***Statement***

***Insurance Association of Connecticut***

Judiciary Committee

March 24, 2006

SB 593, An Act Concerning Offers of Compromise and Offers of Judgment

The Insurance Association of Connecticut supports Section 1 and 2 of SB 593, An Act Concerning Offers of Compromise and Offers of Judgment, which makes some minor tweaks to P.A. 05-275. The IAC commends this Committee and the legislature for amending the offer of judgment statutes last year in P.A. 05-275.

P.A. 05-275 reduced the interest rate; removed the stigma of judgment and attempted to provide some guidelines when an offer may be filed other than being a subject of timing.

The changes made to C.G.S. section 52-192a by P.A. 05-275 should be expanded so that all civil actions are treated equally. P.A. 05-275 amended section 52-192a by requiring that an offer, filed in a medical malpractice case, state with specificity all damages known to the plaintiff upon which the action is based and 60 days prior to filing an offer, the plaintiff must provide the defendant an authorization for medical records. The problem these changes addressed, access to information so that a fair assessment of the offer can be made, are experienced in all types of civil

cases in which personal injuries have been claimed. The changes made in P.A. 05-275 regarding this need for information have been changes the IAC has been advocating for the past 10 years and are not unique to medical malpractice cases. The IAC strongly urges you to amend this section to include all such civil actions.

Section 2 of SB 593 simply seeks to reinstate what had been the status quo, and the only working component of the prior "offer of judgment" statutes, regarding the time allowed a plaintiff to respond to a defendant's offer. P.A. 05-275 increased the plaintiff's response time to a defendant's offer by 50 days. It is unclear why a plaintiff would need any more time. The plaintiff is the party who brought the action and has full knowledge of what they believe their case is worth. Why then would they need any additional time to respond?

The IAC is strongly opposed to section 3 of this bill which seeks to delay the benefit of the changes made by P.A. 05-275. P.A. 05-275 became effective as of October 1, 2005 on any action filed as of that date. Section 3 seeks to change the implementation date so that any cause of action that occurred before October 1, 2005 still benefits from the old offer of judgment rule. Section 3 reduces the meaningful reforms of P.A. 05-275. The Legislature expected P.A. 05-275 to have a meaningful impact on the settlement of cases. Furthermore, section 3 creates a problematic legal void. Offers of judgment no longer exist as of October 1, 2005. How then

could an offer of judgment be filed after that date? Permitting parties to file "offers of judgment" for accidents that happened up to September 30, 2005, delays any meaningful impact for several years. Additionally, delaying the applicability of the change creates a "legal void." "Offers of Judgment" no longer exist as of October 1, 2005. How then can a party file an "offer of judgment" if no such thing exists?

The IAC urges your rejection of Section 3 of this bill.