

SENATE FILE NO. SF0005

Insurance-limited lines.

Sponsored by: Joint Corporations, Elections and Political  
Subdivisions Interim Committee

A BILL

for

1 AN ACT relating to insurance; creating specialty limited  
2 lines producer license requirements; expanding limited  
3 lines insurance regulation; providing for regulation of  
4 group and master property and casualty insurance policies;  
5 providing definitions; providing for fees; and providing  
6 for an effective date.

7

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

9

10 **Section 1.** W.S. 26-9-234 and 26-23-401 through  
11 26-23-406 are created to read:

12

13 **26-9-234. Specialty limited lines producer license.**

14

15 (a) The commissioner may issue to an applicant a  
16 specialty limited lines producer license for the sale,

1 solicitation or delivery of specialty lines insurance where  
2 the sale of the product is ancillary to the business of the  
3 person offering the product.

4

5 (b) Application under this section shall be made in  
6 accordance with W.S. 26-9-206, except business entity  
7 applicants applying for a specialty limited lines producer  
8 license shall be exempt from providing shareholders,  
9 officers and directors information. However, if the  
10 business entity derives more than fifty percent (50%) of  
11 its revenue from the sale of insurance, information shall  
12 be provided for all officers, directors and shareholders of  
13 record that have beneficial ownership of ten percent (10%)  
14 or more of any class of securities, who are subject to 15  
15 U.S.C. 78p or subsequent similar federal enactment.

16

17 (c) An examination is not required for issuance of a  
18 specialty limited lines producer license nor is a licensee  
19 required to comply with continuing education requirements  
20 of W.S 26-9-231.

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22 (d) A business entity licensed as a specialty limited  
23 lines producer shall keep a register of each location at

1 which insurance is offered on the licensed business  
2 entity's behalf.

3

4 (e) A business entity licensed as a specialty limited  
5 lines producer for specialty limited lines insurance shall  
6 submit the register required in subsection (d) of this  
7 section within ten (10) days upon request of the  
8 commissioner. The registry shall be open to inspection and  
9 examination by the commissioner.

10

11 (f) A specialty limited lines producer shall not  
12 advertise, represent or otherwise hold out the license  
13 holder or an endorsee of the license holder as an agent  
14 licensed under this chapter unless the entity or individual  
15 holds the applicable license.

16

17 (g) An endorsee of the specialty limited lines  
18 producer that offers and disseminates specialty limited  
19 lines insurance on behalf of the licensed business entity  
20 and under the direction of a specialty limited lines  
21 insurance producer is not required to be individually  
22 licensed and is eligible to offer or disseminate specialty  
23 limited lines insurance if all of the following apply:

24

1           (i) The endorsee is eighteen (18) years of age  
2 or older;

3

4           (ii) The endorsee shall have received a program  
5 of instruction or training prior to receiving permission to  
6 operate on behalf of the business entity and under the  
7 direction of the designated responsible producer. The  
8 training materials shall be made available to the  
9 commissioner upon request; and

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11           (iii) The endorsee's compensation shall not be  
12 based primarily on the placement of the insurance product  
13 but the endorsee may receive compensation for activities  
14 under the specialty limited lines license which is  
15 incidental to their overall compensation.

16

17           (h) An endorsee's authorization to offer or  
18 disseminate specialty limited lines insurance shall expire  
19 when the endorsee's employment with or representation of  
20 the licensed entity is terminated.

21

22           (j) Individuals who offer or disseminate specialty  
23 limited lines insurance whose compensation is primarily  
24 dependent on the placement of the insurance product shall

1 obtain a specialty limited lines insurance producer license  
2 as set forth in this section.

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4 (k) Charges for specialty limited lines insurance may  
5 be billed and collected by a specialty limited lines  
6 producer. Any charge to the covered person for coverage  
7 that is not included in the cost associated with the  
8 purchase or lease of the covered product or related  
9 services shall be separately itemized on the covered  
10 person's bill. If the insurance coverage is included with  
11 the purchase or lease of the covered product or related  
12 services the specialty limited lines producer shall clearly  
13 and conspicuously disclose to the covered person that the  
14 insurance coverage is included with the covered product or  
15 related services. Specialty limited lines producers that  
16 are billing and collecting these charges shall not be  
17 required to maintain these funds in a segregated account  
18 provided that the specialty limited lines producer is  
19 authorized by the insurer to hold these funds in an  
20 alternative manner. Specialty limited lines producers may  
21 receive compensation for billing and collection services.

22

23 (m) The commissioner may adopt rules necessary to  
24 implement this section.

1

2 (n) To the extent that they are not in conflict with  
3 this section, all provisions of the Wyoming Insurance Code  
4 apply to licensees under this section.

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## ARTICLE 4

7 GROUP OR MASTER POLICY PROPERTY AND CASUALTY INSURANCE ACT

8

9 **26-23-401. Qualifications for group or master**  
10 **personal and commercial lines property and casualty**  
11 **insurance policies.**

12

13 (a) Personal and commercial lines property and  
14 casualty insurance may be offered to a resident of this  
15 state under a group or master policy issued or delivered  
16 pursuant to this section.

17

18 (b) Group or master property and casualty personal  
19 lines policies shall be subject to the following  
20 requirements:

21

22 (i) The group or master personal lines property  
23 and casualty policy shall not be issued or delivered in  
24 this state unless the commissioner finds that:

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

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

(C) The benefits are reasonable in relation to the premiums charged.

(ii) A group or master personal lines property and casualty insurance coverage shall not be offered in this state by an insurer under a policy issued or delivered in another state unless this state has made a determination that the requirements of subparagraph (b)(i)(C) have been met;

(iii) The premium for the group or master personal lines property and casualty policy shall be paid either from the policyholder's funds or from funds contributed by the covered persons, or from both.

**26-23-402. Group or master policy.**

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2 (a) A group or master policy for personal or  
3 commercial lines property and casualty insurance coverage  
4 shall be issued to the policyholder. Eligible members or  
5 covered persons insured under a group or master policy  
6 shall be provided evidence of coverage setting forth a  
7 statement as to the insurance protection to which they are  
8 entitled.

9

10 (b) A group or master policy for personal or  
11 commercial lines property and casualty insurance coverage  
12 shall not be issued or delivered in this state unless the  
13 policy form, together with all forms for riders,  
14 certificates and endorsements to the policy form, meet the  
15 applicable filing requirements in this state. Subsequent  
16 amendments to the policy form or forms for riders,  
17 certificates and endorsements to the policy form shall not  
18 be issued or delivered until they meet the applicable  
19 filing requirements in this state.

20

21 (c) The group or master personal or commercial lines  
22 property and casualty policy shall set forth the coverages,  
23 exclusions and conditions of the insurance provided  
24 therein, together with the terms and conditions of the



1 agreement between the policyholder and the insurer. The  
2 policy shall make express provisions for the following:

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4 (i) Methods of premium collection;

5

6 (ii) Enrollment period, effective date  
7 provisions and eligibility standards for members or covered  
8 persons;

9

10 (iii) Termination or modification of the policy;

11 and

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13 (iv) Conversion privileges of the members or  
14 covered persons, if any.

15

16 (d) If the group or master personal or commercial  
17 lines property or casualty master policy provides for  
18 remittance of premium by the policyholder, failure of the  
19 policyholder to remit premiums when due shall not be  
20 regarded as nonpayment of premium by the member or covered  
21 person who has made his contribution on a timely basis.

22

23 **26-23-403. Policy coverage.**

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1           (a) Coverage under a group or master personal or  
2 commercial lines property and casualty insurance policy may  
3 be terminated as to a member or covered person only for:

4

5           (i) Failure of the member or covered person to  
6 make required premium contributions;

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8           (ii) Termination of the master policy in its  
9 entirety or as to the class to which the member or covered  
10 person belongs;

11

12           (iii) Discontinuance of the member's or covered  
13 person's membership in a class eligible for coverage;

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15           (iv) Termination of membership or covered  
16 person's services; or

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18           (v) Material misrepresentation of a fact in  
19 obtaining coverage which if known to the master  
20 policyholder would have caused the master policyholder not  
21 to offer coverage to the member or covered person;

22

23           (vi) Fraud or material misrepresentation in the  
24 presentation of a claim;

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2 (vii) Exhausting the aggregate limit of  
3 liability, if any, under the terms of the policy.

