

BY: PIERRE GROSIDIER¹

CALCULATING JUDGMENT AND PREJUDGMENT INTEREST AMOUNTS IN PROPORTIONATE RESPONSIBILITY CASES

Judgment and prejudgment interest calculations in cases involving multiple parties, including settling parties, can be tricky business. A calculation error can cost parties money or even justify an appeal. Recently, the Texarkana Court of Appeals issued an opinion that, together with the appellant's brief, illustrates how to calculate the amount of a claimant's recovery in cases subject to Texas Civil Practice & Remedies Code Chapter 33.² The documents also illustrate how to calculate prejudgment interest when the claimant settles with some of the defendants before trial. The opinion and the Brief are important because there are few publicly-available court documents that illustrate these calculations in detail.

This article walks the reader through these calculations step-by-step, with enough detail to enable the reader to re-program the calculations in an Excel spreadsheet. Variations of the base case explain the calculations under slightly different assumptions to illustrate different outcomes.³ The article merely assumes that the reader is familiar with Chapter 33's general framework of proportionate responsibility attribution.

I. UNDERLYING LAW AND JUDGMENT FACTS IN JOYCE STEEL

Chapter 33 requires that, in cases other than those alleging health care liability claims:⁴

- (a) If the claimant is not barred from recovery under Section 33.001, the court shall reduce the amount of damages to be recovered by the claimant with respect to a cause of action by a percentage equal to the claimant's percentage of responsibility.
- (b) If the claimant has settled with one or more

persons, the court shall further reduce the amount of damages to be recovered by the claimant with respect to a cause of action by the sum of the dollar amounts of all settlements.⁵

A claimant is barred from recovery under section 33.001 if the claimant's percentage of responsibility is 51% or greater. If the claimant's percentage of responsibility is 50% or less, the jury's award must be reduced, *first*, by the claimant's percentage of responsibility and, *second*, by all the settlement amounts.⁶ *Joyce Steel* illustrates this calculation.

In *Joyce Steel*, Bonner (P), the plaintiff-claimant, sued Joyce Steel Erection, Ltd. (D), Self Concrete, Inc. (S1), and Caruthers Construction, Inc. (S2). D designated Premier Constructors, Inc. (RTP), Bonner's employer, as a responsible third party. The case stemmed from plaintiff's catastrophic personal injury on a construction work site.

P and S1 settled on November 1, 2013, for \$1,000,000. P and S2 settled on March 10, 2014, for an additional \$2,100,000. At the conclusion of trial, the jury awarded P the following damages:

Description	Amount
Past damages	\$3,500,000.00
Future damages	\$3,500,000.00
Medical expenses	\$358,205.52
Lost wages	\$147,633.29

The jury further found that the parties were responsible for P's injuries in the following proportions:

¹ Pierre Grosdidier is Counsel in Haynes and Boone, LLP's Business Litigation practice group in Houston, Texas. He specializes in complex commercial litigation, especially disputes with construction, engineering or software elements. He has litigated cases involving software copyrights, CFAA claims, and an SCA claim. Prior to practicing law, Pierre worked in the process control industry. He holds a Ph.D. from Caltech and a J.D. from the University of Texas. He is a member of the State Bar of Texas, is Board Certified in Construction Law by the Texas Board of Legal Specialization, and is a registered professional engineer in Texas (inactive). Pierre is very grateful to his colleague Kent Rutter for his insightful comments regarding this article.

² *Joyce Steel Erection, Ltd. v. Bonner*, 506 S.W.3d 58 (Tex. App.—Texarkana June 17, 2015, no pet; see also Appellant's Opening Brief, *Joyce Steel Erection, Ltd. v. Bonner*, No. 06-14-00064-CV, 2015 WL 1568747 (Tex. App.—Texarkana Mar. 26, 2015) ("Brief") (available at <http://www.search.txcourts.gov/Case.aspx?cn=06-14-00064-CV&coa=coa06>); *C & H Nationwide, Inc. v. Thompson*, 810 S.W.2d 259, 318 (Tex. App.—Houston [1st Dist.] May 9, 1991, pet. granted) (trial court incorrectly calculated prejudgment interest of \$884,073.43); *rev'd on other grounds, C & H Nationwide, Inc. v. Thompson*, 903 S.W.2d 315, 318 (1994), *abrogated by Carl J. Battaglia, M.D., P.A. v. Alexander*, 177 S.W.3d 893 (Tex. 2005).

³ The "Variations" are of course not part of the original *Joyce Steel* decision.

⁴ Under Texas Civil Practice & Remedies Code Chapter 74.

⁵ Tex. Civ. Prac. & Rem. Code § 33.012(a)–(b).

⁶ *Id.*

● CALCULATING JUDGMENT AND PREJUDGMENT INTEREST AMOUNTS IN PROPORTIONATE R...

Party	Responsibility
P	33%
D	34%
S1	0%
S2	0%
RTP	33%
Total	100%

Finally, the court of appeals awarded P \$12,769.13 in prejudgment interest (discussed in this article's Part III).

II. PLAINTIFF'S JUDGMENT AMOUNT CALCULATION UNDER SECTION 33.012

Given these facts, the final judgment amount is \$1,937,467.32, as shown in Table 1 and as detailed step-by-step below.⁷

1. Add all the damages (Table 1, Rows 1–4). The total damages before prejudgment interest are \$7,505,838.81 (Row 5).
2. Add prejudgment interest (Row 6). P's total damages are \$7,518,607.94 (Row 7).⁸
3. Subtract the sum corresponding to P's responsibility from P's total damages (33% of total damages, Row 8). P's recoverable damages are \$5,037,467.32 (Row 9).⁹
4. Subtract the settlement amounts (Rows 10–12) from P's recoverable damages to obtain P's maximum

judgment recovery (\$1,937,467.32, Row 13).¹⁰

5. Calculate the sum corresponding to D's responsibility, which is 34% of P's total damages or \$2,556,326.70 (Row 14). (Note that D's responsibility is *not* calculated as 34% of P's maximum judgment recovery, i.e., 34% of \$1,937,467.32, Row 13).¹¹

6. RTP has no liability because the mere designation as responsible third party does not impose any liability on the party (Row 15).¹²

7. D's liability (and the judgment amount) is \$1,937,467.32 because, under these facts, P cannot recover from D more than P's maximum judgment recovery.

Variation 1. Assume that Joyce Steel Erection, Ltd. and Premier Constructors, Inc. were both defendants (D1 and D2, respectively), and that the jury further found that the parties were responsible for P's injuries in the following proportions (all other case facts remaining the same):

Party	Responsibility
P	33%
D1	40%
D2	27%
S1	0%
S2	0%
Total	100%

Table 1. P's judgment amount calculation (Joyce Steel).

Row	Amount Description	Basis	Amount (\$)	Details
1	Past damages		3,500,000.00	
2	Future damages		3,500,000.00	
3	Medical expenses		358,205.52	
4	Lost wages		147,633.29	
5	Total damages before prejudgment interest		7,505,838.81	= sum(Rows 1–4)
6	Pre-judgment interest		12,769.13	See discussion in Section 3.
7	Total damages		7,518,607.94	= \$7,505,838.81 + \$12,769.13
8	P's responsibility	33%	2,481,140.62	= \$7,518,607.94 * 33%
9	Recoverable damages		5,037,467.32	= \$7,518,607.94 – \$2,481,140.62
10	S1 settlement		1,000,000.00	
11	S2 settlement		2,100,000.00	
12	Total settlements		3,100,000.00	= sum(Rows 10–11)
13	P's maximum judgment recovery		1,937,467.32	= \$5,037,467.32 – \$3,100,000.00
14	D's responsibility	34%	2,556,326.70	= \$7,518,607.94 * 34%
15	RTP's liability	33%	0.00	TCP&R Code § 33.004(i)
16	D's liability & judgment amount		1,937,467.32	

⁷ *Joyce Steel*, 506 S.W.3d at 67.

⁸ *Id.* at 63 (citing *Battaglia v. Alexander*, 177 S.W.3d 893, 907 (Tex. 2005)).

⁹ *Id.* (citing Tex. Civ. Prac. & Rem. Code § 33.012(a)).

¹⁰ *Id.* (citing Tex. Civ. Prac. & Rem. Code § 33.012(b)).

¹¹ See Tex. Civ. Prac. & Rem. Code § 33.011(4)); *Roberts v. Williamson*, 111 S.W.3d 113, 122 (Tex. 2003) (“defendant’s monetary liability is calculated by multiplying the damages found by the trier of fact by the defendant’s percentage of responsibility.”).

¹² Tex. Civ. Prac. & Rem. Code § 33.004(i).

CALCULATING JUDGMENT AND PREJUDGMENT INTEREST AMOUNTS IN PROPORTIONATE R...

Table 2 shows the judgment amount calculations (some of the first table rows were omitted because they remain the same as in Table 1). In this case, D1's and D2's maximum responsibilities are \$3,007,443.18 and \$2,030,024.14, respectively, both of which are greater than P's maximum judgment recovery of \$1,937,467.32. Either D1 or D2, therefore, could be required to pay the entire judgment of \$1,937,467.32. In practice, P will likely seek payment from the more solvent of the two defendants. Alternatively, if D1 and D2 can agree, they might fund the judgment in proportion to their respective responsibilities, or $40/(40 + 27) = 59.7\%$ for D1 and, consequently 40.3% for D2 (Table 2, Rows 16–17). D1's and D2's payments would be \$1,156,696.91 and \$780,770.41, respectively.

Variation 2. Same as Variation 1, but now also assume that the jury found that the parties were responsible for P's injuries in the following proportions (all other case facts remaining the same):

Party	Responsibility
P	33%
D1	60%
D2	7%
S1	0%
S2	0%
Total	100%

Table 3 shows the judgment amount calculations. In this case, and under these facts, D1's and D2's maximum responsibilities are \$4,511,164.76 and \$526,302.56, respectively. D1 could be liable for the entire judgment of \$1,937,467.32 either because (1) its responsibility is greater than the maximum judgment recovery, or (2) D1 is jointly and severally liable for the full \$1,937,467.32 because D1's attributed responsibility is greater than 50 percent.¹³ But in either case, and under these facts, D2

Table 2. P's judgment amount calculation (Variation 1).

Row	Amount Description	Basis	Amount (\$)	Details
7	Total damages		7,518,607.94	
8	P's responsibility	33%	2,481,140.62	= \$7,518,607.94 * 33%
9	Recoverable damages		5,037,467.32	= \$7,518,607.94 - \$2,481,140.62
12	Total settlements		3,100,000.00	
13	P's maximum judgment recovery		1,937,467.32	= \$5,037,467.32 - \$3,100,000.00
14	D1's responsibility	40%	3,007,443.18	= \$7,518,607.94 * 40%
15	D2's responsibility	27%	2,030,024.14	= \$7,518,607.94 * 27%
16	D1's agreed payment ($40/(40+27)$)	59.7%	1,156,696.91	= \$1,937,467.32 * 59.7%
17	D2's agreed payment ($27/(40+27)$)	40.3%	780,770.41	= \$1,937,467.32 * 40.3%
18	Judgment amount		1,937,467.32	= sum(Rows 16–17)

Table 3. P's judgment amount calculation (Variation 2).

Row	Amount Description	Basis	Amount (\$)	Details
7	Total damages		7,518,607.94	
8	P's responsibility	33%	2,481,140.62	= \$7,518,607.94 * 33%
9	Recoverable damages		5,037,467.32	= \$7,518,607.94 - \$2,481,140.62
12	Total settlements		3,100,000.00	
13	P's maximum judgment recovery		1,937,467.32	= \$5,037,467.32 - \$3,100,000.00
14	D1's responsibility	60%	4,511,164.76	= \$7,518,607.94 * 60%
15	D2's responsibility	7%	526,302.56	= \$7,518,607.94 * 7%
16	D1's agreed payment ($60/(60+7)$)	89.6%	1,735,045.36	= \$1,937,467.32 * 89.6%
17	D2's agreed payment ($7/(60+7)$)	10.4%	202,421.96	= \$1,937,467.32 * 10.4%
18	Judgment amount		1,937,467.32	= sum(Rows 16–17)

¹³ *Id.* § 33.013(b)(1).

● CALCULATING JUDGMENT AND PREJUDGMENT INTEREST AMOUNTS IN PROPORTIONATE R...

cannot be held liable for more than \$526,302.56. D1 and D2 will pay \$1,735,045.36 and \$202,421.32, respectively, if they agree to fund the judgment in proportion to their respective responsibilities, or $60/(60 + 7) = 89.6\%$ for D1 and 10.4% for D2 (Table 3, Rows 16–17). Note that here D1 *does not* have a right of contribution from D2 even if D1 pays the entire judgment because the judgment amount is less than D1's responsibility.¹⁴

Variation 3. Same as Variation 2, but now also assume that S1 and S2 settled for a total of only \$310,000 (*i.e.*, one tenth of the amount in *Joyce Steel*, all other case facts remaining the same).

Table 4 shows the judgment amount calculations. In this case, and under these facts, D1 is jointly and severally liable for the full judgment of \$4,727,467.32 even though its responsibility is only \$4,511,164.76.¹⁵ But should D1 have to fund the entire judgment, it has a right of contribution from D2 for \$216,302.56, *i.e.*, “for the

overpayment against . . . [D2] . . . to the extent that [D2] has not paid the percentage of the damages found by the trier of fact equal to [D2]’s percentage of responsibility.”¹⁶ D1’s overpayment is only \$216,302.56 (Row 19).¹⁷

In this case, D1’s right of contribution from D2 is for an amount lower than that D2 would pay if D1 and D2 funded the judgment in proportion to their respective responsibilities, *i.e.*, \$493,914.50 (Table 4, Row 17). D2 might leverage this situation to its advantage in any settlement discussions with D1.

III. PLAINTIFF’S PREJUDGMENT INTEREST AMOUNT CALCULATION

In *Joyce Steel*, the court of appeals modified the trial court’s prejudgment interest calculation. The trial court did not follow the “declining-principal” formula prescribed by the Texas Supreme Court in *Battaglia*, and erroneously calculated that prejudgment interest totaled \$621,744.31.¹⁸ The court of appeals adopted the

Table 4. P’s judgment amount calculation (Variation 3).

Row	Amount Description	Basis	Amount (\$)	Details
7	Total damages		7,518,607.94	
8	P’s responsibility	33%	2,481,140.62	= \$7,518,607.94 * 33%
9	Recoverable damages		5,037,467.32	= \$7,518,607.94 – \$2,481,140.62
12	Total settlements		310,000.00	Reduced settlement amount
13	P’s maximum judgment recovery		4,727,467.32	= \$5,037,467.32 – \$310,000.00
14	D1’s responsibility	60%	4,511,164.76	= \$7,518,607.94 * 60%
15	D2’s responsibility	7%	526,302.56	= \$7,518,607.94 * 7%
16	D1’s agreed payment (60/(60+7))	89.6%	4,233,552.82	= \$4,727,467.32 * 89.6%
17	D2’s agreed payment (7/(60+7))	10.4%	493,914.50	= \$4,727,467.32 * 10.4%
18	Judgment amount		4,727,467.32	= sum(Rows 16–17)
19	D1’s right of contribution from D2		216,302.56	= \$4,727,467.32 – \$4,511,164.76

¹⁴ *Id.* § 33.015(a), (c). Section 33.015(a) is not free of ambiguity. The right of contribution arises when the jointly and severally liable defendant pays more than *the amount corresponding to* its percentage of responsibility. See, e.g., *C & H Nationwide, Inc.*, 903 S.W.2d at 321 (jointly and severally liable defendant is entitled to contribution to the extent that it pays more than its share of the damages) (based on earlier version of Chapter 33).

¹⁵ Tex. Civ. Prac. & Rem. Code § 33.013(b)(1).

¹⁶ *Id.* § 33.015(a), (c).

¹⁷ *Id.* § 33.015(a).

¹⁸ *Joyce Steel*, 506 S.W.3d at 67–68 and n.11 (citing *Brainard v. Trinity Universal Ins. Co.*, 216 S.W.3d 809, 816–17 (Tex. 2006)); *Battaglia*, 177 S.W.3d at 908; Brief at *24. Note that the numbers of days used in the trial court’s calculations (as reported in the opinion’s footnote 11) also seem erroneous. Interest accrues for 1,020 days between January 16, 2011, and November 1, 2013, not 1,021, for example. Also, \$7,941.76 corresponds to simple interest for 64 days, not 32.

CALCULATING JUDGMENT AND PREJUDGMENT INTEREST AMOUNTS IN PROPORTIONATE R...

calculation detailed in Appellant's Opening Brief and reproduced in slightly different form in Table 5 below.¹⁹

Prejudgment interest is calculated as simple interest in cases of wrongful death, personal injury, or property damage, as in this case.²⁰ In *Joyce Steel*, the applicable interest rate was 5%.²¹

Prejudgment interest does not apply to "an award of future damages."²² The prejudgment interest calculation must, therefore, exclude P's \$3,500,000 future damages. Moreover, the calculation should also exclude the sum corresponding to P's percentage of responsibility, *i.e.*, 33% of \$4,005,838.81 or \$1,321,926.81. D did not raise this issue at trial, however.²³ Both the district court and the court of appeals calculated interest based on total damages of \$4,005,838.81, and we do so here as well (Table 5, Row 5).

Under the "declining-principal" formula, "settlements are credited on the day they are received," and "are applied 'first to accrued prejudgment interest as of the date the settlement payment was made, then to 'principal,' thereby reducing or perhaps eliminating prejudgment interest from that point in time forward."²⁴ Given these facts, the prejudgment interest in *Joyce Steel* should have been \$12,982.18, as shown in Table 5 and as detailed step-by-step below.

1. Sum all the damages other than future damages (Rows 1–3). The total damages subject to prejudgment interest are \$4,005,838.81 (Rows 4 and 5).
2. Simple interest on this sum accrues at 5% (Row 7), or \$200,291.94 per year (Row 8) and \$548.75 per day (Row 9). Note that these numbers are rounded to the nearest cent in the Table 5, as in the Brief.

Table 5. Prejudgment interest calculation (*Joyce Steel*).

Row	Amount description	Basis	Interest	Amount (\$)	Payment	Details
				Principal		
1	Past damages			3,500,000.00		
2	Medical expenses			358,205.52		
3	Lost wages			147,633.29		
4	Total damages subject to prejudgment interest			4,005,838.81		= sum(Rows 1–3)
5	Balance due as of 01/16/11		0.00	4,005,838.81		Prejudgment interest start date
6	First Interval (through S1 settlement)					Between 01/16/11 and 11/01/13
7	Yearly interest rate (%)	5%				Applicable interest rate
8	Yearly accrued interest (\$)	200,291.94				= ROUND(\$4,005,838.81 * 5%, 2)
9	Daily interest accrued (\$)	548.75				= ROUND(\$200,291.94 / 365, 2)
10	Interval start date	01/16/11				
11	Interval end date	11/01/13				
12	Interval duration (days)	1,020				= 11/01/13 - 01/16/11
13	Interest accrued (\$)		559,725.00			= \$548.75 * 1,020
14	S1 settlement and balances		0.00	3,565,563.81	1,000,000.00	Apply settlement payment to interest first, then to principal
15	Second Interval (through S2 settlement)					Between 11/01/13 and 03/10/14
16	Yearly interest rate (%)	5%				Applicable interest rate
17	Yearly accrued interest (\$)	178,278.19				= ROUND(\$3,565,563.81 * 5%, 2)
18	Daily interest accrued (\$)	488.43				= ROUND(\$178,278.19 / 365, 2)
19	Interval start date	11/01/13				
20	Interval end date	03/10/14				
21	Interval duration (days)	129				= 03/10/14 - 11/01/13
22	Interest accrued (\$)		63,007.47			= \$488.43 * 129
23	S2 settlement and balances		0.00	1,528,571.28	2,100,000.00	Apply settlement payment to interest first, then to principal
24	Third Interval (through judgment)					Between 03/10/14 and 05/11/14
25	Yearly interest rate (%)	5%				Applicable interest rate
26	Yearly accrued interest (\$)	76,428.56				= ROUND(\$1,528,571.28 * 5%, 2)
27	Daily interest accrued (\$)	209.39				= ROUND(\$76,428.56 / 365, 2)
28	Interval start date	03/10/14				
29	Interval end date	05/11/14				One day before judgment signed
30	Interval duration (days)	62				= 05/11/14 - 03/10/14
31	Interest accrued (\$)		12,982.18			= \$209.39 * 62

¹⁹ *Joyce Steel*, 506 S.W.3d at 66–67; Brief at **23–25. Note that the Brief calculated prejudgment interest in the amount of \$12,769.13, but the correct amount should have been \$12,982.18, as explained below.

²⁰ Tex. Fin. Code § 304.101.

²¹ Brief at *22.

²² Tex. Fin. Code § 304.1045.

²³ *Joyce Steel*, 506 S.W.3d at 67 n.10.

²⁴ *Id.* at 68.

CALCULATING JUDGMENT AND PREJUDGMENT INTEREST AMOUNTS IN PROPORTIONATE R...

3. The first time interval stretches from 01/16/2011 up to P's settlement with S1 on 11/01/2013, or 1,020 days (Row 12).²⁵ The accrued interest during this interval is \$559,725.00 (Row 13).

4. S1's settlement payment (\$1,000,000) zeros the accrued interest and reduces the principal by the amount of the remaining funds, *i.e.*, \$440,275.00 = \$1,000,000 – \$559,725 (Row 14).

5. Repeat the calculation for the second interval from 11/01/2013 up to P's settlement with S2 on 03/10/2014, or 129 days (Rows 15–22).²⁶ The calculation must now be performed based on the reduced principal of \$3,565,563.81 (Row 14), resulting in lower interest yearly and daily amounts (Rows 17 and 18).

6. S2's settlement payment (\$2,100,000) again zeros the accrued interest (\$63,007.47) and reduces the principal by the amount of the remaining funds, *i.e.*, \$2,036,992.53 = \$2,100,000 – \$63,007.47 (Row 23).

7. Repeat the calculation for the third interval from 03/10/2014 up to the day before the judgment was signed on 05/12/2014, or 62 days (Rows 24–31). The accrued interest during this interval (equal to the total prejudgment interest) is \$12,982.18 (Row 32).²⁷

Variation 4. Assume the same facts as in *Joyce Steel*, but also that the interest calculation excluded P's share of the damages, as it should have. In this case the settlement payments would have covered all prejudgment interest, as shown in Table 6.

The first interval interest calculation starts with

Table 6. Prejudgment interest calculation (Variation 4).

Row	Amount description	Basis	Amount (\$)		
			Interest	Principal	Payment
1	Past damages			3,500,000.00	
2	Medical expenses			358,205.52	
3	Lost wages			147,633.29	
4	Total damages subject to prejudgment interest			4,005,838.81	
5	Bal. due as of 01/16/11 (\$4,005,838.81 * .67)		0.00	2,683,912.00	
6	First Interval (through S1 settlement)				
7	Yearly interest rate (%)	5%			
8	Yearly accrued interest (\$)	134,195.60			
9	Daily interest accrued (\$)	367.66			
10	Interval start date	01/16/11			
11	Interval end date	11/01/13			
12	Interval duration (days)	1,020			
13	Interest accrued (\$)		375,013.20		
14	S1 settlement and balances		0.00	2,058,925.20	1,000,000.0
15	Second Interval (through S2 settlement)				
16	Yearly interest rate (%)	5%			
17	Yearly accrued interest (\$)	102,946.26			
18	Daily interest accrued (\$)	282.04			
19	Interval start date	11/01/13			
20	Interval end date	03/10/14			
21	Interval duration (days)	129			
22	Interest accrued (\$)		36,383.16		
23	S2 settlement and balances		0.00	-4,691.64	2,100,000.0

²⁵ Brief at *24.

