

**SENATE FILE** 0019

AN ACT to create W.S. 26-34-144; to amend W.S. 26-1-102, 26-1-112, 26-2-111(c), 26-2-125(e), 26-3-126(c) and (d), 26-4-103(a), (b) introductory paragraph and (i), 26-7-123, 26-7-127(a) (i), 26-9-110(a) introductory paragraph and (ii), 26-9-113(d), 26-9-119(d), 26-9-125(c), 26-15-116 by creating a new subsection (b), 26-31-134, 26-34-116 by creating a new subsection (e), 26-34-134(g) (iii) (A), 26-39-101 through 26-39-103 and by renumbering as 9-1-513 through 9-1-515 and 35-2-117; to repeal and recreate W.S. 26-13-101 through 26-13-124 as 26-13-101 through 26-13-115; and to repeal W.S. 26-2-112(c), 26-3-129, 26-3-130, 26-3-131, 26-4-103(b) (ii) and (d), 26-12-101(b) (iv), 26-18-121, 26-34-126 through 26-34-131, 26-34-135 through 26-34-139, 26-34-143 and 26-37-101 through 26-37-116 relating to insurance; excluding extended warranties and service contracts from the definition of insurance as specified; making fraternal benefit societies subject to specified provisions of the insurance code; making the code applicable to specified farm mutual insurers; providing for notices by certified mail; clarifying certain provisions; providing for uniform taxation of domestic and foreign insurers; authorizing insurers to invest in their capital stock as specified; specifying certain provisions to be contained in group policies; making certain provisions of the code applicable to all insurers as specified; assigning prepaid funeral contract regulatory authority to the state examiner and increasing penalties therein; removing the prohibition against health care discounts; repealing provisions relating to report publication, countersigning, examination expense offset, coordination of benefits and Wyoming Insurance Guaranty Association; recodifying the trade practices and fraud provisions; granting rulemaking authority; providing penalties; and providing for an effective date.

**Introduced by:**

[illegible]

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

Second House  
\_\_\_\_ To Com No. \_\_\_\_\_  
\_\_\_\_ Stand Report Do \_\_\_\_ Amd \_\_\_\_ Not \_\_\_\_  
\_\_\_\_ Com Whole Do \_\_\_\_ Amd \_\_\_\_ Not \_\_\_\_  
\_\_\_\_ 2nd Reading Amd \_\_\_\_  
\_\_\_\_ 3rd Reading Amd \_\_\_\_ Pass \_\_\_\_ Fail \_\_\_\_

1983

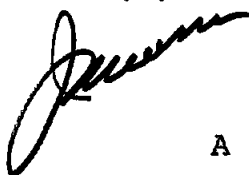
STATE OF WYOMING

83LSO-0193.01

SENATE FILE NO. 0019

Insurance code amendments.

Sponsored by: Senator(s) NORRIS



A BILL

for

1 AN ACT to create W.S. 26-34-144; to amend W.S. 26-1-102,  
2 26-1-112, 26-2-111(c), 26-2-125(e), 26-3-126(c) and (d),  
3 26-4-103(a), (b) introductory paragraph and (i), 26-7-123,  
4 26-7-127(a)(i), 26-9-110(a) introductory paragraph and  
5 (ii), 26-9-113(d), 26-9-119(d), 26-9-125(c), 26-15-116 by  
6 creating a new subsection (b), 26-31-134, 26-34-116 by  
7 creating a new subsection (e), 26-34-134(g)(iii)(A),  
8 26-39-101 through 26-39-103 and by renumbering as 9-1-513  
9 through 9-1-515 and 35-2-117; to repeal and recreate W.S.  
10 26-13-101 through 26-13-124 as 26-13-101 through  
11 26-13-115; and to repeal W.S. 26-2-112(c), 26-3-129,

1 26-3-130, 26-3-131, 26-4-103(b)(ii) and (d),  
2 26-12-101(b)(iv), 26-18-121, 26-34-126 through 26-34-131,  
3 26-34-135 through 26-34-139, 26-34-143 and 26-37-101  
4 through 26-37-116 relating to insurance; excluding  
5 extended warranties and service contracts from the  
6 definition of insurance as specified; making fraternal  
7 benefit societies subject to specified provisions of the  
8 insurance code; making the code applicable to specified  
9 farm mutual insurers; providing for notices by certified  
10 mail; clarifying certain provisions; providing for uniform  
11 taxation of domestic and foreign insurers; authorizing  
12 insurers to invest in their capital stock as specified;  
13 specifying certain provisions to be contained in group  
14 policies; making certain provisions of the code applicable  
15 to all insurers as specified; assigning prepaid funeral  
16 contract regulatory authority to the state examiner and  
17 increasing penalties therein; removing the prohibition  
18 against health care discounts; repealing provisions relat-  
19 ing to report publication, countersigning, examination  
20 expense offset, coordination of benefits and Wyoming  
21 Insurance Guaranty Association; recodifying the trade  
22 practices and fraud provisions; granting rulemaking  
23 authority; providing penalties; and providing for an  
24 effective date.

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

2             Section 1.   W.S. 26-34-144 is created to read:

3             26-34-144.   Other provisions applicable.

4             (a)   The following chapters and sections of this  
5     title apply to fraternal benefit societies to the extent  
6     they are applicable and not inconsistent with the express  
7     provisions of this chapter and the reasonable implications  
8     of the express provisions:

9                 (i)   Chapter 1;

10                (ii)   Chapter 2;

11                (iii)   Chapter 3, except W.S. 26-3-115;

12                (iv)   W.S. 26-6-101 through 26-6-105;

13                (v)   W.S. 26-6-108;

14                (vi)   W.S. 26-6-109;

15                (vii)   W.S. 26-6-112 through 26-6-116;

16                (viii)   Chapter 9;

17                (ix)   Chapter 13; and

1                   (x) Chapter 33.

2           (b) For the purposes of applying the chapters and  
3 sections specified in subsection (a) of this section, fra-  
4 ternal benefit societies shall be classified as mutual  
5 insurers.

6           Section 2. W.S. 26-1-102, 26-1-112, 26-2-111(c),  
7 26-2-125(e), 26-3-126(c) and (d), 26-4-103(a), (b) intro-  
8 ductory paragraph and (i), 26-7-123, 26-7-127(a)(i),  
9 26-9-110(a) introductory paragraph and (ii), 26-9-113(d),  
10 26-9-119(d), 26-9-125(c), 26-15-116 by creating a new sub-  
11 section (b), 26-31-134, 26-34-116 by creating a new sub-  
12 section (e), 26-34-134(g)(iii)(A), 26-39-101 through  
13 26-39-103 and by renumbering as 9-1-513 through 9-1-515  
14 and 35-2-117 are amended to read:

15           26-1-102. "Insurance" defined.

16           (a) Insurance ~~is~~ MEANS a contract ~~whereby~~ IN WHICH  
17 one undertakes to indemnify another against loss, damage,  
18 or liability arising from determinable hazards or  
19 fortuitous occurrences or to pay or allow a specified  
20 amount or determinable benefit in connection with ascer-  
21 tainable risk contingencies, ~~+~~ EXCEPT THAT INSURANCE DOES  
22 NOT MEAN OR INCLUDE EXTENDED WARRANTIES OR SERVICE CON-

1     TRACTS MEETING THE FOLLOWING CRITERIA, UNLESS MARKETING BY  
2     AN INSURER, IN WHICH CASE THE EXTENDED WARRANTIES OR  
3     SERVICE CONTRACTS ARE CONSIDERED CONTRACTS OF INSURANCE:

4            (i) THE INDEMNITY CANNOT BE SATISFIED BY PAY-  
5     MENT OF MONIES EXCEPT AS PROVIDED IN PARAGRAPH (v) OF THIS  
6     SUBSECTION;

7            (ii) IF A RISK IS ACCEPTED UNDER AN EXTENDED  
8     WARRANTY OR SERVICE CONTRACT, THE RISK UNDER THAT CONTRACT  
9     MUST BE BORNE BY THE WARRANTOR OR THE SERVICE CONTRACTOR,  
10    AND A TRANSFER OF THE RISK IS PROHIBITED, EXCEPT THIS  
11    LIMITATION DOES NOT APPLY TO INSURANCE PURCHASED BY THE  
12    WARRANTOR, SEPARATE AND APART FROM THE WARRANTY;

13           (iii) THE CONTRACT SHALL BE A BILATERAL CON-  
14    TRACT BETWEEN THE WARRANTOR OR THE SERVICE CONTRACTOR AND  
15    THE CONSUMER, AND THE WARRANTOR OR SERVICE CONTRACTOR  
16    SHALL BE CAPABLE OF PERFORMING THE CONTRACTED SERVICE;

17           (iv) THE WARRANTOR OR SERVICE CONTRACTOR ALONE  
18    IS OBLIGATED TO PROVIDE THE NECESSARY REPAIRS OR STIPU-  
19    LATED SERVICES;

20           (v) IF THE PRODUCT CANNOT BE RETURNED TO THE  
21    WARRANTOR OR SERVICE CONTRACTOR FOR SERVICE, IT IS  
22    PERMISSIBLE FOR AN AGENT TO BE APPOINTED TO PERFORM THE

1 REPAIR OR SERVICE AS APPROPRIATE, AND THE WARRANTOR SHALL  
2 PAY FOR THE REPAIR OR SERVICE;

3 (vi) THE DEALER SHALL ENTER INTO THE SERVICE  
4 CONTRACT CONTEMPORANEOUSLY WITH THE CONTRACT OR SALE OF  
5 THE PRODUCT TO THE PURCHASER SO THAT THE "SERVICE  
6 AGREEMENT" OR WARRANTY IS INCIDENTAL TO AND COLLATERAL TO  
7 THE CONTRACT OF SALE OF THE PRODUCT.

8 26-1-112. Code inapplicable to farm mutual property  
9 insurers and fraternal benefit societies; exceptions.

10 (a) ~~No-provision-of~~ This code shall DOES NOT apply  
11 ~~with-respect~~ to:

12 (i) Farm mutual property insurers ~~(domestic)~~  
13 as identified in chapter 27 31 OF THIS TITLE AND WHO HELD  
14 A VALID CERTIFICATE OF AUTHORITY IN THIS STATE PRIOR TO  
15 JULY 1, 1982, except as stated in THAT chapter; ~~27--(farm~~  
16 ~~mutual-property-insurers);~~

17 (ii) Fraternal benefit societies as identified  
18 in chapter ~~30~~ 34 OF THIS TITLE, except as stated in THAT  
19 chapter. ~~30--(fraternal--benefit-societies);~~

20 26-2-111. Orders and notices of commissioner.

21 (c) Except as may be provided as to particular

1 procedures, an order or notice may be given by delivery to  
2 the person to be ordered or notified or by mailing it BY  
3 CERTIFIED MAIL, postage prepaid, addressed to him at his  
4 principal place of business or residence as last of record  
5 in the department. ~~Such~~ THE order or notice ~~shall-be~~ IS  
6 deemed to have been given when so mailed.

7 26-2-125. Commissioner's hearings generally.

8 (e) If the commissioner finds that the request is  
9 made in good faith, that the person would be ~~se~~ aggrieved  
10 if his grounds are established and that ~~such~~ THE grounds  
11 otherwise justify the hearing, he shall hold the hearing  
12 within thirty (30) days after filing of the request,  
13 unless postponed by mutual consent OR BY GOOD CAUSE SHOWN  
14 BY EITHER PARTY. Failure to hold the hearing upon request  
15 of a person entitled thereto as ~~hereinaabove~~ provided ~~shall~~  
16 ~~constitute~~ IN THIS SECTION CONSTITUTES a denial of the  
17 relief sought, and ~~shall-be~~ IS the equivalent of a final  
18 order of the commissioner for the purpose of an appeal  
19 under ~~section-26-1-45~~ W.S. 26-2-129.

20 26-3-126. Same; service generally.

21 (c) Upon ~~such~~ service the commissioner shall ~~forth-~~  
22 ~~with~~ IMMEDIATELY mail by ~~registered~~ CERTIFIED mail one (1)



1 of the copies of ~~such~~ THE process to the person currently  
2 designated by the insurer to receive the ~~same~~ PROCESS as  
3 provided in ~~section-26-1-70-(d)~~ W.S. 26-3-125(d).

4 (d) ~~Such~~ Service of process is sufficient, if:

5 (i) Notice of ~~such~~ THAT service and a copy of  
6 the process are sent within ten (10) days ~~thereafter~~ FROM  
7 THE DATE OF SERVICE by ~~registered~~ CERTIFIED mail by plain-  
8 tiff or his attorney to the defendant insurer at its last  
9 known principal place of business in the United States; and  
10 ~~and~~

11 (ii) The ~~defendant's-----receipt~~ DEFENDANT  
12 RECEIVES or ~~receipt-issued-by~~ the post office with which  
13 the letter is ~~registered~~ CERTIFIED ISSUES A RECEIPT, show-  
14 ing the name of the sender of the letter and the name and  
15 address of the person to whom the letter is addressed; and  
16 ~~and~~

17 (iii) The affidavit of the plaintiff or his  
18 attorney showing a compliance ~~herewith~~ WITH THIS SECTION  
19 are filed with the clerk of the court in which ~~such~~ THE  
20 action is pending, on or before the date the defendant is  
21 required to appear, or within such further time as the  
22 court ~~may-allow~~ ALLOWS.

1           26-4-103. Premium taxes; generally.