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5 (b) Termination of coverage under subsection (a) of  
6 this section shall be effective as follows:

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8 (i) Upon written notice made as described in  
9 W.S. 26-35-101 sent not less than ten (10) days prior to  
10 the proposed effective date of cancellation if cancellation  
11 is for the reason stated in paragraph (a)(i) of this  
12 section;

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14 (ii) Immediately if cancellation is for the  
15 reasons stated in paragraph (a)(iii), (iv), (v) or (vi) of  
16 this section;

17

18 (iii) Immediately if cancellation is for the  
19 reason stated in paragraph (a)(vii) of this section.  
20 However, the insurer shall send notice of cancellation to  
21 the covered person within thirty (30) calendar days after  
22 exhaustion of the limit and if notice is not timely sent,  
23 coverage shall continue notwithstanding the aggregate limit

1 of liability until the insurer sends notice of termination  
2 to the covered person; or

3

4 (iv) Upon written notice made as described in  
5 W.S. 26-35-101 sent not less than thirty (30) days prior to  
6 the proposed effective date of cancellation if cancellation  
7 is for the reason stated in paragraph (a)(ii) of this  
8 section.

9

10 (c) Coverage under a continuous group or master  
11 personal or commercial line property and casualty insurance  
12 policy may be modified in accordance with the following:

13

14 (i) The insurer shall provide the group or  
15 master policyholder and covered persons with at least  
16 thirty (30) days prior written notice of the change in  
17 coverage; and

18

19 (ii) The insurer shall provide the group or  
20 master policyholder with a revised policy or endorsement  
21 and each covered person with a revised certificate,  
22 endorsement, updated brochure or other evidence indicating  
23 a change in the terms and conditions has occurred and a  
24 summary of material changes.

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**26-23-404. Duties and limitations of insurers.**

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**26-23-405. Regulatory jurisdiction.**

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1           (a) No master policy or certificate of insurance for  
2 group property and casualty insurance coverage shall be  
3 issued or delivered in this state unless issued or  
4 delivered by an insurer which is duly licensed in this  
5 state to write the lines of insurance covered by the master  
6 policy.

7

8           (b) This article shall not apply to the mass  
9 marketing or any other type of marketing of individual  
10 property and casualty insurance policies.

11

12           (c) This article shall not apply to policies of  
13 credit property or credit casualty insurance which insure  
14 the debtors of a creditor or creditors with respect to  
15 their indebtedness.

16

17           (d) Nothing in this article shall limit the authority  
18 of the insurance commissioner with respect to complaints or  
19 disputes involving residents of this state arising out of a  
20 master policy that has been issued or delivered in another  
21 state.

22

1           (e) The insurance commissioner is authorized to  
2 promulgate rules and regulations as may be necessary to  
3 carry out the provisions of this article.

4

5           **26-23-406. Effective date.**

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7 This article shall take effect July 1, 2013. No master  
8 policy or certificate of insurance for group property and  
9 casualty insurance coverage shall be issued or delivered in  
10 this state after the effective date unless issued or  
11 delivered in compliance with this article. A master policy  
12 or certificate that is lawfully in effect on July 1, 2013  
13 shall comply with the provisions of this article within  
14 twenty-four (24) months of the effective date.

