

**CS FOR HOUSE BILL NO. 158(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/22/95

Referred: Rules

Sponsor(s): REPRESENTATIVES PORTER, Toohey, Mulder, Rokeberg, Ogan

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to civil actions; amending Alaska Rules of Civil Procedure 49,  
2 68, and 95; amending Alaska Rule of Evidence 702; and providing for an  
3 effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* **Section 1. PURPOSE.** It is the purpose of this Act to

6 (1) enact further reforms that create a more equitable distribution of the cost  
7 and risk of injury;

8 (2) reduce costs associated with the civil justice system, while ensuring that  
9 adequate and appropriate compensation for persons injured through the fault of others is  
10 available;

11 (3) help match losses with compensation by helping to

12 (A) ensure that money paid to an injured person is available when  
13 anticipated expenses or losses occur;

14 (B) ensure that a claimant with substantial injury requiring long-term

1 treatment will have money available for future medical care;

2 (C) reduce reparation system costs by eliminating those portions of  
3 awards that are not needed to compensate the claimant;

4 (D) eliminate duplicate recoveries;

5 (E) reduce the costs of litigation;

6 (F) establish appropriate thresholds for a damage award in order to  
7 allow predictability of liability exposure; and

8 (G) reduce the ultimate costs to the state and to local governments of  
9 providing medical services to those who cannot otherwise afford those services;

10 (4) ensure that in actions involving the fault of more than one person, the fault  
11 of each claimant, defendant, third-party defendant, person who has been released from  
12 liability, or other person responsible for the damages be determined and awards be allocated  
13 in accordance with their fault;

14 (5) reduce the amount of litigation proceeding to trial by modifying the  
15 allocation of attorney fees and court costs based on the offer of judgment and the final court  
16 award thereby providing a financial incentive to both parties to settle the dispute;

17 (6) enact a statute of repose that meets the tests set out in Turner Construction  
18 Co., Inc. v. Scales, 752 P.2d 467 (Alaska 1988);

19 (7) clarify the circumstances in which hospitals are held directly liable for the  
20 actions of health care providers not employed by the hospital;

21 (8) encourage health care providers to provide quality medical care in all areas  
22 of this state at a cost that is affordable;

23 (9) stabilize the rapidly escalating costs of health care by curtailing the rapid  
24 escalation in malpractice premiums and thereby make broader based health care available to  
25 more residents of the state;

26 (10) require that one-half of punitive damages awarded by a court be deposited  
27 into the general fund for the benefit of the public welfare and to deter future harm to the  
28 public.

29 \* **Sec. 2.** AS 09.10.055 is repealed and reenacted to read:

30 Sec. 09.10.055. STATUTE OF REPOSE OF EIGHT YEARS. (a)

31 Notwithstanding the disability of minority described under AS 09.10.140(a), a person

1 may not bring an action for personal injury, death, or property damage unless  
2 commenced within eight years of the earlier of the date of

3 (1) substantial completion of the construction alleged to have caused  
4 the personal injury, death, or property damage; however, the limitation of this  
5 paragraph does not apply to a claim resulting from an intentional or reckless disregard  
6 of specific project design plans and specifications or building codes; or

7 (2) the last act alleged to have caused the personal injury, death, or  
8 property damage.

9 (b) This section does not apply if

10 (1) the personal injury, death, or property damage resulted from

11 (A) exposure to a hazardous substance; in this subparagraph,  
12 "hazardous substance" means an element or compound that, when it enters into  
13 the air or on the surface or subsurface land or water of the state, presents an  
14 imminent and substantial danger to public or individual health and welfare;

15 (B) an intentional act or gross negligence;

16 (C) fraud or fraudulent misrepresentation;

17 (D) breach of an express warranty or guarantee; or

18 (E) a defective product; in this subparagraph, "product" means  
19 an object that has intrinsic value, is capable of delivery as an assembled whole  
20 or as a component part, and is introduced into trade or commerce;

21 (2) facts that would give notice of a potential cause of action are  
22 intentionally concealed; or

23 (3) a shorter period of time for bringing the action is imposed under  
24 another provision of law.

