

#7

90 ISO-1116

SENATE FILE 0227SENATE FILE 0227

TH

SF0027FT01

AN ACT to create W.S. 26-17-127 through 26-17-130; to amend W.S. 26-17-101, 26-17-102(a) and (b)(i)(C), 26-17-103(a) introductory paragraph, (i), (ii)(D) and by creating a new subparagraph (E) and (vi)(D) and by creating a new subparagraph (E), 26-17-104(a) introductory paragraph, (i), (ii), (iv)(C) and (vii) through (ix), 26-17-105(a) introductory paragraph, (i) and (ii)(D), 26-17-106(a) introductory paragraph, (ii), (iii) and (v)(C), 26-17-108(a) introductory paragraph, (ii) and (iii), 26-17-109(a) introductory paragraph, (i) and (ii) introductory paragraph, 26-17-110(a) introductory paragraph and (i), 26-17-113, 26-17-116, 26-17-117, 26-17-118(a) introductory paragraph, (ii) and (iii) and by creating a new subsection (b), 26-17-119(a) introductory paragraph and (i), 26-17-120 and 26-17-121; and to repeal W.S. 26-17-102(b)(ii), 26-17-103(a)(iii), (iv), (vi)(A) through (C), (vii) and (viii), 26-17-104(a)(iii), (iv)(A) and (B) and (v), 26-17-105(a)(ii)(A) through (C), (iii) and (iv), 26-17-106(a)(iv), (v)(A) and (B), (vi) and (vii), 26-17-107, 26-17-108(a)(i) and (iv) and (b) through (d), 26-17-109(a)(ii)(A) and (B), (iii) and (iv) and 26-17-119(a)(ii)

Introduced by: Charles N. Scott

DATE	INTRODUCED	ACTION	DATE	ACTION
FEB 18 1988	4:45 PM	READ FIRST TIME	FEB 7 1988	READ SECOND TIME
		REFERRED TO COM. NO. <u>7</u>	FEB 8 1988	READ THIRD TIME <b>CONSENT LIST</b>
		DELIVERED TO COM. NO. <u>7</u>		<b>PASSED</b>
FEB 20 1988		STANDING COM. AMDT. ADOPTED		SENT TO SENATE
		RECOMMENDED DO PASS AS AMENDED	MAR 8 1988	Received Amended
FEB 22 1988		CONSIDERED IN COM. OF WHOLE		House did Concur on House Amendment
		STANDING COM. AMDT. ADOPTED		<u>27</u> Nays <u>2</u> Excused <u>1</u> Absent <u>0</u>
		<b>DO PASS</b>		Delivered to Enrolling Section
FEB 24 1988		READ SECOND TIME		Received
		<b>DO PASS</b>	MAR 4 1988	Delivered to Enrolling Section
FEB 27 1988		READ THIRD TIME		SEA No. <u>6</u> , Signed by President
		<b>PASSED</b>		<u>3-21-88</u> Signed by Speaker
		<u>30</u> Nays <u>0</u> Excused <u>0</u> Absent <u>0</u>		<u>3-22-88</u> Approved by Governor
		SENT TO LSO		Chapter No. <u>3</u> , Session Laws of Wyoming
		<b>ENGROSSED</b>		
		SENT TO HOUSE		
FEB 28 1988		Received from LSO		
		READ FIRST TIME		
		REFERRED TO COM. NO. <u>7</u>		
		DELIVERED TO COM. NO. <u>7</u>		
MAR 2 1988		RETURNED		
		Recommended Amend and Do Pass <u>Gayle</u>		
MAR 5 1988		CONSIDERED IN COM. OF WHOLE		
		Standing Com. Amendment <u>SF 2715/AE</u> Adopted		
		Recommended Do Pass		

CONTINUED ON BACK

relating to group life insurance; conforming the law in part to the NAIC 1988 model act; adding eligible groups; specifying group policy requirements; expanding insurance for dependents; eliminating restrictions as specified; expanding eligibility; prescribing availability and amount of the conversion privilege; requiring notice of compensation as specified; providing for continuation of insurance during disability as specified; conforming with the group disability law; specifying applicability of the act; conforming statutes; repealing archaic and inconsistent provisions; and providing for an effective date.

Sen. Scott

# SF 27 Concur Date 3-8-90

# SENATE ROLL CALL

## FIFTIETH WYOMING LEGISLATURE

	Ayes	Noes	Excused	Absent
APPLEGATE	✓		✓	
BURNETT	✓			
BYRD	✓			
COE	✓			
DIXON	✓			
DUSL	✓			
EDDINS	✓			
FANOS		✓		
GERINGER	✓			
GRIEVE	✓			
HEALY	✓			
HERBST	✓			
HICKEY	✓			
HOWARD	✓			
KINNEY	✓			
KINNISON	✓			
LALONDE	✓			
MADER	✓			
MALDONADO	✓			
<del>NORRIS</del> Cameron	✓			
PERRY		✓		
PREVEDEL	✓			
REESE	✓			
SCOTT	✓			
SULLIVAN, DAN	✓			
TRUE	✓			
TWIFORD	✓			
VINICH	✓			
<del>ZIMMER</del>				
ZIMMERMAN	✓			
MR. PRESIDENT	✓			

PRESENT

AYES

NOES

EXCUSED

ABSENT

TOTAL

27

2

1

30

# SF 27 Enrolled Date 2-19-90

# SENATE ROLL CALL

## FIFTIETH WYOMING LEGISLATURE

	Ayes	Noes	Excused	Absent
APPLEGATE	✓			
BURNETT	✓			
BYRD	✓			
COE	✓			
DIXON	✓			
DUSL	✓			
EDDINS	✓			
FANOS	✓			
GERINGER	✓			
GRIEVE	✓			
HEALY	✓			
HERBST	✓			
HICKEY	✓			
HOWARD	✓			
KINNEY	✓			
KINNISON	✓			
LALONDE	✓			
MADER	✓			
MALDONADO	✓			
<del>NORRIS</del> Cameron	✓			
PERRY	✓			
PREVEDEL	✓			
REESE		✓		
SCOTT	✓			
SULLIVAN, DAN	✓			
TRUE		✓		
TWIFORD	✓			
VINICH	✓			
<del>ZIMMER</del>				
ZIMMERMAN	✓			
MR. PRESIDENT	✓			

PRESENT \_\_\_\_\_ AYES 18  
 NOES 2  
 EXCUSED \_\_\_\_\_  
 ABSENT \_\_\_\_\_  
 TOTAL 30

**SENATE ROLL CALL**  
**FIFTIETH WYOMING LEGISLATURE**

	Ayes	Noes	Excused	Absent
APPLEGATE	✓			
BURNETT	✓			
BYRD	✓			
COE	✓			
DIXON	✓			
DUSL	✓			
EDDINS	✓			
FANOS	✓			
GERINGER	✓			
GRIEVE	✓			
HEALY	✓			
HERBST	✓			
HICKEY	✓			
HOWARD	✓			
KINNEY	✓			
KINNISON	✓			
LALONDE	✓			
MADER	✓			
MALDONADO	✓			
<del>NORRIS</del> Cameron	✓			
PERRY	✓			
PREVEDEL	✓			
REESE	✓			
SCOTT	✓			
SULLIVAN, DAN	✓			
TRUE	✓			
TWIFORD	✓			
VINICH	✓			
<del>ZIMMER</del>				
ZIMMERMAN	✓			
MR. PRESIDENT	✓			

PRESENT \_\_\_\_\_ AYES 30  
NOES \_\_\_\_\_  
EXCUSED \_\_\_\_\_  
ABSENT \_\_\_\_\_  
TOTAL 30

*CL 927 Third Reading* Date 3/8/90

# HOUSE ROLL CALL

## FIFTIETH WYOMING LEGISLATURE

Ayes	Noes	Excused	Absent		Ayes	Noes	Excused	Absent	
✓				ALDEN	✓				O'TOOLE
✓				ARNOLD	✓				PARKER
✓				BEBOUT	✓				PERKINS, D.
✓				BLACKWELL	✓				PERKINS, J.
✓				BOWRON	✓				PLANT
✓				BUDD	✓				RANKINE
✓				CHAMBERLAIN	✓				RATLIFF
✓				CROSS	✓				ROHRBACH
✓				CUBIN	✓				RYCKMAN
✓				DEWITT	✓				SCHWOPE
✓				DICKEY	✓				SHREVE
✓				DUNHAM	✓				SIMONS
✓				ENZI	✓				STAUFFER
✓				FREUDENTHAL	✓				SULLIVAN, DON
✓				GAMS	✓				TEMPEST
✓				GOODENOUGH	✓				TIBBS
✓				GRANT	✓				TIPPETS
✓				GUICE	✓				TIPTON
✓				HACKER	✓				TYSDAL
✓				HAGEMAN	✓				VASEY
✓				HANSEN	✓				VLASTOS
✓				HARRIS	✓				WALLIS
✓				HARRISON	✓				WATSON
✓				HINCHEY	✓				WOLD
✓				HINES	✓				WOLFLEY
✓				HONAKER	✓				WRIGHT
✓				HUMPHREY	✓				YORDY
✓				JENSEN	✓				ZUMBRUNNEN
✓				LUMMIS	✓				MR. SPEAKER
✓				MACMILLAN	<p>           AYES <u>64</u>      PRESENT _____            NOES _____            EXCUSED _____            ABSENT _____            TOTAL <u>64</u>            LESS _____         </p>				
✓				MARTON					
				MELVAIN					
✓				MICHEL					
✓				MILLER					
✓				MURPHY					
✓				ODDE					

1886. 27, 29, 30, 31, 35

#

Consent

Date

3/8/90

# HOUSE ROLL CALL

## FIFTIETH WYOMING LEGISLATURE

Ayes	Noes	Excused	Absent		Ayes	Noes	Excused	Absent	
✓				ALDEN	✓				O'TOOLE
✓				ARNOLD	✓				PARKER
✓				BEBOUT	✓				PERKINS, D.
✓				BLACKWELL	✓				PERKINS, J.
✓				BOWRON	✓				PLANT
✓				BUDD	✓				RANKINE
✓				CHAMBERLAIN	✓				RATLIFF
✓				CROSS	✓				ROHRBACH
✓				CUBIN	✓				RYCKMAN
✓				DEWITT	✓				SCHWOPE
✓				DICKEY	✓				SHREVE
✓				DUNHAM	✓				SIMONS
✓			W	ENZI	✓			OFF	STAUFFER
✓				FREUDENTHAL	✓				SULLIVAN, DON
✓				GAMS	✓				TEMPEST
✓				GOODENOUGH	✓				TIBBS
✓				GRANT	✓				TIPPETS
✓				GUICE	✓				TIPTON
✓				HACKER	✓				TYSDAL
✓				HAGEMAN	✓				VASEY
✓				HANSEN	✓				VLASTOS
✓				HARRIS	✓				WALLIS
✓				HARRISON	✓				WATSON
✓				HINCHEY	✓				WOLD
✓				HINES	✓				WOLFLEY
✓				HONAKER	✓				WRIGHT
✓				HUMPHREY	✓				YORDY
✓				JENSEN	✓				ZUMBRUNNEN
✓				LUMMIS	✓				MR. SPEAKER
✓				MACMILLAN	AYES <u>64</u> PRESENT _____ NOES _____ EXCUSED _____ ABSENT _____ TOTAL <u>64</u> LESS _____				
✓				MARTON					
				MICHAEL					
✓				MICHEL					
✓				MILLER					
✓				MURPHY					
✓				ODDE					

SF27

1 SF0027HS1/AE TO ENGROSSED COPY

2 / Page 26-line 11 Strike "to". MACMILLAN, CHAIRMAN

OV Adopted



House of Intro				Second House					
_____	To Com. No.	_____	_____	_____	To Com No.	_____	_____		
_____	Stand Report	Do	Amd	Not	_____	Stand Report	Do	Amd	Not
_____	Com Whole	Do	Amd	Not	_____	Com Whole	Do	Amd	Not
_____	2nd Reading	Amd	_____	_____	_____	2nd Reading	Amd	_____	_____
_____	3rd Reading	Amd	Pass	Fail	_____	3rd Reading	Amd	Pass	Fail

1990

STATE OF WYOMING

90LSO-0116.ENG

SENATE FILE NO. 0027

**ENGROSSED**

Group life insurance revision.

Sponsored by: JOINT CORPORATIONS, ELECTIONS AND  
POLITICAL SUBDIVISIONS INTERIM COMMITTEE

A BILL

for

1 AN ACT to create W.S. 26-17-127 through 26-17-130; to  
2 amend W.S. 26-17-101, 26-17-102(a) and (b)(i)(C),  
3 26-17-103(a) introductory paragraph, (i), (ii)(D) and by  
4 creating a new subparagraph (E) and (vi)(D) and by creat-  
5 ing a new subparagraph (E), 26-17-104(a) introductory  
6 paragraph, (i), (ii), (iv)(C) and (vii) through (ix),  
7 26-17-105(a) introductory paragraph, (i) and (ii)(D),  
8 26-17-106(a) introductory paragraph, (ii), (iii) and  
9 (v)(C), 26-17-108(a) introductory paragraph, (ii) and  
10 (iii), 26-17-109(a) introductory paragraph, (i) and (ii)  
11 introductory paragraph, 26-17-110(a) introductory para-  
12 graph and (i), 26-17-113, 26-17-116, 26-17-117,

1 26-17-118(a) introductory paragraph, (ii) and (iii) and by  
2 creating a new subsection (b), 26-17-119(a) introductory  
3 paragraph and (i), 26-17-120 and 26-17-121; and to repeal  
4 W.S. 26-17-102(b)(ii), 26-17-103(a)(iii), (iv), (vi)(A)  
5 through (C), (vii) and (viii), 26-17-104(a)(iii), (iv)(A)  
6 and (B) and (v), 26-17-105(a)(ii)(A) through (C), (iii)  
7 and (iv), 26-17-106(a)(iv), (v)(A) and (B), (vi) and  
8 (vii), 26-17-107, 26-17-108(a)(i) and (iv) and (b) through  
9 (d), 26-17-109(a)(ii)(A) and (B), (iii) and (iv) and  
10 26-17-119(a)(ii) relating to group life insurance; con-  
11 forming the law in part to the NAIC 1988 model act; adding  
12 eligible groups; specifying group policy requirements;  
13 expanding insurance for dependents; eliminating restric-  
14 tions as specified; expanding eligibility; prescribing  
15 availability and amount of the conversion privilege;  
16 requiring notice of compensation as specified; providing  
17 for continuation of insurance during disability as speci-  
18 fied; conforming with the group disability law; specifying  
19 applicability of the act; conforming statutes; repealing  
20 archaic and inconsistent provisions; and providing for an  
21 effective date.

22 Be It Enacted by the Legislature of the State of Wyoming:

23 Section 1. W.S. 26-17-127 through 26-17-130 are cre-

1     ated to read:

2             26-17-127. Additional groups.

3             (a) Group life insurance offered to a resident under  
4     a group life insurance policy issued to a group other than  
5     one described in W.S. 26-17-103 through 26-17-107 and  
6     26-17-109 is subject to the following requirements:

7             (i) A group life insurance policy shall not be  
8     delivered in this state unless the commissioner finds  
9     that:

10            (A) The issuance of the group policy is not  
11     contrary to the best interest of the public;

12            (B) The issuance of the group policy would  
13     result in economies of acquisition or administration;

14            (C) The benefits are reasonable in relation  
15     to the premiums charged;

16            (D) The insurer possesses and maintains  
17     capital and surplus requirements provided by W.S.  
18     26-3-108.

19            (ii) Group life insurance coverage shall not be  
20     offered in this state by an insurer under a policy issued

1 in another state unless the commissioner determines the  
2 requirements of paragraph (i) of this subsection are met  
3 and the insurer files with the commissioner:

4 (A) A copy of the group master contract;

5 (B) A copy of the statute of the state  
6 where the group policy is issued that authorizes the issu-  
7 ance of the group policy;

8 (C) Evidence of approval of the group pol-  
9 icy in the state where the group policy is issued; and

10 (D) Copies of all supportive material used  
11 by the insurer to secure approval of the group in the  
12 state where the group policy is issued.

13 (iii) If the commissioner fails to make the  
14 determination provided by paragraph (ii) of this subsec-  
15 tion within forty-five (45) days of filing by the insurer  
16 of the documents required by paragraph (ii) of this sub-  
17 section, the requirements of paragraph (i) of this subsec-  
18 tion are deemed to be met;

19 (iv) An insurer may exclude or limit the cover-  
20 age on any person if evidence of individual insurability  
21 does not satisfy the insurer.

1        26-17-128. Insurance for associations.

2        (a) The lives of a group of individuals may be  
3 insured under a policy issued to an association or a trust  
4 or the trustee of a fund established or adopted for the  
5 benefit of members of one (1) or more associations. The  
6 association shall have at the time the policy is first  
7 issued a minimum of fifty (50) persons eligible for insur-  
8 ance, shall have been organized and maintained in good  
9 faith for purposes other than that of obtaining insurance,  
10 shall have been in active existence for at least one (1)  
11 year and shall have a constitution and bylaws which pro-  
12 vide that:

13                (i) The association holds regular meetings not  
14 less than annually to further the members' purposes;

15                (ii) Except for credit unions, the association  
16 collects dues or solicits contributions from members; and

17                (iii) The members have voting privileges and  
18 representation on the governing board and committees.

19        (b) The policy allowed by subsection (a) of this sec-  
20 tion is subject to the following requirements:

21                (i) The policy may insure one (1) or more of the

1 following or all of any class of the following for the  
2 benefit of persons other than the employee's employer:

3 (A) Members of the association;

4 (B) Employees of the association; or

5 (C) Employees of members.

6 (ii) If the covered person does not pay any part  
7 of the premium for his insurance, the policy shall insure  
8 all eligible persons, except those who reject the coverage  
9 in writing and except as provided in paragraph (iii) of  
10 this subsection; and

11 (iii) An insurer may exclude or limit the cover-  
12 age on any person if evidence of individual insurability  
13 does not satisfy the insurer.

14 26-17-129. Notice of compensation.

15 (a) The insurer shall distribute to prospective  
16 insureds a written notice that compensation shall or may  
17 be paid for a program of insurance which if issued on a  
18 group basis would qualify under W.S. 26-17-127 or  
19 26-17-128, if compensation of any kind shall or may be  
20 paid to:

1           (i) A policyholder or sponsoring or endorsing  
2 entity in the case of a group policy; or

3           (ii) A sponsoring or endorsing entity in the  
4 case of individual, blanket or franchise policies marketed  
5 by means of direct response solicitation.

6       (b) Notice required by this section shall be distrib-  
7 uted:

8           (i) Whether compensation is direct or indirect;  
9 and

10          (ii) Whether compensation is:

11               (A) Paid to or retained by the policyholder  
12 or sponsoring or endorsing entity; or

13               (B) Paid to or retained by a third party at  
14 the direction of the policyholder, sponsoring or endorsing  
15 entity or any entity affiliated by way of ownership, con-  
16 tract or employment.

17       (c) The notice required by this section shall be  
18 placed on or accompany any application or enrollment form  
19 provided to prospective insureds.

20       (d) As used in this section:

1           (i) "Direct response solicitation" means a  
2 solicitation through a sponsoring or endorsing entity by  
3 the mails, telephone or other mass communications media;  
4 and

5           (ii) "Sponsoring or endorsing entity" means an  
6 organization which has arranged for the offering of a pro-  
7 gram of insurance in a manner which communicates that eli-  
8 gibility for participation in the program is dependent  
9 upon affiliation with the organization or that it encour-  
10 ages participation in the program.

11           26-17-130. Continuation during disability.

12           (a) Where active employment is a condition of insur-  
13 ance, the group policy shall contain a provision that an  
14 insured may continue coverage during the insured's total  
15 disability as provided in this subsection by timely pay-  
16 ment to the policyholder of that portion, if any, of the  
17 premium that would have been required from the insured had  
18 total disability not occurred. The continuation shall be  
19 on a premium paying basis for a period not beyond the ear-  
20 lier of:

21           (i) Six (6) months from the date on which the  
22 total disability started;



1           (ii) Approval by the insurer of continuation of  
2 the coverage under any disability provision contained in  
3 the group insurance policy; or

4           (iii) The discontinuance of the group insurance  
5 policy.

6           Section 2. W.S. 26-17-101, 26-17-102(a) and  
7 (b)(i)(C), 26-17-103(a) introductory paragraph, (i),  
8 (ii)(D) and by creating a new subparagraph (E) and (vi)(D)  
9 and by creating a new subparagraph (E), 26-17-104(a)  
10 introductory paragraph, (i), (ii), (iv)(C) and (vii)  
11 through (ix), 26-17-105(a) introductory paragraph, (i) and  
12 (ii)(D), 26-17-106(a) introductory paragraph, (ii), (iii)  
13 and (v)(C), 26-17-108(a) introductory paragraph and (ii)  
14 and (iii), 26-17-109(a) introductory paragraph, (i) and  
15 (ii) introductory paragraph, 26-17-110(a) introductory  
16 paragraph and (i), 26-17-113, 26-17-116, 26-17-117,  
17 26-17-118(a) introductory paragraph, (ii) and (iii) and by  
18 creating a new subsection (b), 26-17-119(a) introductory  
19 paragraph and (i), 26-17-120 and 26-17-121 are amended to  
20 read:

21           26-17-101. Applicability of chapter; short title.  
22 This chapter applies only to group life insurance and

1     ~~employee-life-insurancee~~ and is known and may be cited as  
2     the "Group Life Insurance Law".

