

HB 90 -- Insurer's Right to Intervene in Civil Actions

Sponsor: Gosen

This bill specifies that an insurer has the right to intervene in a civil action in which it may be contractually obligated to pay the cost of defending a civil lawsuit or a portion of any judgment that may be rendered in the lawsuit. If an insurer intervenes, the insurer must pay the reasonable legal fees and costs necessarily incurred in the coverage portion of the lawsuit by the person seeking coverage under its policy and the court must make a final determination of the extent of the insurer's coverage before proceeding with the merits of the underlying action. The court's determination as to coverage is immediately appealable. The insurer must promptly litigate the coverage portion of the lawsuit and if the court finds that the insurer has failed to do so, the court must dismiss that portion of the lawsuit. Upon a final judgment as to the coverage, the insurer must be dismissed from the lawsuit and its obligations to pay the legal fees and costs will terminate upon the dismissal. This action by the insurer will not constitute a breach or waiver of any provisions of its insurance contract.