

ENROLLED ACT NO. 62, SENATE

FIFTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2005 GENERAL SESSION

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

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

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

26-14-106. Rate regulation.

(g) For rates regulated pursuant to subsections (a) and (b) of this section, there shall be a public hearing if within any twelve (12) month period an insurer requests approval of a base premium rate which when added to any other base premium rates pending or approved within that twelve (12) month period is twenty percent (20%) or more above the rate approved for the previous rating period. For health care professional malpractice insurance, a rate increase of more than twenty-five percent (25%) in any specialty shall cause a consolidated hearing on the rate increase. The informational hearing shall be held within sixty (60) days of the request for approval unless the commissioner delays the hearing for good cause. If the hearing is delayed the commissioner shall notify the insurer and any other person requesting notification of the reasons for the delay.

(h) The following shall apply to any market found to be noncompetitive pursuant to subsections (a) and (b) of

ORIGINAL SENATE
FILE NO. 0078

ENROLLED ACT NO. 62, SENATE

FIFTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2005 GENERAL SESSION

this section and to any professional liability insurance for any health care provider licensed under title 33 of the Wyoming statutes:

(i) The rate charged any individual insured shall not exceed the base rate approved by the commissioner for the insured's risk class by more than one hundred percent (100%), unless the commissioner has established for the applicable risk class a percentage limit of less than one hundred percent (100%);

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

(A) The rate shall be calculated according to a formula set forth in the insured's policy, which formula shall be subject to approval by the commissioner;

(B) The formula shall be expressed as a percentage of the base rate for the insured's risk class or that insured's underwritten rate;

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

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

ORIGINAL SENATE
FILE NO. 0078

ENROLLED ACT NO. 62, SENATE

FIFTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2005 GENERAL SESSION

26-35-203. Nonrenewal; notice.

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

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

(b) The renewal terms and statement of premium due shall be given pursuant to W.S. 26-35-101 not less than forty-five (45) days, or if the policy is a professional health care malpractice liability policy not less than ninety (90) days, prior to the expiration or anniversary date of the original policy. For rates regulated pursuant to W.S. 26-14-106(a) and (b), sixty (60) days notice of the renewal terms and premium due shall be required if the insurer notified the insured of its proposed changes at the time the insurer filed with the insurance commissioner.

ORIGINAL SENATE
FILE NO. 0078

ENROLLED ACT NO. 62, SENATE

FIFTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2005 GENERAL SESSION

Section 2. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk