

ORIGINAL SENATE
FILE NO. 0020

ENROLLED ACT NO. 68, SENATE

FIFTY-SEVENTH LEGISLATURE OF THE STATE OF WYOMING
2003 GENERAL SESSION

AN ACT relating to insurance plans; eliminating and repealing a limitation on organizing as a group for specified insurance coverage; requiring certain filing requirements as specified; conforming provisions; and providing for an effective date.

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

Section 1. W.S. 26-18-136(a)(ii)(intro) and (A) and by creating new subsections (c) and (d), 26-19-102(a)(ii)(intro), 26-19-106(a)(viii) and 26-19-302(a)(vii)(A)(III) are amended to read:

26-18-136. Franchise disability insurance.

(a) Disability insurance on a franchise plan is that form of disability insurance issued to:

(ii) Ten (10) or more members, employees or employees of members of any labor union or of any trade, professional or other association ~~which has had an active existence for at least two (2) years and~~ which:

(A) Has a constitution or bylaws; and

(c) Prior to marketing or offering any disability insurance for a franchise plan formed for the sole purpose of obtaining insurance, the producer shall file a written report with the department setting forth the name of the entity or entities, the insurer and its address and the offering producer and his address. The department shall keep the name of the association confidential.

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(d) The provisions of the Small Employer Health Insurance Availability Act, W.S. 26-19-301 et seq., shall apply to all insurance issued under this section.

26-19-102. "Group disability insurance" defined; eligible groups.

(a) "Group disability insurance" means that form of disability insurance covering groups of persons as described in this section and W.S. 26-19-110, with or without one (1) or more members of their families or one (1) or more of their dependents, or covering one (1) or more members of the families or one (1) or more dependents of the groups of persons. Except as provided in W.S. 26-19-110, a group disability insurance policy shall not be issued for delivery in this state unless the policy is issued to:

(ii) An association, or a trust or the trustee of a fund established or adopted for the benefit of members of one (1) or more associations. The association shall have at the time the policy is first issued a minimum of fifty (50) persons eligible for insurance, shall have ~~been organized and maintained in good faith for purposes other than that of obtaining insurance, shall have been in active existence for at least one (1) year and shall have a~~ constitution and bylaws which provide that the association holds regular meetings not less than annually to further the members' purposes, that the association, except for credit unions, collects dues or solicits contributions from members, and that the members have voting privileges and representation on the governing board and committees. Prior to marketing or offering any group disability insurance to an association formed for the sole purpose of obtaining insurance, the producer shall file a written report with the department setting forth the name of the

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association, the insurer and its address and the offering producer and his address. The department shall keep the name of the association confidential. The provisions of the Small Employer Health Insurance Availability Act, W.S. 26-19-301 et seq., shall apply to all insurance issued to an association under this section. The policy is subject to the following requirements:

26-19-106. Blanket disability insurance; defined.

(a) Blanket disability insurance is that form of disability insurance covering groups of persons under a policy or contract issued to:

(viii) An association, including a labor union, which has a constitution and bylaws and which ~~has been organized and is maintained in good faith for purposes other than that of obtaining insurance, which~~ is deemed the policyholder, covering any group of members or participants defined by reference to specified hazards incident to an activity or operations sponsored or supervised by the policyholder. Prior to marketing or offering any blanket disability insurance to an association, including a labor union, formed for the sole purpose of obtaining insurance, the producer shall file a written report with the department setting forth the name of the association, the insurer and its address and the offering producer and his address. The department shall keep the name of the association confidential. The provisions of the Small Employer Health Insurance Availability Act, W.S. 26-19-301 et seq., shall apply to all insurance issued to an association under this section;

26-19-302. Definitions.

(a) As used in this act:

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(vii) "Class of business" means all of a distinct grouping of small employers as shown on the records of the small employer carrier, and provided:

(A) A distinct grouping may only be established by the small employer carrier on the basis that the applicable health benefit plans:

(III) Are provided through an association with membership of not less than two (2) small employers. ~~which has been formed for purposes other than obtaining insurance.~~

Section 2. W.S. 26-18-136(a)(ii)(B) is repealed.

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Section 3. This act is effective July 1, 2003.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk