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March 4, 2008

Ms. Dana Childers
Executive Director
Liability Reform Coalition
2033 6th Avenue, Suite 1100
Seattle, WA 98121

**RE: IMPACT ANALYSIS OF WASHINGTON'S ENGROSSED THIRD SUBSTITUTE
HOUSE BILL 1873 ON STATE GOVERNMENT COSTS**

Dear Ms. Childers:

INTRODUCTION

Milliman Inc. (Milliman) has been asked by the Liability Reform Coalition (LRC) to evaluate the impact of proposed legislation in the State of Washington on the costs of wrongful death claims. This analysis has been done only for costs related to the state government. Other additional costs will be realized by county and city governments in Washington. Milliman was asked to focus their analysis on the impact of this proposed legislation on the expected frequency of wrongful death claims. The proposed legislation may also change the average cost of wrongful death claims. It is important to keep in mind that the total impact of the legislation on state government costs is the compound effect of changes to both the frequency and the severity of wrongful death claims, as well as changes in the cost of defending such actions.

EXECUTIVE SUMMARY

In our analysis of the impact of the wrongful death statutes, we relied on conversations with Washington attorneys who are familiar with the current wrongful death statutes and the proposed wrongful death legislation. The latest version of this proposed legislation, the Engrossed Third Substitute House Bill 1873, will modify several of the wrongful death statutes by increasing the number of eligible beneficiaries under these statutes, and consequently, increase the potential costs incurred by state and local government offices. We anticipate the following under this proposed bill:

- We expect the frequency of wrongful death and survival claims to increase 29% because the revised law allows parents, siblings, and named life insurance beneficiaries to become secondary beneficiaries under wrongful death actions;

Offices in Principal Cities Worldwide

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- We also expect a significant increase in the frequency (+182%) of child death claims because the proposed law allows parents to bring a cause of action regardless of the decedent's age;
- We expect the overall frequency of wrongful death, survival, and child death claims against the state to increase 80% under the proposed legislation, which we estimate will cost state government entities in Washington an additional \$9.3 million per year, or \$18.6 million per biennium, as explained below;
- In the event that the average severity of wrongful death claims also increases under the proposed bill, the total impact on wrongful death costs would be greater than \$9.3 million per year; and
- The data used in our analysis represents state government organizations and does not account for local government entities (counties and cities). We expect the anticipated frequency changes would also apply to the wrongful death claim costs incurred by Washington's counties and cities.

In order to quantify the impact of the proposed legislation on the number of wrongful death claims, we used U.S. census data to identify the number of Washington residents whose wrongful death could potentially lead to a cause of action under the current law and proposed bill. We then measured the relationship between the number of potential decedents under the proposed bill and the number of potential decedents under the current statute in order to estimate the potential frequency impact of the proposed legislation.

Table 1 displays a summary of the potential decedents under the current and proposed statutes:

Table 1			
Potential Decedents Under the Current and Proposed Statutes			
(in millions)			
Statute	Potential Wrongful Death Decedents	Potential Child Death Decedents	Total Number of Potential Decedents
Current	3.28	1.64	4.92
HB 1873	4.22	4.62	8.84
% Change	29%	182%	80%

As can be seen in the table above, our analysis indicates that the proposed wrongful death statute could lead to an 80% increase in the number of wrongful death claims each year.

In order to translate this expected frequency impact into the expected impact on total costs, we referenced certain claim severity data. Specifically, we reviewed eleven years of historical claim data from the Office of the Attorney General. This data represents all closed claims incurred by the State of Washington under one of the current wrongful death statutes. During the 11-year period reviewed, there were 301 claims closed, of which 129 were closed with a payout.

To determine the overall impact of the expected increase in frequency on the total wrongful death claim costs, we estimated the current average claim severity and the average annual number of claims under the current statutes. Historical average claim amounts from the Office of the Attorney General were projected to fiscal year 2009 levels. The average annual number of claims reflects the average over the 11 years of data available. In this analysis of the projected costs of the proposed legislation, we assumed that the average claim severity would not change as a result of the proposed legislation.