2           (a) Each authorized ~~insurer~~ and each formerly  
3 authorized insurer shall file with the commissioner on or  
4 before March 1 each year, OR WITHIN ANY EXTENDED PERIOD  
5 THE COMMISSIONER GRANTS, NOT TO EXCEED THIRTY (30) DAYS, a  
6 report in A form ~~as-prescribed-by~~ the commissioner PRE-  
7 SCRIBES showing, ~~except with-respect-to~~ FOR wet marine and  
8 transportation insurance as defined in ~~section-26-1-89~~  
9 W.S. 26-5-107, total direct premium income including  
10 policy, membership and other fees, and all other consider-  
11 ations for insurance and annuity contracts, ~~whether~~ HOW-  
12 EVER designated, ~~as-premium-or-otherwise,-and-in--whatever~~  
13 ~~form--received--by~~ it RECEIVED during the ~~next~~ IMMEDIATELY  
14 preceding calendar year ~~on-accoun~~ BECAUSE of policies and  
15 contracts covering property, subjects, or risks located,  
16 resident, or to be performed in this state. ~~with-proper~~  
17 ~~proportionate--allocation--of~~ THE TOTAL DIRECT PREMIUM  
18 INCOME REPORTED SHALL INCLUDE THE ACTUAL TOTAL premiums or  
19 consideration ~~as-to-such~~ PAID FOR persons, property, sub-  
20 jects, or risks in this state insured or covered under  
21 policies or contracts covering persons, property, sub-  
22 jects, or risks located or resident in more than one (1)  
23 state, AND SHALL BE COMPUTED after deducting: ~~from-such~~

1     ~~total-direct-premium-income~~

2             (i)   The amount of return premiums on cancelled  
3 policies, but not including the return of cash surrender  
4 values on life policies or annuity contracts; i 7

5             (ii)   The amount returned to policyholders as  
6 current dividends; i 7 and

7             (iii) ~~As to domestic~~ title insurers, that por-  
8 tion of the premium chargeable to title search and exami-  
9 nation services as reasonably determined by the commis-  
10 sioner. ~~For good cause shown by the insurer, the commis-~~  
11 ~~sioner may, in his discretion, extend for not over thirty~~  
12 ~~(30) days the period within which such report shall be~~  
13 ~~filed.~~

14            (b)   Coincidentally with the filing of such THE  
15 report each such insurer shall pay to the state treasurer  
16 through the commissioner, for the privilege of transacting  
17 business in this state, a tax upon such net premiums and  
18 net considerations, ~~such tax~~ to be computed ~~thereon~~ at the  
19 following rates:

20             (i)   ~~As to foreign and alien insurers, the rate~~  
21 ~~of tax shall be~~ Two and one-half percent (2 1/2%), except  
22 as to annuity considerations, and except as provided in

1 ~~section-26-1-81~~ W.S. 26-4-104;

2 26-7-123. Same; time limit for disposal.

3 (a) Except as stated in subsection ~~(e)~~ (b) of this  
4 section, the insurer shall dispose of real property  
5 acquired under ~~subdivision-(a)-of--section--26-1-131~~ W.S.  
6 26-7-122(a)(i) within five (5) years after it has ~~ceased~~  
7 CEASES to be necessary ~~for-the-convenient-accommodation-of~~  
8 TO the insurer in the transaction of its business.---~~(b)~~  
9 ~~Except--as--stated--in-subsection-(e)-of-this-section,~~ the  
10 ~~insurer-shall-dispose-of~~ AND real property acquired under  
11 ~~subdivisions--(b),--(c),--and-(d)-of-section-26-1-131~~ W.S.  
12 26-7-122(a)(ii), (iii) AND (iv) within five (5) years  
13 after the date of acquisition.

14 ~~(e)~~(b) Upon proof satisfactory ~~to-him~~ PROOF that the  
15 INSURER'S interests ~~of-the-insurer~~ will suffer materially  
16 by the forced sale ~~thereof~~ OF REAL PROPERTY, the commis-  
17 sioner, ~~may~~ by order, MAY grant a reasonable extension of  
18 the period, ~~as-specified-in-such-order,~~ within which the  
19 insurer shall dispose of any particular parcel of ~~sueh~~  
20 real property, ~~+~~ unless the insurer elects to hold ~~sueh~~  
21 THE real property as an investment for income purposes  
22 under ~~subdivision-(f)-of-section-131~~ W.S. 26-7-122(a)(vi),  
23 in which event CASE thereafter ~~sueh~~ THE real property

1     ~~shall--be~~ IS deemed to have been acquired at a cost equal  
2     to its book value at the time of ~~sueh~~ THE election and to  
3     be held under, and subject to, ~~the provisions of sueh sub-~~  
4     ~~division-(f)~~ THAT PARAGRAPH.

5             26-7-127. Prohibited investments; securities under-  
6     writing prohibited.

7             (a) In addition to investments excluded pursuant to  
8     other provisions of this code, an insurer shall not invest  
9     in or lend its funds upon the security of:

10            (i) Issued shares of its own capital stock,  
11     ~~except-for-the--purpose--of--mutualization--under--section~~  
12     ~~26-1-508~~ IF THE ACQUISITION COST PER SHARE EXCEEDS AN  
13     AMOUNT DETERMINED BY DIVIDING THE SUM OF THE INSURER'S  
14     CAPITAL AND SURPLUS AS DETERMINED IN ACCORDANCE WITH THIS  
15     CODE BY THE NUMBER OF OUTSTANDING SHARES OF THE INSURER'S  
16     STOCK;

17            26-9-110. Exceptions to license requirements.

18            (a) The definition of agent, solicitor or service  
19     representative ~~shall~~ DOES not ~~be-deemed-to~~ include:

20            (ii) The ~~supervising~~ managing general agent,  
21     supervising general agent, or other salaried supervising

1 officer of an insurer who solicits only with duly licensed  
2 resident agents of the insurer;

3 26-9-113. Residence requirement; reciprocity.

4 (d) Notwithstanding subsection (a) of this section,  
5 the commissioner may negotiate and enter into reciprocal  
6 arrangements with the insurance supervisory official of  
7 any other state or province under which the residence  
8 requirement of this section will be waived in favor of  
9 residents of the other state or province who are licensed  
10 therein as agents ~~as-to-life-and-disability-insurances~~ if  
11 ~~like~~ SIMILAR privileges in the other state or province are  
12 granted to resident licensed agents ~~as-to-life-and-dis-~~  
13 ~~ability-insurance,~~ of this state. A reciprocal arrange-  
14 ment may provide for the written examination required for  
15 the license under this chapter, may provide for a credit  
16 and investigation report relative to the resident of the  
17 other state or province, as provided in W.S. 26-9-115(j)  
18 and may provide that every applicant from the other state  
19 or province shall file with the application for license,  
20 and thereafter maintain in force while licensed, a bond in  
21 favor of the people of the state of Wyoming executed by an  
22 authorized surety insurer in such form, amount and condi-  
23 tions as ~~may-be-provided-for-in~~ the reciprocal agreement

1 PROVIDES. As part of any arrangement the commissioner  
2 ~~shall-be-constituted-as~~ IS the attorney-in-fact of any  
3 nonresident for acceptance of service of process in any  
4 action or proceeding in this state arising out of or  
5 related to the transactions of the licensee in this state,  
6 with the same effect as though served upon the licensee  
7 personally in this state, and any license to any nonresi-  
8 dent ~~shall-be~~ IS subject to this condition.

9 26-9-119. Conduct of examinations.

10 (d) Applicants must earn a grade of not less than  
11 ~~seventy-five-(75)~~ SEVENTY (70), based upon an examination  
12 evaluation scale running from zero (0) to one hundred  
13 (100), in order to pass the examination.

