

EXHIBIT 6



LOSS CLAIM
TECHNICAL PROCEDURES MANUAL

SECTION	PROCEDURE	PAGE
F	34	1
DATE		
Revised October 19, 1973		

GENERAL SUBJECT	SPECIFIC SUBJECT
CASUALTY GENERAL	PUNITIVE DAMAGES

1. General

a. The avowed purpose of awards in personal injury cases is to compensate victims of negligence for financial losses as well as for pain and suffering. When, however, a defendant is guilty of misconduct worse than ordinary negligence, he may incur an additional liability, i.e. for punitive damages, to discourage any future repetition of his misconduct and to make an example of him. The award would tend to serve as a strong deterrent to others. Most American courts will allow juries to award punitive damages in two types of cases.

(1) Against defendants guilty of outrageous or oppressive intentional misconduct.

(2) Against those guilty of reckless or wanton disregard of the safety or rights of others.

b. Punitive damages may be properly considered and awarded in all states except Louisiana, Massachusetts, Nebraska and Washington. These states entirely reject court recognition of punitive damages.

c. Corporate entities may be held liable for punitive damages for their employees' torts under one of the following patterns.

(1) Under the vicarious liability rule, the corporation may be subjected to liability for punitive damages whenever its employees commit outrageous torts within the scope of their employment.

(2) Under the complicity rule, the corporate officers may be held liable for punitive damages only when these superior officers either order, participate in or ratify outrageous misconduct.

2. Liability Insurance Coverage for Punitive Damages

a. Whether an award of punitive damages against an insured is covered by a liability policy, has been attracting increased interest on the part of courts, attorneys and liability insurance companies in recent years. Litigation in this area has been pursued in several states with resulting decisions both providing for and against coverage.

This document is not subject to a confidentiality order of dissemination. It was prepared in the Office of the Chief of Police, U.S. Department of Justice, Washington, D.C.

200700577

S 003070

701 233340

