

SENATE FILE NO. SF0062

Medical malpractice insurance.

Sponsored by: Senator(s) Scott and Barrasso and
Representative(s) Ross

A BILL

for

1 AN ACT relating to insurance; mandating additional advance
2 notice of policy cancellation or premium increase as
3 specified; limiting the premium for "tail" coverage as
4 specified; requiring a public hearing for certain
5 noncompetitive premium rate proceedings; limiting the
6 amount by which an individual insured's rate may vary, as
7 specified; and providing for an effective date.

8

9 *Be It Enacted by the Legislature of the State of Wyoming:*

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11 **Section 1.** W.S. 26-14-106 by creating new subsections
12 (g) and (h), 26-35-203(b) and 26-35-204(b) are amended to
13 read:

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15 **26-14-106. Rate regulation.**

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1 (g) For rates regulated pursuant to subsection (b) of
2 this section, there shall be a public hearing if within any
3 twelve (12) month period an insurer requests approval of a
4 base premium rate which when added to any other base
5 premium rates pending or approved within that twelve (12)
6 month period is thirty percent (30%) or more above the rate
7 approved for the previous rating period. The hearing
8 shall be held within sixty (60) days of the request for
9 approval unless the commissioner delays the hearing for
10 good cause. If the hearing is delayed the commissioner
11 shall notify the insurer and any other person requesting
12 notification of the reasons for the delay.

13
14 (h) The following shall apply to any market found to
15 be noncompetitive pursuant to subsection (b) of this
16 section and to any professional liability insurance for any
17 health care provider licensed under title 33 of the Wyoming
18 statutes:

19
20 (i) The rate charged any individual insured
21 shall not exceed the base rate approved by the commissioner
22 for the insured's risk class by more than one hundred
23 percent (100%), unless the commissioner has established for

1 the applicable risk class a percentage limit of less than
2 one hundred percent (100%);

3
4 (ii) The rate charged an insured for extended
5 reporting coverage following expiration, termination or
6 nonrenewal of the insured's claims-made policy shall be
7 subject to the following:

8
9 (A) The rate shall be calculated according
10 to a formula set forth in the insured's policy, which
11 formula shall be subject to approval by the commissioner in
12 any market found to be noncompetitive pursuant to
13 subsection (b) of this section;

14
15 (B) The formula shall be expressed as a
16 percentage of the base rate for the insured's risk class;

17
18 (C) The percentage may be varied on a
19 uniform basis for each risk class by the length of time
20 during which the events covered by the extended reporting
21 coverage may have arisen;

22
23 (D) Where the insured is individually
24 underwritten to a higher rate than the base rate, there may

1 be an additional charge which may not exceed twenty-five
2 percent (25%) of the difference between the base rate and
3 the individually underwritten rate; and

4
5 (E) If an individual elects to purchase the
6 extended reporting coverage before the renewal date of his
7 policy, the rates charged for the extended reporting
8 coverage shall be computed based on the relevant rates for
9 that insured before the renewal, not the rates that would
10 be in effect upon renewal.

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12 **26-35-203. Nonrenewal; notice.**

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14 (b) A policy may be nonrenewed by the insurer at its
15 expiration or anniversary date by giving written notice of
16 nonrenewal as provided in W.S. 26-35-101, not less than
17 forty-five (45) days, or if the policy is a professional
18 malpractice liability policy not less than ninety (90)
19 days, prior to the expiration or anniversary date of the
20 policy.

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22 **26-35-204. Renewal with altered terms; notice.**

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1 (b) The renewal terms and statement of premium due
2 shall be given pursuant to W.S. 26-35-101 not less than
3 forty-five (45) days, or if the policy is a professional
4 malpractice liability policy not less than ninety (90)
5 days, prior to the expiration or anniversary date of the
6 original policy.

7

8 **Section 2.** This act is effective July 1, 2004.

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(END)