



## Fiscal Estimate Narratives

OCI 2/11/2014

LRB Number	13-1627/1	Introduction Number	SB-460	Estimate Type	Original
<b>Description</b> Claims for loss of society and companionship in medical malpractice cases					

### Assumptions Used in Arriving at Fiscal Estimate

This bill would require medical malpractice insurers to provide coverage for loss of companionship for financially independent adult children of parents, or financially independent parents of adult children. This would substantially increase the number and amount of medical malpractice claims.

The fiscal impact is indeterminate. If passed, the bill will increase the cost of medical malpractice insurance due to the increased cost of claims payments. This would impact the Injured Patients and Families Compensation Fund by also increasing the cost of claims for the Fund. The Fund would be required to increase reserves to cover the losses, and substantially increase the fees charged to fund members to cover the cost.

It is important to note that in cases where the Fund can not pay its claims, the State of Wisconsin is required to meet any Fund obligation.

A detailed and costly actuarial analysis would be required to properly estimate the cost of this change on the Fund, and to estimate the likely state fiscal impact (if any). As a result, while it is expected that the change would lead to increased medical malpractice costs, and increased costs for the Injured Patients and Families Compensation fund, the cost is indeterminate.

### Long-Range Fiscal Implications