3             26-17-102. Group contracts must meet group require-  
4     ments; inapplicability of section; old contracts saved.

5             (a) No life insurance policy shall be delivered or  
6     issued for delivery in this state insuring the lives of  
7     more than one (1) individual unless to one (1) of the  
8     groups specified in ~~W.S.-26-17-103-through-26-17-109~~ THIS  
9     CHAPTER and unless in compliance with the ~~other-applicable~~  
10    provisions of this chapter.

11            (b) Subsection (a) of this section does not apply to  
12    life insurance policies:

13                 (i) Insuring only individuals:

14                         (C) Otherwise having an insurable interest  
15    in each other's lives. ~~7-er~~

16             26-17-103. Employee groups.

17             (a) The lives of a group of individuals may be  
18    insured under a policy issued to an employer, or ~~to the~~  
19    trustees of a fund established OR ADOPTED by an employer,  
20    which employer or ~~trustees-are~~ TRUSTEE IS deemed the poli-

1     cyholder, ~~to--insure~~ INSURING THE EMPLOYER'S employees of  
2     ~~the-employer~~ for the benefit of persons other than the  
3     employer, subject to the following requirements:

4             (i) All ~~of-an-employer's~~ employees are-eligible  
5     ~~for-insurance-under-the-policy,~~ or all--of any classes  
6     CLASS of employees ~~determined-by-conditions-pertaining-to~~  
7     ~~their-employment~~ ARE ELIGIBLE FOR INSURANCE UNDER THE  
8     TERMS OF THE POLICY;

9             (ii) The policy may define "employees" to  
10    include:

11             (D) Retired OR FORMER employees;

12             (E) DIRECTORS OF A CORPORATE EMPLOYER.

13             (vi) Policy premiums shall be paid by the poli-  
14    cyholder subject to the following requirements:

15             ~~(A)--They--shall-be-paid,-either-wholly-from~~  
16     ~~the-employer's-funds-or-funds-he--contributes,-or--partly~~  
17     ~~from-these-funds-and-partly-from-funds-the-insured-employ-~~  
18     ~~ees-contribute,~~

19             (D) A--policy--en--which--no IF THE INSURED  
20    EMPLOYEE DOES NOT PAY ANY part of the premium is--to--be

1     ~~derived--from--funds--the-insured-employees-contribute~~ FOR  
2     HIS INSURANCE, THE POLICY shall insure all eligible  
3     employees, ~~or-all~~ except those ~~not-presenting-evidence--of~~  
4     ~~individual--insurability--satisfactory-to-the-insurer-~~ WHO  
5     REJECT THE COVERAGE IN WRITING AND EXCEPT AS PROVIDED IN  
6     SUBPARAGRAPH (E) OF THIS PARAGRAPH;

7                     (E) AN INSURER MAY EXCLUDE OR LIMIT THE  
8     COVERAGE ON ANY PERSON IF EVIDENCE OF INDIVIDUAL INSUR-  
9     ABILITY DOES NOT SATISFY THE INSURER.

10                    26-17-104. Debtor groups for benefit of creditor.

11           (a) The lives of a group of individuals may be  
12     insured under a policy issued to a creditor, ~~who~~ A  
13     CREDITOR'S PARENT HOLDING COMPANY OR A TRUSTEE OR AGENT  
14     DESIGNATED BY TWO (2) OR MORE CREDITORS, WHICH CREDITOR,  
15     HOLDING COMPANY, AFFILIATE, TRUSTEE OR AGENT is deemed the  
16     policyholder, to insure debtors of the creditor CONCERNING  
17     THEIR INDEBTEDNESS, subject to the following requirements:

18                   (i) ~~The~~ ALL debtors OR ANY CLASS OF DEBTORS OF  
19     THE CREDITOR ARE eligible for insurance under the TERMS OF  
20     THE policy; ~~are-all-of-the-debtors-of-the--creditor--whose~~  
21     ~~indebtedness-is-repayable-either-in-installments-or-in-one~~  
22     ~~{1}-sum-at-the-end-of-a-period-not-exceeding-eighteen-{18}~~

1 months--from-the-initial-date-of-debt,-or-all-of-any-clas-  
2 ses-of-debtors-of-the-creditor--determined--by--conditions  
3 pertaining--to--the-indebtedness-or-to-the-purchase-giving  
4 rise-to-the-indebtedness;

5 (ii) The policy may define PROVIDE THAT THE TERM  
6 "debtors" to SHALL include:

7 (A) BORROWERS OF MONEY OR PURCHASERS OR  
8 LESSEES OF GOODS, SERVICES OR PROPERTY FOR WHICH PAYMENT  
9 IS ARRANGED THROUGH A CREDIT TRANSACTION;

10 (B) The debtors of one (1) or more subsid-  
11 iary corporations; and

12 (C) The debtors of one (1) or more affili-  
13 ated corporations, proprietors or partnerships if the  
14 business of the policyholder and of the affiliated corpo-  
15 rations, proprietors or partnerships is under common con-  
16 trol, through stock-ownership, contract-or-otherwise;

17 (iv) Policy premiums shall be paid by the poli-  
18 cyholder, subject to the following requirements:

19 (C) A-policy-on-which--no IF THE INSURED  
20 DEBTOR DOES NOT PAY ANY part of the premium is-to-be  
21 derived-from-the-collection-of--identifiable--charges FOR

1 HIS INSURANCE, THE POLICY shall insure all eligible debt-  
2 ors, ~~or-all~~ except those WHO REJECT THE COVERAGE IN WRIT-  
3 ING AND THOSE WHO DO not ~~presenting~~ PRESENT evidence of  
4 individual insurability satisfactory to the insurer.

5 (vii) The TOTAL amount of ~~the insurance on-the~~  
6 ~~life-of-any-debtor~~ PAYABLE FOR AN INDEBTEDNESS shall ~~at-no~~  
7 ~~time~~ NOT exceed the GREATER OF THE SCHEDULED OR ACTUAL  
8 amount of the unpaid indebtedness, ~~and-if-the-indebtedness~~  
9 ~~is-repayable-in-one-(1)-sum~~ to the creditor, ~~the-insurance~~  
10 ~~on--the--life--of--any--debtor--shall-in-no-instance-be-in~~  
11 ~~effect-for-a-period-in-excess--of--eighteen--(18)--months,~~  
12 ~~except--that--the--insurance-may-be-continued-for-an-addi-~~  
13 ~~tional-period-not-exceeding-six-(6)-months-in-the-case--of~~  
14 ~~default,--extension--or--reecasting-of-the-loan~~ EXCEPT THAT  
15 INSURANCE WRITTEN CONCERNING OPEN-END CREDIT HAVING A  
16 CREDIT LIMIT EXCEEDING TEN THOUSAND DOLLARS (\$10,000.00)  
17 MAY BE IN AN AMOUNT NOT EXCEEDING THE CREDIT LIMIT;

18 (viii) The insurance ~~is~~ MAY BE payable to the  
19 ~~policyholder,--and--the~~ CREDITOR OR ANY SUCCESSOR TO THE  
20 RIGHT, TITLE AND INTEREST OF THE CREDITOR. THE payment  
21 shall reduce or extinguish the unpaid indebtedness of the  
22 debtor to the extent of the payment AND ANY EXCESS OF THE  
23 INSURANCE IS PAYABLE TO THE INSURED OR THE ESTATE OF THE

1     INSURED;

2                   (ix) Notwithstanding paragraphs (i) through  
3     (viii) of this subsection, insurance on agricultural  
4     credit transaction commitments ~~not-exceeding-two-(2)-years~~  
5     ~~in--duration~~ may be written up to the amount of the loan  
6     commitment on a nondecreasing or level term plan. ~~7--and~~  
7     Insurance on educational credit transaction commitments  
8     may be written up to the amount of the loan commitment  
9     less the amount of any repayments made on the loan.

10           26-17-105. Labor union groups.

11           (a) The lives of a group of individuals may be  
12     insured under a policy issued to a labor union, OR SIMILAR  
13     EMPLOYEE ORGANIZATION which UNION OR ORGANIZATION is  
14     deemed the policyholder, to insure members of the union OR  
15     ORGANIZATION for the benefit of persons other than the  
16     union OR ORGANIZATION or any of its officials, representa-  
17     tives or agents, subject to the following requirements:

18                   (i) ~~The-members-eligible-for-insurance-under-the~~  
19     ~~policy--are~~ All of-the members OR ANY CLASS OF MEMBERS of  
20     the union ~~7--or-all-of-any-classes--thereof--determined--by~~  
21     ~~conditions--pertaining--to-their-employment,--or--to-member-~~  
22     ~~ship-in-the-union,--or--both~~ OR ORGANIZATION ARE ELIGIBLE

1 FOR INSURANCE UNDER THE TERMS OF THE POLICY;

2 (ii) Policy premiums shall be paid by the poli-  
3 cyholder, subject to the following requirements:

4 (D) ~~A-policy-on-which--no~~ IF THE INSURED  
5 MEMBER DOES NOT PAY ANY part of the premium ~~is-to-be~~  
6 ~~derived-from-funds-contributed-by-the-insured-members-spe-~~  
7 ~~cifically~~ for their HIS insurance, THE POLICY shall insure  
8 all eligible members, ~~or-all~~ except those WHO REJECT THE  
9 COVERAGE IN WRITING AND THOSE WHO DO not presenting PRES-  
10 ENT evidence of individual insurability satisfactory to  
11 the insurer.

12 26-17-106. Trustee groups.