25 (c) The limitation imposed under (a) of this section is tolled during any period  
26 in which there exists the undiscovered presence of a foreign body, that has no  
27 therapeutic or diagnostic purpose or effect, in the body of the injured person and the  
28 action is based on the presence of the foreign body.

29 (d) In this section, "substantial completion" means the date when construction  
30 is sufficiently completed to allow the owner or a person authorized by the owner to  
31 occupy the improvement or to use the improvement in the manner for which it was

1 intended.

2 \* **Sec. 3.** AS 09.10.070 is amended to read:

3 Sec. 09.10.070. ACTIONS FOR CERTAIN TORTS AND CERTAIN  
4 STATUTORY LIABILITIES TO BE BROUGHT IN TWO YEARS. **Except as**  
5 **otherwise provided by law, a** [A] person may not bring an action (1) for libel,  
6 slander, assault, battery, seduction, **or** false imprisonment [, OR FOR ANY INJURY  
7 TO THE PERSON OR RIGHTS OF ANOTHER NOT ARISING ON CONTRACT  
8 AND NOT SPECIFICALLY PROVIDED OTHERWISE]; (2) upon a statute for a  
9 forfeiture or penalty to the state; or (3) upon a liability created by statute, other than  
10 a penalty or forfeiture; unless the action is commenced within two years.

11 \* **Sec. 4.** AS 09.10 is amended by adding a new section to read:

12 Sec. 09.10.075. LIMITATION ON ACTIONS INVOLVING INJURY TO  
13 PERSON OR PROPERTY. (a) Notwithstanding the disability of minority described  
14 under AS 09.10.140(a), a person may not bring an action for personal injury, death,  
15 property damage, or injury to the rights of another not arising on contract, unless the  
16 action is brought within two years of the accrual of the action.

17 (b) This section does not apply if a shorter period of time for bringing the  
18 action is imposed under another provision of law.

19 \* **Sec. 5.** AS 09.17.010 is repealed and reenacted to read:

20 Sec. 09.17.010. NONECONOMIC DAMAGES. (a) In an action to recover  
21 damages for personal injury or wrongful death, all damage claims for noneconomic  
22 losses shall be limited to compensation for pain, suffering, inconvenience, physical  
23 impairment, disfigurement, loss of enjoyment of life, loss of consortium, and other  
24 nonpecuniary damage.

25 (b) Except as provided under (c) of this section, the amount of damages  
26 awarded by a court or a jury under (a) of this section for all claims, including a loss  
27 of consortium claim, arising out of a single injury or death may not exceed \$300,000.

28 (c) In an action for personal injury, the damages awarded by a court or jury  
29 that are described under (b) of this section may not exceed \$500,000 when the  
30 claimant, as a result of the injury,

31 (A) is a hemiplegic, paraplegic, or quadriplegic and has

1 permanent functional loss of one or more limbs resulting from injury to the  
2 spine or spinal cord; or

3 (B) has permanently impaired cognitive capacity, is incapable  
4 of making independent, responsible decisions, and is permanently incapable of  
5 independently performing the activities of normal, daily living.

6 (d) The limit under (b) or (c) of this section does not apply to noneconomic  
7 damages awarded by a court or jury against a person who, as proven by a  
8 preponderance of the evidence, was attempting to commit or committing a felony, if  
9 the person bringing the action was a victim of that offense and the offense  
10 substantially contributed to the injury or death. In this subsection, "victim" has the  
11 meaning given in AS 12.55.185.

12 (e) Multiple injuries sustained as a result of a single incident shall be treated  
13 as a single injury for purposes of this section.

14 \* **Sec. 6.** AS 09.17.020 is amended to read:

15 Sec. 09.17.020. PUNITIVE DAMAGES. Punitive damages may not be  
16 awarded in an action, whether in tort, contract, or otherwise, unless supported by clear  
17 and convincing evidence **of outrageous conduct, including acts done with malice or**  
18 **bad motives, or reckless indifference to the interest of another person.**

19 \* **Sec. 7.** AS 09.17.020 is amended by adding new subsections to read:

20 (b) The amount of punitive damages awarded by a court or jury under (a) of  
21 this section may not exceed three times the amount of compensatory damages awarded  
22 or \$300,000, whichever amount is greater.

