

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



Fiscal Note On: **SB 620** SLS 14RS 1256

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 21, 2014 3:45 PM	<b>Author:</b> AMEDEE
<b>Dept./Agy.:</b> Louisiana Department of Insurance	<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Provides for settlement practices, non-resident self-insurers	

MOTOR VEHICLES

OR NO IMPACT See Note

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Provides for settlement practices involving certain claims against nonresident self-insurers and self-insurance plans. (8/1/14)

Proposed law requires nonresident drivers involved in an accident to show proof of coverage as a self-insurer or under a self-insurance plan from his or her state of residence; provides for validity of proof of coverage as a self-insurer or under a self-insurance plan in that the insured agrees to pay the amount of any claim due within 30 days after receipt of satisfactory proof of loss or within 30 days after written agreement of settlement from a third-party claimant; provides that failure to make payment within 30 days shall subject such individuals to a penalty; provides that the self-insurer or self-insurance plan owes a duty of good faith and fair dealing and provides for liability for damages as a result of a breach of good faith; provides for conditions constituting a breach of the insurer's duties under proposed law; and provides that in addition to any special damages entitled to a claimant for breach of imposed duty, the claimant may be awarded penalties in an amount not to exceed two times the damages sustained or \$5,000, whichever is greater. Proposed law is effective August 1, 2014.

<b>EXPENDITURES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<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>

<b>REVENUES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<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**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law provides for allowances and requirements of a nonresident to provide proof of coverage as a self-insurer or under a self-insurance plan from the state in which he or she is a resident and provides for related damages and liabilities.

**REVENUE EXPLANATION**

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

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|---|----------------------------|--------------|--|
| <u>Senate</u>   | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       |                            |              | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}                  |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} |                            |              | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**