



**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

Fiscal Note On: **HB 9** HLS 20RS 205  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 11, 2020 6:27 PM	<b>Author:</b> GAROFALO
<b>Dept./Agy.:</b> LA Supreme Court/Office of Risk Management	<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Omnibus Premium Reduction Act of 2020	

INSURANCE/AUTOMOBILE OR SEE FISC NOTE SG EX Page 1 of 1  
 Enacts the Omnibus Premium Reduction Act of 2020

Proposed law increases the prescriptive period for all delictual actions by 1 year, from 1 year to 2 years. Proposed law reduces the threshold for a petitioners' cause of action that may result in a civil jury trial by \$45,000, from \$50,000 to \$5,000. Proposed law limits the amount of medical expenses that are recoverable damages in civil litigation to actual payments made by a third-party payor to a health care provider, or the amount payable under the medical payments fee schedule of the Workers Compensation Law if paid pursuant to R.S. 23:1020.1 et seq. If a plaintiff does not file medical expenses with a health insurer or Medicare, proposed law provides recoverable expenses total what would have been paid by Medicare had the expenses been filed with Medicare for payment. If a plaintiff does not file medical expenses pursuant to the Workers Compensation Law, proposed law provides recoverable expenses total what would have been paid pursuant to the Workers Compensation law. Proposed law repeals provisions allowing for direct action against liability insurers. Proposed law provides for rate reviews and reductions when actuarially justified for automobile insurers.

<b>EXPENDITURES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law will have an indeterminable net effect on SGR expenditures for the Division of Administration, Office of Risk Management (ORM) as a result of revisions to the jury trial threshold, prescriptive period for delictual actions, and collateral source provisions. ORM anticipates an indeterminable net expenditure increase associated with increased payments of overall damages and interest in lawsuits that would be partially offset by reduced payments to aggrieved parties for past medical expenses. ORM reports that it may realize increased damages resulting from more suits going to trial as a result of the lowered civil jury trial threshold, which may lengthen timelines for litigation and additional interest paid on overall damages. However the aggregate effect proposed law may have on the number of jury trials in Louisiana is presently indeterminable, as is the additional number of trials involving the state. Therefore, expenditures associated with effects on the number of jury trials are indeterminable.

ORM staff further report that the increased prescriptive period may reduce its ability to investigate claims against the state, which may lead to more settlements with aggrieved parties in lieu of pursuing a jury trial, as the state may not be able to defend itself as a result of losing evidence over the two-year period. However, the lowered recoverable medical expense provisions in proposed law may reduce any anticipated expenditures associated with additional settlements and interest paid on damages. Because of the aforementioned factors, any expenditure effects associated with proposed law are indeterminable.

Note: Discussions with staff at the LA Supreme Court indicate that costs associated with additional jury trials will be funded utilizing jury bonds furnished by the litigant(s) seeking a jury trial.

Note: Discussions with staff at the LA Supreme Court, ORM, and the Clerks of Courts Association did not yield to what extent overall jury trial levels may or may not be affected by the proposed legislation.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 &gt;= \$100,000 Annual Fiscal Cost {S &amp; H}</p> <p><input type="checkbox"/> 13.5.2 &gt;= \$500,000 Annual Tax or Fee Change {S &amp; H}</p>	<p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) &gt;= \$100,000 SGF Fiscal Cost {H &amp; S}</p> <p><input type="checkbox"/> 6.8(G) &gt;= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>	
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*Evan Brasseaux*  
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**Evan Brasseaux**  
 Staff Director