

SENATE FILE NO. SF0055

Insurance sandbox.

Sponsored by: Select Committee on Blockchain, Financial  
Technology and Digital Innovation Technology

A BILL

for

1 AN ACT relating to insurance; creating the insurance  
2 sandbox for the testing of products and services in  
3 Wyoming; authorizing limited waivers of specified statutes  
4 and rules; establishing standards and procedures for  
5 sandbox applications, operations and supervision;  
6 authorizing reciprocity agreements with other regulators;  
7 creating an account; imposing fees; requiring a consumer  
8 protection bond; specifying standards for the suspension  
9 and revocation of sandbox authorization; authorizing rules  
10 and orders; creating an account; providing an  
11 appropriation; and providing for effective dates.

12

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

14

1           **Section 1.** W.S. 26-55-101 through 26-55-109 are  
2 created to read:

3

4

CHAPTER 55

5

INSURANCE SANDBOX ACT

6

7

**26-55-101. Short title.**

8

9 This chapter may be cited as the "Insurance Sandbox Act."

10

11

**26-55-102. Definitions:**

12

13

(a) As used in this chapter:

14

15

16

17

18

19

20

21

22

23

(i) "Consumer" means a person, whether a natural person or a legal entity, in Wyoming who purchases or enters into an agreement to receive an innovative insurance product or service made available through the insurance sandbox act;

(ii) "Innovative" means the use or incorporation of a new idea or emerging technology, or a new use of existing technology, to address a problem, provide a

1 benefit or otherwise offer a product, service, business  
2 model or delivery mechanism;

3

4 (iii) "Insurance product or service" means a  
5 product or service related to insurance that is subject to  
6 the statutory or rule requirements identified in W.S.  
7 26-55-103(a) and is under the jurisdiction of the  
8 commissioner;

9

10 (iv) "Insurance sandbox" means the program  
11 created by this chapter that allows a person to make an  
12 innovative insurance product or service available to  
13 consumers during a sandbox period through a waiver of  
14 existing statutory and rule requirements, or portions  
15 thereof, by the commissioner;

16

17 (v) "Sandbox period" means the period of time,  
18 initially not longer than twenty-four (24) months, in which  
19 the commissioner has authorized an innovative insurance  
20 product or service to be made available to consumers, which  
21 shall also encompass any extension granted under W.S.  
22 26-55-108.

23

1           **26-55-103. Insurance sandbox waiver; applicability of**  
2 **criminal and consumer protection statutes; referral to**  
3 **investigatory agencies; civil liability.**

4  
5           (a) Notwithstanding any other provision of law, a  
6 person who makes an innovative insurance product or service  
7 available to consumers pursuant to this chapter may be  
8 granted a waiver of specified requirements imposed by  
9 statute or rule, or portions thereof, if these statutes or  
10 rules do not currently permit the product or service to be  
11 made available to consumers. A waiver under this subsection  
12 shall exempt no more statutory or regulatory provisions  
13 than necessary to accomplish the purposes and standards set  
14 forth in this act, as determined by the commissioner.  
15 Except as provided in subsection (e) of this section, the  
16 following statutes, and the rules adopted under them, or  
17 portions of these statutes and rules, may be waived by the  
18 commissioner for the sandbox period, upon receipt and  
19 approval of an application made pursuant to W.S. 26-55-104:

20  
21           (i) W.S. 26-3-101 through 26-3-503;

22  
23           (ii) W.S. 26-4-101 through 26-4-105;

1

2

(iii) W.S. 26-5-101 through 26-5-119;

3

4

(iv) W.S. 26-6-101 through 26-6-403;

5

6

(v) W.S. 26-7-101 through 26-7-116;

7

8

(vi) W.S. 26-8-101 through 26-8-204;

9

10

(vii) W.S. 26-9-201 through 2-9-235;

11

12

(viii) W.S. 26-11-101 through 26-11-124;

13

14

(ix) W.S. 26-12-101 through 26-12-303;

15

16

(x) W.S. 26-13-101 through 26-13-305;

17

18

(xi) W.S. 26-14-101 through 26-14-118;

19

20

(xii) W.S. 26-15-101 through 26-15-201;

21

22

(xiii) W.S. 26-16-101 through 26-16-505;

