

## **House Bill 214 Sponsor Statement**

**“An Act relating to the recovery of punitive damages against an employer who is determined to be vicariously liable for the act or omission of an employee; and providing for an effective date.”**

[House Bill 214](#) changes the standard under which employers must pay for punitive damages assessed against their employees. The standard is changed from strict liability to one that is more fault-based. Essentially, the bill stipulates that unless an employer authorized the act that caused the damages, or acted recklessly or knowingly in approving of the act after it occurred, or the employee is of such a high rank that he or she is essentially the employer, then the employee’s punitive damages should not be awarded against the employer.

For example, if a construction worker causes an accident while driving a company vehicle after completing a company safety-training program and violates the policies implemented by the employer, the employer shall not be required to pay the punitive damages assessed against the employee. If the employer released the vehicle to the construction worker knowing that the employee had no safety training regarding the vehicle, the employer may be responsible for the damages because the employer may have been at fault for not properly training the employee.

HB 214 does not absolve businesses and employers from creating and maintaining a safe environment with strict codes for training and employing staff; it protects the employer from damages incurred by an employee that acted recklessly or outrageously on his or her own volition without contribution by the employer. If an employer has taken all of the necessary steps to ensure its’ employees act safely and properly, the employer should not have to pay for the punitive damages incurred by the employee.

The employer will, however, continue to be vicariously liable for the compensatory damages arising from its employees’ conduct. In addition, the employer will continue to be liable for punitive damages assessed directly against the employer because of its’ own conduct.