Table 2 displays the results of these calculations, showing the change in total wrongful death costs due to an 80% increase in the number of wrongful death claims. As seen in the table below, the impact of this expected frequency change is an increase in the wrongful death costs of approximately \$9.3 million per year:

Table 2			
Change in Annual Wrongful Death Costs			
Due to an 80% Increase in Frequency – State Government Only*			
Statute	Number of Claims	Average Claim Amount	Total Amount of Claims
Current	12.0	\$970,000	\$11,640,000
HB 1873	21.6	\$970,000	\$20,952,000
Increase	9.6	–	\$9,312,000

* In the event that the average severity of wrongful death claims also increases under the proposed bill, the total impact on wrongful death costs would be greater than \$9.3 million per year, as estimated above.

Although we focused our analysis on the impact of this proposed legislation on the expected frequency of wrongful death claims, there is also potential for an increase in the average claim amount. The proposed legislation added language on the types of damages the beneficiary is entitled to and clearly defines both economic and non-economic damages. We observed in the claim data provided by the Office of the Attorney General that some of the claims included damages for economic loss only. Increases in the average severity of claims are possible under the new statutory language.

Similarly, our analysis focused on the impact of this new bill as it related to the historical data provided by the Office of the Attorney General. This data represents exposures and claims from state government organizations and does not account for local government entities (counties and cities). We would expect the relationships found in the census data, which reflect Washington's total population and underlie the expected frequency change, to also apply to the claim costs under wrongful death statutes incurred by Washington's counties and cities.

BACKGROUND – PROPOSED LEGISLATION

Our analysis compares the current wrongful death statutes to the Engrossed Third Substitute House Bill 1873. This bill modifies language of the General Wrongful Death, General Survival, Special Survival and Child Death statutes. A summary of what Engrossed Third Substitute House Bill 1873 changes in these statutes and the potential impact on the number of claims is included in this report as Exhibit 1. In understanding the statutory changes contained in this bill we have relied on discussions with Washington lawyers familiar with the legislation and Washington case law on wrongful death claims. Our analysis focuses on the expected frequency of wrongful death claims under the new statute compared to the current statute.

Frequency – Wrongful Death

It is our understanding that the general wrongful death statute, the general survival statute and the special survival statute work in conjunction with each other. The general survival and special survival statutes provide for situations where potential beneficiaries under the wrongful death statute are no longer alive. In general, we are assuming that a wrongful death can result in a claim being brought under only one of these three statutes.

With the proposed revisions to these wrongful death and survival statutes, we expect an increase in the frequency of claims. Under the current statutes, if the decedent has a spouse or children, then there is a potential claim. If there is no spouse or children, then parents or siblings may bring a wrongful death action if they relied on the decedent for financial support. Under the proposed legislation, parents and siblings now only need to demonstrate that they had significant involvement in the decedent's life. In addition, the bill would allow the primary beneficiary on a decedent's life insurance policy to bring an action for a wrongful death in certain situations.

In summary, if the decedent has a spouse or children we do not expect any change in the frequency of claims under the wrongful death and survival statutes. If the decedent is single, widowed, and without children, we expect an increase in the frequency of claims because parents, siblings, and life insurance beneficiaries can now bring an action under the wrongful death statutes.

Frequency – Child Death

Under the child death statute, the new legislation will allow parents to bring an action regardless of the decedent's age (they only need to demonstrate significant involvement in the child's life). Under the current law, parents could only bring an action if the child was a minor, or if they could demonstrate that they were substantially dependent on an adult child for support.

The proposed legislation will increase the number of child death claims by allowing an action for decedents, regardless of age, who have living parents.

DATA SOURCES

2000 U.S. Census Data

We retrieved U.S. Census Data for the State of Washington by age, by marital status, and by those with and without children. By dividing the population of Washington into different segments based on the above characteristics, we were able to obtain underlying Washington demographics that would allow us to estimate the impact of the proposed law on the frequency of wrongful death claims. According to the 2000 U.S. Census Data, there are slightly less than 5.9 million residents in the State of Washington.

