



Why Pre-judgment Interest is Important to Oklahomans

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When a judge or jury awards damages for wrongdoing, the amount of money paid is not limited to the value of the injury. The wrongdoer also has to pay interest on the cost of the damage beginning the very day the lawsuit was filed. Oklahoma courts have used this rule for decades, but now some politicians are trying to eliminate pre-judgment interest in cases that last less than three years. Such a change would certainly help corporate special interest groups, but unfortunately, it would do so at the expense of Oklahoma citizens. Here's a look at why pre-judgment interest is vital to citizens of the Sooner State:

- **Pre-judgment interest is the only way to fully compensate innocent victims who are hurt by the carelessness of another.**¹² Hospital patients are expected to pay for medical treatment no matter who is to blame for their injuries. Because many are forced to shell out hard earned money for medical bills while a lawsuit is ongoing, courts rightly compensate innocent parties for using personal funds to cover the liability of another.
- **Pre-judgment interest prevents insurance companies and other corporate defendants from delaying litigation and running up costs for their opponent.** “Without an obligation for that interest insurers would be provided with incentive to prolong litigation in order to take advantage of the time value of money still in their hands.”³

¹ “The purpose of pre-judgment interest is to provide full compensation for the loss of use of money due as damages from the time the claim accrues until judgment is entered.” *Johnson v. Ford Motor Co.*, 2002 OK 24 45 P.3d 86 (citing *Withrow v. Red Eagle Oil Co.*, 1988 OK 16, ¶10, 755 P.2d 622, *McDonald v. Schreiner*, 2001 OK 58, ¶7, 28 P.3d 574).

² “Prejudgment interest serves to compensate for the loss of use of money due as damages from the time the claim accrues until judgment is entered, thereby achieving full compensation for the injury those damages are intended to redress.” *Withrow v. Red Eagle Oil Co.*, 1988 OK 16, 755 P.2d 622 (quoting *West Virginia v. United States*, 479 U.S. 305, §§§, 107 S.Ct. 702, 706, 93 L.Ed.2d 639, 646 n. 2 (1987)).

³ *McDonald v Schreiner*, 2001 OK 58, 28 P.3d 574 (citing *Nodaway Valley Bank v. Continental Casualty Company*, 916 F.2d 1362,1368 (8th Cir. 1990); *West Virginia v. United States*, 479 U.S. 305, 310-11 & n. 2, 107 S.Ct. 702, 706-7 & n. 2, 93 L.Ed.2d 639 (1987); *General Motors Corp. v Devex Corp.*, 461 U.S. 648, 655-56 & n. 10, 103 S.Ct. 2058, 2062 & n. 10, 76 L.Ed.2d 211 (1983); *Lorenzen v. Employees Retirement Plan*, 896 F.2d 228, 236-37 (7th Cir. 1990); *Gorenstein Enter., Inc. v. Quality Care-USA, Inc.*, 874 F.2d 431, 436-37 (7th Cir. 1989); D.Dobbs, *Handbook on the Law of Remedies* § 3.5, at 165-74 (1973).