

FIRST REGULAR SESSION

# HOUSE BILL NO. 474

## 93RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES YATES (Sponsor) AND WILSON (130) (Co-sponsor).

Read 1<sup>st</sup> time February 7, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

1448L.011

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### AN ACT

To amend chapters 375 and 506, RSMo, by adding thereto two new sections relating to right of intervention by insurers in certain civil actions.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapters 375 and 506, RSMo, are amended by adding thereto two new sections, to be known as sections 375.1600 and 506.400, to read as follows:

**375.1600. 1. When a civil action is filed in the courts of this state and an insurer may be obligated to provide a defense to such action or indemnity for any judgment rendered therein, such insurer shall have the right to intervene in such action and request the court to determine the extent of the insurer's coverage obligations.**

**2. If an insurer does not intervene, the court shall finally determine the extent of coverage before proceeding with the merits of the underlying action. The court's judgment as to coverage shall be considered final and subject to appeal even if issues related to the underlying action remain adjudicated.**

**3. Notwithstanding any other provision of law to the contrary, if an insurer proceeds in the manner prescribed in this section, the insurer's actions shall not constitute a breach, either present or anticipatory, of any contract of insurance.**

**506.400. 1. When a civil action is filed in the courts of this state and an insurer may be obligated to provide a defense to such action or indemnity for any judgment rendered therein, such insurer shall have the right to intervene in such action and request the court to determine the extent of the insurer's coverage obligations.**

**2. If an insurer does not intervene, the court shall finally determine the extent of**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

6 coverage before proceeding with the merits of the underlying action. The court's judgment  
7 as to coverage shall be considered final and subject to appeal even if issues related to the  
8 underlying action remain unadjudicated.

9       **3. Notwithstanding any other provision of law to the contrary, if an insurer**  
10 **proceeds in the manner prescribed in this section, the insurer's actions shall not constitute**  
11 **a breach, either present or anticipatory, of any contract of insurance.**