13 (a) The lives of a group of individuals may be  
14 insured under a policy issued to A TRUST OR the trustees  
15 of a fund established OR ADOPTED by two (2) or more  
16 employers, ~~in-the-same-industry-or-in--related--industries~~  
17 ~~or~~ by one (1) or more labor unions OR SIMILAR EMPLOYEE  
18 ORGANIZATIONS, or by one (1) or more employers and one (1)  
19 or more labor unions OR SIMILAR EMPLOYEE ORGANIZATIONS,  
20 which TRUST OR trustees are deemed the policyholder, to  
21 insure employees of the employers or members of the unions  
22 OR ORGANIZATIONS, for the benefit of persons other than



1 the employers, ~~or-the~~ unions OR ORGANIZATIONS, subject to  
2 the following requirements:

3 (ii) ~~The-persons-eligible-for-insurance-are~~ All  
4 ~~of--the~~ employees of the employers, ~~or-all-of-the~~ members  
5 of the unions OR ORGANIZATIONS, or ~~all--of~~ any classes  
6 ~~thereof--determined--by--conditions--pertaining--to--their~~  
7 ~~employment,--or-to-membership-in~~ OF the unions, ~~or-to-both~~  
8 EMPLOYERS, UNION MEMBERS OR ORGANIZATION MEMBERS ARE ELI-  
9 GIBLE FOR INSURANCE UNDER THE TERMS OF THE POLICY;

10 (iii) The policy may define "employees" to  
11 include:

12 (A) Retired OR FORMER employees;

13 (B) The individual proprietor or partners,  
14 if an employer is an individual proprietor or a partner-  
15 ship; ~~7--except-that-no-individual-proprietor-or-partner-is~~  
16 ~~eligible-for-insurance--under--the--policy--unless--he--is~~  
17 ~~actively--engaged-in-and-devotes-a-substantial-part-of-his~~  
18 ~~time-to-the-conduct-of-the-proprietor-or-partnership-busi-~~  
19 ~~ness;~~

20 (C) The trustees, ~~or---their~~ TRUSTEES'  
21 employees, or both, if their duties are principally con-

1     nected with the trusteeship;-

2                     (D) EMPLOYEES OF ONE (1) OR MORE SUBSIDIARY  
3     CORPORATIONS AND THE EMPLOYEES, INDIVIDUAL PROPRIETORS AND  
4     PARTNERS OF ONE (1) OR MORE AFFILIATED CORPORATIONS,  
5     PROPRIETORSHIPS OR PARTNERSHIPS IF THE BUSINESS OF THE  
6     EMPLOYER AND OF THE AFFILIATED CORPORATIONS,  
7     PROPRIETORSHIPS OR PARTNERSHIPS IS UNDER COMMON CONTROL;

8                     (E) Directors of a corporate employer.

9                     (v) Policy premiums shall be paid by the  
10     trustees subject to the following requirements:

11                    ~~(A)---They-shall-be-paid---wholly---from---funds~~  
12     ~~contributed-by-the-employer-of-the-insured-persens,--er-by~~  
13     ~~the--union,--er--by--beth--er--partly-from-these-funds-and~~  
14     ~~partly-from-funds-the-insured-persens-contribute,~~

15                    (C) ~~A-policy-on-which--no~~ IF THE COVERED  
16     PERSON DOES NOT PAY ANY part of the premium ~~is-to-be~~  
17     ~~derived-from-funds-the-insured-persens-contribute-specifi-~~  
18     ~~cally~~ for ~~their~~ HIS insurance, THE POLICY shall insure all  
19     eligible persons, ~~er-all~~ except those WHO REJECT THE COV-  
20     ERAGE IN WRITING AND THOSE WHO DO not ~~presenting~~ PRESENT  
21     evidence of individual insurability satisfactory to the

1 insurer.

2 26-17-108. Dependents' coverage.

3 (a) Insurance under any group life insurance policy  
4 issued pursuant to W.S. 26-17-103, and 26-17-105, through  
5 ~~26-17-107,--if--seventy-five--percent--(75%)--of--the--then~~  
6 ~~insured-employees-or-members-elect~~ 26-17-106, 26-17-109,  
7 26-17-127 OR 26-17-128 may be extended to insure the  
8 ~~dependents,--or-any-classes-of-dependents,--of-each--insured~~  
9 ~~employee--or-member-who-so-elects-in-amounts-in-accordance~~  
10 ~~with-a-plan-which-precludes-individual-selection-and-shall~~  
11 ~~not-exceed~~ EMPLOYEES OR MEMBERS OR ANY CLASS OF EMPLOYEES  
12 OR MEMBERS AGAINST LOSS DUE TO THE DEATH OF THEIR SPOUSES  
13 AND DEPENDENT CHILDREN:

14 ~~(i)--Fifty-percent-(50%)-of-the-insurance-on--the~~  
15 ~~life-of-the-employee-or-member,~~

16 (ii) ~~Two--thousand--dollars-(\$2,000.00)-upon-the~~  
17 ~~life-of-a-spouse~~ IF THE EMPLOYER OR MEMBER DOES NOT PAY  
18 ANY PART OF THE PREMIUM FOR THE SPOUSE'S OR DEPENDENT  
19 CHILD'S COVERAGE, THE POLICY SHALL INSURE ALL ELIGIBLE  
20 EMPLOYEES OR MEMBERS WITH RESPECT TO THEIR SPOUSES AND  
21 DEPENDENT CHILDREN OR ANY CLASS OF EMPLOYEES OR MEMBERS  
22 EXCEPT THAT AN INSURER MAY EXCLUDE OR LIMIT THE COVERAGE

1 ON ANY SPOUSE OR DEPENDENT CHILD IF EVIDENCE OF INDIVIDUAL  
2 INSURABILITY DOES NOT SATISFY THE INSURER;

3 (iii) ~~One-thousand-dollars-(\$1,000.00)-upon--the~~  
4 ~~life--of--a-child;~~ THE AMOUNT OF INSURANCE FOR ANY COVERED  
5 SPOUSE OR DEPENDENT CHILD UNDER THE POLICY SHALL NOT  
6 EXCEED FIFTY PERCENT (50%) OF THE AMOUNT OF INSURANCE FOR  
7 WHICH THE EMPLOYEE OR MEMBER IS INSURED.

8 26-17-109. Credit union group.

9 (a) The lives of a group of individuals may be  
10 insured under a policy issued to a credit union OR A  
11 TRUSTEE OR AGENT DESIGNATED BY TWO (2) OR MORE CREDIT  
12 UNIONS, which ~~is~~ CREDIT UNION, TRUSTEE OR AGENT IS deemed  
13 the policyholder, to insure ~~eligible~~ members of the credit  
14 union for the benefit of persons other than the credit  
15 union, TRUSTEE, AGENT or ~~its~~ ANY OF THEIR officials, sub-  
16 ject to the following requirements:

17 (i) ~~The ALL members OR ALL OF ANY CLASS OF MEM-~~  
18 ~~BERS OF THE CREDIT UNION ARE eligible for insurance under~~  
19 ~~the TERMS OF THE policy; are-all-of--the--members--of--the~~  
20 ~~credit--union;-or-all-except-those-not-presenting-evidence~~  
21 ~~of-individual-insurability-satisfactory-to-the-insurer;-or~~  
22 ~~all-of-any-classes-of-credit-union-members--determined--by~~

1     ~~conditions--pertaining--to--their-age-or-membership-in-the~~  
2     ~~credit-union,-or-both,~~

3             (ii) Policy premiums shall be paid by the poli-  
4     ~~cyholder,--subject-to-the-following-requirements:~~ FROM THE  
5     CREDIT UNION'S FUNDS AND SHALL INSURE ALL ELIGIBLE MEMBERS  
6     EXCEPT THAT AN INSURER MAY EXCLUDE OR LIMIT THE COVERAGE  
7     ON ANY MEMBER IF EVIDENCE OF INDIVIDUAL INSURABILITY DOES  
8     NOT SATISFY THE INSURER.

9             26-17-110. Provisions required in group contracts;  
10     exceptions.

11            (a) No group life insurance policy shall be delivered  
12     in this state unless it contains provisions conforming in  
13     substance to the provisions set forth in W.S. 26-17-110  
14     through 26-17-121 AND 26-17-130 or provisions which in the  
15     commissioner's opinion are more favorable to the persons  
16     insured, or at least as favorable to the persons insured  
17     and more favorable to the policyholder, except that:

18            (i) W.S. 26-17-116 through 26-17-120 AND  
19     26-17-130 do not apply to policies issued to a creditor to  
20     insure debtors of that creditor;

21            26-17-113. Application; statements are representa-

1     tions. A copy of the policyholder's application, if any,  
2     shall be attached to the policy when issued and is a part  
3     of the contract. Any statements the policyholder or the  
4     persons insured make are representations and not warran-  
5     ties, and no statement any person insured makes shall be  
6     used in any contest unless a copy of the instrument con-  
7     taining the statement is OR HAS BEEN furnished to the per-  
8     son or, IN THE EVENT OF DEATH OR INCAPACITY OF THE INSURED  
9     PERSON, to his beneficiary OR PERSONAL REPRESENTATIVE.

10         26-17-116. Payment of benefits.

11         (a) Any sum due by reason of the death of the person  
12         insured is payable to the beneficiary designated by the  
13         person insured, EXCEPT THAT IF THE POLICY REFERS TO FAMILY  
14         STATUS AND DOES NOT SPECIFY FAMILY MEMBERS BY NAME, THE  
15         BENEFICIARY MAY BE THE FAMILY MEMBER SPECIFIED BY STATUS  
16         IN THE POLICY, subject to:

17                 (i) The provisions of the policy AS TO ALL OR  
18         ANY PART OF THE SUM in case there is no designated benefi-  
19         ciary living at the time of the insured's death; and

20                 (ii) Any right the insurer reserved in the pol-  
21         icy and set forth in the certificate to pay at its option  
22         a part of the sum not exceeding ~~five-hundred~~ TWO THOUSAND

1     dollars ~~(\$500.00)~~ (\$2,000.00) to any person appearing to  
2     the insurer to be equitably entitled thereto by reason of  
3     having incurred funeral or other expenses incident to the  
4     last illness or death of the person insured.

5           26-17-117. Certificate of policyholders. The insurer  
6     shall issue to the policyholder for delivery to each per-  
7     son insured an individual certificate ~~setting--forth--a~~  
8     ~~statement--as--to~~ WITH STATEMENTS DESCRIBING the insurance  
9     protection to which he is entitled, to whom the insurance  
10    benefits are payable, ANY DEPENDENT'S COVERAGE INCLUDED IN  
11    THE CERTIFICATE, and the rights and conditions set forth  
12    in W.S. 26-17-118 through 26-17-120 AND 26-17-130.

13           26-17-118. Conversion on termination of eligibility.