14 26-9-125. Continuation and expiration of licenses.

15 (c) The license of an agent shall continue in force  
16 as long as there is in effect as to ~~such~~ THAT licensee, as  
17 shown by the commissioner's records, an appointment ~~or~~  
18 ~~appointments~~ as agent of authorized insurers covering  
19 collectively all of the kinds of insurance or classifi-  
20 cations ~~thereof~~ included in the agent's license. Upon  
21 termination ~~of-all~~ of the licensee's agency ~~appointments~~  
22 APPOINTMENT as to a particular kind ~~of-insurance~~ or clas-

1      sification ~~thereof~~ OF INSURANCE and failure to replace  
2      ~~such~~ THE appointment within sixty (60) days thereafter,  
3      the license ~~shall-thereupon-expire--and--terminate~~ TERMI-  
4      NATES as to ~~such~~ THAT kind or classification of insurance  
5      and the licensee shall promptly deliver his license to the  
6      commissioner for reissuance, without fee or charge, as to  
7      the kinds of insurance or classifications thereof, if any,  
8      covered by the licensee's remaining agency appointments.  
9      Upon termination of all of the licensee's agency appoint-  
10     ments AND FAILURE TO REPLACE ANY APPOINTMENT WITHIN SIXTY  
11     (60) DAYS THEREAFTER, the license ~~shall--forthwith--termi-~~  
12     ~~nate~~ IMMEDIATELY TERMINATES.

13            26-15-116. Additional policy contents.

14            (b) ANY GROUP INSURANCE POLICY SHALL CONTAIN PROVI-  
15     SIONS THAT:

16                    (i) THE INSURER SHALL ISSUE TO THE POLICY-  
17     HOLDER FOR DELIVERY TO EACH PERSON INSURED AN INDIVIDUAL  
18     CERTIFICATE OR OTHER DOCUMENT SETTING FORTH THE INSURANCE  
19     PROTECTION TO WHICH HE IS ENTITLED, TO WHOM THE INSURANCE  
20     BENEFITS ARE PAYABLE AND THE RIGHTS AND CONDITIONS PRO-  
21     VIDED UNDER THIS CODE FOR THE TYPE OF INSURANCE INVOLVED;  
22     AND



1           (ii) ANY DISCREPANCIES BETWEEN THE CERTIFICATE  
2 OR OTHER DOCUMENT ISSUED TO EACH PERSON INSURED AND THE  
3 POLICY ISSUED TO THE POLICYHOLDER SHALL BE RESOLVED IN  
4 FAVOR OF THE INDIVIDUAL INSURED.

5           26-31-134. Other provisions applicable.

6           (a) The following chapters and sections of this  
7 title ~~also shall~~ apply as to farm mutual insurers to the  
8 extent ~~so~~ applicable and not inconsistent with the express  
9 provisions of this chapter and the reasonable implications  
10 of ~~such~~ THOSE express provisions:

11           (i) Chapter 1; ~~{scope-of-code}~~;

12           (ii) Chapter 2; ~~{the-insurance-commissioner}~~;

13           (iii) CHAPTER 6;

14           (iv) CHAPTER 7;

15           ~~{iii}~~(v) Chapter 13; ~~{trade--practices---and~~  
16 ~~frauds}~~;

17           ~~{iv}~~(vi) The following sections of chapter 25  
18 ~~{organization-and-corporate-procedures--of--legal--reserve~~  
19 ~~stock-and-mutual-insurers}~~ 29:

20           (A) ~~Section--26-1-484--{notice-of-change~~

1 ~~of-directors,-officers}~~ W.S. 26-29-122;

2 (B) ~~Section-----26-1-490-----{prohibited~~  
3 ~~pecuniary-interests}~~ W.S. 26-29-128;

4 (C) ~~Section---26-1-493---{vouchers---for~~  
5 ~~expenditures}~~ W.S. 26-29-131;

6 ~~{D}--Section-26-1-512--{merger,-consoli-~~  
7 ~~dation-of-mutual-insurers)}~~

8 ~~{E}--Section-26-1-513-{bulk-reinsurance)}~~

9 ~~{F}{D)~~ Section-26-1-514-{mutual-member's  
10 share--of--assets--on--liquidation} W.S. 26-29-150 THROUGH  
11 26-29-152.

12 ~~{v}{vii)~~ Chapter 29---~~{rehabilitation----and~~  
13 ~~liquidation}~~ 33.

14 26-34-116. Nonforfeiture benefits, cash surrender  
15 values, certificate loans and other options.

16 (e) AS TO CERTIFICATES ISSUED ON AND AFTER JANUARY  
17 1, 1985, EACH PAID UP NONFORFEITURE BENEFIT AND THE AMOUNT  
18 OF ANY CASH SURRENDER VALUE, LOAN OR OTHER OPTION GRANTED  
19 SHALL NOT BE LESS THAN THE CORRESPONDING AMOUNT ASCER-  
20 TAINED IN ACCORDANCE WITH THE PROVISIONS OF W.S.

1     26-16-127(k).

2             26-34-134. Reports, annual statement and valuations.

3             (g)   (iii) The minimum standard of valuation for  
4 certificates issued after the effective date of this  
5 chapter shall be three and one-half percent (3 1/2%)  
6 interest and the following tables:

7                     (A) For Certificates of Life Insurance.  
8     - American men ultimate table of mortality, with  
9 Bowerman's or Davis' extension thereof or with the consent  
10 of the commissioner, the ~~seemissioners~~ COMMISSIONER'S 1941  
11 standard ordinary mortality table, the ~~seemissioners~~  
12 COMMISSIONER'S 1941 standard industrial mortality table or  
13 the ~~seemissioners~~ COMMISSIONER'S 1958 standard ordinary  
14 mortality table, using actual age of the insured for male  
15 risks and an age not more than three (3) years younger  
16 than the actual age of the insured for female risks, OR  
17 FOR POLICIES ISSUED ON OR AFTER THE OPERATIVE DATE OF W.S.  
18 26-16-127(k) THE COMMISSIONER'S 1980 STANDARD ORDINARY  
19 MORTALITY TABLE WITH TEN (10) YEAR SELECT MORTALITY FAC-  
20 TORS;

21             26-39-101-9-1-513. Supervision and audit of funds;  
22 approval of investment; promulgation of rules and regula-

1     tions.

2           (a)   ~~the insurance-department-of-the-state-of-Wyoming~~  
3     STATE EXAMINER shall supervise REGULATE and audit OR  
4     REQUIRE AN AUDIT BY AN INDEPENDENT CERTIFIED ACCOUNTING  
5     FIRM, AT NO EXPENSE TO THE STATE OF WYOMING, OF the funds  
6     derived by any person, partnership, association, company  
7     or corporation, either residing in or doing business  
8     within the state, from prepaid or prearranged funeral con-  
9     tracts providing for the sale of caskets, burial vaults,  
10    monuments or memorials or any burial supplies and equip-  
11    ment and funeral services, ~~or-any-one-(1)-or-combination~~  
12    ~~of-them,--when-such~~ IF THE sale is made, either outright or  
13    on the installment basis, prior to the demise of the  
14    person ~~or-persons--so~~ purchasing them or for whom they are  
15    purchased, ~~+-said~~ WITH THE merchandise or ~~combination--of~~  
16    ~~each,--any--or--all--of--which~~ SERVICE, OR BOTH, to be  
17    delivered at a future date at time of need. All funds  
18    received from ~~such~~ THESE contracts or arrangements ~~either~~  
19    ~~directly-or-indirectly~~ by any individual, partnership,  
20    association, company or corporation either residing in or  
21    doing business within this state shall be received,  
22    invested and withdrawn according to requirements ~~approved~~  
23    by the ~~insurance--department~~ STATE EXAMINER APPROVES.  
24    Investment in a TRUST IN A bank, trust company or TRUST IN

1 A federal building and loan association in Wyoming shall  
2 ~~be construed to be~~ IS an approved investment.

3 (b) The ~~insurance commissioner~~ STATE EXAMINER shall  
4 promulgate rules and regulations for the purposes speci-  
5 fied in subsection (a) of this section to include regula-  
6 tion of contract provisions and funds thereunder.

7 26-39-102-9-1-514. Exemption from attachment or gar-  
8 nishment. In the absence of fraud no interest of any par-  
9 ticipant in such fund, contract or investment ~~shall be~~ IS  
10 liable to attachment, garnishment, or other processes, or  
11 shall be seized, taken, appropriated or applied by any  
12 legal or equitable process or operation of law to pay any  
13 debt or liability of the participant, or any other person  
14 who may have a right thereunder. Any ~~and--all~~ funds  
15 received and invested as stipulated in ~~this--act~~, W.S.  
16 9-1-513 AND THIS SECTION shall be as a trust and ~~shall~~ ARE  
17 not be liable to attachment, garnishment, or other  
18 processes, nor shall THEY be seized, taken or appropriated  
19 or applied by any legal or equitable processes or oper-  
20 ation of law to pay any debt or liability of the person,  
21 partnership, association, company or corporation issuing  
22 such prepaid ~~and/or~~ OR prearranged funeral contract, OR  
23 BOTH.

1           ~~26-39-103-9-1-515.~~ Penalty. Any ~~and-every--violation~~  
2    of PERSON VIOLATING any of the provisions of ~~this-act~~ W.S.  
3    ~~9-1-513~~ OR ~~9-1-514~~ is GUILTY OF a ~~misdemeanor~~ FELONY, and  
4    upon conviction thereof, ~~the-person, partnership, associa-~~  
5    ~~tion, company or corporation so convicted~~ shall be pun-  
6    ished by a fine of not more than ~~five-hundred~~ TEN THOUSAND  
7    dollars ~~(\$500.00)~~ (\$10,000.00) or BY imprisonment for not  
8    more than ~~six-(6)-months~~ TEN (10) YEARS, or both. ~~7--in-the~~  
9    ~~discretion-of-the-court.~~

10           35-2-117. Same; cost containment. ~~No--tax--supported~~  
11    ~~county--memorial~~ ANY hospital, ~~hospital-district, state~~  
12    ~~hospital,~~ nursing home or other health care facility  
13    ~~shall, by contract or otherwise, in any manner give, grant~~  
14    ~~or--allow--any--form--of--discount-credit, rebate or other~~  
15    ~~related concept concerning medical or health care expenses~~  
16    MAY NEGOTIATE AND ENTER INTO CONTRACTS WITH ANY INSURER  
17    WHICH WILL directly or indirectly ~~to-any-person-as-defined~~  
18    ~~by-W.S.-35-97-18,~~ REDUCE THE COSTS TO THE INSURED OF THAT  
19    INSURER OF MEDICAL SERVICES PROVIDED BY THE HEALTH CARE  
20    FACILITY, PROVIDED THAT NO COST CONTAINMENT CONTRACT SHALL  
21    ESTABLISH THE AMOUNT OF ANY COST REDUCTION IN EXCESS OF  
22    THE SAVINGS REASONABLY REALIZED BY THE HEALTH CARE FACIL-  
23    ITY BECAUSE OF THE COST CONTAINMENT CONTRACT.

1           Section 3. W.S. 26-13-101 through 26-13-124 are  
2   repealed and recreated as 26-13-101 through 26-13-115 to  
3   read:

4                           CHAPTER 13

5                           UNFAIR TRADE PRACTICES

6           26-13-101. Unfair methods of competition and unfair  
7   or deceptive acts or practices prohibited. No person shall  
8   engage in this state in any trade practice defined in this  
9   act or as determined under W.S. 26-13-105 to be an unfair  
10   method of competition or an unfair or deceptive act or  
11   practice in the business of insurance.

12           26-13-102. Unfair methods of competition and unfair  
13   or deceptive acts or practices defined.

14           (a) The following are unfair methods of competition  
15   and unfair or deceptive acts or practices in the business  
16   of insurance:

17                   (i) Making, issuing, circulating or causing to  
18   be made, issued or circulated, any estimate, illustra-  
19   tions, circular or statement, sales presentation, omission  
20   or comparison which:

1                   (A) Misrepresents the benefits, advan-  
2     tages, conditions or terms of any insurance policy;

3                   (B) Misrepresents the dividends or share  
4     of the surplus to be received on any insurance policy;

5                   (C) Makes any false or misleading state-  
6     ments as to the dividends or share of surplus previously  
7     paid on any insurance policy;

8                   (D) Is misleading or is a misrepresen-  
9     tation as to the financial condition of any person, or as  
10    to the legal reserve system upon which any life insurer  
11    operates;

12                  (E) Uses any name or title of any insur-  
13    ance policy or class of insurance policies misrepresenting  
14    its true nature;

15                  (F) Is a misrepresentation for the pur-  
16    pose of inducing or tending to induce to lapse, forfei-  
17    ture, exchange, conversion or surrender of any insurance  
18    policy;

19                  (G) Is a misrepresentation for the pur-  
20    pose of effecting a pledge or assignment of or effecting a  
21    loan against any insurance policy; or



1                   (H) Misrepresents any insurance policy  
2 as being shares of stock.