Washington State Office of Attorney General Data

We also received data from the Washington State Office of the Attorney General. This data included such details as the date the claim was closed, the dollar amount of the payout, and a brief description of the case. The individual claims were also categorized into fiscal years, which began July 1st of the preceding year and ended each June 30th.

The data from the Attorney General's office included 129 individual claims with payouts made between July 1, 1996 and June 30, 2007. These 129 claims ranged from \$5,000 to \$8,800,000 and resulted in total payments of over \$90 million. About 180 additional claims were also included in this historical data, but each of these additional claims was closed without a payout made or represented only part of a fiscal year.

ANALYSIS – THE USE OF CENSUS DATA

General Use

Our general approach is to first identify those segments of the population whose wrongful death could lead to an action under the current statutes. Then we identify the additional segments of the population whose wrongful death could lead to an action under the proposed legislation. The additional segments of the population added by the proposed legislation divided by the segments of the population under the current statute provides an estimate of the frequency increase in

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wrongful death actions caused by the statutory changes. We have included a chart as Exhibit 2 of this report that shows various segments of the population and the equations we used to estimate the segments of the population.

Wrongful Death Claims

As explained in the Background section of this report, the segment of the population whose wrongful death could lead to an action under the current statutes includes people with a living spouse, people with children, and people who financially support their parents or siblings. Using the population data we can determine the segment of the population with a living spouse or with children. We must estimate the number of adults who support parents or siblings. Using the equations outlined in Exhibit 2, we have shown the results on Exhibit 3. Under the wrongful death and survival statutes we estimated the segment of the Washington population whose wrongful death could lead to an action under the current statute to be 3,280,000.

Under the proposed legislation, parents and siblings now only need to demonstrate that they had significant involvement in the decedent's life. While parents and siblings represent only a small percentage of potential claimants under the current statutes, with these proposed revisions to the wrongful death statutes, the wrongful death of any adult with at least one living parent or sibling could now potentially result in claim. This segment of the Washington population was determined using the equation on Exhibit 2. We expect an additional 940,000 residents of the State of Washington to be added to the exposure base that could potentially result in a claim. We have assumed that the additional exposure created by allowing the primary beneficiary on a decedent's life insurance policy to bring an action for a wrongful death is negligible. To the extent that a significant segment of the Washington population is a primary beneficiary on a life insurance policy and not one of the other eligible categories, our estimate will understate the impact of the frequency increase.

As displayed on Exhibit 3, we expect the total number of potential wrongful death decedents, based on the proposed revisions to the wrongful death statutes, to be slightly more than 4.2 million people, or a 28.6% increase compared to the current statutes.

Child Death Claims

To estimate the potential impact of the law change on frequency of wrongful death actions under the child death statute we followed a similar process. The underlying equations applied to the census data are shown on Exhibit 2 and the portion of the Washington population representing potential decedents of a wrongful death action under the current and proposed statutes are shown on Exhibit 3.

Under the child death statute we estimated the segment of the Washington population whose wrongful death could lead to an action under the current statute to be 1.6 million.

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Under the proposed legislation, parents now only need to demonstrate that they had significant involvement in the decedent's life. With these proposed revisions to the child death statutes, the wrongful death of any adult with at least one living parent could now potentially result in claim. As a result, we expect an additional 3.0 million residents of the State of Washington to be added to the exposure base that could potentially result in a claim.

We expect the total number of potential wrongful death decedents, based on the proposed revisions to the child death statutes, to be slightly more than 4.6 million people, or a 181.4% increase compared to the current statutes. Of the 5.9 million residents in the State of Washington, all of them would now be potential decedents under the proposed child death statutes except those adults with no living parents.

Overall Impact on Frequency

To estimate the total combined change in the potential number of claims that could be brought under the revised wrongful death, survival, and child death statutes, the above figures can simply be added together.

Under the current statutes, the total number of residents within the State of Washington whose wrongful death could potentially result in a claim equals 3.3 million under the wrongful death statutes, plus 1.6 million under the child death statute, for a total of 4.9 million residents. When this figure is compared to the total number of residents in the State of Washington of 5.9 million, this seems reasonable given that the wrongful death and survival statutes tend to complement the child death statutes in terms of the eligible beneficiaries. Those people that do not create exposure under the current statutes include those adults without a spouse, children, or a living parent or sibling.

Under the proposed statutes, the total number of residents within the State of Washington whose wrongful death could potentially result in a claim equals 4.2 million under the proposed wrongful death statutes, plus 4.6 million under the proposed child death statute, for a total of 8.8 million residents. This figure represents an overall 79.5% increase in the potential number of claims that could be brought under the revised wrongful death, survival, and child death statutes.

Given that the revised statutes expand the number of potential decedents by allowing multiple actions under the different wrongful death statutes, this significant increase in claim frequency seems reasonable. For example, consider the situation where a 40-year old husband/father loses his life as the result of a wrongful death event. Under the current statutes, his spouse and children would collect under the wrongful death statute. However, under the proposed statutes, his parents would also collect under the child death statute, assuming at least one parent was still alive and the parents were significantly involved in the decedent's life.

ANALYSIS – ECONOMIC IMPACT ON STATE GOVERNMENT COSTS

So far we have estimated the impact of the legislation on frequency using only the census data. In order to determine the impact on state-level government entities we need to estimate the current costs of wrongful death claims. This was done using actual data from the Washington State Office of the Attorney General.

The average number of annual claims underlying the state-level data is 11.7. We projected the expected number of annual claims at 12.0 to account for a nominal increase in the population of the State of Washington.

In order to quantify the overall impact of a frequency increase on total claim costs we simply used the claim severity underlying the 129 claims provided by the Attorney General's office. Since these claims span 11 years, we adjusted the claim amounts to current cost levels. The severity of claims we observed under the current statute, adjusted to current cost levels, is \$970,000.

Combining the projected number of claims with the projected average claim amount gives us a total expected amount of claims in Fiscal Year 2009, based on the current statutes, of \$11,640,000. This figure will serve as the baseline against which we will compare the expected costs under the proposed statutes. These calculations are displayed on Exhibit 4.

The remaining calculations on Exhibit 4 show the expected state-level costs under the proposed wrongful death statutes. First, the selected frequency change of +80% is applied to derive an expected number of annual claims, based on the proposed legislation, of 21.6. This means that under the new law, we expect, on average, almost 10 (= 21.6 – 12.0) additional wrongful death claims to be paid each year by state-level organizations. We expect these 10 additional claims to result in an additional \$9.3 million in payouts, assuming no change in the average severity of a claim.

Although we focused our analysis on the impact of this proposed legislation on the expected frequency of wrongful death claims, there is also potential for an increase in the average claim amount. The proposed legislation added language on the types of damages the beneficiary is entitled to and clearly defines both economic and non-economic damages. We observed in the claim data provided by the Office of the Attorney General that some of the claims included damages for economic loss only. Increases in the average severity of claims are possible under the new statutory language. In the event that the average severity of wrongful death claims also increases under the proposed bill, the total impact on wrongful death costs would be greater than \$9.3 million per year, as estimated above.

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Similarly, our analysis focused on the impact of this new bill as it related to the historical data provided by the Office of the Attorney General. This data represents exposures and claims from state government organizations and does not account for local government entities (counties and cities). We would expect the relationships found in the census data, which reflect Washington's total population and underlie the expected frequency change, to also apply to the claim costs under wrongful death statutes incurred by Washington's counties and cities.

ASSUMPTIONS

In order to apply our calculations to the data that we retrieved or that was provided to us, we made the following assumptions in completing our analysis.

