

SENATE FILE NO. SF0050

Insurance holding company regulations-amendments.

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

A BILL

for

1 AN ACT relating to the insurance holding company system
2 regulatory act; specifying requirements regarding group
3 capital calculations, group capital ratios, liquidity
4 stress tests, liquidity stress test results, and related
5 information; amending confidentiality provisions; providing
6 definitions; requiring rulemaking; and providing for
7 effective dates.

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

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11 **Section 1.** W.S. 26-44-120 is created to read:

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13 **26-44-120. Authorized use of and prohibited**
14 **statements regarding group capital calculations, liquidity**
15 **stress tests and related information.**

1

2 (a) The group capital calculation, including the
3 group capital ratio produced within the calculation, that
4 is required to be reported under W.S. 26-44-104(p) and the
5 liquidity stress test along with its results and supporting
6 disclosures required under W.S. 26-44-104(q) may be used as
7 regulatory tools for assessing group risks and capital
8 adequacy and group liquidity risks, respectively, but shall
9 not be used to rank insurers or insurance holding company
10 systems generally.

11

12 (b) Except as authorized in subsection (d) of this
13 section or as otherwise required in this act, a person
14 shall not:

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16 (i) Engage in the making, publishing,
17 disseminating, circulating or placing before the public, or
18 causing directly or indirectly to be made, published,
19 disseminated, circulated or placed before the public;

20

21 (ii) In a newspaper, magazine or other
22 publication, or in the form of a notice, circular,
23 pamphlet, letter or poster, or over any radio or television

1 station or any electronic means of communication available
2 to the public, or in any other way;

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4 (iii) An advertisement, announcement or
5 statement containing a representation or statement with
6 regard to the group capital calculation, group capital
7 ratio, liquidity stress test results, or supporting
8 disclosures for the liquidity stress test of any insurer or
9 any insurer group, or any component derived in the
10 calculation by any insurer, broker or other person engaged
11 in any manner in the insurance business.

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13 (c) Any action prohibited under subsection (b) of
14 this section shall be deemed by the commissioner to be
15 misleading.

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17 (d) If any materially false statement with respect to
18 the group capital calculation, group capital ratio,
19 liquidity stress test result or supporting disclosures for
20 the liquidity stress test or an inappropriate comparison of
21 any amount to an insurer's or insurance group's group
22 capital calculation, group capital ratio, liquidity stress
23 test result or supporting disclosures is published in any

1 written publication and the insurer is able to demonstrate
2 to the commissioner with substantial proof the falsity of
3 the statement or the inappropriateness of the comparison,
4 then the insurer may publish announcements in a written
5 publication if the sole purpose of the announcement is to
6 rebut the materially false statement or inappropriate
7 comparison.

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9 **Section 2.** W.S. 26-44-101(a) by creating new
10 paragraphs (xiv) through (xvii) and amending and
11 renumbering (xiv) as (xviii), 26-44-104(e) and by creating
12 new subsections (p) and (q) and 26-44-110(a), (d)(i)
13 through (iv), by creating new paragraphs (v) and (vi) and
14 (g) are amended to read:

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16 **26-44-101. Definitions.**

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18 (a) As used in this act:

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20 (xiv) "Group capital calculation instructions"
21 means the group capital calculation instructions as adopted
22 by the NAIC and as amended by the NAIC from time to time in
23 accordance with the procedures adopted by the NAIC;

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(xv) "NAIC liquidity stress test framework" means a separate NAIC publication which includes a history of the NAIC's development of regulatory liquidity stress testing, the scope criteria applicable for a specific data year, and the liquidity stress test instructions and reporting templates for a specific data year, such scope criteria, instructions and reporting template being as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC;

(xvi) "Scope criteria," as detailed in the NAIC liquidity stress test framework, means the designated exposure bases along with minimum magnitudes thereof for the specified data year, used to establish a preliminary list of insurers considered scoped into the NAIC liquidity stress test framework for that data year;

(xvii) "Third-party consultant designated by the commissioner" means any independent or consulting actuarial, rating or other technical service provider with whom the commissioner contracts pursuant to W.S. 26-2-106(d);

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2 ~~(xiv)~~(xviii) "This act" means W.S. 26-44-101
3 through ~~26-44-119~~26-44-120.

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5 **26-44-104. Registration of insurers; group capital**
6 **calculations; liquidity stress test results.**

7

8 (e) Information need not be disclosed on the
9 registration statement filed pursuant to subsection (b) of
10 this section if the information is not material for the
11 purposes of this section. Unless the commissioner by rule,
12 regulation or order provides otherwise, sales, purchases,
13 exchanges, loans or extensions of credit, investments or
14 guarantees involving one-half of one percent (.5%) or less
15 of an insurer's admitted assets as of December 31, of the
16 year immediately preceding are not material for purposes of
17 this section. As used in this subsection, "material" shall
18 not apply for purposes of the group capital calculation or
19 the NAIC liquidity stress test framework.

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21 (p) Except as otherwise provided in this subsection,
22 the ultimate controlling person of every insurer subject to
23 registration under this section shall concurrently file

1 with the registration an annual group capital calculation,
2 including the group capital ratio produced within the
3 calculation, as directed by the lead state commissioner.
4 The report shall be completed in accordance with the NAIC
5 group capital calculation instructions, which may permit
6 the lead state commissioner to allow a controlling person
7 that is not the ultimate controlling person to file the
8 group capital calculation. The report shall be filed with
9 the lead state commissioner of the insurance holding
10 company system as determined by the commissioner in
11 accordance with the procedures within the financial
12 analysis handbook adopted by the NAIC. The following
13 insurance holding company systems are exempt from filing
14 the group capital calculation:

15
16 (i) An insurance holding company system that has
17 only one (1) insurer within its holding company structure,
18 that only writes business and is only licensed in its
19 domestic state, and that assumes no business from any other
20 insurer;

21
22 (ii) An insurance holding company system that is
23 required to perform a group capital calculation specified

1 by the United States federal reserve board. The lead state
2 commissioner shall request the calculation from the United
3 States federal reserve board under the terms of information
4 sharing agreements in effect. If the United States federal
5 reserve board cannot share the calculation with the lead
6 state commissioner, the insurance holding company system is
7 not exempt from the group capital calculation filing;

8
9 (iii) An insurance holding company system whose
10 non-United States group wide supervisor is located within a
11 reciprocal jurisdiction as described in W.S.
12 26-5-112(j)(ii) that recognizes the United States state
13 regulatory approach to group supervision and group capital;

14
15 (iv) An insurance holding company system:

16
17 (A) That provides information to the lead
18 state that meets the requirements for accreditation under
19 the NAIC financial standards and accreditation program,
20 either directly or indirectly through the group wide
21 supervisor, who has determined such information is
22 satisfactory to allow the lead state to comply with the

1 NAIC group supervision approach, as detailed in the NAIC
2 financial analysis handbook; and

3
4 (B) Whose non-United States group wide
5 supervisor who is not in a reciprocal jurisdiction
6 recognizes and accepts, as specified by the commissioner in
7 regulation, the group capital calculation as the world wide
8 group capital assessment for United States insurance groups
9 who operate in that jurisdiction.

10
11 (v) Notwithstanding paragraphs (iii) and (iv) of
12 this subsection, a lead state commissioner shall require
13 the group capital calculation for United States operations
14 of any non-United States based insurance holding company
15 system where, after any necessary consultation with other
16 supervisors or officials, it is deemed appropriate by the
17 lead state commissioner for prudential oversight and
18 solvency monitoring purposes or for ensuring the
19 competitiveness of the insurance marketplace;

20
21 (vi) Notwithstanding the exemptions from filing
22 the group capital calculation stated in paragraphs (i)
23 through (iv) of this subsection, the lead state

1 commissioner has the discretion to exempt the ultimate
2 controlling person from filing the annual group capital
3 calculation or to accept a limited group capital filing or
4 report in accordance with criteria as specified by the
5 commissioner in regulation;

6
7 (vii) If the commissioner determines that an
8 insurance holding company system no longer meets one (1) or
9 more of the requirements for an exemption from filing the
10 group capital calculation under this subsection, the
11 insurance holding company system shall file the group
12 capital calculation at the next annual filing date unless
13 given an extension by the lead state commissioner based on
14 reasonable grounds shown.

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16 (q) The ultimate controlling person of every insurer
17 subject to registration and also scoped into the NAIC
18 liquidity stress test framework shall file the results of a
19 specific year's liquidity stress test. The filing shall be
20 made to the lead state insurance commissioner of the
21 insurance holding company system as determined by the
22 procedures within the financial analysis handbook adopted
23 by the NAIC, subject to the following:

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(i) The NAIC liquidity stress test framework shall include scope criteria applicable to a specific data year. These scope criteria shall be reviewed at least annually by the financial stability task force or its successor. Any change to the NAIC liquidity stress test framework or to the data year for which the scope criteria are to be measured shall be effective on January 1 of the year following the calendar year when the changes are adopted. Insurers meeting at least one (1) threshold of the scope criteria are considered scoped into the NAIC liquidity stress test framework for the specified data year unless the lead state insurance commissioner, in consultation with the NAIC financial stability task force or its successor, determines the insurer should not be scoped into the framework for that data year. Similarly, insurers that do not trigger at least one (1) threshold of the scope criteria shall be considered scoped out of the NAIC liquidity stress test framework for the specified data year, unless the lead state insurance commissioner, in consultation with the NAIC financial stability task force or its successor, determines the insurer should be scoped into the framework for that data year;

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26-44-110. Confidential treatment.

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(ii) The performance of, and filing of the results from, a specific year's liquidity stress test shall comply with the NAIC liquidity stress test framework's instructions and reporting templates for that year and any lead state insurance commissioner determinations, in conjunction with the financial stability task force or its successor, provided within the framework.