3                   (ii) Placing before the public any type of  
4 advertisement or notice containing any statement with  
5 respect to the business of insurance or any person in the  
6 conduct of his insurance business which is untrue,  
7 deceptive or misleading;

8                   (iii) Making, publishing or disseminating any  
9 oral or written statement which is false or maliciously  
10 critical of the financial condition of any person, and  
11 which is calculated to injure the person;

12                   (iv) Entering into any agreement to commit, or  
13 by any concerted action committing any act of boycott,  
14 coercion or intimidation resulting in or tending to result  
15 in unreasonable restraint of, or monopoly in, the business  
16 of insurance;

17                   (v) Knowingly filing with any supervisory or  
18 other public official, or knowingly making, publishing,  
19 disseminating or placing before the public any false mate-  
20 rial statement of fact as to the financial condition of a  
21 person or knowingly making any false entry of a material  
22 fact in any book, report or statement of any person or

1 knowingly omitting to make a true entry of any material  
2 fact pertaining to the business of the person in any book,  
3 report or statement of that person;

4 (vi) Issuing or delivering or permitting  
5 agents, officers or employees to issue or deliver agency  
6 company stock or other capital stock, benefit certificates  
7 or shares in any common law corporation, securities or any  
8 special or advisory board contracts or any other contract  
9 promising returns and profits as an inducement to insur-  
10 ance;

11 (vii) Unfair discrimination as follows:

12 (A) Making or permitting any unfair dis-  
13 crimination between individuals of the same class and  
14 equal expectation of life in the rates charged for any  
15 contract of life insurance or life annuity or in the divi-  
16 dends or other benefits payable thereon, or in any other  
17 of the terms and conditions of the contract;

18 (B) Making or permitting any unfair dis-  
19 crimination between individuals of the same class and of  
20 essentially the same hazard in the amount of premium,  
21 policy fees or rates charged for any policy or contract of  
22 accident or health insurance or in the benefits payable

1     thereunder, or in any of the terms or conditions of the  
2     contract, or in any other manner; or

3                     (C) If a disability insurance contract  
4     provides for payment or reimbursement for services which  
5     may be legally performed by a person licensed in this  
6     state for the practice of dentistry, payment or reimburse-  
7     ment shall not be denied solely for the reason that these  
8     services are rendered by a person licensed to practice  
9     dentistry.

10                    (viii) Rebates as follows:

11                    (A) Except as provided by law, knowingly  
12     permitting or offering to make or making any contract of  
13     life insurance, life annuity or accident and health insur-  
14     ance, or agreement as to a contract other than as plainly  
15     expressed in the insurance contract issued thereon,  
16     paying, giving or offering to pay or give, as inducement  
17     to the insurance or annuity, any rebate of premiums pay-  
18     able on the contract, or any special favor or advantage in  
19     the dividends or other benefits thereon, or any valuable  
20     consideration or inducement whatever not specified in the  
21     contract;

22                    (B) Giving, selling, purchasing or

1 offering to give, sell or purchase as inducement to the  
2 insurance contract or annuity or in connection therewith,  
3 any stocks, bonds or other securities of any insurance  
4 company or other corporation, association or partnership,  
5 or any dividends or profits accrued thereon or anything of  
6 value whatsoever not specified in the contract.

7 (ix) Nothing in paragraphs (vii) or (viii) of  
8 this subsection shall be construed as including within the  
9 definition of discrimination or rebates any of the follow-  
10 ing practices:

11 (A) In the case of any contract of life  
12 insurance or life annuity, paying bonuses to policyholders  
13 or otherwise abating their premiums in whole or in part  
14 out of surplus accumulated from nonparticipating insur-  
15 ance, providing that any bonuses or abatement of premiums  
16 shall be fair and equitable to policyholders and for the  
17 best interests of the company and its policyholders;

18 (B) In the case of life insurance poli-  
19 cies issued on the industrial debit plan, making allowance  
20 to policyholders who have continuously for a specified  
21 period made premium payments directly to an office of the  
22 insurer in an amount which fairly represents the saving in  
23 collection expenses; or

1                   (C) Readjustment of the rate of premium  
2     for a group insurance policy based on the loss or expense  
3     thereunder, at the end of the first or any subsequent  
4     policy year of insurance thereunder, which may be made  
5     retroactive only for that policy year.

6                   (x) Unfair discriminations and rebates as fol-  
7     lows:

8                   (A) No property, casualty or surety  
9     insurer or any employee or representative thereof, and no  
10    broker, agent or solicitor shall pay, give or offer to pay  
11    or give directly or indirectly, as an inducement to insur-  
12    ance, or after insurance has been effected, any rebate,  
13    discount, abatement, credit or reduction of the premium  
14    named in a policy of insurance, or any special favor or  
15    advantage in the dividends or other benefits to accrue  
16    thereon, or any valuable consideration or inducement what-  
17    ever, not specified in the policy, except to the extent  
18    provided for in an applicable filing with the commissioner  
19    as provided by law;

20                   (B) No insured named in a policy, nor  
21    any employee of an insured shall knowingly receive or  
22    accept any rebate, discount, abatement, credit or reduc-

1     tion of premium, or any special favor or advantage or  
2     valuable consideration or inducement;

3                   (C) No insurer shall make or permit any  
4     unfair discrimination between insureds or property having  
5     like insuring or risk characteristics in the premium or  
6     rates charged for insurance, or in the dividends or other  
7     benefits payable thereon or in any other of the terms and  
8     conditions of the insurance;

9                   (D) Nothing in this subsection prohibits  
10    the payment of commissions or other compensation to duly  
11    licensed agents, brokers or solicitors, or prohibits any  
12    insurer from allowing or returning to its participating  
13    policyholders, members or subscribers, dividends, savings  
14    or unabsorbed premium deposits. As used in this paragraph  
15    "insurance" includes suretyship and "policy" includes  
16    bond.

17                   (xi) Unfair claim settlement practices in  
18    committing or performing with such frequency as to indi-  
19    cate a general business practice any of the following:

20                   (A) Misrepresenting pertinent facts or  
21    insurance policy provisions relating to coverages at  
22    issue;

1                   (B) Failing to acknowledge and act  
2 promptly upon communications with respect to claims arising  
3 under insurance policies;

4                   (C) Failing to adopt and implement  
5 reasonable standards for the prompt investigation of  
6 claims arising under insurance policies;

7                   (D) Refusing to pay claims without conducting a reasonable investigation based upon all available information;

10                   (E) Failing to affirm or deny coverage  
11 of claims within a reasonable time after proof of loss  
12 statements have been completed;

13                   (F) Not attempting in good faith to  
14 effectuate prompt, fair and equitable settlements of  
15 claims in which liability is reasonably clear;

16                   (G) Compelling insureds to institute  
17 litigation to recover amounts due under an insurance  
18 policy by offering substantially less than the amounts  
19 ultimately recovered in actions brought by the insureds;

20                   (H) Attempting to settle a claim for  
21 less than the amount to which a reasonable person would

1 have believed he was entitled by reference to written or  
2 printed advertising material accompanying or made part of  
3 an application;

4 (J) Attempting to settle claims on the  
5 basis of an application which was altered without notice  
6 to or knowledge or consent of the insured;

7 (K) Making claims payments to insureds  
8 or beneficiaries not accompanied by statements setting  
9 forth the coverage under which the payments are being  
10 made;

11 (M) Making known to insureds or claim-  
12 ants a policy of appealing from arbitration awards in  
13 favor of insureds or claimants for the purpose of compel-  
14 ling them to accept settlements or compromises less than  
15 the amount awarded in arbitration;

16 (N) Delaying the investigation or pay-  
17 ment of claims by requiring an insured, claimant or the  
18 physician of either to submit a preliminary claim report  
19 and then requiring the subsequent submission of formal  
20 proof of loss forms, both of which submissions contain  
21 substantially the same information;

22 (O) Failing to promptly settle claims,



1 if liability is reasonably clear, under one (1) portion of  
2 the insurance policy coverage in order to influence set-  
3 tlements under other portions of the insurance policy  
4 coverage; or

5 (P) Failing to promptly provide a  
6 reasonable explanation of the basis in the insurance  
7 policy in relation to the facts or applicable law for  
8 denial of a claim or for the offer of a compromise settle-  
9 ment.

