiff \$35,000.

3. Are accident animations and/or computer-generated evidence admissible in Arizona?

Yes, they are. However, counsel must be certain to lay the proper evidentiary foundation in order to admit such evidence.

The seminal case concerning computer-generated evidence in Arizona is *Bledsoe v. Salt River Valley Water Users' Ass'n*, 179 Ariz. 469, 471-72, 880 P.2d 689, 691-92 (App. 1994). In that case, the trial court permitted the plaintiff's counsel to show the jury a videotaped computer simulation of plaintiff's bicycle accident during closing argument. *Bledsoe* at 471-72.

The trial court's decision allowing counsel to show the simulation was one of several issues on appeal. The Court of Appeals noted that a computer simulation like the one at issue depicts an expert's opinion of various elements, including most importantly, how the accident happened. *Id.* Thus, the Court of Appeals held that in order to use and admit a computer simulation into evidence, the proponent must lay the foundation for those opinions, and the opponent must be permitted to cross-examine the foundation. *Id.* at 472

At a minimum, the proponent must show that the computer simulation fairly and accurately depicts what it represents. *Id.* This can be done through the computer expert who prepared it, or another witness who is qualified to testify on the matter. *Id.*

The Court of Appeals also noted that in some instances, the proponent of a computer based simulation may also be required to show that: (1) the computer is functioning properly; (2) the input and underlying equations are sufficiently complete and accurate (and disclosed to the opposing party, so that they may challenge them); and (3) the program is generally accepted by the community. *Id.* at 473.

4. Identify any significant decisions or trends in Arizona in the past two (2) years regarding (a) retention and spoliation of in-cab videos; and (b) admissibility of in-cab videos.

Arizona has not yet specifically addressed retention and spoliation of in-cab videos. However, as set forth more fully below, Arizona is a full disclosure state, and as a result, Arizona law mandates that litigants preserve any evidence that they know or reasonably should know is relevant or might lead to relevant or discoverable information. *Souza v. Fred Carries Contracts*,

Inc., 191 Ariz. 247, 250, 955 P.3d 3, 6 (1997). Considering this fact, it is imperative that in-cab videos, both inward and outward facing, should be preserved in the event of an accident.

With regard to the admissibility of such videos, similar to accident animations or computer generated evidence, the proponent should be prepared to establish the foundation for a video's authenticity. *State v. Haight-Gyuro*, 218 Ariz. 356, 186 P.3d 33 (Ct. App. 2008)

5. What is your State's applicable law and/or regulation regarding the retention of telematics data, including but not limited to, any identification of the time frames and/or scope for retention of telematics data and any requirement that third party vendors be placed on notice of spoliation/retention letters.

Arizona does not have any laws or regulations specific to telematics data; however, under Arizona law, litigants have a duty to preserve evidence that they know, or reasonably should know, is relevant, is reasonably calculated to lead to the discovery of admissible evidence, is reasonably likely to be requested during discovery and/or is the subject of a pending discovery request. *Souza v. Fred Carries Contracts, Inc.*, 191 Ariz. 247, 250, 955 P.3d 3, 6 (1997).

Failing to preserve relevant evidence is reviewed on a case-by-case basis based on a "continuum of fault." *Souza*, at 249. The continuum of consequences for a party's failure to preserve evidence ranges from no punishment at all, to an instruction allowing a jury to reach an adverse inference from the "spoiled" evidence, to a dismissal of a claim or the defense. *Id.*

Therefore, upon learning of an incident that may result in litigation, it is good practice to send preservation of evidence letters to all entities that might be in possession of information or other data that might be pertinent to the litigation.

6. Is a positive post-accident toxicology result admissible in a civil action?

Yes, a driver's state of sobriety will almost always be admissible in a civil action, provided that the proper evidentiary and foundational requirements can be established. The toxicology results must be relevant under Ariz. R. Evid. 402, and their probative value must outweigh the results' prejudicial effect on the trier of fact, pursuant to Ariz. R. Evid. 403.

7. Is post-accident investigation discoverable by adverse counsel?

There is no duty to share or disclose any aspect of a post-accident investigation until litigation is initiated. At that point, Ariz. R. Civ. P. 26 and 26.1 place a duty on litigants to disclose all pertinent information that is not subject to privilege. The most common privileges that can successfully be asserted are the work product privilege and the attorney-client privilege. Generally, those privileges will protect information from being disclosed. However, there are exceptions to the work product privilege, more so than the attorney-client privilege. Ariz. R. Civ. P. 26(b)(3) specifically addresses the work product privilege.

