

## HOUSE BILL NO. HB0131

Collateral source payment reductions.

Sponsored by: Representative(s) Gingery

A BILL

for

1 AN ACT relating to civil actions; authorizing the  
2 admissibility of collateral source payments in a civil  
3 action after the verdict for the plaintiff has been entered  
4 as specified; requiring a reduction in civil awards if  
5 collateral source payments are available as specified;  
6 providing a definition; providing for the applicability of  
7 the act; and providing for an effective date.

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

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11 **Section 1.** W.S. 1-1-131 is created to read:

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13 **1-1-131. Collateral source payment reductions.**

14

15 (a) In a civil action, whether based on contract or  
16 tort, evidence to establish that the plaintiff's expenses  
17 for medical care or rehabilitation services, or losses of

1 earnings, earning capacity or other economic losses were  
2 paid or are payable, in whole or in part, by a collateral  
3 source is admissible to the court in which the action is  
4 brought after a verdict for the plaintiff and before a  
5 judgment is entered on the verdict. After notice and  
6 opportunity for an evidentiary hearing, if the court  
7 determines that all or part of the plaintiff's expenses or  
8 losses have been paid or are payable by a collateral source  
9 and the collateral source has not exercised its right to  
10 subrogation within the time limit set forth in subsection  
11 (e) of this section, the court shall reduce that portion of  
12 the judgment that represents damages paid or payable by the  
13 collateral source.

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15 (b) The court shall decrease the reduction authorized  
16 in subsection (a) of this section by an amount equal to the  
17 plaintiff's payments over the two (2) year period preceding  
18 the personal injury to the collateral source in the form of  
19 payroll deductions, insurance premiums or other direct  
20 payments by the plaintiff, as determined by the court to be  
21 appropriate.

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23 (c) If the fees for legal services provided to the  
24 plaintiff are based on a percentage of the amount of money

1 awarded to the plaintiff, the percentage shall be based on  
2 the amount of the adjusted award as provided in subsections  
3 (a) and (b) of this section.

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5 (d) If a jury has been impaneled to try an action  
6 under this section, the jury shall not be informed of  
7 collateral sources or any future benefits which may be  
8 payable to the plaintiff.

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10 (e) Not later than ten (10) days after a verdict for  
11 the plaintiff has been entered, the plaintiff's attorney  
12 shall send notice of the claim or verdict by registered  
13 mail to all persons known to the attorney who are entitled  
14 by contract or law to a lien against the proceeds of the  
15 plaintiff's recovery. If a lien holder does not notify the  
16 court of the lien holder's right to subrogation within  
17 thirty (30) days after receipt of the notice, the  
18 lienholder loses the right of subrogation.

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20 (f) As used in this section, "collateral source"  
21 means payments related to an injury or disability suffered  
22 by a plaintiff in a civil action, which payments are made  
23 to the plaintiff, or on the plaintiff's behalf up to the  
24 date of the verdict, pursuant to:

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2 (i) A federal, state or local income disability  
3 or workers' compensation act or other public program  
4 providing medical expenses, disability payments or similar  
5 benefits;

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7 (ii) Health, accident, sickness or automobile  
8 accident insurance or liability insurance that provides  
9 health care benefits or disability income replacement  
10 coverage, payments made pursuant to the federal Social  
11 Security Act or other pension payments. Life insurance  
12 benefits available to the plaintiff, whether purchased by  
13 the plaintiff or provided by others, shall not be  
14 considered a "collateral source" for purposes of this  
15 section;

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17 (iii) A contract or agreement of a group,  
18 organization, partnership or corporation to provide, pay  
19 for or reimburse the cost of medical, hospital, dental or  
20 other health care services or provide similar benefits; or

21

22 (iv) A contractual or voluntary wage replacement  
23 plan provided by an employer or any other system intended  
24 to provide for wage replacement during a period of

1 disability. Benefits received from a private disability  
2 insurance policy where the premiums are wholly paid by the  
3 plaintiff shall not be considered a "collateral source" for  
4 purposes of this section.

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6 **Section 2.** This act shall not apply to civil actions  
7 commenced prior to the effective date of this act.

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9 **Section 3.** This act is effective July 1, 2005.

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11

(END)