²⁶ See *Id.* The Brief erroneously counted 128 days. The Brief starts the second interval on November 2, 2013, "so as not to double count November 1." But there is no double counting, and starting the second interval on November 2 undercounts the interval by a day. There are 1,149 days between January 16, 2011, and March 10, 2014, *i.e.*, the sum of 1,020 days for the first interval, and 129 days for the second interval (not 128). The Brief also excludes the first day of each interval on basis of the rules of procedure. Brief at *24 (citing Tex. R. Civ. P. 4 and Tex. R. App. P. 4.1). But it is not clear that these two rules apply to interest calculations. Moreover, under this logic, the interest calculation should also exclude weekends and legal holidays, which the Brief's calculation does not. In any event, a time interval from one day to the next has a duration of one day, not two, and necessarily excludes the first day.

²⁷ Tex. Fin. Code § 304.104 (prejudgment interest ends "on the day preceding the date judgment is rendered."). Note that the Brief erroneously counted 61 days in the third interval.

● CALCULATING JUDGMENT AND PREJUDGMENT INTEREST AMOUNTS IN PROPORTIONATE R...

\$2,683,912 (Table 6, Row 5), *i.e.*, the total damages subject to prejudgment interest less the amount corresponding to P's 33% responsibility (Rows 4 and 5). The two settlements (totaling \$3,100,000) are sufficient to fund the damages and interest, and a surplus of \$4,691.64 is credited to future damages (Row 23).

The importance of getting these calculations right cannot be overstated. Had the *C & H Nationwide* trial court followed *Battaglia's* calculation methodology, the defendants would have paid zero final prejudgment

interest, as shown in Table 7.²⁸ But the prejudgment interest calculation in *C & H Nationwide* serves as a good reminder that prejudgment interest does not accrue on qualifying settlement offers.²⁹

Table 7. Prejudgment interest calculation (*C & H Nationwide*).

Interval	Amount description	Basis	Amount (\$)		
			Interest	Principal	Payment
	Yearly interest rate (%)	10%			
	Total damages subject to prejudgment interest			8,205,720.35	
	First (early) payment	05/06/88		100,000.00	
	Prejudgment interest start date	05/18/88		8,105,720.35	
1	Interval duration (days)	252			
	Interest accrued (\$)		559,627.82		
	Settlement and balances		0.00	7,765,348.17	900,000.
2	Interval duration (days)	19			
	Interest accrued (\$)		40,422.36		
	Settlement and balances		0.00	6,805,770.53	1,000,000.
3	Interval duration (days)	4			
	Interest accrued (\$)		7,458.38		
	Settlement and balances		0.00	5,813,228.90	1,000,000.
4	Interval duration (days)	45			
	Interest accrued (\$)		71,669.95		
	Settlement and balances		0.00	5,634,898.85	250,000.
5	Interval duration (days)	98			
	Interest accrued (\$)		151,293.17		
	Settlement and balances		51,293.17	5,634,898.85	100,000.
6	Interval duration (days)	10			
	Interest accrued (\$)		66,731.25		
	Settlement and balances		0.00	2,701,630.10	3,000,000.
7	Interval duration (days)	1			
	Interest accrued (\$)		740.17		
	Settlement and balances		0.00	2,202,370.28	500,000.
8	Interval duration (days)	186			
	Interest accrued (\$)		112,230.38		
	Settlement and balances		0.00	1,314,600.65	1,000,000.

²⁸ Compare Table 7 with the table *C & H Nationwide*, 903 S.W.2d at 318, wherein the trial court applied all payments and settlement offers to principal. Note that the calculations in *C & H Nationwide* and Table 7 do not round the interest amounts to two significant figures, as in *Joyce Steel*. Of course, *C & H Nationwide* precedes *Battaglia*.

²⁹ Tex. Fin. Code §§ 304.105, 106; *C & H Nationwide*, 903 S.W.2d at 317–18 (crediting settlement offers in prejudgment interest calculation).