23

- 1           (xiv) W.S. 26-17-101 through 26-17-130;  
2  
3           (xv) W.S. 26-18-101 through 26-18-307;  
4  
5           (xvi) W.S. 26-19-101 through 26-19-312;  
6  
7           (xvii) W.S. 26-20-101 through 26-20-701;  
8  
9           (xviii) W.S. 26-21-101 through 26-21-114;  
10  
11          (xix) W.S. 26-22-101 through 26-22-505;  
12  
13          (xx) W.S. 26-23-101 through 26-23-406;  
14  
15          (xxi) W.S. 26-24-101 through 26-24-151;  
16  
17          (xxii) W.S. 26-25-101 and 26-25-109;  
18  
19          (xxiii) W.S. 26-27-101 through 26-27-129;  
20  
21          (xxiv) W.S. 26-28-101 through 26-28-131;  
22  
23          (xxv) W.S. 26-29-201 through 26-29-239;

1

2

(xxvi) W.S. 26-31-101 through 26-31-117;

3

4

(xxvii) W.S. 26-32-101 through 26-32-201;

5

6

(xxviii) W.S. 26-33-101 through 26-33-111;

7

8

(xxix) W.S. 26-34-101 through 26-34-135;

9

10

(xxx) W.S. 26-35-101 through 26-35-204;

11

12

(xxxi) W.S. 26-36-101 through 26-36-116;

13

14

(xxxii) W.S. 26-37-101 through 26-37-128;

15

16

(xxxiii) W.S. 26-38-101 through 26-38-209;

17

18

(xxxiv) W.S. 26-39-101 through 26-39-104;

19

20

(xxxv) W.S. 26-40-101 through 26-40-201;

21

22

(xxxvi) W.S. 26-41-101 through 26-41-103;

23

- 1 (xxxvii) W.S. 26-42-101 through 26-42-118;  
2  
3 (xxxviii) W.S. 26-43-101 through 26-43-114;  
4  
5 (xxxix) W.S. 26-44-101 through 26-44-119;  
6  
7 (xl) W.S. 26-45-101 through 26-45-108;  
8  
9 (xli) W.S. 26-46-101 through 26-46-107;  
10  
11 (xlii) W.S. 26-47-101 through 26-47-113;  
12  
13 (xliii) W.S. 26-48-101 through 26-48-212;  
14  
15 (xliv) W.S. 26-49-101 through 26-49-111;  
16  
17 (xlv) W.S. 26-51-101 through 26-51-110;  
18  
19 (xlvi) W.S. 26-52-101 through 26-52-104;  
20  
21 (xlvii) W.S. 26-53-101 through 26-53-103;  
22  
23 (xlviii) W.S. 26-54-101 through 26-54-108.



1

2 (b) A person who makes an innovative insurance  
3 product or service available to consumers pursuant to this  
4 chapter is:

5

6 (i) Not immune from civil damages for acts and  
7 omissions relating to this chapter; and

8

9 (ii) Subject to all criminal and consumer  
10 protection laws.

11

12 (c) If necessary, the commissioner may refer  
13 suspected violations of law relating to conduct undertaken  
14 pursuant to this chapter to appropriate state or federal  
15 agencies for investigation, prosecution, civil penalties  
16 and other appropriate enforcement actions.

17

18 (d) If service of process on a person making an  
19 innovative insurance product or service available to  
20 consumers in the insurance sandbox is not feasible, service  
21 on the secretary of state shall be deemed service on the  
22 person.

23

1           (e) No waiver or element of a waiver shall be granted  
2 under this chapter if the waiver or element would  
3 jeopardize the state's NAIC accreditation or would violate  
4 any requirements associated with NAIC accreditation.

5

6           **26-55-104. Insurance sandbox application; standards**  
7 **for approval; consumer protection bond.**

8

9           (a) A person shall apply to the commissioner to make  
10 an innovative insurance product or service available to  
11 consumers in the insurance sandbox. The person shall  
12 specify in an application the statutory or regulatory  
13 requirements for which a waiver is sought and the reasons  
14 why these requirements prohibit the innovative insurance  
15 product or service from being made available to consumers.  
16 The application shall also contain all information required  
17 by the commissioner to evaluate the application pursuant to  
18 subsection (f) of this section. The commissioner shall  
19 prescribe by rule a method of application.

20

21           (b) A person may apply under this section without a  
22 current valid license in the product or service area for  
23 which the person is applying, but the application submitted

1 pursuant to subsection (f) of this section shall not be  
2 considered complete until the person has obtained a valid  
3 license.

4

5 (c) A business entity making an application under  
6 this section shall be a licensed domestic corporation or  
7 other licensed organized domestic entity with a physical  
8 presence, in addition to that of a registered office or  
9 agent, in Wyoming.

