

SENATE BILL REPORT

SB 5155

As of January 27, 2021

Title: An act relating to prejudgment interest.

Brief Description: Concerning prejudgment interest.

Sponsors: Senators Kuderer, Wellman, Das and Pedersen.

Brief History:

Committee Activity: Law & Justice: 1/28/21.

Brief Summary of Bill

- Starts interest running on a judgment for tortious conduct, other than medical malpractice claims, from the date on which the cause of action accrues.
- Starts interest running on a judgment for a medical malpractice claim from the date of written notice of the claim to the insurer or health care provider, or the date of the filing of the civil action, whichever occurs first.

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Tim Ford (786-7423)

Background: Interest on Judgments. Interest on judgments begins to run on date of judgment entry. For the tortious conduct of a public agency, the post judgment interest rate is 2 percent above the equivalent coupon issue yield, as published by the board of governors of the federal reserve system, of the average bill rate for 26 weeks of treasury bills. For the tortious conduct of individuals and entities, the post judgment interest rate is 2 percent above the prime rate, as published by the board of governors of the federal reserve system.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: Interest on judgments for the tortious conduct of public agencies, individuals, and entities begins to run from the date on which the cause of action accrues.

In any medical malpractice action filed after the effective date of this law in which a verdict is rendered or a decision is made for monetary damages, interest shall accrue at the rate of 2 percentage points above the prime rate. The interest begins to run from:

- the date of written notice of the claim by the claimant or his or her representative to the malpractice liability insurer or the health care provider; or
- the filing of the civil action, whichever first occurs.

"Medical malpractice" means an actual or alleged negligent act, error, or omission in providing or failing to provide health care services that is actionable under state law governing injuries resulting from health care.

Appropriation: None.

Fiscal Note: Requested on January 22, 2021.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.