23 (c) The limit under (b) of this section does not apply to punitive damages  
24 awarded by a court or jury against a person who, as proven by a preponderance of the  
25 evidence, was attempting to commit or committing a felony if the person bringing the  
26 action was a victim of that offense and the offense substantially contributed to the  
27 injury or death. In this subsection, "victim" has the meaning given in AS 12.55.185.

28 (d) If a person receives an award of punitive damages, the court shall require  
29 that one-half of the award be deposited into the general fund of the state. This  
30 subsection does not grant the state the right to file or join a civil action to recover  
31 punitive damages.

1 \* **Sec. 8.** AS 09.17.040(a) is amended to read:

2 (a) In every case where damages for personal injury **or death** are awarded by  
3 the court or jury [,]

4 (1) the verdict shall be itemized between economic loss and  
5 noneconomic loss, if any, as follows:

6 (A) [(1)] past economic loss;

7 (B) [(2)] past noneconomic loss;

8 (C) [(3)] future economic loss;

9 (D) [(4)] future noneconomic loss; [AND]

10 (E) [(5)] punitive damages; **and**

11 (2) **the amount of economic damages awarded for past or future**  
12 **gross earnings shall be reduced by the amount of federal and state income tax**  
13 **that would be paid on the earnings under tax rates in effect on the date of the**  
14 **injury or death; this paragraph does not apply to economic damages that are**  
15 **subject to federal or state income taxes.**

16 \* **Sec. 9.** AS 09.17.040(e) is amended to read:

17 (e) **Except as provided in this subsection, if a judgment is paid by periodic**  
18 **payments, the** [THE] court **shall** [MAY] require security be posted [,] in order to  
19 ensure that funds are available [AS PERIODIC PAYMENTS BECOME DUE]. The  
20 court may not require security to be posted if **the state, a self-insured municipality,**  
21 **or** an authorized insurer, as defined in AS 21.90.900, acknowledges to the court its  
22 obligation to discharge the judgment.

23 \* **Sec. 10.** AS 09.17.040(f) is amended to read:

24 (f) A judgment ordering payment of future damages **for personal injury or**  
25 **death** by periodic payment shall specify the recipient, the dollar amount of the  
26 payments, **including any increases in future payments for anticipated inflation,** the  
27 interval between payments, and the number of payments or the period of time over  
28 which payments shall be made. Payments may be modified only in the event of the  
29 death of the judgment creditor, in which case payments may not be reduced or  
30 terminated, but shall be paid to persons to whom the judgment creditor owed a duty  
31 of support, as provided by law, immediately before death. In the event the judgment

1 creditor owed no duty of support to dependents at the time of the judgment creditor's  
2 death, the money remaining shall be distributed in accordance with a will of the  
3 deceased judgment creditor accepted into probate or under the intestate laws of the  
4 state if the deceased had no will. **In this subsection, "inflation" means the change**  
5 **in the Consumer Price Index for Anchorage, all items index, compiled by the**  
6 **Bureau of Labor Statistics, United States Department of Labor.**

7 \* **Sec. 11.** AS 09.17.070 is repealed and reenacted to read:

8 Sec. 09.17.070. COLLATERAL BENEFITS. (a) A claimant in an action for  
9 personal injury or death may only recover damages that exceed amounts received by  
10 the claimant, or that with reasonable probability will be received in the future by the  
11 claimant, as compensation for the injuries from collateral sources, whether private,  
12 group, or governmental, and whether contributory or noncontributory, except when

13 (1) the collateral source is a federally funded program that by law must  
14 seek subrogation;

15 (2) the collateral source has a right of subrogation under federal law;  
16 or

17 (3) the benefit consists of death benefits paid under life insurance; or

18 (4) the benefit consists of workers' compensation benefits received  
19 under AS 23.30.