1. In using the U.S. Census Data to measure the impact on the expected frequency, we assumed that the distribution of the general population in the State of Washington is reflective of the probability distribution of potential decedents under all wrongful death and survival statutes. That is, we assumed that all individuals in the State of Washington had an equivalent likelihood of being involved in an event that could bring a cause of action under the wrongful death statutes.
2. In developing the expected frequency we made several assumptions about segments of the population not readily available from the census data. Under the current and proposed statutes, we assumed that 5% of all adults had a parent or sibling that was financially dependent on them, and that 3% of all adults had at least one parent that was financially dependent on them. We did sensitivity testing using different values for these assumptions and observed that the overall frequency impact varied up or down by approximately 5%. We concluded that our assumptions are reasonable and variations in the assumptions do not have a significant impact on the overall expected 80% increase in frequency.
3. In comparing the expected frequency under the current and proposed statutes, we also assumed that 70% of all adults have at least one living parent, and that 85% of all adults have at least one living parent or sibling. This assumption is based on census data and the fact that about 74% of all adults in the State of Washington are younger than 55-years old (implying that their parents would be younger than about 80 years old). Although some parents may still be alive in their 80's and 90's, some adults lose both of their parents before the age of 55. We assumed that these segments of the population offset each other and therefore, we selected 70% as the percentage of adults with at least one living parent. Knowing that the number had to be greater than 70%, we selected 85% as the percentage of adults with at least one living parent or sibling. We also ran several scenarios varying these assumptions and observed that the overall frequency impact ranged from about a 70% increase to a 90% increase, thus supporting our selection of 80%.

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4. In comparing the expected frequency under the current and proposed statutes, we assumed that 75% of all married, separated, divorced, and widowed adults have at least one child. Using the census data, we determined that 49% of adults in families containing two or more people have at least one child under the age of 18. Based on judgment, we increased that percentage by a factor of 1.5 (to account for children older than 18) and selected 75% as the percentage of all married, separated, divorced, and widowed adults that have at least one child.
5. The claim severity in the state-level data provided by the Office of the Attorney General was adjusted to current cost levels. We fit an exponential curve to 11 years of historical data, calculating the trend in the average claim amounts. We then extrapolated the data by trending the average claim amount to Fiscal Year 2009 based on an annual severity trend of 7.6%. This extrapolation resulted in an expected average claim amount in FY 2009 of \$970,000.
6. There is inherent volatility in the cost of wrongful death claims from year to year. For example, the annual cost of wrongful death claims in the underlying data ranged from \$1.9 million to \$21.7 million. Under the new statute we would also expect significant variation from year to year. Our analysis projects a long-term average.
7. Our analysis assumes that claim severity is not dependent on the number of claimants.
8. We projected an average annual number of state-level claims to be 12.0, which reflects a slight increase over the historical average of 11.7 claims per year. This slight increase accounts for a nominal increase in the population of the State of Washington.

To the extent actual distributions and actual trends differ from our assumptions, we anticipate the following impact on our analysis:

- If the actual % of adults with a parent or sibling that is financially dependent on them is less than we assumed, then the estimate of the overall increase in the potential number of wrongful death claims will be slightly more than the 79.5% estimated herein (and vice versa);
- If the actual % of adults that do not have at least one living parent or sibling is less than we assumed, then the estimate of the overall increase in the potential number of wrongful death claims will be slightly more than the 79.5% estimated herein (and vice versa);
- If the actual % of all married, separated, divorced, and widowed adults with at least one child is less than we assumed, then the estimate of the overall increase in the potential number of wrongful death claims will be slightly more than the 79.5% estimated herein (and vice versa);

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- If the actual severity trend is less than we assumed, then our estimate of the overall impact on wrongful death costs will be slightly less than the \$9.3 million per year estimated herein (and vice versa); and
- Our analysis assumed that wrongful death actions could be brought under multiple statutes for the same event. If there are cases where parents are the only potential beneficiaries to a wrongful death action, and if those parents are likely to bring an action under only one of the wrongful death statutes, then our estimate of the overall increase in the potential number of wrongful death claims will be slightly less than the 79.5% estimated herein.

