

SECOND REGULAR SESSION

SENATE BILL NO. 824

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATORS KLINDT AND LOUDON.

Read 1st time January 9, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

3657S.011

AN ACT

To amend chapter 507, RSMo, by adding thereto one new section relating to an insurance company's right to intervene in civil actions to determine coverage obligations.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 507, RSMo, is amended by adding thereto one new
2 section, to be known as section 507.091, to read as follows:

**507.091. 1. When a civil action is filed in the courts of this state
2 and an insurer may be obligated to provide a defense to such action or
3 indemnity for any judgment rendered therein, such insurer shall have
4 the right to intervene in such action and request the court to determine
5 the extent of the insurer's coverage obligations, while reserving its
6 rights with regard to providing coverage for the claims in the
7 underlying civil action.**

8 **2. If an insurer does intervene, the court shall finally determine
9 the extent of coverage before proceeding with the merits of the
10 underlying action. The judgment of the trial court as to coverage shall
11 be immediately appealable, notwithstanding issues relating to the
12 underlying action remaining unresolved. When a judgment on the
13 issues of coverage becomes final, the insurer shall be dismissed from
14 the underlying action. If the insurer previously has undertaken the
15 defense of the person named as a defendant in the underlying action
16 and the final judgment on the coverage issues determines that it has no
17 obligation to provide such defense, it may withdraw such defense.**

18 **3. Notwithstanding any other provision of law to the contrary,
19 if an insurer proceeds in the manner prescribed in this section, the
20 insurer's action shall not constitute a breach, either present or**

21 **anticipatory, of any contract of insurance.**

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