

13.11: Compensatory and Punitive Damages

Learning Objectives

- Differentiate between compensatory and punitive damages

The way a court remedies a wrong is by awarding monetary payment, referred to as “damages.” There are two categories of damages: compensatory and punitive. As the term suggests, compensatory damages are intended to compensate for the wrong and restore the plaintiff to his or her pre-incident position (e.g., physically, economically, or mentally). In contrast, punitive damages are awarded in extreme cases where behavior is considered to be so socially unacceptable that the court needs to make an example of the defendant. In these cases, the court generally awards significant punitive damages intended to punish the defendant and deter similar behavior in the future.

In setting compensatory damages, courts are governed by the single recovery principle mentioned previously. Briefly, this principle requires the court to award a single lump sum of money that accounts for past and future expenses, lost wages and pain and suffering. The latter is based on the courts estimate of lingering impacts, including physical and emotional injury and mental anguish.

Practice Question

<https://assessments.lumenlearning.co...essments/14338>

The following videos also explain compensatory and punitive damages.



You can view the [transcript for “Compensatory Damages”](#) (opens in new window) or the [text alternative for “Compensatory Damages”](#) (opens in new window).



You can view the [transcript](#) for “What are Punitive Damages?”

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