10

11 (d) Before a person applies on behalf of a business  
12 entity intending to make an innovative insurance product or  
13 service available through the insurance sandbox, the person  
14 shall obtain the consent of the business entity.

15

16 (e) An application made under this section shall be  
17 accompanied by a fee of five hundred dollars (\$500.00). The  
18 fee shall be deposited into the insurance sandbox account  
19 as provided in W.S. 26-55-105. Nothing in this chapter  
20 shall be construed as conferring a right or privilege on  
21 any person or entity:

22

1           (i) To offer an innovative insurance product or  
2 service under this act;

3

4           (ii) For the waiver of any statute or rule  
5 specified in this act.

6

7           (f) The commissioner shall approve or deny an  
8 insurance sandbox application in writing within ninety (90)  
9 days of receiving the complete application. The  
10 commissioner and the person who has made an application may  
11 jointly agree to extend the time for approval or denial of  
12 the application beyond ninety (90) days. The commissioner  
13 may impose conditions on any application approval,  
14 consistent with this act. In deciding to approve or deny an  
15 application under this subsection, the commissioner shall  
16 consider each of the following:

17

18           (i) The nature of the innovative insurance  
19 product or service proposed to be made available to  
20 consumers in the sandbox, including all relevant technical  
21 details;

22

1           (ii) The potential risk to consumers and methods  
2 that will be used to protect consumers and resolve  
3 complaints during the sandbox period;

4  
5           (iii) A business plan proposed by the applicant,  
6 including a statement of arranged capital;

7  
8           (iv) Whether the applicant has the necessary  
9 personnel, adequate financial and technical expertise and a  
10 sufficient plan to test, monitor and assess the innovative  
11 insurance product or service;

12  
13           (v) Whether any person substantially involved in  
14 the development, operation or management of the innovative  
15 insurance product or service has been convicted of, or is  
16 currently under investigation for, fraud, state or federal  
17 insurance violations or any property based offense;

18  
19           (vi) A copy of the disclosures required under  
20 W.S. 26-55-106(c) that will be provided to consumers;

21  
22           (vii) If an application seeks a waiver of a  
23 statute or rule relating to W.S. 26-55-103(a)(i), (iii),

1 (iv), (xxi), (xxiii) through (xxvi), (xxix), (xxxi),  
2 (xxxvi), (xxxvii), (xxxix) through (xliii), (xlv) or  
3 (xlvi) the commissioner shall coordinate the terms of the  
4 waiver with the NAIC prior to approving the waiver to  
5 ensure there is no violation of W.S. 26-55-103(e);

6

7 (viii) Any other factor that the commissioner  
8 determines to be relevant.

9

10 (g) If an application is approved under subsection  
11 (f) of this section, the commissioner shall specify the  
12 statutory or rule requirements, or portions thereof, for  
13 which a waiver is granted and the length of the initial  
14 sandbox period, consistent with W.S. 26-55-102(a)(v). The  
15 commissioner shall also post on the department's website  
16 notice of the approval of a sandbox application under this  
17 subsection, a summary of the innovative insurance product  
18 or service and the contact information of the person making  
19 the product or service available through the sandbox.

20

21 (h) A person authorized under subsection (f) of this  
22 section to participate in the insurance sandbox shall post  
23 a consumer protection bond with the commissioner as

1 security for potential losses suffered by consumers. The  
2 bond amount shall be determined by the commissioner in an  
3 amount not less than ten thousand dollars (\$10,000.00) and  
4 shall be commensurate with the risk profile of the  
5 innovative insurance product or service. The commissioner  
6 may require that a bond under this subsection be increased  
7 or decreased at any time based on risk profile. Unless a  
8 bond is enforced under W.S. 26-55-109(b)(ii), the  
9 commissioner shall cancel or allow the bond to expire not  
10 later than two (2) years after the date of the conclusion  
11 of the sandbox period.

12

13 (j) Authorization under subsection (f) of this  
14 section to participate in the insurance sandbox shall not  
15 be construed to create a property right.

16

17 **26-55-105. Insurance sandbox account.**

18

19 (a) There is created the insurance sandbox account.  
20 Funds within the account shall only be expended by  
21 legislative appropriation. All funds within the account  
22 shall be invested by the state treasurer and all investment

1 earnings from the account shall be credited to the general  
2 fund.

3

4 (b) Subject to legislative appropriation, application  
5 fees remitted to the account pursuant to W.S. 26-55-104(e)  
6 shall be deposited into the account. These funds, and any  
7 additional funds appropriated by the legislature, shall be  
8 used only for the purposes of administering this act,  
9 including processing of sandbox applications and  
10 monitoring, examination and enforcement activities relating  
11 to this act.

12

13 **26-55-106. Operation of insurance sandbox.**

14

15 (a) Except as otherwise provided by W.S. 26-55-108, a  
16 person authorized under W.S. 26-55-104(f) to participate in  
17 the insurance sandbox may make an innovative insurance  
18 product or service available to consumers during the  
19 sandbox period.

20

21 (b) The commissioner may, on a case-by-case basis,  
22 specify the maximum number of consumers permitted to  
23 receive an innovative insurance product or service, after



1 consultation with the person authorized under W.S.  
2 26-55-104(f) to make the product or service available in  
3 the insurance sandbox.

4

5 (c) Before a consumer purchases or enters into an  
6 agreement to receive an innovative insurance product or  
7 service through the insurance sandbox, the person making  
8 the product or service available shall provide a written  
9 statement of the following to the consumer:

10

11 (i) The name and contact information of the  
12 person making the product or service available to  
13 consumers;

14

15 (ii) That the product or service has been  
16 authorized to be made available to consumers for a  
17 temporary period by the commissioner under the laws of  
18 Wyoming;

19

20 (iii) That the state of Wyoming does not endorse  
21 the product or service and is not subject to liability for  
22 losses or damages caused by the product or service;

23

1           (iv) That the product or service is undergoing  
2 testing, may not function as intended and may entail  
3 financial risk;

4

5           (v) That the person making the product or  
6 service available to consumers is not immune from civil  
7 liability for any losses or damages caused by the product  
8 or service;

9

10           (vi) The expected end date of the sandbox  
11 period;

12

13           (vii) The name and contact information of the  
14 commissioner and notification that suspected legal  
15 violations, complaints or other comments related to the  
16 product or service may be submitted to the commissioner;

17

18           (viii) Any other statements or disclosures  
19 required by rule of the commissioner that are necessary to  
20 further the purposes of this act.

21

22           (d) A person authorized to make an innovative  
23 insurance product or service available to consumers in the

1 insurance sandbox shall maintain comprehensive records  
2 relating to the innovative insurance product or service.  
3 The person shall keep these records for not less than five  
4 (5) years after the conclusion of the sandbox period. The  
5 commissioner may specify further records requirements under  
6 this subsection by rule.

7

8 (e) The commissioner may examine the records  
9 maintained under subsection (d) of this section at any  
10 time, with or without notice. All direct and indirect costs  
11 of an examination conducted under this subsection shall be  
12 paid by the person making the innovative insurance product  
13 or service available in the insurance sandbox. Records made  
14 available to the commissioner under this subsection shall  
15 be confidential and shall not be subject to disclosure  
16 under the Wyoming Public Records Act but may be released to  
17 appropriate state and federal agencies for the purposes of  
18 investigation.

19

20 (f) Unless granted an extension pursuant to W.S.  
21 26-55-108, not less than thirty (30) days before the  
22 conclusion of the sandbox period, a person who makes an  
23 innovative insurance product or service available in the

1 insurance sandbox shall provide written notification to  
2 consumers regarding the conclusion of the sandbox period  
3 and shall not make the product or service available to any  
4 new consumers after the conclusion of the sandbox period  
5 until legal authority outside of the sandbox exists to make  
6 the product or service available to consumers. The person  
7 shall wind down operations with existing consumers within  
8 sixty (60) days after the conclusion of the sandbox period,  
9 except that, after the sixtieth day, the person may:

10

11 (i) Collect and receive money owed to the person  
12 based on agreements with consumers made before the  
13 conclusion of the sandbox period;

14

15 (ii) Take necessary legal action; and

16

17 (iii) Take other actions authorized by the  
18 commissioner or by rule that are not inconsistent with this  
19 subsection.

20

21 (g) The commissioner may enter into agreements with  
22 state, federal or foreign regulatory agencies to allow  
23 persons who make an innovative insurance product or service

1 available in Wyoming through the insurance sandbox to make  
2 their products or services available in other jurisdictions  
3 and to allow persons operating in similar insurance  
4 sandboxes in other jurisdictions to make innovative  
5 insurance products and services available in Wyoming under  
6 the standards of this chapter.

7

8 **26-55-107. Revocation or suspension of insurance**  
9 **sandbox authorization.**

10

11 (a) The commissioner may, by order, revoke or suspend  
12 authorization granted to a person under W.S. 26-55-104(f)  
13 if:

14

15 (i) The person has violated or refused to comply  
16 with this chapter or any lawful rule, order or decision  
17 adopted by the commissioner;

18

19 (ii) A fact or condition exists that, if it had  
20 existed or become known at the time of the insurance  
21 sandbox application, would have warranted denial of the  
22 application or the imposition of material conditions;

23

1           (iii) A material error, false statement,  
2 misrepresentation or material omission was made in the  
3 insurance sandbox application;

4

5           (iv) Continued authorized waiver of a statute or  
6 rule would jeopardize the state of Wyoming's NAIC  
7 accreditation; or

8

9           (v) After consultation with the person,  
10 continued testing of the innovative insurance product or  
11 service would:

12

13           (A) Be likely to harm consumers; or

14

15           (B) No longer serve the purposes of this  
16 chapter because of the financial or operational failure of  
17 the product or service.

18

19           (b) Written notification of a revocation or  
20 suspension order made under subsection (a) of this section  
21 shall be served using any means authorized by law, and if  
22 the notice relates to a suspension, include any conditions

1 or remedial action that shall be completed before the  
2 suspension will be lifted by the commissioner.

3

4 **26-55-108. Extension of sandbox period.**

5

6 (a) A person granted authorization under W.S.  
7 26-55-104(f) may apply for an extension of the initial  
8 sandbox period for not more than twelve (12) additional  
9 months. An application for an extension shall be made not  
10 later than sixty (60) days before the conclusion of the  
11 initial sandbox period specified by the commissioner. The  
12 commissioner shall approve or deny the application for  
13 extension in writing not later than thirty-five (35) days  
14 before the conclusion of the initial sandbox period. An  
15 application for extension by a person shall cite one (1) of  
16 the following reasons as the basis for the application and  
17 provide all relevant supporting information that:

18

19 (i) Statutory or rule amendments are necessary  
20 to conduct business in Wyoming on a permanent basis; or

21

22 (ii) An application for other authorization  
23 required to conduct business in Wyoming on a permanent

1 basis has been filed with the appropriate office and  
2 approval is currently pending.

3

4 **26-55-109. Rules and orders; enforcement of bond;**  
5 **restitution; applicability of Wyoming Administrative**  
6 **Procedure Act.**

7

8 (a) The commissioner shall adopt rules to implement  
9 this act. The rules adopted by the commissioner under this  
10 subsection shall be as consistent as reasonably possible,  
11 but shall account for differences in the statutes and  
12 programs administered by the commissioner.

13

14 (b) The commissioner may issue:

15

16 (i) All necessary orders to enforce this act,  
17 including ordering the payment of restitution, and  
18 enforcing these orders in any court of competent  
19 jurisdiction;

20

21 (ii) An order under paragraph (i) of this  
22 subsection to enforce the bond posted under W.S.  
23 26-55-104(h), or a portion of the bond, and use proceeds



1 from the bond to offset losses suffered by consumers as a  
2 result of an innovative insurance product or service.

3

4 (c) All actions of the commissioner under this  
5 chapter shall be subject to the Wyoming Administrative  
6 Procedure Act.

7

8 **Section 2.** There is appropriated five hundred  
9 thousand dollars (\$500,000.00) from the special revenue  
10 funds generated pursuant to W.S. 26-2-204 to the department  
11 of insurance for purposes of administering applications,  
12 reviews and enforcement of the insurance sandbox created by  
13 this act. Appropriations made under this section are for  
14 the period from the effective date of this act and ending  
15 June 30, 2024. Notwithstanding any other provision of law,  
16 these funds shall not be transferred or expended for any  
17 other purpose and any unexpended, unobligated funds  
18 remaining from this appropriation shall revert in the  
19 manner provided by W.S. 9-4-207(c) and 9-2-1008 on June 30,  
20 2024. It is the intent of the legislature that this  
21 appropriation shall be included in the governor's standard  
22 budget for the immediately succeeding fiscal biennium.

23

1           **Section 3.** Consistent with W.S. 26-55-109(a), the  
2 insurance commissioner shall adopt rules to implement this  
3 act on or before January 1, 2023, provided these rules  
4 shall not take effect until January 1, 2023.

5

6           **Section 4.**

7

8           (a) Except as otherwise provided by subsection (b) of  
9 this section, this act is effective January 1, 2023.

10

11           (b) Sections 3 and 4 of this act are effective  
12 immediately upon completion of all acts necessary for a  
13 bill to become law as provided by Article 4, Section 8 of  
14 the Wyoming Constitution.

15

16

(END)