

SENATE FILE NO. SF0006

Insurance rebating modernization.

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

A BILL

for

1 AN ACT relating to the insurance code; authorizing
2 specified insurance rebates; clarifying language in the
3 unfair insurance discrimination and insurance rebate
4 statutes; authorizing rulemaking; and providing for an
5 effective date.

6

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

8

9 **Section 1.** W.S. 26-9-212(d), 26-13-109(a)(intro),
10 (ii)(intro), (A) and (B) and 26-13-110(a)(i), (ii)(intro),
11 (A), (iii) and by creating new paragraphs (iv) and (v), by
12 creating a new subsections (b) through (f) are amended to
13 read:

14

15 **26-9-212. Commissions.**

1

2 (d) An insurer or insurance producer may pay or
3 assign commissions, brokerages or other valuable
4 consideration to an insurance agency or to persons who do
5 not sell, solicit or negotiate insurance in this state,
6 unless the payment would violate W.S. 26-13-109 or
7 26-13-110. ~~or 26-13-112.~~

8

9 **26-13-109. Unfair discrimination prohibited.**

10

11 (a) No person shall make or permit any unfair
12 discrimination between ~~individuals~~ current or prospective
13 insureds or insured risks:

14

15 (ii) Of the same class, having similar insuring
16 or risk characteristics and of essentially the same hazard
17 in:

18

19 (A) The amount of premium, policy fees or
20 rates charged for any policy or contract of ~~disability~~
21 insurance;

22

1 (B) The dividends or benefits payable
2 thereunder;

3

4 **26-13-110. Rebates.**

5

6 (a) Except as otherwise provided by law, no person
7 shall:

8

9 (i) ~~Knowingly permit or~~ Authorize, offer to make
10 or make any contract of ~~life insurance, life annuity or~~
11 ~~disability~~ insurance, or agreement as to that contract
12 other than as expressed in the contract issued thereon;

13

14 (ii) Pay, allow or give or offer to pay, allow,
15 ~~or give,~~ receive or accept in any manner as inducement to
16 the purchase of insurance ~~or annuity or~~ renewal of
17 insurance:

18

19 (A) Any rebate, discount, credit or
20 reduction of premiums payable on the contract;

21

22 (iii) In any manner give, sell or purchase or
23 offer or agree to give, sell, purchase or allow as

1 inducement to the insurance ~~or annuity~~ or in connection
2 therewith, and whether or not to be specified in the policy
3 or contract, any agreement of any form or nature promising:
4

5 (iv) Offer or provide insurance as an inducement
6 to the purchase of another policy or use the words "free",
7 "no cost" or similar wording in an advertisement;
8

9 (v) Unfairly discriminate against a customer
10 when offering or declining to offer any of the items
11 authorized by subsection (c) of this section.
12

13 (b) Nothing in W.S. 26-13-109 or subsection (a) of
14 this section shall prohibit any of the following practices:
15

16 (i) Paying bonuses to customers or abating their
17 premiums in whole or in part out of surplus accumulated
18 from nonparticipating insurance, provided that any bonuses
19 or abatement of premiums are fair and equitable to
20 customers and are in the insurer and its customers' best
21 interests;
22

1 (ii) Making allowances to customers who have
2 continuously made premium payments directly to the office
3 of an insurer in an amount which fairly represents the
4 saving in collection expense;

5
6 (iii) Readjustment of the premium rate for a
7 group insurance policy based on the loss or expense
8 experienced by the insurer, which may be made retroactive
9 only for that policy year;

10
11 (iv) Reduction of premium rates for policies of
12 large amount, but not exceeding savings in issuance and
13 administration expenses reasonably attributable to those
14 policies as compared with policies of a similar plan issued
15 in smaller amounts;

16
17 (v) Reduction in premium rates for life or
18 disability insurance policies on annuity contracts on
19 salary savings, payroll deduction, preauthorized check,
20 bank draft or similar plans in amounts reasonably
21 commensurate with the savings made by the use of those
22 plans;

23

1 (vi) Allowing or returning to an insurer's
2 participating customers, members or subscribers dividends,
3 savings or unabsorbed premium deposits;

4
5 (vii) The payment of commissions or other
6 compensation to licensed producers;

7
8 (viii) The selling or offering for sale,
9 contemporaneously with life insurance, of mutual fund
10 shares or face amount certificates of regulated investment
11 companies under offerings with the securities and exchange
12 commission if the shares or face amount certificates and
13 the life insurance may be purchased independently, at the
14 same price as and upon the same terms and conditions as if
15 purchased contemporaneously;