10 (xii) Failure of any person to maintain a com-  
11 plete record of all the complaints which it has received  
12 since the date of its last examination under W.S.  
13 26-2-116. This record shall indicate the total number of  
14 complaints, their classification by line of insurance, the  
15 nature of each complaint, the disposition of these com-  
16 plaints and the time it took to process each complaint.  
17 For purposes of this paragraph "complaint" means any writ-  
18 ten communication primarily expressing a grievance; or

19 (xiii) Making false or fraudulent statements  
20 or representations on or relative to an application for an  
21 insurance policy for the purpose of obtaining a fee,  
22 commission, money or other benefit from any insurer,  
23 agent, broker or individual.

1        26-13-103. Favored agent or insurer; coercion of  
2        debtors.

3        (a) No person may require as a condition precedent  
4        to the lending of money or extension of credit, or any  
5        renewal thereof, that the person to whom the money or  
6        credit is extended, or whose obligation a creditor is to  
7        acquire or finance, negotiate any contract of insurance or  
8        renewal thereof through a particular insurer or group of  
9        insurers or agent or broker or group of agents or brokers.

10       (b) No person who lends money or extends credit may:

11                (i) Solicit insurance for the protection of  
12        real property, after a person indicates interest in  
13        securing a first mortgage credit extension, until that  
14        person receives a commitment in writing from the lender as  
15        to a loan or credit extension;

16                (ii) Unreasonably reject a contract of insur-  
17        ance furnished by the borrower for the protection of the  
18        property securing the credit or lien. A rejection is not  
19        unreasonable if it is based on reasonable standards, uni-  
20        formly applied, relating to the extent of coverage  
21        required and the financial soundness and the services of  
22        an insurer. These standards shall not discriminate against

1     any particular type of insurer, nor shall they call for  
2     rejection of an insurance contract because the contract  
3     contains coverage in addition to that required in the  
4     credit transaction;

5                 (iii) Require that any borrower, mortgagor,  
6     purchaser, insurer, broker or agent pay a separate charge,  
7     in connection with the handling of any contract of insur-  
8     ance required as security for a loan on real estate, or  
9     pay a separate charge to substitute the insurance policy  
10    of one (1) insurer for that of another. This paragraph  
11    does not include the interest which may be charged on pre-  
12    mium loans or premium advancements in accordance with the  
13    terms of the loan or credit document;

14                (iv) Use or disclose, without the prior writ-  
15    ten consent of the borrower, mortgagor or purchaser taken  
16    at a time other than the making of the loan or extension  
17    of credit, information relative to a contract of insurance  
18    which is required by the credit transaction for the pur-  
19    pose of replacing the insurance; and

20                (v) Require any procedures or conditions of  
21    licensed agents, brokers or insurers not customarily  
22    required of those agents, brokers or insurers affiliated  
23    or in any way connected with the person who lends money or

1 extends credit.

2 (c) Any person who lends money or extends credit and  
3 who solicits insurance on real and personal property  
4 subject to subsection (b) of this section must explain to  
5 the borrower in writing that the insurance related to this  
6 credit extension may be purchased from an insurer or agent  
7 of the borrower's choice, subject only to the lender's  
8 right to reject a given insurer or agent as provided in  
9 paragraph (b)(ii) of this section. Disclosures as to  
10 insurance required by truth-in-lending laws or comparable  
11 state laws shall be in compliance with this subsection.

12 (d) The commissioner may investigate those insurance  
13 related activities of any person which may be in violation  
14 of this section. Any affected person may submit to the  
15 commissioner a complaint or material pertinent to the  
16 enforcement of this section.

17 (e) Nothing in this section prevents a person who  
18 lends money or extends credit from placing insurance on  
19 real or personal property if the mortgagor, borrower or  
20 purchaser fails to provide required insurance in accord-  
21 ance with the terms of the loan or credit document.

22 26-13-104. Power of commissioner. The commissioner

SF19

1     may examine and investigate into the affairs of any person  
2     engaged in the business of insurance in this state in  
3     order to determine whether that person has been or is  
4     engaged in any unfair method of competition or in any  
5     unfair or deceptive act or practice prohibited by this  
6     chapter.

7             26-13-105. Defined and undefined practices; hear-  
8     ings; witnesses; appearance; production of books and  
9     service of process.

10            (a) If the commissioner has reason to believe that  
11     any person has been engaged or is engaging in this state  
12     in any unfair method of competition or any unfair or  
13     deceptive act whether or not defined in this chapter, and  
14     that action with respect thereto would be in the public  
15     interest, he shall serve upon that person a statement of  
16     the charges and a notice of hearing thereon to be held at  
17     a time and place fixed in the notice, which shall not be  
18     less than twenty (20) days after the date of service.

19            (b) At the time and place fixed for the hearing, the  
20     person shall have an opportunity to be heard and to show  
21     cause why an order should not be made by the commissioner  
22     requiring that person to cease and desist from the acts,  
23     methods or practices complained of. Upon good cause shown,

1 the commissioner shall permit any person to intervene,  
2 appear and be heard at the hearing by counsel or in  
3 person. All hearings shall comply with the Wyoming Admin-  
4 istrative Procedure Act.

5 26-13-106. Cease and desist and penalty orders and  
6 modifications.

7 (a) If after the hearing the commissioner determines  
8 that the person charged has engaged in an unfair method of  
9 competition or an unfair or deceptive act, he shall make  
10 findings in writing or dictate the findings into the  
11 record and shall issue and cause to be served upon the  
12 person charged with the violation a written copy of his  
13 findings and an order requiring the person to cease and  
14 desist from engaging in a method of competition or act.  
15 If the act or practice is a violation of W.S. 26-13-102 or  
16 26-13-103, the commissioner may order any one (1) or more  
17 of the following:

18 (i) Payment of a monetary penalty of not more  
19 than one thousand dollars (\$1,000.00) for every act or  
20 violation but not to exceed an aggregate penalty of ten  
21 thousand dollars (\$10,000.00) unless the person knew or  
22 reasonably should have known he was in violation of this  
23 chapter, in which case the penalty shall not be more than

1 five thousand dollars (\$5,000.00) for each act or viola-  
2 tion but not to exceed an aggregate penalty of fifty thou-  
3 sand dollars (\$50,000.00) in any six (6) month period; or

4 (ii) Suspension or revocation of the person's  
5 license if he knew or reasonably should have known he was  
6 in violation of this chapter.

7 (b) If no petition for review has been filed within  
8 the time allowed by law or if a petition for review has  
9 been filed within the time, then until the transcript of  
10 the record in the proceeding has been filed in the dis-  
11 trict court, the commissioner, at any time, upon notice  
12 and in a manner he deems proper, may modify or set aside  
13 in whole or in part any order he issues under this  
14 section.

15 (c) If no petition for review is filed within the  
16 time allowed therefor, the commissioner, at any time,  
17 after notice and opportunity for hearing, may reopen and  
18 alter, modify or set aside, in whole or in part, any order  
19 he issues under this section if conditions of fact or of  
20 law have so changed as to require this action, or if the  
21 public interest requires.

22 26-13-107. Judicial review of orders. Appeals may be

1 taken as provided by W.S. 26-2-129.

2 26-13-108. Penalty for violation of cease and desist  
3 orders. Any person who violates a cease and desist order  
4 of the commissioner under W.S. 26-13-106 and while this  
5 order is in effect, after notice and hearing and upon  
6 order of the commissioner, may be subject to a fine of not  
7 more than ten thousand dollars (\$10,000.00) for each act  
8 or violation, or suspension or revocation of the person's  
9 license, or both.

10 26-13-109. Political contributions prohibited; pen-  
11 alty.

12 (a) No insurer shall pay or use, or offer, consent,  
13 or agree to pay or use, any money or property for any  
14 political purpose or for the reimbursement or indemnifica-  
15 tion of any person for money or property so used.

16 (b) Any officer, director, stockholder, attorney or  
17 agent of any insurer who violates any of the provisions of  
18 this section, who participates in, aids, abets or advises,  
19 or consents to any violation, and any person who solicits  
20 or knowingly receives any money or property in violation  
21 of this section, is guilty of a misdemeanor and shall be  
22 punished by imprisonment for not more than one (1) year



1 and a fine of not more than one thousand dollars  
2 (\$1,000.00). Any officer or director abetting in any con-  
3 tribution made in violation of this section is liable to  
4 the insurer for the amount contributed.

5 (c) This section does not prohibit expenditures by  
6 an insurer otherwise lawful for presentation of informa-  
7 tion to legislators relative to proposed legislation  
8 affecting the insurer.

9 26-13-110. Illegal dealing in premiums; excess  
10 charges for insurance.

11 (a) No person shall willfully collect any sum as  
12 premium or charge for insurance, which insurance is not  
13 then provided or is not in due course to be provided by an  
14 insurance policy issued by an insurer as authorized by  
15 law.

16 (b) No person shall willfully collect as premium or  
17 charge for insurance any sum in excess of the premium or  
18 charge applicable to the insurance, and as specified in  
19 the policy, in accordance with the applicable classifi-  
20 cations and rates as filed with and approved by the  
21 commissioner. In cases where classifications, premiums or  
22 rates are not required by law to be filed and approved,

1 these premiums and charges shall not be in excess of those  
2 specified in the policy and as fixed by the insurer. This  
3 section does not prohibit the charging and collection:

4 (i) By surplus lines brokers licensed under  
5 chapter 11 of this act, of the amount of applicable state  
6 and federal taxes, examination fee and nominal service  
7 charge to cover communication expenses, in addition to the  
8 premium required by the insurer;

9 (ii) By a life insurer, of amounts actually to  
10 be expended for medical examination of an applicant for  
11 life insurance or for reinstatement of a life insurance  
12 policy.

13 (c) Each violation of this section is punishable  
14 under W.S. 26-1-115.

15 26-13-111. Prohibited relations with mortuaries.

16 (a) No life insurer shall:

17 (i) Own, manage, supervise, operate or main-  
18 tain any mortuary, funeral or undertaking establishment,  
19 or permit its officers, employees or representatives to  
20 own, operate, maintain or be employed in any similar busi-  
21 ness;

1                   (ii) Contract or agree with any funeral direc-  
2     tor, mortuary or undertaker to the effect that the funeral  
3     director, undertaker or mortuary shall conduct the funeral  
4     of any person insured by the insurer.

5           (b) Each violation of this section is a misdemeanor  
6     punishable as provided in W.S. 26-1-115(a).

7           26-13-112. Regulations. The commissioner, after  
8     notice and hearing, may promulgate reasonable rules and  
9     regulations as are necessary to identify specific methods  
10    of competition or acts or practices which are prohibited  
11    by this chapter, but the regulations shall not enlarge  
12    upon or extend the provisions of this chapter.

13           26-13-113. Deductible amount of collusion coverage;  
14     subrogation; right to deductible.

15           (a) If the insurer has paid a loss claim to its  
16     insured, and the insurer decides to subrogate to the  
17     insured's loss claim, the deductible amount shall be  
18     included in the subrogated loss claim, and the insurance  
19     carrier shall pay the deductible amount to its insured,  
20     without any deduction for expenses of collection, out of  
21     any recovery on the subrogated claim, before any part of  
22     the recovery is applied to any other use. If the amount

1 of the deductible exceeds the recovery, the insurer shall  
2 pay only the amount of the recovery to the insured.

3 (b) If in the arbitration of the subrogated claim  
4 two (2) or more insurers agree to offset the claims of  
5 their insureds, the right of any insured to the return of  
6 his full deductible amount shall not be abridged.

7 26-13-114. Fictitious groups.

8 (a) No insurer, whether an authorized insurer or an  
9 unauthorized insurer, shall make available through any  
10 rating plan or form, property, casualty or surety insur-  
11 ance to any firm, corporation or association of individu-  
12 als, any preferred rate or premium based upon any ficti-  
13 tious grouping of the firm, corporation or association.

14 (b) No form or plan of insurance covering any group  
15 or combination of persons or risks shall be written or  
16 delivered within or outside this state to cover persons or  
17 risks in this state at any preferred rate or on any form  
18 other than as offered to persons not in the group or  
19 combination and to the public generally, unless the form,  
20 plan of insurance, and the rates or premiums to be charged  
21 therefor have been submitted to and approved by the  
22 commissioner as being:

1 (i) Not unfairly discriminatory; and

2 (ii) Not otherwise in conflict with subsection  
3 (a) of this section or with any provision of chapter 14 of  
4 this code to the extent that chapter 14 is applicable  
5 thereto.

6 (c) This section does not apply to life insurance,  
7 disability insurance or annuity contracts.

8 26-13-115. Provisions of act additional to existing  
9 law. The powers vested in the commissioner by this chapter  
10 are in addition to any other powers to enforce any pen-  
11 alties, fines or forfeitures authorized by law with  
12 respect to the methods, acts and practices declared to be  
13 unfair or deceptive.

14 Section 4. W.S. 26-2-112(c), 26-3-129, 26-3-130,  
15 26-3-131, 26-4-103(b)(ii) and (d), 26-12-101(b)(iv),  
16 26-18-121, 26-34-126 through 26-34-131, 26-34-135 through  
17 26-34-139, 26-34-143 and 26-37-101 through 26-37-116 are  
18 repealed.

19 Section 5. This act is effective July 1, 1983.

20 (END)

Insurance code amendments.

83LSO- 0193.L1

FISCAL NOTE

ADDITIONAL  
Anticipated / REVENUE to:      Fiscal Year 1984      Fiscal Year 19 85

General Fund	\$30,400.00	\$51,500.00
TOTAL ESTIMATED REVENUE	\$30,400.00	\$51,500.00

Anticipated COST to:      Fiscal Year 19      Fiscal Year 19

TOTAL ESTIMATED COST		

1. The above revenue estimates are based on projections supplied by the Insurance Department.

2. No apparent personnel impact.