QUALIFICATION AND LIMITATIONS

Data Reliance

In performing this analysis, we relied on data and other information provided to us by the Washington State Office of the Attorney General and publicly available reports summarizing 2000 U.S. Census Data. We did not audit or independently verify this data and information for accuracy. Such a review is beyond the scope of our assignment. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency. We did not find material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or relationships that are materially inconsistent. Such a detailed review was beyond the scope of our assignment.

Uncertainty

We based our results on generally accepted actuarial procedures, the information available to us, and our professional judgment. Our results reflect the use of a limited amount of data with inherent volatility. Due to the uncertainty associated with the variable nature of this data, the estimation of several underlying assumptions, and the effect of other factors such as political and legislative issues, actual results will not develop exactly as projected and may, in fact, significantly vary from the projections.



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Ms. Dana Childers
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It has been our pleasure to assist the Liability Reform Coalition with this analysis. If you have any questions about our analysis or this report, please call us to discuss. We would be glad to assist you with any further analysis.

Sincerely,



Paul D. Anderson, F.C.A.S., M.A.A.A.
Consulting Actuary



David R. Chernick, F.C.A.S, M.A.A.A.
Consulting Actuary



Chad C. Karls, F.C.A.S, M.A.A.A.
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PDA/DRC/CCK/sbs

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**LIABILITY REFORM COALITION
IMPACT ANALYSIS OF REVISED WRONGFUL DEATH STATUTES IN WASHINGTON**

Summary of Current Statutes and Proposed Revisions

BENEFICIARIES under Wrongful Death & Survival Statutes			
Statute	Current Provisions	Change in Provisions	Implications of new Law
General wrongful death statute	The current statute creates two tiers of beneficiaries. The primary beneficiaries are the decedent's spouse and children; they are automatically entitled to recovery.	For secondary beneficiaries, the definition is expanded to include parents, siblings and life insurance beneficiaries who had significant involvement in the child's life.	These new provisions will allow a greater number of parents, siblings, and designated life insurance beneficiaries to qualify as secondary beneficiaries
	The secondary beneficiaries are the decedent's parents and siblings; they are entitled to recovery only if there are no primary beneficiaries and if they are dependent on the decedent for support.	The definition of financially dependent has been broadened to include actual monetary payments or receipt of services that have an economic value.	
General survival statute	The current statute allows the decedent's personal representative to bring a cause of action that the decedent could have brought prior to death. It is for the benefit of, and passes through, the decedent's estate.	The same expansion to the definition of secondary beneficiaries under the wrongful death statute applies to this statute.	The same implications for secondary beneficiaries under the wrongful death statute applies to this statute.
Special survival statute	The current statute allows the executor or administrator of the decedent's estate to bring a cause of action for personal injuries that resulted in the decedent's death. There are two tiers of beneficiaries, as in the wrongful death statute.	The same expansion to the definition of secondary beneficiaries under the wrongful death statute applies to this statute.	The same implications for secondary beneficiaries under the wrongful death statute applies to this statute.
Child death statute	The current statute allows a parent to recover for the wrongful injury or death of a minor child (under 18) if the parent regularly contributed to the child's support.	The application of this statute to minor children is unchanged	None
	The current statute allows a parent to recover for the wrongful injury or death of an adult child if the parent was substantially dependent on the adult child for support.	For death of non-minor children, the definition of beneficiary is expanded to include parents who had significant involvement in the child's life, without showing dependence on child.	This new provision will essentially allow all living parents to bring action under this statute, regardless of the child's age.
	Action may be brought by either or both parents; if the parents are separated or not married, damages may be awarded to each parent separately.	The statute is amended to provide that each parent is entitled to a separate recovery regardless of marital status.	This language is a clarification of the current statute and we do not expect this to have a material impact on the number of child death awards.

