

HCS HB 474 -- INSURER INTERVENTION IN CIVIL ACTIONS

SPONSOR: Yates

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Insurance Policy by a vote of 15 to 0.

This substitute allows insurers to intervene in civil actions where they may be obligated to provide a defense or indemnity for any judgment rendered in the action. The court will determine the extent of the insurer's coverage obligations, but its decision may be appealed. Any action by the insurer will not constitute a breach of contract.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPONENTS: Supporters say that the bill will allow determinations to be made up front on who is at fault in a civil action, and the court can determine the extent of an insurer's coverage obligations. This will be good for the industry by making this determination up front.

Testifying for the bill were Representative Yates; American Insurance Coalition; State Farm Insurance; Missouri Insurance Coalition; Shelter Insurance Company; and Property Casualty Insurers Association of America.

OPPONENTS: There was no opposition voiced to the committee.

Marc Webb, Legislative Analyst