(a) All information, documents and copies of the documents and information obtained by or disclosed to the commissioner or any other person in the course of an examination made pursuant to W.S. 26-44-109 and all information reported pursuant to W.S. 26-44-103(b)(xii) and (xiii), 26-44-104 through 26-44-108 and 26-44-119 shall be confidential, shall not be subject to subpoena and shall not be disclosed by the commissioner, the National Association of Insurance Commissioners, or any person, except as authorized by and in accordance with the provisions of W.S. 26-2-113(d), without the prior written consent of the insurer to which the information pertains.

1 The commissioner, after giving the insurer and its
2 affiliates notice and opportunity to be heard, may
3 determine that the interest of policyholders, shareholders
4 or the public will be served by the publication of the
5 information, in which event he may publish all or any part
6 of the information as he deems appropriate, except as
7 provided in this paragraph. The following shall apply to
8 information reported and provided to the department of
9 insurance pursuant to W.S. 26-44-104(p) and (q):

10
11 (i) For purposes of the information reported and
12 provided to the department of insurance pursuant to W.S.
13 26-44-104(p), the commissioner shall maintain the
14 confidentiality of the group capital calculation and group
15 capital ratio produced within the calculation and any group
16 capital information received from an insurance holding
17 company supervised by the United States federal reserve
18 board or any United States group wide supervisor;

19
20 (ii) For purposes of the information reported and
21 provided to the department of insurance pursuant to W.S.
22 26-44-104(q), the commissioner shall maintain the
23 confidentiality of the liquidity stress test results and

1 supporting disclosures and any liquidity stress test
2 information received from an insurance holding company
3 supervised by the United States federal reserve board and
4 non-United States group wide supervisors.

5
6 (d) In addition to any other authorities provided by
7 law, the commissioner shall enter into written agreements
8 with the NAIC governing sharing and use of information
9 provided pursuant to this act consistent with this
10 subsection which shall:

11
12 (i) Specify procedures and protocols regarding
13 the confidentiality and security of information shared with
14 the NAIC ~~and its affiliates and subsidiaries~~ or a
15 third-party consultant designated by the commissioner
16 pursuant to this act, including procedures and protocols
17 for sharing by the NAIC with other state, federal or
18 international regulators. The agreement shall provide that
19 the recipient agrees in writing to maintain the
20 confidentiality and privileged status of the documents,
21 materials or other information and has verified in writing
22 the legal authority to maintain such confidentiality;

23

1 (ii) Specify that ownership of information
2 shared with the NAIC ~~and its affiliates and subsidiaries~~ or
3 a third-party consultant designated by the commissioner
4 pursuant to this act remains with the commissioner and the
5 NAIC's or a third-party consultant as designated by the
6 commissioner's use of the information is subject to the
7 direction of the commissioner;

8
9 (iii) Require prompt notice to be given to an
10 insurer whose confidential information in the possession of
11 the NAIC or a third-party consultant designated by the
12 commissioner pursuant to this act is subject to a request
13 or subpoena to the NAIC or a third-party consultant
14 designated by the commissioner for disclosure or
15 production; ~~and~~

16
17 (iv) Require the NAIC ~~and its affiliates and~~
18 ~~subsidiaries~~ or a third-party consultant designated by the
19 commissioner to consent to intervention by an insurer in
20 any judicial or administrative action in which the NAIC ~~and~~
21 ~~its affiliates and subsidiaries~~ or a third-party consultant
22 designated by the commissioner may be required to disclose
23 confidential information about the insurer shared with the

1 NAIC ~~and its affiliates and subsidiaries~~ or a third-party
2 consultant designated by the commissioner pursuant to this
3 chapter ~~i-~~

4
5 (v) Excluding documents, material or information
6 reported pursuant to W.S. 26-44-104(q), prohibit the NAIC
7 or third-party consultant designated by the commissioner
8 from storing the information shared pursuant to this act in
9 a permanent database after the underlying analysis is
10 completed;

11
12 (vi) For documents, material or information
13 reported pursuant to W.S. 26-44-104(q), in the case of an
14 agreement involving a third-party consultant designated by
15 the commissioner, provide for notification of the identity
16 of the third-party consultant designated by the
17 commissioner to the applicable insurers.

18
19 (g) Documents, materials or other information in the
20 possession or control of the NAIC or a third-party
21 consultant designated by the commissioner pursuant to this
22 chapter shall be confidential by law and privileged, shall
23 not be a public record under W.S. 16-4-201 through

1 16-4-205, shall not be subject to subpoena and shall not be
2 subject to discovery or admissible in evidence in any
3 private civil action.

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5 **Section 3.** The department of insurance shall
6 promulgate all rules necessary to implement this act.

7

8 **Section 4.**

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10 (a) Except as otherwise provided by subsection (b) of
11 this section, this act is effective July 1, 2025.

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

17

18 (END)