

**CHAPTER 157****CIVIL JUDGMENTS AND DECREES***S.F. 482*

**AN ACT** relating to the civil process and procedure for awarding interest on civil judgments and decrees, determining whether a sufficient burden of proof has been met for the awarding of punitive damages, and for allowing the consideration for previous payments for medical damages, and providing an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 535.3, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. This section does not apply to the award of interest for judgments and decrees subject to section 668.13.

Sec. 2. Section 602.1209, Code 1987, is amended by adding the following new subsection 15 and renumbering the following existing subsection 15:

NEW SUBSECTION. 15. Distribute notices of interest rates and changes to interest rates as required by section 668.13, subsection 3.

Sec. 3. Section 602.8102, subsection 100, Code 1987, is amended to read as follows:

100. When Except for an action brought pursuant to chapter 668, when the judgment is for recovery of money, compute the interest from the date of verdict to the date of payment of the judgment as provided in section 625.21.

Sec. 4. Section 625.21, Code 1987, is amended to read as follows:

625.21 INTEREST.

When Except for an action brought pursuant to chapter 668, when the judgment is for the recovery of money, interest from the time of the verdict or report until judgment is finally entered shall be computed by the clerk and added to the costs of the party entitled thereto.

Sec. 5. Section 668.3, subsection 7, Code 1987, is amended to read as follows:

7. When a final judgment or award is entered, any party may petition the court for a determination of the appropriate payment method of such judgment or award. If so petitioned the court may order that the payment method for all or part of the judgment or award be by structured, periodic, or other nonlump-sum payments. ~~Structured, periodic, or other nonlump-sum payments may include appropriate interest if such interest was not included in the determination of the initial judgment or award.~~ However, the court shall not order a structured, periodic, or other nonlump-sum payment method if it finds that any of the following are true:

- a. The payment method would be inequitable.
- b. The payment method provides insufficient guarantees of future collectibility of the judgment or award.
- c. Payments made under the payment method could be subject to other claims, past or future, against the defendant or the defendant's insurer.

Sec. 6. Section 668.3, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 8. In an action brought pursuant to this chapter the court shall instruct the jury to answer special interrogatories or, if there is no jury, shall make findings on each specific item of requested or awarded damages indicating that portion of the judgment or decree awarded for past damages and that portion of the judgment or decree awarded for future damages.

Sec. 7. Section 668.5, Code 1987, is amended by adding the following new subsections:

NEW SUBSECTION. 3. Contractual or statutory rights of persons not enumerated in section 668.2 for subrogation for losses recovered in proceedings pursuant to this chapter shall

not exceed that portion of the judgment or verdict specifically related to such losses, as shown by the itemization of the judgment or verdict returned under section 668.3, subsection 8, and according to the findings made pursuant to section 668.14, subsection 3, and such contractual or statutory subrogated persons shall be responsible for a pro rata share of the legal and administrative expenses incurred in obtaining the judgment or verdict.

**NEW SUBSECTION.** 4. Subrogation payment restrictions imposed pursuant to subsection 3 apply to settlement recoveries, but only to the extent that the settlement was reasonable.

**Sec. 8. NEW SECTION. 668.13 INTEREST ON JUDGMENTS.**

Interest shall be allowed on all money due on judgments and decrees on actions brought pursuant to this chapter, subject to the following:

1. Interest, except interest awarded for future damages, shall accrue from the date of the commencement of the action.

2. If the interest rate is fixed by a contract on which the judgment or decree is rendered, the interest allowed shall be at the rate expressed in the contract, not exceeding the maximum rate permitted under section 535.2.

3. Interest shall be calculated as of the date of judgment at a rate equal to the coupon issue yield equivalent, as determined by the United States secretary of the treasury, of the average accepted auction price for the last auction of fifty-two week United States treasury bills settled immediately prior to the date of the judgment. The state court administrator shall distribute notice monthly of that rate and any changes to that rate to all district courts.

4. Interest awarded for future damages shall not begin to accrue until the date of the entry of the judgment.

5. Interest shall be computed daily to the date of the payment, except as may otherwise be ordered by the court pursuant to a structured judgment under section 668.3, subsection 7.