20 (b) A person defending a claim may introduce into evidence an amount paid  
21 or payable as a benefit to the claimant as a result of the personal injury or death under  
22 42 U.S.C. 301 - 1397 (Social Security Act); a state or federal disability or workers'  
23 compensation act; health, sickness, disability, accident, or income-disability insurance;  
24 insurance that provides health benefits or income-disability coverage; and a contract  
25 or agreement of a group, organization, partnership, or corporation, or other collateral  
26 source, to provide, pay for, or reimburse the cost of medical, hospital, dental, or other  
27 health care services, disability, or lost wages. However, evidence of a collateral source  
28 that is a federally funded program that by law must seek subrogation or that has a right  
29 of subrogation under federal law, evidence of death benefits paid under life insurance,  
30 or evidence of workers' compensation benefits received under AS 23.30, may not be  
31 introduced under this subsection. If a person defending a claim elects to introduce

1 evidence described in this subsection, the claimant may introduce evidence of the  
2 amount that the claimant has paid or contributed to secure the claimant's right to the  
3 collateral benefit, including the cost to the claimant resulting from depleted or  
4 exhausted coverage.

5 (c) A person who provides a collateral benefit admissible under (b) of this  
6 section may not recover any amount against the claimant as reimbursement for those  
7 benefits and may not be subrogated to the rights of a claimant against a person  
8 defending a claim.

9 \* **Sec. 12.** AS 09.17.080(a) is amended to read:

10 (a) In all actions involving fault of more than one **person** [PARTY TO THE  
11 ACTION], including third-party defendants and persons who have been released under  
12 AS 09.16.040, the court, unless otherwise agreed by all parties, shall instruct the jury  
13 to answer special interrogatories or, if there is no jury, shall make findings, indicating

14 (1) the amount of damages each claimant would be entitled to recover  
15 if contributory fault is disregarded; and

16 (2) the percentage of the total fault [OF ALL OF THE PARTIES TO  
17 EACH CLAIM] that is allocated to each claimant, defendant, third-party defendant,  
18 [AND] person who has been released from liability under AS 09.16.040, **or other**  
19 **person responsible for the damages to each claimant regardless of whether the**  
20 **other person, including an employer, is or could have been named as a party to**  
21 **the action.**

22 \* **Sec. 13.** AS 09.17.080(c) is amended to read:

23 (c) The court shall determine the award of damages to each claimant in  
24 accordance with the findings, subject to a reduction under AS 09.16.040, and enter  
25 judgment against each party liable. The court also shall determine and state in the  
26 judgment each party's equitable share of the obligation to each claimant in accordance  
27 with the respective percentages of fault **as determined under (a) of this section. An**  
28 **assessment of a percentage of fault against a person who is not a party may only**  
29 **be used as a measure for accurately determining the percentages of fault of a**  
30 **named party. Assessment of a percentage of fault against a person who is not a**  
31 **party does not subject that person to civil liability in that action and may not be**

1 used as evidence of civil liability in another action.

2 \* **Sec. 14.** AS 09.30.065 is amended to read:

3 Sec. 09.30.065. OFFERS OF JUDGMENT. At any time more than 10 days  
4 before the trial begins either the party making a claim or the party defending against  
5 a claim may serve upon the adverse party an offer to allow judgment to be entered in  
6 complete satisfaction of the claim for the money or property or to the effect specified  
7 in the offer, with costs then accrued. If within 10 days after the service of the offer  
8 the adverse party serves written notice that the offer is accepted, either party may then  
9 file the offer and notice of acceptance together with proof of service, and the clerk  
10 shall enter judgment. An offer not accepted within 10 days is considered withdrawn  
11 and evidence of that offer is not admissible except in a proceeding to determine the  
12 form of judgment after verdict. If the judgment finally entered on the claim as to  
13 which an offer has been made under this section is not more favorable to the offeree  
14 than the offer, **the offeree shall pay costs as allowed under the Alaska Rules of**  
15 **Civil Procedure and all reasonable attorney fees incurred by the offeror from the**  
16 **date the offer was made** [THE INTEREST AWARDED UNDER AS 09.30.070 AND  
17 ACCRUED UP TO THE DATE JUDGMENT IS ENTERED SHALL BE ADJUSTED  
18 AS FOLLOWS:

19 (1) IF THE OFFEREE IS THE PARTY MAKING THE CLAIM, THE  
20 INTEREST RATE SHALL BE REDUCED BY FIVE PERCENT A YEAR;

21 (2) IF THE OFFEREE IS THE PARTY DEFENDING AGAINST THE  
22 CLAIM, THE INTEREST RATE SHALL BE INCREASED BY FIVE PERCENT A  
23 YEAR].

24 \* **Sec. 15.** AS 09.30.070(a) is amended to read:

25 (a) **Notwithstanding AS 45.45.010, the** [THE] rate of interest on judgments  
26 and decrees for the payment of money, **including prejudgment interest, is three**  
27 **percent above the 12th Federal Reserve District discount rate in effect on**  
28 **January 2 of the year in which the judgment or decree is entered** [10.5 PERCENT  
29 A YEAR], except that a judgment or decree founded on a contract in writing,  
30 providing for the payment of interest until paid at a specified rate not exceeding the  
31 legal rate of interest for that type of contract, bears interest at the rate specified in the

1 contract if the interest rate is set out in the judgment or decree.

2 \* **Sec. 16.** AS 09.30.070 is amended by adding a new subsection to read:

3 (c) Prejudgment interest may not be awarded for future economic damages,  
4 future noneconomic damages, or for punitive damages.

5 \* **Sec. 17.** AS 09.55.535(k) is amended to read:

6 (k) The provisions of the Uniform Arbitration Act, AS 09.43.010 - 09.43.180,  
7 apply to arbitrations under this section if they do not conflict with the provisions of  
8 this section; arbitrations under this section shall be conducted in accordance with  
9 procedures established by any rules of court which may be adopted and according to  
10 provisions of AS 09.55.540 - 09.55.547 [AS 09.55.540 - 09.55.548] and AS 09.55.554  
11 - 09.55.560, and AS 09.65.090.

12 \* **Sec. 18.** AS 09.55 is amended by adding new sections to read:

13 Sec. 09.55.551. **MEDICAL EXPERT WITNESS QUALIFICATION.** In an  
14 action based upon professional negligence brought against a health care provider, a  
15 person may not testify as an expert witness on the issue of the appropriate medical  
16 standard of care unless the witness is a health care provider or is licensed as a health  
17 care provider in another state or country and

18 (1) is trained and experienced in the same discipline or school of  
19 practice as the defendant or in an area directly related to a matter at issue;

20 (2) is certified by a board recognized by the State Medical Board as  
21 having acknowledged expertise and training directly related to the particular health care  
22 or matter at issue; and

23 (3) within one year of the date of the alleged occurrence giving rise to  
24 the claim, was in active practice as a health care provider or devoted a substantial  
25 portion of time teaching at an accredited school in the same discipline or school of  
26 practice as the defendant or in an area directly related to a matter at issue.

27 Sec. 09.55.552. **MEDICAL BOARD OVERSIGHT OF MEDICAL EXPERT**  
28 **WITNESSES.** A physician who testifies as an expert witness in this state in an action  
29 based on professional negligence brought against another physician is authorized to  
30 practice medicine in this state for the purpose of providing testimony as an expert  
31 witness and is subject to the authority of the State Medical Board and the provisions

1 of AS 08.64.

2 Sec. 09.55.553. MEDICAL EXPERT WITNESSES. (a) In an action based  
3 upon professional negligence brought against a health care provider, the court may  
4 allow cross-examination of a medical expert witness as to the

5 (1) amount of compensation that the witness is receiving for the  
6 witness's consultation and testimony;

7 (2) proportion of the witness's professional time devoted to expert  
8 witness activities; and

9 (3) frequency with which the witness testifies for either plaintiffs or  
10 defendants.

11 (b) Expert medical testimony may not be admitted in court if the testimony

12 (1) has been obtained under an agreement with a third party who  
13 receives a contingency fee for (A) providing a medical expert for review of medical  
14 injury claims; (B) locating medical expert witnesses; or (C) arranging the provision  
15 of medical expert testimony; in this paragraph, "third party" does not include a person  
16 who represents a party in the action in which the expert medical testimony is to be  
17 given; or

18 (2) is provided by a medical expert witness who has agreed to provide  
19 medical testimony on a contingency fee basis.

20 \* **Sec. 19.** AS 09.55.560 is amended by adding new paragraphs to read:

21 (4) "professional negligence" means a negligent act or omission by a  
22 health care provider in rendering professional services;

23 (5) "professional services" means services provided by a health care  
24 provider that are within the scope of services for which the health care provider is  
25 licensed and that are not prohibited under the health care provider's license or by a  
26 hospital in which the health care provider practices.

27 \* **Sec. 20.** AS 09.60 is amended by adding a new section to read:

28 Sec. 09.60.080. CONTINGENT ATTORNEY FEE AGREEMENTS. If an  
29 attorney contracts for or collects a contingency fee in connection with an action for  
30 personal injury, death, or property damage and the damages awarded by a court or jury  
31 include an award of punitive damages, the contingent fee due the attorney shall be

1 calculated after that portion of punitive damages due the state under AS 09.17.020(d)  
2 has been deducted from the total award of damages.

3 \* **Sec. 21.** AS 09.65 is amended by adding a new section to read:

4 Sec. 09.65.096. CIVIL LIABILITY OF HOSPITALS FOR NONEMPLOYEES.

5 (a) A hospital is not liable for civil damages as a result of an act or omission by a  
6 health care provider who is not an employee or actual agent of the hospital if the  
7 hospital provides notice that the health care provider is an independent contractor. The  
8 notice required by this subsection must be posted conspicuously in all admitting areas  
9 of the hospital, published at least annually in a newspaper of general circulation in the  
10 area, and must be in substantially the following form:

11 Notice of Limited Liability

12 The following health care providers are independent contractors  
13 and are not employees of the hospital:

14 (List specific health care providers)

15 The hospital is responsible for exercising reasonable care in granting staff privileges  
16 to practice in the hospital, for reviewing those privileges on a regular basis, and for  
17 taking appropriate steps to revoke or restrict privileges in appropriate circumstances.  
18 The hospital is not otherwise liable for the acts or omissions of a health care provider  
19 who is an independent contractor.

20 (b) This section does not preclude liability for civil damages that are the  
21 proximate result of the hospital's own negligence or intentional misconduct.

22 (c) In this section,

23 (1) "health care provider" means a doctor of medicine, psychologist,  
24 osteopath, dentist, optometrist, chiropractor, optician, pharmacist, podiatrist, or certified  
25 registered nurse anesthetist, who is licensed in this state;

26 (2) "hospital" has the meaning given in AS 18.20.130 and includes a  
27 governmentally owned or operated hospital;

28 (3) "independent contractor" means a licensed health care provider who  
29 is a member of a hospital's medical staff or who has otherwise been granted specified  
30 privileges to render health care services directly or indirectly to patients at the hospital,  
31 but who is not an employee or actual agent of the hospital in connection with the

1 rendition of the health care services.

2 \* **Sec. 22.** AS 09.65.210 is amended to read:

3 Sec. 09.65.210. DAMAGES RESULTING FROM COMMISSION OF A  
4 CRIME. A person who suffers personal injury or death may not recover damages for  
5 the personal injury or death if the injuries or death occurred while the person was  
6 committing or attempting to commit a felony, or fleeing from [ENGAGED IN] the  
7 commission of a felony, [THE PERSON HAS BEEN CONVICTED OF THE  
8 FELONY, INCLUDING CONVICTION BASED ON A GUILTY PLEA OR PLEA  
9 OF NOLO CONTENDERE,] and the action [FELONY] substantially contributed to  
10 the injury or death. [THIS SECTION DOES NOT AFFECT A RIGHT OF ACTION  
11 UNDER 42 U.S.C. 1983.]

