Fiscal Estimate - 2017 Session

☒ Original   ☐ Updated   ☐ Corrected   ☐ Supplemental

LRB Number 17-4962/1	Introduction Number SB-645

Description
discovery of information in court proceedings; procedural requirements relating to class actions; consumer lawsuit lending; the statute of limitations for certain civil actions; agreements by the secretary of revenue to allow third-party audits related to unclaimed property; interest rates for overdue insurance claims; and providing a penalty

Fiscal Effect

State:
☒ No State Fiscal Effect
☐ Indeterminate

☐ Increase Existing Appropriations   ☐ Increase Existing Revenues   ☐ Increase Costs - May be possible to absorb within agency's budget
☐ Decrease Existing Appropriations   ☐ Decrease Existing Revenues   ☐ Yes   ☐ No
☐ Create New Appropriations   ☐ Decrease Costs

Local:
☐ No Local Government Costs
☐ Indeterminate

1. ☐ Increase Costs   3. ☐ Increase Revenue
   ☐ Permissive ☐ Mandatory   ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs   4. ☐ Decrease Revenue
   ☐ Permissive ☐ Mandatory   ☐ Permissive ☐ Mandatory

5. Types of Local Government Units Affected
☐ Towns   ☐ Village   ☐ Cities
☐ Counties   ☐ Others
☐ School Districts   ☐ WTCS Districts

Fund Sources Affected   **Affected Ch. 20 Appropriations**

☐ GPR   ☐ FED   ☐ PRO   ☐ PRS   ☐ SEG   ☐ SEGS

Agency/Prepared By	Authorized Signature	Date
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Assumptions Used in Arriving at Fiscal Estimate

This bill changes the interest rate that an insurer must pay for overdue insurance claims from 12 percent to the Federal Reserve Board's bank prime loan rate on January 1 of the year in which the insurer is furnished written notice of the fact of a covered loss plus 1 percent. Current law requires an insurer to promptly pay every insurance claim and, generally, a claim is considered overdue if the claim is not paid within 30 days after the insurer has written notice of the fact and amount of a covered loss.

Any changes in the interest rate would affect insurance companies in the event they have to pay an overdue insurance claim. The proposed legislation will not have a fiscal impact on OCI.

Long-Range Fiscal Implications