6. Structured, periodic, or other nonlump-sum payments ordered pursuant to section 668.3, subsection 7, shall reflect interest in accordance with annuity principles.

**Sec. 9. NEW SECTION. 668.14 EVIDENCE OF PREVIOUS PAYMENT OR FUTURE RIGHT OF PAYMENT.**

1. In an action brought pursuant to this chapter seeking damages for personal injury, the court shall permit evidence and argument as to the previous payment or future right of payment of actual economic losses incurred or to be incurred as a result of the personal injury for necessary medical care, rehabilitation services, and custodial care except to the extent that the previous payment or future right of payment is pursuant to a state or federal program or from assets of the claimant or the members of the claimant's immediate family.

2. If evidence and argument regarding previous payments or future rights of payment is permitted pursuant to subsection 1, the court shall also permit evidence and argument as to the costs to the claimant of procuring the previous payments or future rights of payment and as to any existing rights of indemnification or subrogation relating to the previous payments or future rights of payment.

3. If evidence or argument is permitted pursuant to subsection 1 or 2, the court shall, unless otherwise agreed to by all parties, instruct the jury to answer special interrogatories or, if there is no jury, shall make findings indicating the effect of such evidence or argument on the verdict.

4. This section does not apply to actions governed by section 147.136.

**Sec. 10.** Section 668A.1, subsection 1, paragraph a, Code 1987, is amended by striking the paragraph and inserting in lieu thereof the following:

a. Whether, by a preponderance of clear, convincing, and satisfactory evidence, the conduct of the defendant from which the claim arose constituted willful and wanton disregard for the rights or safety of another.

Sec. 11. This Act takes effect July 1, 1987 and applies to:

1. All causes of action accruing on or after July 1, 1987.
2. All causes of action accruing before July 1, 1987 and filed on or after September 15, 1987.

Approved May 28, 1987

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## CHAPTER 158

### ELECTRONIC FUNDS TRANSFERS

S.F. 461

**AN ACT** relating to electronic funds transfers by providing for limiting liability of financial institutions for unauthorized electronic funds transfers involving the customer's account, altering restrictions on the establishment, location, and use of satellite terminals, adding definitions, and requiring that all satellite terminals in this state or their data processing centers be directly connected to a central routing unit.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 527.2, subsection 2, Code 1987, is amended to read as follows:

2. "Data processing center" means a facility, wherever located, at which electronic impulses or other indicia of a transaction originating at a satellite terminal are received and are processed in order to enable the satellite terminal to perform any function for which it is designed. However, "data processing center" does not include a facility which is directly connected to a satellite terminal and which performs only the functions of direct transmission of all requested transactions from that terminal to a data processing facility without performing any review of the requested transactions for the purpose of categorizing, separating, or routing. "Categorizing" means the process of reviewing and grouping of requested electronic funds transfer transactions according to the source or nature of the requested transaction. "Separating" means the process of interpreting and segregating requested electronic funds transfer transactions, or portions of such transactions, to provide for processing of information relating to such requested transactions or portions of such transactions. "Routing" means the process of interpreting and transmitting requested electronic funds transfer transactions to a destination selected at the time of interpretation and transmission from two or more alternative destinations.

Sec. 2. Section 527.2, Code 1987, is amended by adding the following new subsections:

**NEW SUBSECTION. 8.** "Municipal corporation" means an incorporated city.

**NEW SUBSECTION. 9.** "Unincorporated area" means a location within this state not within the boundaries of a municipal corporation.

**NEW SUBSECTION. 10.** "On-line real time basis" means the immediate and instantaneous delivery or return of an individual message through transmission of electronic impulses.

**NEW SUBSECTION. 11.** "Batch basis" means the periodic delivery of an accumulation of messages representing electronic funds transfer transactions authorized or rejected by the customer's financial institution at a prior time.

Sec. 3. Section 527.3, Code 1987, is amended by adding the following new subsection:

**NEW SUBSECTION. 5.** An administrator may conduct hearings and exercise any other appropriate authority conferred by this chapter regarding the operation or control of a satellite terminal upon the written request of a person, including but not limited to, a retailer, financial institution, or consumer.

Sec. 4. Section 527.4, subsection 3, paragraph a, Code 1987, is amended by striking the paragraph and inserting in lieu thereof the following: