

143RD GENERAL ASSEMBLY

FISCAL NOTE

BILL:	HOUSE SUBSTITUTION NO. 1 FOR HOUSE BILL NO. 450
SPONSOR:	Representative Lavelle
DESCRIPTION:	AN ACT TO AMEND TITLE 10, CHAPTER 81 OF THE DELAWARE CODE BY ENLARGING THE STATUTE OF LIMITATIONS FOR SUITS FOR DAMAGES DUE TO PERSONAL INJURIES THAT WERE CAUSED BY SEXUAL ABUSE OF A CHILD BY AN ADULT.

ASSUMPTIONS:

1. Effective August 1, 2006.
2. The bill changes the statute of limitations for childhood sexual abuse and waives the State's sovereign immunity for civil actions based on childhood sexual abuse.
3. The cost estimate is based on the expectation that the State will purchase insurance coverage specific to sexual misconduct liability. The cost of such coverage is largely dependent on a history of litigation within the scope of the coverage. The State having been shielded by sovereign immunity has no such history.
4. There will be policy limits to any insurance contract into which the State might enter that may be exceeded by large adverse judgments. Said excess will be paid from the State's self-insurance accounts.
5. The Attorney General's Office will provide legal services required by claims against the State to the extent deemed prudent. However, specific expertise and staffing constraints may require outside legal services that must be paid through self-insurance.
6. Initial annual premiums for liability insurance will be less than subsequent years due to the dependency of coverage on case history.

COST:

<u>FY 2006</u>	-0-
<u>FY 2007</u>	\$200,000
<u>FY 2008</u> and thereafter	Dependent upon claims experience