

HOUSE BILL NO. HB0060

Insurance policies-notice provisions.

Sponsored by: Representative(s) Stith, Crank and Simpson
and Senator(s) Nethercott

A BILL

for

1 AN ACT relating to insurance; prohibiting an insurer from
2 denying coverage based on untimely notice of an occurrence
3 or claim without prejudice to the insurer; specifying
4 applicability to claims-made insurance policies; providing
5 for rulemaking; and providing for effective dates.

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

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9 **Section 1.** W.S. 26-15-137 is created to read:

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11 **26-15-137. Policy notice provisions.**

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13 (a) Except as otherwise provided in this section, an
14 insurer shall not deny coverage to an insured based on the
15 insured's failure to timely notify the insurer of an

1 occurrence, incident or claim, or of a suit founded upon an
2 occurrence, incident or claim, which may give rise to
3 liability unless the insurer was prejudiced by the delay.

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5 (b) This section applies to claims-made and
6 occurrence based policies provided that, for a claims-made
7 policy:

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9 (i) An insurer may deny coverage regardless of
10 prejudice if an insured with actual knowledge of a claim
11 made or threatened by a third party against the insured
12 fails to timely notify the insurer of the claim or threat;

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14 (ii) Timely notification to an insurer of an
15 occurrence or incident that may give rise to a claim by a
16 third party against the insured may not be a condition
17 precedent to coverage under the policy;

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19 (iii) If an insurer refuses to renew a policy or
20 seeks to materially alter the terms for renewal when an
21 insured has provided timely notice to the insurer of an
22 occurrence or incident that may give rise to a claim by a
23 third party against the insured but the third party claim

1 has not yet been asserted, the refusal or material
2 alteration of terms shall create a rebuttable presumption
3 of bad faith by the insurer toward the insured.

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5 **Section 2.** The insurance commissioner by July 1, 2020
6 shall promulgate rules to implement this act.

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8 **Section 3.** This act shall apply to insurance policies
9 and contracts issued or renewed on or after July 1, 2020.

10

11 **Section 4.**

12

13 (a) Except as provided in subsection (b) of this
14 section, this act is effective immediately upon completion
15 of all acts necessary for a bill to become law as provided
16 by Article 4, Section 8 of the Wyoming Constitution.

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18 (b) Sections 1 and 3 of this act are effective July
19 1, 2020.

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21

(END)