

SENATE FILE NO. SF0078

Medical malpractice insurance.

Sponsored by: Joint Labor, Health and Social Services  
Interim Committee

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 subsections (a)  
2 and (b) of this section, there shall be a public hearing if  
3 within any twelve (12) month period an insurer requests  
4 approval of a base premium rate which when added to any  
5 other base premium rates pending or approved within that  
6 twelve (12) month period is thirty percent (30%) or more  
7 above the rate approved for the previous rating period. The  
8 hearing shall be held within sixty (60) days of the request  
9 for 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.

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

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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;

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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. For rates regulated pursuant to W.S.  
7 26-14-106(a) and (b), sixty (60) days notice of the renewal  
8 terms and premium due shall be required if the insurer  
9 notified the insured of its proposed changes at the time  
10 the insurer filed with the insurance commissioner.

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12           **Section 2.** This act is effective July 1, 2005.

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(END)