



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 195** SLS 15RS 451

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 20, 2015	3:12 PM	Author: BROWN, TROY
Dept./Agy.: Louisiana Department of Insurance		
Subject: Provides for an Insurance Mediation Program		Analyst: Alan M. Boxberger

INSURANCE CLAIMS

OR SEE FISC NOTE SG RV

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Provides for an Insurance Mediation Program. (8/1/15)

Proposed law sets forth a nonadversarial alternative dispute resolution procedure, otherwise called mediation, with respect to property claims under personal lines residential and commercial lines residential policies before the appraisal process or before commencing litigation; provides with respect to authorized parties requesting mediation; provides for exemptions to proposed law; provides for notification requirements; requires the insurer to bear all costs of mediation conferences except in cases where the insured fails to appear; requires the Louisiana Department of Insurance (LDI) to adopt by rule a property insurance mediation program to be administered by the department; requires documents produced at mediation to be confidential and privileged; provides that medication is nonbinding except under certain conditions; provides for failure to notify of right to mediation; and provides certain definitions. Proposed law has an effective date of August 1, 2015.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

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

The Louisiana Department of Insurance (LDI) reports that any costs associated with the creation and administration of the mediation program will be minimal and LDI is able to absorb the creation of a mediation program within its current resources. LDI will function as a neutral party to the process once the program is in effect. LDI will be required to adopt by rule a property insurance mediation program, create an online mediation assistance request form and assign requests for assistance to a qualified mediator. The insurer shall bear all costs of conducting mediation conferences except in instances where the insured fails to show in which case that individual shall bear all costs. LDI will provide a notice and consumer information pamphlet through its website to be used by insurers.

REVENUE EXPLANATION

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