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16           **Section 2.** W.S. 26-4-101(a)(xiv), 26-9-202(a) and  
17 26-9-229 by creating a new subsection (d) are amended to  
18 read:

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20           **26-4-101. Fee schedule.**

21

22           (a) The commissioner shall collect in advance or  
23 contemporaneously fees, licenses and miscellaneous charges  
24 as specified in this subsection. Collection may include the

1 acceptance of electronic funds transfer. All fees and other  
2 charges collected by the commissioner as specified in this  
3 subsection shall be nonrefundable:

4

5 (xiv) Limited license ~~: pursuant to W.S.~~  
6 ~~26-9-209(c):~~

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8 Application for original individual license and  
9 issuance of license, if issued.....\$20.00

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11 Continuation of license ..... \$20.00

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13 Application for original business entity license  
14 and issuance of license, if issued.....\$100.00

15

16 **26-9-202. Definitions.**

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18 (a) As used in this chapter:

19

20 (i) "Business entity" means a corporation,  
21 association, partnership, limited liability company,  
22 limited liability partnership or other legal entity;

23



1           ~~(ii)~~ "Endorsee" means an employee or  
2 representative of a specialty limited lines producer;

3  
4           ~~(iii)~~ (iii) "Home state" means the District of  
5 Columbia and any state or territory of the United States in  
6 which an insurance producer maintains his principal place  
7 of residence or principal place of business and is licensed  
8 to act as an insurance producer;

9  
10          ~~(iii)~~ (iv) "License" means a document issued by  
11 the commissioner authorizing a person to act as an  
12 insurance producer for the lines of authority specified in  
13 the document. The license itself does not create any  
14 authority, actual, apparent or inherent, in the holder to  
15 represent or commit an insurer;

16  
17          ~~(iv)~~ (v) "Limited line credit insurance" includes  
18 credit life, credit disability, credit property, credit  
19 unemployment, involuntary unemployment, mortgage life,  
20 mortgage guaranty, mortgage disability, guaranteed  
21 automobile protection insurance, and any other form of  
22 insurance offered in connection with an extension of credit  
23 that is limited to partially or wholly extinguishing that

1 credit obligation that the commissioner determines should  
2 be designated a form of limited line credit insurance;

3

4 ~~(v)~~ (vi) "Limited line credit insurance producer"  
5 means a person who sells, solicits or negotiates one (1) or  
6 more forms of limited line credit insurance coverage to  
7 individuals through a master, corporate, group or  
8 individual policy;

9

10 ~~(vi)~~ (vii) "Limited lines insurance" means those  
11 lines of insurance referred to in W.S. ~~26-9-209(c),~~  
12 26-9-221, 26-9-234, ~~26-32-101, 26-36-113,~~ 26-37-102(a)(iv),  
13 ~~26-50-103 or 31-14-120~~ or any other line of insurance the  
14 commissioner deems necessary to recognize for the purposes  
15 of complying with W.S. 26-9-208(e);

16

17 ~~(vii)~~ (viii) "Limited lines producer" means a  
18 person authorized by the commissioner to sell, solicit or  
19 negotiate limited lines insurance;

20

21 (ix) "Location" means any physical location in  
22 the state of Wyoming or any website, call center site or  
23 similar location directed to residents of the state of  
24 Wyoming;

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2           ~~(viii)~~(x) "Negotiate" means the act of  
3 conferring directly with or offering advice directly to a  
4 purchaser or prospective purchaser of a particular contract  
5 of insurance concerning any of the substantive benefits,  
6 terms or conditions of the contract, provided that the  
7 person engaged in that act either sells insurance or  
8 obtains insurance from insurers for purchasers;

9

10           (xi) "Portable electronic device insurance"  
11 means insurance which may be offered on a month to month or  
12 other periodic basis as a group or master property and  
13 casualty insurance policy providing coverage for the repair  
14 or replacement of portable electronic devices which may  
15 provide coverage for portable electronic devices against  
16 any one (1) or more of the following causes of loss: loss,  
17 theft, inoperability due to mechanical failure,  
18 malfunction, damage or other similar causes of loss. For  
19 purposes of this title, with respect to portable electronic  
20 device insurance, property and casualty insurance shall be  
21 deemed to include inland marine insurance. Portable  
22 electronic device insurance does not include a service  
23 contract as defined in chapter 49 of this title;

