

HOUSE BILL NO. HB0235

Life insurance benefits-payments and interest.

Sponsored by: Representative(s) Roscoe

A BILL

for

1 AN ACT relating to insurance; modifying payments of claims
2 and interest requirements on life insurance benefits as
3 specified; and providing for an effective date.

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

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7 **Section 1.** W.S. 26-15-124(a) and 26-16-112 are
8 amended to read:

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10 **26-15-124. Claim to be accepted or rejected;**
11 **attorney's fee.**

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13 (a) Claims for benefits under a life, accident or
14 health insurance policy shall be rejected or accepted and
15 paid by the insurer or its agent designated to receive the
16 claims within forty-five (45) days after receipt of the

1 proofs of loss and supporting evidence. Exceptions to the
2 time of forty-five (45) days shall be made for accident and
3 health insurance claims if there is any question as to the
4 validity or the amount of the claim and the question is
5 referred to the Wyoming state medical peer review committee
6 for adjudication. Exceptions shall also be made as
7 authorized by W.S. 26-16-112(a).

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9 **26-16-112. Payment of claims.**

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11 (a) If the benefits under the policy are payable
12 because of the death of the insured, settlement shall be
13 made upon receipt of proof of death and, at the insurer's
14 option, surrender of the policy or proof of the interest of
15 the claimant, or both. If an insurer shall specify a
16 particular period prior to the expiration of which
17 settlement shall be made, the period may not exceed the
18 time requirements specified in W.S. 26-15-124. For any
19 private placement policy, settlement may be made in cash
20 or, if allowed under the policy, by distributing assets of
21 the separate account to the claimant with the consent of
22 the policyholder, as long as the fair market value of the
23 assets are independently verified at the time of

1 disbursement by the insurer. In any private placement
2 policy, the obligation of the insurer to settle that
3 portion of the policy attributable to separate account
4 assets is subject to the liquidity of the assets and the
5 insurer shall settle the portion of the policy as and when
6 the assets can be, by their respective terms, either
7 converted to cash, which may be later than the time
8 requirements specified in W.S. 26-15-124, or otherwise
9 dispersible by the insurer.

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11 (b) Benefits shall be paid within the time
12 requirements of W.S. 26-15-124 and shall include interest
13 accrued from the date of death until date of payment. The
14 interest rate shall be not less than the rate of interest
15 payable on death proceeds left on deposit with the insurer.

16 For any private placement policy, the interest shall be
17 computed commencing the latter of sixty (60) days
18 succeeding the date of death of the insured or the date
19 proof of death has been received by the insurer in good
20 order, until the date of payment. In any private placement
21 policy, the obligation of the insurer to pay interest on
22 that portion of the policy attributable to separate account
23 assets may only be computed as and when the assets are, by

1 their respective terms, either converted to cash or
2 otherwise dispersible by the insurer.

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4 (c) For purposes of this section, date of payment
5 shall include the date of the postmark stamped on an
6 envelope properly addressed and postage prepaid, containing
7 the payment.

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9 (d) The provisions of this section requiring the
10 payment of interest shall not apply to variable contracts
11 which provide for insurance or annuity benefits which may
12 vary according to the investment experience of any separate
13 account or accounts maintained by the insurer as to such
14 contract.

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16 (e) As used in this chapter, "private placement
17 policy" is a variable life insurance policy that is:

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19 (i) Issued exclusively to a person who is an
20 accredited investor or a qualified purchaser, as defined in
21 the Securities Act of 1933 or the Investment Company Act of
22 1940 or in regulations promulgated under either statute;
23 and

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(ii) Offered for sale and sold in a transaction that is exempt from registration under the Securities Act of 1933.

Section 2. The provisions of this act shall apply to any life insurance policy delivered, issued for delivery or renewed in this state on or after July 1, 2020.

Section 3. This act is effective July 1, 2020.

(END)