12 \* **Sec. 23.** AS 09.68 is amended by adding a new section to read:

13 Sec. 09.68.125. SIGNING OF PLEADINGS, MOTIONS, AND OTHER  
14 PAPERS; SANCTIONS. Every pleading, motion, and other paper of a party  
15 represented by an attorney shall be signed by at least one attorney of record in the  
16 attorney's individual name, whose address shall be stated. A party who is not  
17 represented by an attorney shall sign the party's pleading, motion, or other paper and  
18 state the party's address. Except when otherwise specifically provided by the Alaska  
19 Rules of Civil Procedure or statute, pleadings need not be verified or accompanied by  
20 affidavit. The signature of an attorney or party constitutes a certificate by the signer  
21 that the signer has read the pleading, motion, or other paper; that to the best of the  
22 signer's knowledge, information, and belief formed after reasonable inquiry it is well  
23 grounded in fact and is warranted by existing law or a good faith argument of the  
24 extension, modification, or reversal of existing law; and that it is not interposed for any  
25 improper purpose, including to harass or to cause unnecessary delay or needless  
26 increase in the cost of litigation. If a pleading, motion, or other paper is not signed,  
27 it shall be stricken unless it is signed promptly after the omission is called to the  
28 attention of the pleader or movant. If it is alleged or appears that a pleading, motion,  
29 or other paper is signed in violation of this section, the court, upon motion or upon its  
30 own initiative, may set the matter for hearing. If the court determines that a pleading,  
31 motion, or other paper is signed in violation of this section, the court shall impose

1 upon the person who signed it, a represented party, or both, an appropriate sanction  
2 that may include an order to pay to the other party the amount of the reasonable  
3 expenses incurred because of the filing of the pleading, motion, or other paper,  
4 including costs and attorney fees, and monetary sanctions not to exceed \$10,000.

5 \* **Sec. 24.** AS 09.55.548 is repealed.

6 \* **Sec. 25.** AS 09.17.080(a), as amended by sec. 12 of this Act, has the effect of amending  
7 Alaska Rule of Civil Procedure 49 by requiring the jury to answer the special interrogatory  
8 listed in AS 09.17.080(a)(2), regarding the percentages of fault to be allocated among the  
9 parties.

10 \* **Sec. 26.** AS 09.30.065, as amended by sec. 14 of this Act, has the effect of amending  
11 Alaska Rule of Civil Procedure 68 by providing that if a judgment is not more favorable to  
12 the offeree than the offer, the offeree shall pay costs as allowed under the Alaska Rules of  
13 Civil Procedure and reasonable attorney fees incurred by the offeror, and by deleting interest  
14 adjustments.

15 \* **Sec. 27.** AS 09.30.070(c), added by sec. 16 of this Act, has the effect of amending  
16 Alaska Rule of Civil Procedure 68 by providing that prejudgment interest may not be awarded  
17 for future economic or noneconomic damages.

18 \* **Sec. 28.** AS 09.55.551, enacted by sec. 18 of this Act, has the effect of amending Alaska  
19 Rule of Evidence 702 by requiring certain qualifications from a person testifying as an expert  
20 medical witness.

21 \* **Sec. 29.** AS 09.55.553(b), enacted by sec. 18 of this Act, has the effect of amending  
22 Alaska Rule of Evidence 702 by prohibiting certain testimony by a medical expert.

23 \* **Sec. 30.** AS 09.68.125, as enacted in sec. 23 of this Act, has the effect of amending  
24 Alaska Rule of Civil Procedure 95, by requiring imposition of sanctions for certain failures  
25 to sign pleadings, motions, or other papers.

26 \* **Sec. 31.** SEVERABILITY. Under AS 01.10.030, if any provision of this Act, or the  
27 application of a provision of this Act to any person or circumstance is held invalid, the  
28 remainder of this Act and the application to other persons shall not be affected.

29 \* **Sec. 32.** APPLICABILITY. This Act applies to all causes of action accruing on or after  
30 the effective date of this Act.

31 \* **Sec. 33.** This Act takes effect July 1, 1995.