16
17 (ix) The offer or provision by insurers,
18 producers or their affiliates of a product or service at no
19 cost or a reduced cost when the product or service is not
20 specified in the policy of insurance and the product or
21 service;

22
23 (A) Relates to the insurance coverage;

1

2

(B) Is primarily designed to satisfy one

3

(1) or more of the following:

4

5

(I) Provide loss mitigation or loss

6

control;

7

8

(II) Reduce claim costs or claim

9

settlement costs;

10

11

(III) Provide education about

12

liability risks or risk of loss to persons or property;

13

14

(IV) Monitor or assess risk, identify

15

sources of risk or develop strategies for eliminating or

16

reducing risk;

17

18

(V) Enhance health;

19

20

(VI) Enhance financial wellness

21

through items such as education or financial planning

22

services;

23

1 (VII) Provide post-loss services;

2

3 (VIII) Incentivize behavioral changes
4 to improve the health or reduce the risk of death or
5 disability of a customer; or

6

7 (IX) Assist in the administration of
8 retirement benefit insurance coverage.

9

10 (C) The cost to the insurer or producer
11 offering the product or service to any given customer is
12 reasonable in comparison to that customer's premiums or
13 insurance coverage for the policy class;

14

15 (D) The insurer or producer ensures that
16 the customer is provided with contact information to assist
17 the customer with questions regarding the product or
18 service;

19

20 (E) The availability of offered products or
21 services shall be based on documented objective criteria,
22 which shall be maintained by the insurer or producer and
23 produced upon request by the department. If the insurer or

1 producer does not have sufficient evidence, but has a
2 good-faith belief that the offered products or services
3 meet the criteria, the insurer or producer may provide the
4 products or services as part of a pilot or testing program
5 for no more than one (1) year. The department shall be
6 notified of any pilot or testing program prior to
7 launching. The program may proceed unless the department
8 objects within twenty-one (21) days of notice.

9
10 (c) Unless prohibited by paragraphs (a)(ii) and (iii)
11 of this section, an insurer or producer may:

12
13 (i) Offer or give non-cash gifts, items or
14 services to customers in connection with the marketing,
15 sale, purchase or retention of contracts of insurance,
16 provided that the cost of the gifts, items or services are
17 not included in any amounts charged to another person or
18 entity. The customer shall not be required to purchase,
19 continue to purchase or renew a policy in exchange for the
20 gift, item or service. The total value of the gift, item or
21 service per customer per calendar year shall not exceed:

22

1 (A) One hundred dollars (\$100.00) or five
2 percent (5%), but not to exceed one thousand dollars
3 (\$1,000.00), of the written premium for current customers;
4 or

5
6 (B) One hundred dollars (\$100.00) or five
7 percent (5%), but not to exceed one thousand dollars
8 (\$1,000.00), of the quoted premium for prospective
9 customers.

10
11 (ii) Conduct raffles or drawings for prizes to
12 the extent permitted by state law at no cost to entrants.
13 The drawing or raffle shall not obligate participants to
14 purchase insurance and shall be open to the public. The
15 customer shall not be required to purchase or renew a
16 policy in exchange for entrance into the raffle or drawing.
17 The total value of each raffle or drawing shall not exceed
18 one hundred dollars (\$100.00).

19
20 (d) Any person who provides any gift, item, service
21 or prize under subsection (c) of this section shall retain
22 records which shall be considered records of transactions
23 under W.S. 26-9-228 and which shall be provided for

1 inspection upon request of the commissioner. These records
2 shall include but are not limited to receipts of purchase,
3 dates of transaction and names of customers.

4
5 (e) The commissioner may adopt rules and regulations
6 when implementing the permitted practices set forth in this
7 section to ensure consumer protection.

8
9 (f) As used in this section:

10
11 (i) "Insurance" means as defined by W.S.
12 26-1-102(a)(xv) and also includes suretyship;

13
14 (ii) "Policy" means as defined by W.S.
15 26-1-102(a)(xxi) and also includes bond;

16
17 (iii) "Customer" means a policyholder, potential
18 policyholder, certificate holder, potential certificate
19 holder, insured, potential insured or applicant.

20
21 **Section 2.** W.S. 26-13-109(a)(i) and (b), 26-13-111
22 and 26-13-112 are repealed.

23

1 **Section 3.** This act is effective July 1, 2023.

2

3

(END)