14           (a) If the insurance, or any portion of it, on a per-  
15    son OR DEPENDENT OF A PERSON covered under the policy  
16    ceases because of termination of employment or of member-  
17    ship in any of the classes eligible for coverage under the  
18    policy, ~~the-person-is-entitled-to-have~~ the insurer SHALL  
19    OFFER TO issue to him, without evidence of insurability,  
20    an individual life insurance policy without disability or  
21    other supplementary benefits, provided:

22           (ii) The policy, at the person's option, shall

1 be on any one (1) of the forms, ~~---except---term---insurance,~~  
2 ~~then~~ customarily issued by the insurer at the age and for  
3 the amount applied for, EXCEPT THAT THE GROUP POLICY MAY  
4 EXCLUDE THE OPTION TO ELECT TERM INSURANCE;

5 (iii) The policy shall be in an amount not  
6 exceeding the amount of life insurance which ceases  
7 because of the termination less the amount of any life  
8 insurance for which the person is OR BECOMES eligible  
9 under the same or any group policy within thirty-one (31)  
10 days after the termination, provided that any amount of  
11 insurance which matures on or before the date of such ter-  
12 mination as an endowment payable to the person insured,  
13 whether in one (1) sum, in installments or in the form of  
14 an annuity, for the purposes of this provision, shall not  
15 be included in the amount which is considered to cease  
16 because of the termination; and

17 (b) SUBJECT TO THE CONDITIONS SET FORTH IN SUBSECTION  
18 (a) OF THIS SECTION, THE CONVERSION PRIVILEGE IS AVAIL-  
19 ABLE:

20 (i) TO A SURVIVING DEPENDENT, IF ANY, AT THE  
21 DEATH OF THE EMPLOYEE OR MEMBER CONCERNING THE COVERAGE  
22 UNDER THE GROUP POLICY WHICH TERMINATES BY REASON OF THE



1 DEATH; AND

2           (ii) TO THE DEPENDENT OF THE EMPLOYEE OR MEMBER  
3 UPON TERMINATION OF THE DEPENDENT'S COVERAGE IF THE  
4 EMPLOYEE OR MEMBER REMAINS INSURED UNDER THE GROUP POLICY  
5 AND IF THE DEPENDENT CEASES TO BE A QUALIFIED FAMILY MEM-  
6 BER UNDER THE GROUP POLICY.

7           26-17-119. Conversion on termination of policy.

8           (a) If the group policy terminates or is amended so  
9 as to terminate the insurance of any class of insured per-  
10 sons, any person insured thereunder at the date of the  
11 termination whose insurance terminates, and INCLUDING THE  
12 INSURED DEPENDENT OF A COVERED PERSON, ~~who~~ WHICH INSURED  
13 OR INSURED DEPENDENT has been so insured for at least ~~five~~  
14 ~~(5)~~ THREE (3) years prior to the termination date is enti-  
15 tled to have issued to him by the insurer an individual  
16 life insurance policy, subject to the same conditions pro-  
17 vided by W.S. 26-17-118, except that the group policy may  
18 SHALL provide that the amount of the individual policy  
19 ~~shall not exceed the smaller of--(i)~~ IS the amount of the  
20 person's life insurance protection ceasing because of the  
21 termination or amendment of the group policy, less the  
22 amount of any life insurance for which he is OR BECOMES

1 eligible under any group policy issued or reinstated by  
2 the same or another insurer within thirty-one (31) days  
3 after the termination. ~~7-and~~

4 ~~{ii}--Two-thousand-dollars-(\$2,000.00)-~~

5 26-17-120. Death pending conversion. If a person  
6 insured under the GROUP policy, OR THE INSURED DEPENDENT  
7 OF A COVERED PERSON, dies during the period within which  
8 he would have been entitled to have an individual policy  
9 issued to him in accordance with W.S. 26-17-118 or  
10 26-17-119 and before the individual policy is effective,  
11 the amount of life insurance to which he would have been  
12 entitled TO HAVE ISSUED under the individual policy is  
13 payable as a claim under the group policy, whether or not  
14 application for the individual policy or the payment of  
15 the first premium ~~therefor~~ has been made.

16 26-17-121. Information to debtor insured under  
17 creditor's policy. A policy issued to a creditor to insure  
18 debtors of the creditor shall contain a provision that the  
19 insurer shall furnish to the policyholder for delivery to  
20 each debtor insured under the policy a form which shall  
21 contain a statement that the life of the debtor is insured  
22 under the policy and that any death benefit paid thereun-

1 der by reason of his death shall FIRST be applied to  
2 reduce or extinguish an THE indebtedness.

3 Section 3. W.S. 26-17-102(b)(ii), 26-17-103(a)(iii),  
4 (iv), (vi)(A) through (C), (vii) and (viii),  
5 26-17-104(a)(iii), (iv)(A) and (B) and (v),  
6 26-17-105(a)(ii)(A) through (C), (iii) and (iv),  
7 26-17-106(a)(iv), (v)(A) and (B), (vi) and (vii),  
8 26-17-107, 26-17-108(a)(i) and (iv) and (b) through (d),  
9 26-17-109(a)(ii)(A) and (B), (iii) and (iv) and  
10 26-17-119(a)(ii) are repealed.

11 Section 4. This act shall apply to all group life  
12 insurance policies issued, renewed or reinstated after the  
13 effective date of this act.

14 Section 5. This act is effective July 1, 1990.

15 (END)

House of Intro		Second House		<b>INTRODUCED</b>
_____	To Com. No. _____	_____	To Com No. _____	
_____	Stand Report Do ___ Amd ___ Not ___	_____	Stand Report Do ___ Amd ___ Not ___	
_____	Com Whole Do ___ Amd ___ Not ___	_____	Com Whole Do ___ Amd ___ Not ___	
_____	2nd Reading Amd ___	_____	2nd Reading Amd ___	
_____	3rd Reading Amd ___ Pass ___ Fail ___	_____	3rd Reading Amd ___ Pass ___ Fail ___	

1990

STATE OF WYOMING

90LSO-0116.01

SENATE FILE NO. 0027

Group life insurance revision.

*Charles H. Scott*

Sponsored by: JOINT CORPORATIONS, ELECTIONS AND  
POLITICAL SUBDIVISIONS INTERIM COMMITTEE

A BILL

for

1 AN ACT to create W.S. 26-17-127 through 26-17-130; to  
2 amend W.S. 26-17-101, 26-17-102(a) and (b)(i)(C),  
3 26-17-103(a) introductory paragraph, (i), (ii)(D) and by  
4 creating a new subparagraph (E) and (vi)(D) and by creat-  
5 ing a new subparagraph (E), 26-17-104(a) introductory  
6 paragraph, (i), (ii), (iv)(C) and (vii) through (ix),  
7 26-17-105(a) introductory paragraph, (i) and (ii)(D),  
8 26-17-106(a) introductory paragraph, (ii), (iii) and  
9 (v)(C), 26-17-108(a) introductory paragraph, (ii) and  
10 (iii), 26-17-109(a) introductory paragraph, (i) and (ii)  
11 introductory paragraph, 26-17-110(a) introductory para-  
12 graph and (i), 26-17-113, 26-17-116, 26-17-117,

1 26-17-118(a) introductory paragraph, (ii) and (iii) and by  
2 creating a new subsection (b), 26-17-119(a) introductory  
3 paragraph and (i), 26-17-120 and 26-17-121; and to repeal  
4 W.S. 26-17-102(b)(ii), 26-17-103(a)(iii), (iv), (vi)(A)  
5 through (C), (vii) and (viii), 26-17-104(a)(iii), (iv)(A)  
6 and (B) and (v), 26-17-105(a)(ii)(A) through (C), (iii)  
7 and (iv), 26-17-106(a)(iv), (v)(A) and (B), (vi) and  
8 (vii), 26-17-107, 26-17-108(a)(i) and (iv) and (b) through  
9 (d), 26-17-109(a)(ii)(A) and (B), (iii) and (iv) and  
10 26-17-119(a)(ii) relating to group life insurance; con-  
11 forming the law in part to the NAIC 1988 model act; adding  
12 eligible groups; specifying group policy requirements;  
13 expanding insurance for dependents; eliminating restric-  
14 tions as specified; expanding eligibility; prescribing  
15 availability and amount of the conversion privilege;  
16 requiring notice of compensation as specified; providing  
17 for continuation of insurance during disability as speci-  
18 fied; conforming with the group disability law; specifying  
19 applicability of the act; conforming statutes; repealing  
20 archaic and inconsistent provisions; and providing for an  
21 effective date.

22 Be It Enacted by the Legislature of the State of Wyoming:

23 Section 1. W.S. 26-17-127 through 26-17-130 are cre-

1     ated to read:

2           26-17-127. Additional groups.

3           (a) Group life insurance offered to a resident under  
4     a group life insurance policy issued to a group other than  
5     one described in W.S. 26-17-103 through 26-17-107 and  
6     26-17-109 is subject to the following requirements:

7                   (i) A group life insurance policy shall not be  
8     delivered in this state unless the commissioner finds  
9     that:

10                   (A) The issuance of the group policy is not  
11     contrary to the best interest of the public;

12                   (B) The issuance of the group policy would  
13     result in economies of acquisition or administration;

14                   (C) The benefits are reasonable in relation  
15     to the premiums charged;

16                   (D) The insurer possesses and maintains  
17     capital and surplus requirements provided by W.S.  
18     26-3-108.

19                   (ii) Group life insurance coverage shall not be  
20     offered in this state by an insurer under a policy issued

1 in another state unless the commissioner determines the  
2 requirements of paragraph (i) of this subsection are met  
3 and the insurer files with the commissioner:

4 (A) A copy of the group master contract;

5 (B) A copy of the statute of the state  
6 where the group policy is issued that authorizes the issu-  
7 ance of the group policy;

8 (C) Evidence of approval of the group pol-  
9 icy in the state where the group policy is issued; and

10 (D) Copies of all supportive material used  
11 by the insurer to secure approval of the group in the  
12 state where the group policy is issued.

13 (iii) If the commissioner fails to make the  
14 determination provided by paragraph (ii) of this subsec-  
15 tion within forty-five (45) days of filing by the insurer  
16 of the documents required by paragraph (ii) of this sub-  
17 section, the requirements of paragraph (i) of this subsec-  
18 tion are deemed to be met;

19 (iv) An insurer may exclude or limit the cover-  
20 age on any person if evidence of individual insurability  
21 does not satisfy the insurer.

1        26-17-128. Insurance for associations.

2            (a) The lives of a group of individuals may be  
3 insured under a policy issued to an association or a trust  
4 or the trustee of a fund established or adopted for the  
5 benefit of members of one (1) or more associations. The  
6 association shall have at the time the policy is first  
7 issued a minimum of fifty (50) persons eligible for insur-  
8 ance, shall have been organized and maintained in good  
9 faith for purposes other than that of obtaining insurance,  
10 shall have been in active existence for at least one (1)  
11 year and shall have a constitution and bylaws which pro-  
12 vide that:

13            (i) The association holds regular meetings not  
14 less than annually to further the members' purposes;

15            (ii) Except for credit unions, the association  
16 collects dues or solicits contributions from members; and

17            (iii) The members have voting privileges and  
18 representation on the governing board and committees.

19            (b) The policy allowed by subsection (a) of this sec-  
20 tion is subject to the following requirements:

21            (i) The policy may insure one (1) or more of the



1 following or all of any class of the following for the  
2 benefit of persons other than the employee's employer:

3 (A) Members of the association;

4 (B) Employees of the association; or

5 (C) Employees of members.

6 (ii) If the covered person does not pay any part  
7 of the premium for his insurance, the policy shall insure  
8 all eligible persons, except those who reject the coverage  
9 in writing and except as provided in paragraph (iii) of  
10 this subsection; and

11 (iii) An insurer may exclude or limit the cover-  
12 age on any person if evidence of individual insurability  
13 does not satisfy the insurer.

14 26-17-129. Notice of compensation.

15 (a) The insurer shall distribute to prospective  
16 insureds a written notice that compensation shall or may  
17 be paid for a program of insurance which if issued on a  
18 group basis would qualify under W.S. 26-17-127 or  
19 26-17-128, if compensation of any kind shall or may be  
20 paid to:

1           (i) A policyholder or sponsoring or endorsing  
2 entity in the case of a group policy; or

3           (ii) A sponsoring or endorsing entity in the  
4 case of individual, blanket or franchise policies marketed  
5 by means of direct response solicitation.

6           (b) Notice required by this section shall be distrib-  
7 uted:

8           (i) Whether compensation is direct or indirect;  
9 and

10          (ii) Whether compensation is:

11               (A) Paid to or retained by the policyholder  
12 or sponsoring or endorsing entity; or

13               (B) Paid to or retained by a third party at  
14 the direction of the policyholder, sponsoring or endorsing  
15 entity or any entity affiliated by way of ownership, con-  
16 tract or employment.

17           (c) The notice required by this section shall be  
18 placed on or accompany any application or enrollment form  
19 provided to prospective insureds.

20           (d) As used in this section:

1           (i) "Direct response solicitation" means a  
2 solicitation through a sponsoring or endorsing entity by  
3 the mails, telephone or other mass communications media;  
4 and

5           (ii) "Sponsoring or endorsing entity" means an  
6 organization which has arranged for the offering of a pro-  
7 gram of insurance in a manner which communicates that eli-  
8 gibility for participation in the program is dependent  
9 upon affiliation with the organization or that it encour-  
10 ages participation in the program.

11           26-17-130. Continuation during disability.

12           (a) Where active employment is a condition of insur-  
13 ance, the group policy shall contain a provision that an  
14 insured may continue coverage during the insured's total  
15 disability as provided in this subsection by timely pay-  
16 ment to the policyholder of that portion, if any, of the  
17 premium that would have been required from the insured had  
18 total disability not occurred. The continuation shall be  
19 on a premium paying basis for a period not beyond the ear-  
20 lier of:

21           (i) Six (6) months from the date on which the  
22 total disability started;

1           (ii) Approval by the insurer of continuation of  
2 the coverage under any disability provision contained in  
3 the group insurance policy; or

4           (iii) The discontinuance of the group insurance  
5 policy.

6           Section 2. W.S. 26-17-101, 26-17-102(a) and  
7 (b)(i)(C), 26-17-103(a) introductory paragraph, (i),  
8 (ii)(D) and by creating a new subparagraph (E) and (vi)(D)  
9 and by creating a new subparagraph (E), 26-17-104(a)  
10 introductory paragraph, (i), (ii), (iv)(C) and (vii)  
11 through (ix), 26-17-105(a) introductory paragraph, (i) and  
12 (ii)(D), 26-17-106(a) introductory paragraph, (ii), (iii)  
13 and (v)(C), 26-17-108(a) introductory paragraph and (ii)  
14 and (iii), 26-17-109(a) introductory paragraph, (i) and  
15 (ii) introductory paragraph, 26-17-110(a) introductory  
16 paragraph and (i), 26-17-113, 26-17-116, 26-17-117,  
17 26-17-118(a) introductory paragraph, (ii) and (iii) and by  
18 creating a new subsection (b), 26-17-119(a) introductory  
19 paragraph and (i), 26-17-120 and 26-17-121 are amended to  
20 read:

21       26-17-101. Applicability of chapter; short title.  
22 This chapter applies only to group life insurance and

1    ~~employee-life-insurance~~ and is known and may be cited as  
2    the "Group Life Insurance Law".

3        26-17-102. Group contracts must meet group require-  
4    ments; inapplicability of section; old contracts saved.

5        (a) No life insurance policy shall be delivered or  
6    issued for delivery in this state insuring the lives of  
7    more than one (1) individual unless to one (1) of the  
8    groups specified in ~~W.S.-26-17-103-through-26-17-109~~ THIS  
9    CHAPTER and unless in compliance with the ~~other-applicable~~  
10   provisions of this chapter.

11        (b) Subsection (a) of this section does not apply to  
12   life insurance policies:

13            (i) Insuring only individuals:

14            (C) Otherwise having an insurable interest  
15   in each other's lives. ~~7-er~~

16        26-17-103. Employee groups.

17        (a) The lives of a group of individuals may be  
18   insured under a policy issued to an employer, or ~~to the~~  
19   trustees of a fund established OR ADOPTED by an employer,  
20   which employer or ~~trustees-are~~ TRUSTEE IS deemed the poli-

1     cyholder, ~~to--insure~~ INSURING THE EMPLOYER'S employees of  
2     ~~the-employer~~ for the benefit of persons other than the  
3     employer, subject to the following requirements:

4             (i) All ~~of-an-employer's~~ employees are-eligible  
5     ~~for-insurance-under-the-policy,~~ or all--of any classes  
6     CLASS of employees ~~determined-by-conditions-pertaining-to~~  
7     ~~their-employment~~ ARE ELIGIBLE FOR INSURANCE UNDER THE  
8     TERMS OF THE POLICY;

9             (ii) The policy may define "employees" to  
10    include:

11             (D) Retired OR FORMER employees;

12             (E) DIRECTORS OF A CORPORATE EMPLOYER.

13             (vi) Policy premiums shall be paid by the poli-  
14    cyholder subject to the following requirements:

15             ~~(A)--They--shall-be-paid,-either-wholly-from~~  
16     ~~the-employer's-funds-or-funds-he--contributes,-or--partly~~  
17     ~~from-these-funds-and-partly-from-funds-the-insured-employ-~~  
18     ~~ees-contribute,~~

19             (D) A--policy--on--which--no IF THE INSURED  
20    EMPLOYEE DOES NOT PAY ANY part of the premium ~~is--to--be~~

1     ~~derived--from--funds--the-insured-employees-contribute~~ FOR  
2     HIS INSURANCE, THE POLICY shall insure all eligible  
3     employees, ~~or-all~~ except those ~~not-presenting-evidence--of~~  
4     ~~individual--insurability--satisfactory-to-the-insurer-~~ WHO  
5     REJECT THE COVERAGE IN WRITING AND EXCEPT AS PROVIDED IN  
6     SUBPARAGRAPH (E) OF THIS PARAGRAPH;

7                     (E) AN INSURER MAY EXCLUDE OR LIMIT THE  
8     COVERAGE ON ANY PERSON IF EVIDENCE OF INDIVIDUAL INSUR-  
9     ABILITY DOES NOT SATISFY THE INSURER.

10           26-17-104. Debtor groups for benefit of creditor.

11           (a) The lives of a group of individuals may be  
12     insured under a policy issued to a creditor, ~~who~~ A  
13     CREDITOR'S PARENT HOLDING COMPANY OR A TRUSTEE OR AGENT  
14     DESIGNATED BY TWO (2) OR MORE CREDITORS, WHICH CREDITOR,  
15     HOLDING COMPANY, AFFILIATE, TRUSTEE OR AGENT is deemed the  
16     policyholder, to insure debtors of the creditor CONCERNING  
17     THEIR INDEBTEDNESS, subject to the following requirements:

18           (i) The ALL debtors OR ANY CLASS OF DEBTORS OF  
19     THE CREDITOR ARE eligible for insurance under the TERMS OF  
20     THE policy; ~~are-all-of-the-debtors-of-the--crediter--whose~~  
21     ~~indebtedness-is-repayable-either-in-installments-or-in-one~~  
22     ~~(1)-sum-at-the-end-of-a-period-not-exceeding-eighteen-(18)~~

1 months--from-the-initial-date-of-debt,-or-all-of-any-clas-  
2 ses-of-debtors-of-the-creditor--determined--by--conditions  
3 pertaining--to--the-indebtedness-or-to-the-purchase-giving  
4 rise-to-the-indebtedness;

5 (ii) The policy may define PROVIDE THAT THE TERM  
6 "debtors" to SHALL include:

7 (A) BORROWERS OF MONEY OR PURCHASERS OR  
8 LESSEES OF GOODS, SERVICES OR PROPERTY FOR WHICH PAYMENT  
9 IS ARRANGED THROUGH A CREDIT TRANSACTION;

10 (B) The debtors of one (1) or more subsid-  
11 iary corporations; and

12 (C) The debtors of one (1) or more affili-  
13 ated corporations, proprietors or partnerships if the  
14 business of the policyholder and of the affiliated corpo-  
15 rations, proprietors or partnerships is under common con-  
16 trol. through-stock-ownership,-contract-or-otherwise;

17 (iv) Policy premiums shall be paid by the poli-  
18 cyholder, subject to the following requirements:

19 (C) A-policy-on-which--no IF THE INSURED  
20 DEBTOR DOES NOT PAY ANY part of the premium is-to-be  
21 derived-from-the-collection-of--identifiable--charges FOR



1 HIS INSURANCE, THE POLICY shall insure all eligible debt-  
2 ors, ~~or-all~~ except those WHO REJECT THE COVERAGE IN WRIT-  
3 ING AND THOSE WHO DO not ~~presenting~~ PRESENT evidence of  
4 individual insurability satisfactory to the insurer.