(3) *Work Product and Witness Statements.*

(A) Documents and Tangible Things Prepared in Anticipation of Litigation or for Trial. Ordinarily, a party may not discover documents and tangible things that another party or its representative (including the other party's attorney, consultant, surety, indemnitor, insurer, or agent) prepared in anticipation of litigation or for trial. But, subject to Rule 26(b)(4)(B), a party may discover those materials if:

(i) the materials are otherwise discoverable under Rule 26(b)(1); and

(ii) the party shows that it has a substantial need for the materials to prepare its case and cannot, without undue hardship, obtain their substantial equivalent by other means.

(B) Protection Against Disclosure of Opinion Work Product. If the court orders discovery of materials under Rule 26(b)(3)(A), it must protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of a party's attorney or other representative concerning the litigation.

(C) Discovery of Own Statement. On request and without the showing required under Rule 26(b)(3)(A), any party or other person may obtain his or her own previous statement about the action or its subject matter. If the request is refused, the party or other person may move for a court order, and Rule 37(a)(5) applies to the award of expenses. A statement discoverable under this rule is either:

(i) a written statement that the party or other person signed or otherwise adopted or approved; or (ii) a contemporaneous stenographic, video, audio, or other recording--or a transcription of it--that recites substantially verbatim the party's or other person's oral statement.

Ariz. R. Civ. P. 26

The question most likely to be raised is whether a document or some other information was truly “prepared in anticipation of litigation.” In that regard, Arizona does not apply a bright-line rule. Rather, there are a series of factors to take into consideration, in addition to any case specific issues. The factors for consideration are:

First, the nature of the event that prompted the preparation of the materials, and whether the event is one that is likely to lead to litigation. Second, whether the requested materials contain legal analyses and opinions, or are purely facts. Third, whether the material was requested or prepared by the party or their representative (when litigation is anticipated it is expected that an attorney or party will have become involved). Fourth, whether the materials were routinely prepared and, if so, the purposes that were served by that routine preparation. Finally, courts should examine the timing of the preparation and ascertain whether specific claims were present or whether discussion or negotiation had occurred at the time the materials were prepared. *Brown v. Superior Court In & For Maricopa Cty.*, 137 Ariz. 327, 335, 670 P.2d 725, 733 (1983).

8. Describe any laws in your State which regulate automated driving systems (autonomous vehicles) or platooning.

Arizona has been at the forefront of testing autonomous vehicles with both Waymo (formerly Google) and Uber using valley streets as testing grounds for its driverless vehicles. Uber recently withdrew from testing as the result of a fatality involving a pedestrian, but testing by Waymo continues.

Although platooning is not yet actively taking place, Arizona is taking aggressive steps to ensure that it is able to facilitate such a tactic when it becomes feasible.

Autonomous Vehicles

There are no statutes in Arizona that specifically address autonomous vehicles. However, Arizona's Governor, Doug Ducey, has issued three executive orders that have set the parameters for autonomous vehicle testing and use in Arizona.

Executive Order 2015-09

The first executive order instructed the Department of Transportation, the Department of Public Safety, and other state regulatory agencies to undertake any "necessary steps" to support the testing and operation of autonomous vehicles on public roads in Arizona. (Executive Order 2015-09) The executive order authorized the establishment of pilot programs between universities and businesses that are developing technology for autonomous vehicles. (Executive Order 2015-09(2)) The executive order set forth the following rules for testing and operation:

- a. Vehicles may be operated only by an employee, contractor, or other person designated or otherwise authorized by the entity developing self-driving technology.
- b. Vehicles shall be monitored and an operator shall have the ability to direct the vehicle's movement if assistance is required.
- c. The individuals operating vehicles shall be licensed to operate a motor vehicle in the United States.
- d. The vehicle owner shall submit proof of financial responsibility, in an amount and on a form established by the Director of the Arizona Department of Transportation.

Executive Order 2015-09(3 a-c)

The order also allows the Director of the Department of Transportation to promulgate additional rules necessary to implement the executive order.

Executive Order 2018-04

The Governor issued a second executive order concerning autonomous vehicles in March 2018. (Executive Order 2018-04) The order mandates that vehicles equipped with autonomous driving systems be in full compliance with all traffic and motor vehicle safety, insurance, accident reporting, titling, and registration laws and regulations promulgated by the State of Arizona and the Federal Government. (Executive Order 2018-04) Violation of this requirement will lead to a suspension and/or revocation of the entity's permission to operate or test on public roads in Arizona. (Executive Order 2018-04)

The order also creates a procedure to be followed if an autonomous vehicle does not have a person present in the vehicle. (Executive Order 2018-04(3)) Such vehicles have not yet been driving on Arizona streets.

Executive Order 2018-09

Finally, in October of 2018, Governor Ducey signed Executive Order 2018-09, which established the Institute of Automated Mobility (IAM). (Executive Order 2018-09) The Institute's goal is to provide facilities to test automated vehicle technology for "all modes of transportation" and develop the necessary policies and guidelines for the safety and security platforms that will be needed to fully develop autonomous vehicle technology. (Executive Order 2018-09(1))

Platooning

Although platooning is not yet a completely mature technology, Arizona is taking preliminary measures to ensure that it is ready to implement platooning of trucks when it comes to fruition. For example, the Arizona Department of Transportation, in coordination with the I-10 Corridor Coalition, is targeting 2021 as the year for initiating the process of integrating platooning technologies into I-10 Corridor features across Arizona.

9. Describe any laws or Court decisions in your State which would preclude a commercial driver from using a hands-free device to have a conversation over a cell phone.

Arizona does not have a statewide law against mobile phone use while drivers are behind the wheel. While the state has failed to promulgate such a restriction, individual cities have enacted ordinances prohibiting or limiting mobile phone use while operating a motor vehicle. Specifically, the cities of Glendale, Surprise, Tucson, Kingman, and Tempe have enacted mobile phone ordinances. Notably, these ordinances *allow* drivers to use a mobile phone via a hands-free device.

The city ordinances mandate that the driver use a hands-free device if he or she is operating a motor vehicle while on a mobile phone call. With the exception of Tempe and Yuma, the ordinances state that a driver can be stopped by police for using his or her phone in a

non-hands-free manner, even if the driver is at a stoplight. Exceptions to the general prohibition on mobile phone use without a hands-free device include calling 911, reporting an immediate emergency situation or safety hazard, and being in the process of switching a phone to hands-free mode.

10. Identify any Court decisions in your State precluding Golden Rule and/or Reptile style arguments by Plaintiffs' counsel.

While "Golden Rule" or "Reptile Brain" style arguments can clearly be objectionable, Arizona has not seen a great influx of reported cases in which plaintiff's counsel's advancement of such arguments have been the foundation for an appeal. Yet, that is not to say that there isn't anecdotal evidence of the foundation for such arguments being made in depositions, discovery answers and responses, and Rule 26.1 Disclosure Statements. Counsel should aggressively challenge such arguments whenever they appear, regardless of whether they are at trial.

Rosen v. Knaub, 173 Ariz. 304, 308–09, 842 P.2d 1317, 1321–22 (Ct. App. 1992), vacated on other grounds, 175 Ariz. 329, 857 P.2d 381 (1993):

In *Rosen*, it was actually the *defense* counsel who presented a "Golden Rule" type argument, stating to the jury:

What this case is about is a young man 16 years of age riding a dangerous toy, a skateboard out into the street just before a car gets there, in dark clothing. Yes, and I will say dark clothing. How many of you would rather be out in the street at night with dark clothing on versus white clothing, who darted out into the street, and who could have stayed on the driveway?

...

Now, I, ladies and gentlemen, submit to you that five miles an hour over the speed limit under those circumstances is not unreasonable and not imprudent. I don't know, you know, except for the grace of God, there goes us probably, driving down a street like this, and a young man rides a skateboard out in front of you.

Rosen at 1321–22.

Despite counsel's clearly objectionable statements, the Court of Appeals held that it was not likely that they were sufficient to cause the jury to return a verdict against the plaintiff. *Id.* at 1322.

Taylor v. DiRico, 124 Ariz. 513, 517–18, 606 P.2d 3, 7–8 (1980):

In *Taylor*, a wrongful death/malpractice matter, during closing argument, the plaintiff's counsel commented:

If this man had been treated as you would like to be treated yourself, you think about it. If you had a loved one or you yourself or any situation, from what you have heard on this witness stand.

. . .

And do you think that if your son or your daughter or mother or father or you yourself, now that you know”

Taylor at 7-8.

While counsel’s statement was inartfully articulated, the Arizona Supreme Court recognized that it was a “Golden Rule” type argument that is improper. Yet, despite that acknowledgment, the Court went on to hold that counsel’s argument was not sufficient to have caused the jury to return a verdict that was the result of passion and prejudice, and therefore, it would not serve as the foundation for overturning the verdict. *Id.* at 8.

11. Compare and contrast the advantage and disadvantages of Federal Court versus State Court in your State.

There are several differences between the federal and state courts in Arizona. The following highlights are several examples of distinctions between the two systems.

Interrogatories: The Federal Rules of Civil Procedure allow a party to submit 25 interrogatories to another party. Fed. R. Civ. P. 25. In contrast, Arizona has recently revised its rules of civil procedure to dictate discovery based upon the estimated value of the case. In a case with an estimated value of \$50,000 to \$300,000 (a “Tier 2” case), a party is permitted 10 interrogatories, and if the value of the case is greater than \$300,000 (a “Tier 3” case), the parties are permitted 20 interrogatories. Ariz. R. Civ. P. 26.2 (f)(2)(3).

Requests for Production: While there is no formal limit to the number of requests for production that the parties can issue in Federal Court, Arizona limits the number of requests for production to 10, regardless of whether the case is designated a “Tier 2” or “Tier 3” matter. Ariz. R. Civ. P. 26.2 (f)(2)(3).

Requests for Admissions: Like requests for production, the Federal Rules of Civil Procedure do not impose a limit on the number of requests for admissions that the parties can propound each other. Under Arizona’s new tiered valuation system, the parties to a “Tier 2” case may issue 10 requests for admission, while those in a “Tier 3” case may propound 20 requests for admissions. Ariz. R. Civ. P. 26.2 (f)(2)(3).

Disclosure of Expert Witnesses: While both Federal and Arizona courts now require that expert testimony meet the *Daubert* standard for admissibility, there are significant differences between the two entities when it comes to production of an expert’s opinions or conclusions. Under the Federal Rules of Civil Procedure, a party must disclose an expert witness’ identity, in addition to a *written* report that contains a complete statement of the witness’ opinions and the basis therefore, the facts or data considered by the expert, exhibits that the expert intends to use, the expert’s qualifications as well as a list of all publications that the witness authored during the ten (10) years prior to the report, a list of all other cases in which the expert testified in trial or deposition during the four (4) years prior to the date of the expert’s report, and a statement of the

expert's compensation in the case. Fed. R. Civ. P. (2)(A)(B)(i-vi). It should be noted that Fed. R. Civ. P. 26(a)(2)(B)(ii) requires the disclosure of all facts or data "considered" by the expert witness, which could be construed as being much broader than merely the facts or data that is the foundation for the expert's opinions.

Expert disclosure under Arizona's rules depends upon the tier to which the case is assigned. There is no obligation for the expert to disclose a written report unless the case is a Tier 3 matter. Ariz. R. Civ. P. 26.1 (d)(2). In addition to a written report, expert witnesses retained in a Tier 3 case must disclose the identical additional information mandated under Fed. R. Civ. P. (2)(B)(i-vi).

Expert witnesses retained in Arizona cases that are designated as Tier 2 cases, are not required to submit a written report, but the proponent of their testimony must identify the expert witness, the subject matter upon which the expert is expected to testify, the "substance" of the facts and opinions to which the expert is expected to testify, the grounds for each opinion, a statement of the expert's compensation, and a list of all cases in which the expert testified at trial or in deposition for the four (4) years prior to the report. Ariz. R. Civ. P. 26.1 (d)(3)(A-G).

Completion of Discovery: While there is no formal limit for completing discovery under the Federal Rules, counsel should be advised that Federal Courts will keep a tight rein on the discovery schedule that the parties prepare, and that the Court must approve any alterations thereto. Under Arizona's recent adoption of the "tier system," discovery in a Tier 2 case must be complete in 180 days, whereas discovery in a Tier 3 case must be completed in 240 days. Ariz. R. Civ. P. 26.2 (d)(f)(2)(3).

Motions *in Limine*: In an interesting distinction, and unlike the Federal Rules, the Arizona Rules of Civil Procedure do not allow the parties to submit reply briefs in support of Motions *in Limine*. Ariz. R. Civ. P. 7.2 (c).

Jury Verdicts: The number of jurors required to reach a verdict is another important difference. Under the Federal Rules, the jury must consist of at least six individuals, and regardless of the total number of jurors, the verdict must be unanimous. Fed. R. Civ. P. 48 (b). The number of jurors in a civil trial in Arizona is statutorily set at eight, with six jurors necessary to achieve a verdict. A.R.S. §21-102(C).