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**LIABILITY REFORM COALITION
IMPACT ANALYSIS OF REVISED WRONGFUL DEATH STATUTES IN WASHINGTON**

Table Demonstrating Proposed Legislation's Impact on the Number of Potential Decedents

Age	Married/Separated		Widowed/Divorced		Single
	Children	No Children	Children	No Children	
0-17	A	C	E	G	I
18+	B	D	F	H	J

Wrongful Death decedents:

Current Statute = Decedents with (Spouses + Children + Other Adults who support parents or siblings)
 Current Statutes = (A+B+C+D) + (E+F) + (H+J)*X%

Additional Potential decedents:

Proposed Statutes = Non-Married & Childless Adults with living parents or siblings
 Proposed Statutes = (H+J)*(1-X%)*XX%

X% = % of adults who support parents or siblings
 XX% = % of adults with at least one living parent or sibling

Child Death decedents:

Current Statutes = All Minor Children + Any Adults who support parents
 Current Statutes = (A+C+E+G+I) + (B+D+F+H+J)*Y%

Additional Potential decedents:

Proposed Statutes = Any Adult with living parents
 Proposed Statutes = (B+D+F+H+J)*(1-Y%)*YY%

Y% = % of adults who support parents
 YY% = % of adults with at least one living parent

Total decedents = Wrongful Death decedents + Child Death decedents

**LIABILITY REFORM COALITION
IMPACT ANALYSIS OF REVISED WRONGFUL DEATH STATUTES IN WASHINGTON**

Summary of Proposed Legislation's Impact on the Number of Potential Decedents

Population Distribution of Washington State:

Age	Never Married	Married/Separated		Divorced/Widowed	
		Children	No Children	Children	No Children
0-14	1,254,599	0	0	0	0
15-17	251,379	2,624	875	228	76
18-44	862,591	964,019	321,340	178,019	59,340
45-54	66,222	453,737	151,246	129,134	43,045
55-59	19,438	269,948	89,983	85,591	28,530
65+	18,980	290,981	96,994	191,406	63,802
Total:	2,473,209	1,981,307	660,436	584,377	194,792

Source: 2000 U.S. Census Data for Washington State, <http://www.ofm.wa.gov/census2000/dp58/st/53.pdf> (pages 1 & 27 of 58)
Assumes the general population in Washington State is reflective of the potential decedents under all wrongful death and survival statutes.

Potential Wrongful Death & Survival Decedents

Current Statutes: 3,284,217
Proposed Statutes: 4,222,490
% Increase: 28.6%

Assumed % of adults who support parents or siblings:

Assumed % of adults with at least one living parent or sibling:

Assumptions based on 2000 U.S. Census Data for Washington State, <http://www.ofm.wa.gov/census2000/dp58/st/53.pdf> (page 2 of 58)

Potential Child Death Decedents

Current Statutes: 1,641,310
Proposed Statutes: 4,618,278
% Increase: 181.4%

Assumed % of adults who support parents:

Assumed % of adults with at least one living parent:

Assumptions based on 2000 U.S. Census Data for Washington State, <http://www.ofm.wa.gov/census2000/dp58/st/53.pdf> (page 2 of 58)

Potential Decedents under all Wrongful Death & Survival Statutes

Current Statutes: 4,925,527
Proposed Statutes: 8,840,767
% Increase: 79.5%

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LIABILITY REFORM COALITION
IMPACT ANALYSIS OF REVISED WRONGFUL DEATH STATUTES IN WASHINGTON

Impact of Increased Frequency on State Government Costs

Statute	Number of Annual Claims ⁽¹⁾	Average Claim Amount ⁽²⁾	Total Amount of Claims
Current	12.0	\$970,000	\$11,640,000
Proposed (HB 1873)	21.6	\$970,000	\$20,952,000
Increase ⁽³⁾	9.6	-	\$9,312,000

(1) The projected average annual number of claims of 12.0 reflects a slight increase in the 11-year average from 1997-2007 of 11.7 claims per year. This slight increase accounts for a nominal increase in the State of Washington's population.

(2) The projected average claim amount of \$970,000 reflects the extrapolation of a fitted curve to the average severities from 1997-2007. We used an exponential trend of 7.6% and projected the average claim amount to Fiscal Year 2009, which begins on 07/01/2008.

(3) See Exhibit 3 for support for the expected increase in the number of claims.

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