5 (vii) The TOTAL amount of the insurance ~~on-the~~  
6 ~~life-of-any-debtor~~ PAYABLE FOR AN INDEBTEDNESS shall ~~at-no~~  
7 ~~time~~ NOT exceed the GREATER OF THE SCHEDULED OR ACTUAL  
8 amount of the unpaid indebtedness, ~~--and-if-the-indebtedness~~  
9 ~~is-repayable-in-one-(1)-sum~~ to the creditor, ~~the-insurance~~  
10 ~~on--the--life--of--any--debtor--shall-in-no-instance-be-in~~  
11 ~~effect-for-a-period-in-excess--of--eighteen--(18)--months,~~  
12 ~~except--that--the--insurance-may-be-continued-for-an-addi-~~  
13 ~~tional-period-not-exceeding-six-(6)-months-in-the-case--of~~  
14 ~~default,--extension--or--recasting-of-the-loan~~ EXCEPT THAT  
15 INSURANCE WRITTEN CONCERNING OPEN-END CREDIT HAVING A  
16 CREDIT LIMIT EXCEEDING TEN THOUSAND DOLLARS (\$10,000.00)  
17 MAY BE IN AN AMOUNT NOT EXCEEDING THE CREDIT LIMIT;

18 (viii) The insurance ~~is~~ MAY BE payable to the  
19 ~~policyholder,--and--the~~ CREDITOR OR ANY SUCCESSOR TO THE  
20 RIGHT, TITLE AND INTEREST OF THE CREDITOR. THE payment  
21 shall reduce or extinguish the unpaid indebtedness of the  
22 debtor to the extent of the payment AND ANY EXCESS OF THE  
23 INSURANCE IS PAYABLE TO THE INSURED OR THE ESTATE OF THE

1     INSURED;

2             (ix) Notwithstanding paragraphs (i) through  
3     (viii) of this subsection, insurance on agricultural  
4     credit transaction commitments ~~not-exceeding-two-(2)-years~~  
5     ~~in--duration~~ may be written up to the amount of the loan  
6     commitment on a nondecreasing or level term plan. ~~7--and~~  
7     Insurance on educational credit transaction commitments  
8     may be written up to the amount of the loan commitment  
9     less the amount of any repayments made on the loan.

10            26-17-105. Labor union groups.

11           (a) The lives of a group of individuals may be  
12     insured under a policy issued to a labor union, OR SIMILAR  
13     EMPLOYEE ORGANIZATION which UNION OR ORGANIZATION is  
14     deemed the policyholder, to insure members of the union OR  
15     ORGANIZATION for the benefit of persons other than the  
16     union OR ORGANIZATION or any of its officials, representa-  
17     tives or agents, subject to the following requirements:

18           (i) ~~The-members-eligible-for-insurance-under-the~~  
19     ~~policy--are~~ All of-the members OR ANY CLASS OF MEMBERS of  
20     the union ~~,--er-all-of-any-classes--thereof--determined--by~~  
21     ~~conditions--pertaining--to-their-employment,--er-to-member-~~  
22     ~~ship-in-the-union,--er-both~~ OR ORGANIZATION ARE ELIGIBLE

1 FOR INSURANCE UNDER THE TERMS OF THE POLICY;

2 (ii) Policy premiums shall be paid by the poli-  
3 cyholder, subject to the following requirements:

4 (D) ~~A-policy-on-which--no~~ IF THE INSURED  
5 MEMBER DOES NOT PAY ANY part of the premium ~~is-to-be~~  
6 ~~derived-from-funds-contributed-by-the-insured-members-spe-~~  
7 ~~cifically~~ for their HIS insurance, THE POLICY shall insure  
8 all eligible members, ~~or-all~~ except those WHO REJECT THE  
9 COVERAGE IN WRITING AND THOSE WHO DO not ~~presenting~~ PRES-  
10 ENT evidence of individual insurability satisfactory to  
11 the insurer.

12 26-17-106. Trustee groups.

13 (a) The lives of a group of individuals may be  
14 insured under a policy issued to A TRUST OR the trustees  
15 of a fund established OR ADOPTED by two (2) or more  
16 employers, ~~in-the-same-industry-or-in--related--industries~~  
17 ~~or~~ by one (1) or more labor unions OR SIMILAR EMPLOYEE  
18 ORGANIZATIONS, or by one (1) or more employers and one (1)  
19 or more labor unions OR SIMILAR EMPLOYEE ORGANIZATIONS,  
20 which TRUST OR trustees are deemed the policyholder, to  
21 insure employees of the employers or members of the unions  
22 OR ORGANIZATIONS, for the benefit of persons other than

1 the employers, ~~or-the~~ unions OR ORGANIZATIONS, subject to  
2 the following requirements:

3 (ii) ~~The-persons-eligible-for-insurance-are~~ All  
4 ~~of--the~~ employees of the employers, ~~or-all-of-the~~ members  
5 of the unions OR ORGANIZATIONS, or ~~all--of~~ any classes  
6 ~~thereof--determined--by--conditions--pertaining--to--their~~  
7 ~~employment,--or-to-membership-in~~ OF the unions, ~~or-to-both~~  
8 EMPLOYERS, UNION MEMBERS OR ORGANIZATION MEMBERS ARE ELI-  
9 GIBLE FOR INSURANCE UNDER THE TERMS OF THE POLICY;

10 (iii) The policy may define "employees" to  
11 include:

12 (A) Retired OR FORMER employees;

13 (B) The individual proprietor or partners,  
14 if an employer is an individual proprietor or a partner-  
15 ship; ~~7-except-that-no-individual-proprietor-or-partner-is~~  
16 ~~eligible-for-insurance--under--the--policy--unless--he--is~~  
17 ~~actively--engaged-in-and-devotes-a-substantial-part-of-his~~  
18 ~~time-to-the-conduct-of-the-proprietor-or-partnership-busi-~~  
19 ~~ness;~~

20 (C) The trustees, ~~or---their~~ TRUSTEES'  
21 employees, or both, if their duties are principally con-

1     nected with the trusteeship;-

2                     (D) EMPLOYEES OF ONE (1) OR MORE SUBSIDIARY  
3     CORPORATIONS AND THE EMPLOYEES, INDIVIDUAL PROPRIETORS AND  
4     PARTNERS OF ONE (1) OR MORE AFFILIATED CORPORATIONS,  
5     PROPRIETORSHIPS OR PARTNERSHIPS IF THE BUSINESS OF THE  
6     EMPLOYER AND OF THE AFFILIATED CORPORATIONS,  
7     PROPRIETORSHIPS OR PARTNERSHIPS IS UNDER COMMON CONTROL;

8                     (E) Directors of a corporate employer.

9                     (v) Policy premiums shall be paid by the  
10    trustees subject to the following requirements:

11                    ~~(A)---They-shall-be-paid---wholly---from---funds~~  
12    ~~contributed-by-the-employer-of-the-insured-persens,---er-by~~  
13    ~~the---union,---er---by---both---er---partly-from-these-funds-and~~  
14    ~~partly-from-funds-the-insured-persens-contribute,~~

15                    (C) ~~A-policy-on-which--no~~ IF THE COVERED  
16    PERSON DOES NOT PAY ANY part of the premium ~~is-to-be~~  
17    ~~derived-from-funds-the-insured-persens-contribute-specifi-~~  
18    ~~cally~~ for ~~their~~ HIS insurance, THE POLICY shall insure all  
19    eligible persons, ~~er-all~~ except those WHO REJECT THE COV-  
20    ERAGE IN WRITING AND THOSE WHO DO not ~~presenting~~ PRESENT  
21    evidence of individual insurability satisfactory to the

1 insurer.

2 26-17-108. Dependents' coverage.

3 (a) Insurance under any group life insurance policy  
4 issued pursuant to W.S. 26-17-103, and 26-17-105, through  
5 ~~26-17-107,--if--seventy-five--percent--(75%)--of--the--then~~  
6 ~~insured-employees-or-members-elect~~ 26-17-106, 26-17-109,  
7 26-17-127 OR 26-17-128 may be extended to insure the  
8 ~~dependents,-or-any-classes-of-dependents,-of-each--insured~~  
9 ~~employee--or-member-who-so-elects-in-amounts-in-accordance~~  
10 ~~with-a-plan-which-precludes-individual-selection-and-shall~~  
11 ~~not-exceed~~ EMPLOYEES OR MEMBERS OR ANY CLASS OF EMPLOYEES  
12 OR MEMBERS AGAINST LOSS DUE TO THE DEATH OF THEIR SPOUSES  
13 AND DEPENDENT CHILDREN:

14 ~~(i)--Fifty-percent-(50%)-of-the-insurance-on--the~~  
15 ~~life-of-the-employee-or-member,~~

16 (ii) ~~Two--thousand--dollars-(\$2,000.00)-upon-the~~  
17 ~~life-of-a-spouse~~ IF THE EMPLOYER OR MEMBER DOES NOT PAY  
18 ANY PART OF THE PREMIUM FOR THE SPOUSE'S OR DEPENDENT  
19 CHILD'S COVERAGE, THE POLICY SHALL INSURE ALL ELIGIBLE  
20 EMPLOYEES OR MEMBERS WITH RESPECT TO THEIR SPOUSES AND  
21 DEPENDENT CHILDREN OR ANY CLASS OF EMPLOYEES OR MEMBERS  
22 EXCEPT THAT AN INSURER MAY EXCLUDE OR LIMIT THE COVERAGE

1 ON ANY SPOUSE OR DEPENDENT CHILD IF EVIDENCE OF INDIVIDUAL  
2 INSURABILITY DOES NOT SATISFY THE INSURER;

3 (iii) ~~One-thousand-dollars-(\$1,000.00)-upon--the~~  
4 ~~life--of--a-child;~~ THE AMOUNT OF INSURANCE FOR ANY COVERED  
5 SPOUSE or DEPENDENT CHILD UNDER THE POLICY SHALL NOT  
6 EXCEED FIFTY PERCENT (50%) OF THE AMOUNT OF INSURANCE FOR  
7 WHICH THE EMPLOYEE OR MEMBER IS INSURED.

8 26-17-109. Credit union group.

9 (a) The lives of a group of individuals may be  
10 insured under a policy issued to a credit union OR A  
11 TRUSTEE OR AGENT DESIGNATED BY TWO (2) OR MORE CREDIT  
12 UNIONS, which ~~is~~ CREDIT UNION, TRUSTEE OR AGENT IS deemed  
13 the policyholder, to insure ~~eligible~~ members of the credit  
14 union for the benefit of persons other than the credit  
15 union, TRUSTEE, AGENT or ~~its~~ ANY OF THEIR officials, sub-  
16 ject to the following requirements:

17 (i) ~~The ALL members OR ALL OF ANY CLASS OF MEM-~~  
18 ~~BERS OF THE CREDIT UNION ARE eligible for insurance under~~  
19 ~~the TERMS OF THE policy; are-all-of--the--members--of--the~~  
20 ~~credit--union, or all-except-these-not-presenting-evidence~~  
21 ~~of-individual-insurability-satisfactory-to-the-insurer, or~~  
22 ~~all-of-any-classes-of-credit-union-members--determined--by~~

1     ~~conditions--pertaining--to--their-age-or-membership-in-the~~  
2     ~~credit-union,-or-beth,~~

3             (ii) Policy premiums shall be paid by the poli-  
4     cyholder,~~--subject-to-the-following-requirements:~~ FROM THE  
5     CREDIT UNION'S FUNDS AND SHALL INSURE ALL ELIGIBLE MEMBERS  
6     EXCEPT THAT AN INSURER MAY EXCLUDE OR LIMIT THE COVERAGE  
7     ON ANY MEMBER IF EVIDENCE OF INDIVIDUAL INSURABILITY DOES  
8     NOT SATISFY THE INSURER.

