

FISCAL ESTIMATE
DOA-2048 N

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject

Claims for loss of society and companionship in medical malpractice cases.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

This bill provides that a parent/adult child does have the right to recover for loss of society and companionship if the adult child/parent dies as a result of medical malpractice.

The Office of the Commissioner of Insurance oversees the Wisconsin Patients Compensation Fund. The Fund was created to provide excess medical malpractice coverage for Wisconsin health care providers.

The Fund receives on average between 6 and 12 wrongful death claims each year, with between 20 and 30% of those resulting in some payment. Due to the relatively small number of wrongful death claims each year, as well as the current primary limit of \$1,000,000, it is our opinion that passage of this bill in the current environment (caps in place), would not result in a materially significant financial impact to the Fund.

It is expected that if AB771 were to pass, there may be an increase of 1-1.5% in the ultimate loss reserves. This would translate to less than a 5% increase in rates.

Long-Range Fiscal Implications There are several court challenges pending to the wrongful death cap. If the statutory cap is removed, there could be a significant impact on the Patients Compensation Fund and the fund's premiums.

Agency/Prepared by: (Name & Phone No.)

OCI/Eileen Mallow (608) 266-7843

Authorized Signature/Telephone No.

 (608) 266-0102

Date

3/17/2000