24

1           (xii) "Rental car insurance" means insurance  
2 offered, sold or solicited in connection with and  
3 incidental to the rental of rental cars, whether at the  
4 rental office or by preselection of coverage in master,  
5 corporate, group or individual agreements that is  
6 nontransferable, applies only to the rental car that is the  
7 subject of the rental agreement and is limited to the  
8 following kinds of insurance and shall not include the  
9 rental car company's agreement to waive its right of  
10 indemnity against a renter for damages to the rental  
11 vehicle:

12  
13           (A) Personal accident insurance for renters  
14 and other rental car occupants, for accidental death or  
15 dismemberment and for medical expenses resulting from an  
16 accident that occurs with the rental car during the rental  
17 period;

18  
19           (B) Liability insurance, which at the  
20 exclusive option of the rental car company, may include  
21 uninsured or underinsured motorist coverage, whether  
22 offered separately or in combination with other liability  
23 insurance, that provides protection to the renters and to  
24 other authorized drivers of a rental car for liability

1 arising from the operation of the rental car during the  
2 rental period;

3

4 (C) Personal effects insurance that  
5 provides coverage to renters and other vehicle occupants  
6 for loss of or damage to, personal effects in the rental  
7 car during the rental period;

8

9 (D) Roadside assistance and emergency  
10 sickness protection insurance; or

11

12 (E) Any other insurance product sold  
13 incidental to the rental transaction.

14

15 ~~(ix)~~ (xiii) "Sell" means to exchange a contract  
16 of insurance by any means, for money or its equivalent, on  
17 behalf of an insurer;

18

19 ~~(x)~~ (xiv) "Solicit" means attempting to sell  
20 insurance or asking or urging a person to apply for a  
21 particular kind of insurance from a particular insurer;

22

23 (xv) "Specialty limited lines insurance" means  
24 insurance offered or disseminated in connection with and

1 ancillary to a specialty limited lines producer's core  
2 business. The term includes the following types of  
3 insurance: rental car insurance, portable electronic device  
4 insurance, travel insurance and any other line of insurance  
5 the commissioner deems necessary;

6  
7 (xvi) "Specialty limited lines producer" means a  
8 person or business entity licensed as a limited lines  
9 producer and qualified to offer, sell or solicit specialty  
10 limited lines insurance;

11  
12 ~~(xi)~~ (xvii) "Terminate" means the cancellation of  
13 the relationship between an insurance producer and the  
14 insurer or the termination of a producer's authority to  
15 transact insurance;

16  
17 (xviii) "Travel insurance" means insurance  
18 coverage for personal risks incident to planned travel,  
19 including but not limited to interruption or cancellation  
20 of trip or event, loss of baggage or personal effects,  
21 damages to accommodations or rental vehicles, and sickness,  
22 accident, disability or death occurring during travel, and  
23 does not include major medical plans, which provide

1 comprehensive medical protection for travelers with trips  
2 lasting six (6) months or longer;

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4 ~~(xii)~~ (xix) "Uniform application" means the  
5 current version of the National Association of Insurance  
6 Commissioners' uniform application for resident and  
7 nonresident producer licensing;

8

9 ~~(xiii)~~ (xx) "Uniform business entity application"  
10 means the current version of the National Association of  
11 Insurance Commissioners' uniform business entity  
12 application for resident and nonresident business entities.

13

14 **26-9-229. Reporting and accounting for premiums.**

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16 (d) A limited lines producer for specialty limited  
17 lines shall not be required to treat monies collected from  
18 customers purchasing additional specialty limited lines  
19 insurance as funds received in a fiduciary capacity,  
20 provided that:

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22 (i) The charges for specialty limited lines  
23 insurance coverage are itemized and ancillary to the  
24 principal business transaction; and

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(ii) The insurer has consented in writing, signed by an officer of the insurer, that premiums need not be segregated from funds received by the producer for the principal business transaction.

**Section 3.** W.S. 26-9-209(c) and 26-50-101 through 26-50-109 are repealed.

**Section 4.** This act is effective July 1, 2013.

(END)