12. How does your State handle the admissibility of traffic citations (guilty plea, pleas of no contest, etc.) in subsequent civil litigation?

Under Arizona law, a plea of guilty to a traffic offense is admissible as an admission against interest in a subsequent civil proceeding arising out of the same occurrence. *Kelch v. Courson*, 103 Ariz. 576, 447 P.2d 550, 553 (1968). However, while evidence of a guilty plea is admissible, it is for the jury to determine the proper weight to give the admission. *Kelch* at 553. It is only an evidentiary fact that is submitted to the jury for its consideration. *Id.* It is not evidence of negligence per se. Ariz. Rev. Stat. Ann. § 28-1599.

13. Describe the laws in your State which regulate whether medical bills stemming from an accident are recoupable. In other words, can a plaintiff seek to recover the amount charged by the medical provider or the amount paid to the medical provider? Is there a basis for post-verdict reductions or offsets?

Under Arizona law, a plaintiff may put before the jury whatever he or she was *billed* by a healthcare provider, notwithstanding the amount that his or her healthcare insurer actually paid to settle the bill.

The seminal case on the matter in Arizona is *Lopez v. Safeway Stores, Inc.*, 212 Ariz. 198, 207–08, 129 P.3d 487, 496–97 (Ct. App. 2006), in which the Court of Appeals held that allowing the defendant to point out the discrepancy between the amount that the plaintiff was charged and the amount that a healthcare insurer actually paid to settle the claim, violates the collateral source rule. *Lopez* at 496–9. One notable exception to this general prohibition is medical malpractice actions, which are statutorily excluded from the collateral source rule. A.R.S. §12-565(A).

Further, although a plaintiff can present to a jury whatever he or she was billed for treatment, he or she may not be able to retain what his or her health insurer paid. The healthcare insurer may be able to recoup from the plaintiff what it paid for his or her treatment. For example, Arizona’s version of Medicaid (Arizona Health Care Cost Containment System, or AHCCCS) is entitled to a lien on any recovery by a plaintiff if it paid for the plaintiff’s healthcare. A.R.S. §36-2915(A).

14. Describe any statutory caps in your State dealing with damage awards.

Personal Injury Cases

With regard to personal injury type cases (including products liability and medical malpractice matters), Arizona has no caps on damages as they are prohibited by Article 2, Section 31 of Arizona’s Constitution, which states the following:

No law shall be enacted in this state limiting the amount of damages to be recovered for causing the death or injury of any person, except that a crime victim is not subject to a claim for damages by a person who is harmed while the person is attempting to engage in, engaging in or fleeing after having engaged in or attempted to engage in conduct that is classified as a felony offense.

Ariz. Const. Art. II, § 31

Punitive Damage Concerns

While Arizona does not impose a statutory limit on recovery of punitive damages, there is case law that must be taken into account when weighing a client’s exposure when punitive damages are alleged. The first such case is *State Farm Mut. Auto. Ins. Co. v. Campbell*, 538 U.S.

408, 425, 123 S. Ct. 1513, 1524, 155 L. Ed. 2d 585 (2003), a United States Supreme Court case. In *Campbell*, the Supreme Court did not explicitly establish a limit on recovery of punitive damages. Rather, it set forth what could best be described as a guideline or a rule of thumb, stating that “few awards exceeding a single-digit ratio between punitive and compensatory damages, *to a significant degree*, will satisfy due process.” *Campbell* at 425. (emphasis added) The Court held that in sum, the measure of punishment imposed by punitive damages, must be both reasonable and proportionate to the amount of harm to the plaintiff and to the general damages recovered. *Id.* at 426.

In conjunction with the guideline set forth in *Campbell*, Arizona has followed the trend of limiting punitive damages, or at least looking at them skeptically. For instance, in *Sobieskie v. Am. Standard Ins. Co. of Wisconsin*, 240 Ariz. 531, 382 P.3d 89 (Ct. App. 2016), the Arizona Court of Appeals completely eliminated the trial court’s imposition of punitive damages, and in *Nardelli v. Metropolitan Group Property & Casualty Insurance*, 230 Ariz. 592, 277 P.3d 789 (Ct. App. 2012), it reduced the punitive damages awarded to a ratio of 1:1. *Sobieski* at 543; *Nardelli* at 612.