

Simpson v. State Farm Fire & Cas. Co., 564 So.2d 1374, 1380 (Miss.1990).

¶ 42. Upon reflection, it is readily apparent to us that in today's case, we must clarify our holding in *Microtek*, which relied on this Court's decision in *Grace*. A study of *Grace* reveals that the primary issue was whether an insurer was responsible to its insureds under the applicable insurance policy, which provided coverage for an office building damaged in the wake of Hurricane Camille.^{FN9} In addressing the prejudgment interest issue in *Grace*, this Court succinctly disposed of this issue by stating, *inter alia*, that the plaintiffs/appellants were not entitled to interest "because in this instance there is a bona fide dispute as to the amount of damages as well as the responsibility for the liability therefor." *Grace*, 257 So.2d at 225.^{FN10}

FN9. Hurricane Camille struck the Mississippi Gulf Coast on Sunday night, August 17, 1969.

FN10. Perhaps a better way to state this principle is that prejudgment interest may not be awarded unless the amount due is liquidated when the claim is originally made or where the denial of a claim was frivolous or in bad faith.

*1117 [14] ¶ 43. We seized upon this language from *Grace* in *Simpson v. State Farm Fire & Cas. Co.*, 564 So.2d 1374, 1380 (Miss.1990), and again in *Thompson Machinery Commerce v. Wallace*, 687 So.2d 149, 152 (Miss.1997). The appropriate criteria for determining when an award of prejudgment interest is proper is found in our recent opinion in *Stockstill v. Gammill*, 943 So.2d 35, 50 (Miss.2006), where we stated:

It is well settled that in Mississippi a [trial judge] is afforded discretion in deciding whether to award prejudgment interest. "An award of prejudgment interest rests in the discretion of the awarding judge. Under Mississippi law, prejudgment interest may be allowed in cases where the amount due is liquidated when the claim is originally made or where the denial of a claim is frivolous or in bad faith. No award of prejudgment interest may rationally be made where the principal amount has not been fixed prior to judg-

ment." *Coho Res. v. McCarthy*, 829 So.2d 1, 19-20 (Miss.2002) (quoting *Warwick v. Matheney*, 603 So.2d 330, 342 (Miss.1992)). See also *Tupelo Redev. Agency v. Abernathy*, 913 So.2d 278, 286 (Miss.2005).

Id. at 50. Thus, in sum, we today clarify this issue as discussed in *Grace* and its progeny, including *Microtek*, by stating that when considering the issue of prejudgment interest, the trial court, and the appellate court upon review, should remember that prejudgment interest may be allowed in those cases where the amount due is liquidated when the claim is originally made or where the denial of a claim is frivolous or in bad faith.

¶ 44. The motion for rehearing likewise asserts error by this Court in awarding prejudgment interest because the complaint does not contain a specified date on which prejudgment interest allegedly became due. To address this issue we feel compelled briefly to review this Court's judicial enactment of the Mississippi Rules of Civil Procedure, which became applicable to all civil actions filed on or after January 1, 1982. As of the effective date of our civil procedure rules, Mississippi became a "notice pleadings" state. See *Miss. R. Civ. P. 8* and *Comment* thereunder. No doubt, prior to the Mississippi Rules of Civil Procedure, technical pleading requirements existed. This Court's cases prior to the enactment of our civil procedure rules required a plaintiff to specifically demand prejudgment interest in the complaint and to also specify the date from which the prejudgment interest was due. See, e.g., *Md. Cas. Co. v. Legg*, 247 So.2d 812, 814 (Miss.1971).

[15] ¶ 45. *Miss. R. Civ. P. 8(a)* provides:

(a) Claims for Relief. A pleading which sets forth a claim for relief, whether an original claim, counterclaim, cross-claim, or third-party claim, shall contain

(1) a short and plain statement of the claim showing that the pleader is entitled to relief, and,

(2) a demand for judgment for the relief to which he deems himself entitled. Relief in the alternative or of several different types may be demanded.