

SENATE FILE NO. SF0094

Health insurance regulation.

Sponsored by: Senator(s) Mockler and Sessions and Representative(s) Berger

A BILL

for

1 AN ACT relating to insurance; prohibiting cancellation or
2 nonrenewal of certain group and blanket disability
3 insurance without notice, as specified; specifying
4 requirements for renewal with altered terms; requiring a
5 certificate for group and blanket disability insurance;
6 specifying requirements for cancellation or denial of
7 coverage by health maintenance organizations; and providing
8 for an effective date.

9

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

11

12 **Section 1.** W.S. 26-35-301 through 26-35-304 are
13 created to read:

14

15

ARTICLE 3

16

HEALTH INSURANCE POLICIES

1

2 **26-35-301. Scope of article.**

3

4 (a) This article applies to all group private health
5 benefit plans as defined in W.S. 26-1-102(a)(xxxiii),
6 provided by disability and blanket disability insurance. As
7 used in this article "insurance policy" or "policy" means
8 only those policies to which the provisions of this article
9 are applicable.

10

11 (b) This article does not affect the policyholders'
12 right to a grace period provided in W.S.
13 26-19-107(a)(xiii).

14

15 **26-35-302. Cancellation; notice.**

16

17 An insurance policy or renewal shall not be cancelled by an
18 insurer for failure to pay a premium when due unless the
19 insurer has issued a written notice to the certificate
20 holder in the manner provided in W.S. 26-35-101 stating
21 that the policy is to be cancelled and the reason therefor,
22 not less than forty-five (45) days prior to the proposed
23 effective date of cancellation.

24

1 **26-35-303. Nonrenewal; notice.**

2

3 (a) No insurance policy shall be nonrenewed by an
4 insurer for nonpayment of the required premiums except in
5 accordance with the provisions of this section and any
6 nonrenewal attempted which is not in compliance with this
7 section is ineffective.

8

9 (b) A policy may be nonrenewed by the insurer at its
10 expiration or anniversary date by giving written notice of
11 nonrenewal to the policyholder and the certificate holder
12 in the manner provided in W.S. 26-35-101, not less than
13 forty-five (45) days prior to the expiration or anniversary
14 date of the policy.

15

16 (c) Any notice of nonrenewal under this section shall
17 state the precise reason for nonrenewal. There shall be no
18 liability on the part of an insurer for stated reasons of
19 nonrenewal given in good faith pursuant to this article.

20

21 **26-35-304. Renewal with altered terms; notice.**

22

23 (a) If an insurer intends to renew a policy, but on
24 less favorable terms or at higher rates, the insurer shall

1 furnish to the policyholder, the certificate holder and the
2 agent of record, if any, renewal terms and a statement of
3 the amount of premium due for the renewal policy period in
4 accordance with this section.

5

6 (b) The renewal terms and statement of premium due
7 shall be given in the manner provided in W.S. 26-35-101 not
8 less than forty-five (45) days prior to the expiration or
9 anniversary date of the original policy.

10

11 (c) If the insurer fails to furnish the renewal terms
12 and statement of premium due in the manner required by this
13 section, the policyholder may elect to cancel the renewal
14 policy within the forty-five (45) day period following
15 receipt of the renewal terms and statement of premium due.
16 Earned premium for any period of coverage shall be
17 calculated pro rata based upon the premium applicable to
18 the original policy and not the premium applicable to the
19 renewal policy.

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21 **Section 2.** W.S. 26-19-107(a)(xiii), 26-19-108 and
22 26-34-117(c) are amended to read:

23

1 **26-19-107. Group disability and blanket insurance**
2 **standard provisions; exceptions.**

3

4 (a) A policy of group disability or blanket
5 disability insurance shall not be delivered in this state
6 unless it contains in substance the following provisions or
7 provisions which in the commissioner's opinion are more
8 favorable to the persons insured or at least as favorable
9 to the persons insured and more favorable to the
10 policyholder:

11

12 (xiii) The insurer shall issue ~~to the~~
13 ~~policyholder for delivery~~ to each person insured a
14 certificate containing a statement of the insurance
15 protection to which that person is entitled, to whom the
16 insurance benefits are payable and of any family member's
17 or dependent's coverage;

18

19 **26-19-108. Blanket disability insurance standard**
20 **provisions; application need not be furnished; certificate**
21 **required.**

22

23 An individual application need not be required from a
24 person covered under a blanket disability policy or

1 contract ~~., nor is it necessary for~~ The insurer ~~to~~ shall
2 furnish each person a certificate.

3

4 **26-34-117. Prohibited practices.**

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6 (c) A health maintenance organization shall not
7 cancel or refuse to review an enrollee, except for reasons
8 stated in the organization's rules applicable to all
9 enrollees ~~or for the failure to pay the premiums for~~
10 ~~coverage,~~ or for any other reasons the commissioner may
11 specify by rule and regulation. For purposes of this
12 subsection, no enrollee shall be cancelled or denied
13 coverage for failure to pay the premium for coverage
14 unless:

15

16 (i) The health maintenance organization has
17 issued a written notice to the enrollee stating that the
18 coverage is to be cancelled and the reason therefor as
19 provided in paragraph (ii) of this subsection, not less
20 than forty-five (45) days prior to the proposed effective
21 date of cancellation;

22

23 (ii) The health maintenance organization shall
24 personally deliver or mail to the enrollee at the address

1 last of record with the health maintenance organization,
2 the notice required in this subsection. If mailed, notice
3 shall be deemed given when deposited in the United States
4 mail, postage prepaid. Proof of mailing shall be sufficient
5 proof of notice.

6

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

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9

(END)