

STATE OF SOUTH CAROLINA

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January 26, 2012

Marcia Adams
Executive Director
South Carolina Budget and Control Board
Office of the Executive Director
612 Wade Hampton Building
Columbia, SC 29211

Dear Marcia,

We have calculated the increase in the limit on punitive damages awarded to each claimant that is entitled to an award. Pursuant to Section 15-32-530(D), the limit on punitive damage awards is adjusted each fiscal year based on the increase or decrease in the ratio of the Consumer Price Index for All Urban Consumers as of December 31 of the previous calendar year. The adjustment is a cumulative index using a base year 2011. The 2011 base year was adopted to be consistent with the timing of the enacting legislation. As of December 31, 2011, the Index published by the Bureau of Labor Statistics, *Monthly Labor Review*, Table 38, "Consumer Price Index for All Urban Consumers", increased by 3.0% from a value of 219.179 in December 2010 to 225.672 in December 2011. Therefore, the limit not to exceed \$500,000 would increase to \$514,800 to each claimant entitled to a punitive damage award. The adjusted limitations on an award for punitive damages become effective upon publication in the *State Register* pursuant to Section 1-23-40(2).

If I can be of any further assistance, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Frank A. Rainwater".

Frank A. Rainwater
Chief Economist

FAR/rwm