9             26-17-110. Provisions required in group contracts;  
10     exceptions.

11            (a) No group life insurance policy shall be delivered  
12     in this state unless it contains provisions conforming in  
13     substance to the provisions set forth in W.S. 26-17-110  
14     through 26-17-121 AND 26-17-130 or provisions which in the  
15     commissioner's opinion are more favorable to the persons  
16     insured, or at least as favorable to the persons insured  
17     and more favorable to the policyholder, except that:

18            (i) W.S. 26-17-116 through 26-17-120 AND  
19     26-17-130 do not apply to policies issued to a creditor to  
20     insure debtors of that creditor;

21            26-17-113. Application; statements are representa-



1     tions. A copy of the policyholder's application, if any,  
2     shall be attached to the policy when issued and is a part  
3     of the contract. Any statements the policyholder or the  
4     persons insured make are representations and not warran-  
5     ties, and no statement any person insured makes shall be  
6     used in any contest unless a copy of the instrument con-  
7     taining the statement is OR HAS BEEN furnished to the per-  
8     son or, IN THE EVENT OF DEATH OR INCAPACITY OF THE INSURED  
9     PERSON, to his beneficiary OR PERSONAL REPRESENTATIVE.

10         26-17-116. Payment of benefits.

11             (a) Any sum due by reason of the death of the person  
12     insured is payable to the beneficiary designated by the  
13     person insured, EXCEPT THAT IF THE POLICY REFERS TO FAMILY  
14     STATUS AND DOES NOT SPECIFY FAMILY MEMBERS BY NAME, THE  
15     BENEFICIARY MAY BE THE FAMILY MEMBER SPECIFIED BY STATUS  
16     IN THE POLICY, subject to:

17                 (i) The provisions of the policy AS TO ALL OR  
18     ANY PART OF THE SUM in case there is no designated benefi-  
19     ciary living at the time of the insured's death; and

20                 (ii) Any right the insurer reserved in the pol-  
21     icy and set forth in the certificate to pay at its option  
22     a part of the sum not exceeding ~~five-hundred~~ TWO THOUSAND

1     dollars ~~(\$500.00)~~ (\$2,000.00) to any person appearing to  
2     the insurer to be equitably entitled thereto by reason of  
3     having incurred funeral or other expenses incident to the  
4     last illness or death of the person insured.

5           26-17-117. Certificate of policyholders. The insurer  
6     shall issue to the policyholder for delivery to each per-  
7     son insured an individual certificate ~~setting--forth--a~~  
8     ~~statement--as--to~~ WITH STATEMENTS DESCRIBING the insurance  
9     protection to which he is entitled, to whom the insurance  
10    benefits are payable, ANY DEPENDENT'S COVERAGE INCLUDED IN  
11    THE CERTIFICATE, and the rights and conditions set forth  
12    in W.S. 26-17-118 through 26-17-120 AND 26-17-130.

13           26-17-118. Conversion on termination of eligibility.

14           (a) If the insurance, or any portion of it, on a per-  
15    son OR DEPENDENT OF A PERSON covered under the policy  
16    ceases because of termination of employment or of member-  
17    ship in any of the classes eligible for coverage under the  
18    policy, ~~the-person-is-entitled-to-have~~ the insurer SHALL  
19    OFFER TO issue to him, without evidence of insurability,  
20    an individual life insurance policy without disability or  
21    other supplementary benefits, provided:

22           (ii) The policy, at the person's option, shall

1 be on any one (1) of the forms, ~~--except--term--insurance,~~  
2 ~~then~~ customarily issued by the insurer at the age and for  
3 the amount applied for, EXCEPT THAT THE GROUP POLICY MAY  
4 EXCLUDE THE OPTION TO ELECT TERM INSURANCE;

5 (iii) The policy shall be in an amount not  
6 exceeding the amount of life insurance which ceases  
7 because of the termination less the amount of any life  
8 insurance for which the person is OR BECOMES eligible  
9 under the same or any group policy within thirty-one (31)  
10 days after the termination, provided that any amount of  
11 insurance which matures on or before the date of such ter-  
12 mination as an endowment payable to the person insured,  
13 whether in one (1) sum, in installments or in the form of  
14 an annuity, for the purposes of this provision, shall not  
15 be included in the amount which is considered to cease  
16 because of the termination; and

17 (b) SUBJECT TO THE CONDITIONS SET FORTH IN SUBSECTION  
18 (a) OF THIS SECTION, THE CONVERSION PRIVILEGE IS AVAIL-  
19 ABLE:

20 (i) TO A SURVIVING DEPENDENT, IF ANY, AT THE  
21 DEATH OF THE EMPLOYEE OR MEMBER CONCERNING THE COVERAGE  
22 UNDER THE GROUP POLICY WHICH TERMINATES BY REASON OF THE

1 DEATH; AND

2           (ii) TO THE DEPENDENT OF THE EMPLOYEE OR MEMBER  
3 UPON TERMINATION OF THE DEPENDENT'S COVERAGE IF THE  
4 EMPLOYEE OR MEMBER REMAINS INSURED UNDER THE GROUP POLICY  
5 AND IF THE DEPENDENT CEASES TO BE A QUALIFIED FAMILY MEM-  
6 BER UNDER THE GROUP POLICY.

7           26-17-119. Conversion on termination of policy.

8           (a) If the group policy terminates or is amended ~~so~~  
9 ~~as~~ to terminate the insurance of any class of insured per-  
10 sons, any person insured thereunder at the date of the  
11 termination whose insurance terminates, ~~and~~ INCLUDING THE  
12 INSURED DEPENDENT OF A COVERED PERSON, ~~who~~ WHICH INSURED  
13 OR INSURED DEPENDENT has been so insured for at least ~~five~~  
14 ~~{5}--years~~ ONE (1) YEAR prior to the termination date is  
15 entitled to have issued to him by the insurer an individ-  
16 ual life insurance policy, subject to the same conditions  
17 provided by W.S. 26-17-118, except that the group policy  
18 ~~may~~ SHALL provide that the amount of the individual policy  
19 ~~shall--not-exceed-the-smaller-of--{1}~~ IS the amount of the  
20 person's life insurance protection ceasing because of the  
21 termination or amendment of the group policy, less the  
22 amount of any life insurance for which he is OR BECOMES

1 eligible under any group policy issued or reinstated by  
2 the same or another insurer within thirty-one (31) days  
3 after the termination. and

4 ~~{ii}--Two-thousand-dollars-(\$2,000.00)-~~

5 26-17-120. Death pending conversion. If a person  
6 insured under the GROUP policy, OR THE INSURED DEPENDENT  
7 OF A COVERED PERSON, dies during the period within which  
8 he would have been entitled to have an individual policy  
9 issued to him in accordance with W.S. 26-17-118 or  
10 26-17-119 and before the individual policy is effective,  
11 the amount of life insurance to which he would have been  
12 entitled TO HAVE ISSUED under the individual policy is  
13 payable as a claim under the group policy, whether or not  
14 application for the individual policy or the payment of  
15 the first premium ~~therefor~~ has been made.

16 26-17-121. Information to debtor insured under  
17 creditor's policy. A policy issued to a creditor to insure  
18 debtors of the creditor shall contain a provision that the  
19 insurer shall furnish to the policyholder for delivery to  
20 each debtor insured under the policy a form which shall  
21 contain a statement that the life of the debtor is insured  
22 under the policy and that any death benefit paid thereun-

1 der by reason of his death shall FIRST be applied to  
2 reduce or extinguish an THE indebtedness.

3 Section 3. W.S. 26-17-102(b)(ii), 26-17-103(a)(iii),  
4 (iv), (vi)(A) through (C), (vii) and (viii),  
5 26-17-104(a)(iii), (iv)(A) and (B) and (v),  
6 26-17-105(a)(ii)(A) through (C), (iii) and (iv),  
7 26-17-106(a)(iv), (v)(A) and (B), (vi) and (vii),  
8 26-17-107, 26-17-108(a)(i) and (iv) and (b) through (d),  
9 26-17-109(a)(ii)(A) and (B), (iii) and (iv) and  
10 26-17-119(a)(ii) are repealed.

11 Section 4. This act shall apply to all group life  
12 insurance policies issued, renewed or reinstated after the  
13 effective date of this act.

14 Section 5. This act is effective July 1, 1990.

15 (END)

FISCAL NOTE

<u>Anticipated REVENUE to:</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL ESTIMATED REVENUE	_____	_____	_____

=====

<u>Anticipated COST to:</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL ESTIMATED COST	_____	_____	_____

=====

1. According to a spokesman for the Insurance Department, passage of this measure will have little or no fiscal impact.
2. No apparent fiscal or personnel impact at state level.

FEB 22 1990

SF0027SS1/A

✓ Page 25-line 14 After stricken "{5}" insert "THREE (3)";  
reinsert stricken "years"; delete "ONE (1)  
YEAR". SCOTT, CHAIRMAN



# THE LEGISLATURE OF THE STATE OF WYOMING

Senate

Cheyenne, .....February 20....., 1990...

Mr. President:

CORPORATIONS, ELECTIONS AND

Your Committee No. 7 ..... on ..... POLITICAL SUBDIVISIONS .....

to whom was referred SENATE FILE No. 0027 .....

respectfully reports same back to the Senaté with the recommendation that

it DO PASS with the following amendment:

Page 25-line 14 / Delete "ONE (1) YEAR" insert "THREE (3) YEARS".

AYES: Senators Scott, Burnett, Herbst, Maldonado and Sullivan

*Charles K. Scott*

Charles K. Scott,

Chairman

# THE LEGISLATURE OF THE STATE OF WYOMING

## House of Representatives

SF0027 HSI/ (tec)

Cheyenne, March 1, 1990

Mr. Speaker:

Your Committee No. 7 on CORPORATIONS, ELECTIONS & POLITICAL SUBDIVISIONS  
to whom was referred Senate File No. 0027 ENGROSSED  
respectfully reports same back to the House with the recommendation that IT

DO PASS with the following amendment:

Page 26 - line 11 Strike "to".

<u>AYES</u>	<u>NOES</u>	<u>ABSENT</u>	<u>EXCUSED</u>
Rep(s). Bebout	0	0	0
DeWitt			
Freudenthal			
Hinchey			
Miller			
Parker			
Perkins, D.			
Sullivan			
MacMillan			

Patti L. MacMillan

Chairman