

SENATE FILE NO. SF0062

Group prepaid insurance plans.

Sponsored by: Senator(s) Meier and Scott and Representative(s) Huckfeldt, McMurtrey and Tipton

A BILL

for

1 AN ACT relating to insurance plans; amending a limitation
2 on organizing as a group for specified insurance coverage;
3 and providing for an effective date.

4

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

6

7 **Section 1.** W.S. 26-18-136(a)(ii)(B),
8 26-19-102(a)(ii)(intro), 26-19-106(a)(viii) and
9 26-19-302(a)(vii)(A)(III) are amended to read:

10

11 **26-18-136. Franchise disability insurance.**

12

13 (a) Disability insurance on a franchise plan is that
14 form of disability insurance issued to:

15

1 (ii) Ten (10) or more members, employees or
2 employees of members of any labor union or of any trade,
3 professional or other association which has had an active
4 existence for at least two (2) years and which:

5
6 (B) ~~Is~~ If formed ~~in good faith~~ for purposes
7 ~~other than that~~ of obtaining insurance, the organization
8 shall specify membership eligibility criteria in its
9 constitution or bylaws and shall require that all persons
10 meeting the eligibility criteria be insured under any group
11 disability insurance obtained; and

12
13 **26-19-102. "Group disability insurance" defined;**
14 **eligible groups.**

15
16 (a) "Group disability insurance" means that form of
17 disability insurance covering groups of persons as
18 described in this section and W.S. 26-19-110, with or
19 without one (1) or more members of their families or one
20 (1) or more of their dependents, or covering one (1) or
21 more members of the families or one (1) or more dependents
22 of the groups of persons. Except as provided in W.S.
23 26-19-110, a group disability insurance policy shall not be

1 issued for delivery in this state unless the policy is
2 issued to:

3

4 (ii) An association, or a trust or the trustee
5 of a fund established or adopted for the benefit of members
6 of one (1) or more associations. The association shall have
7 at the time the policy is first issued a minimum of fifty
8 (50) persons eligible for insurance, ~~shall have been~~
9 ~~organized and maintained in good faith for purposes other~~
10 ~~than that of obtaining insurance,~~ shall have been in active
11 existence for at least one (1) year and shall have a
12 constitution and bylaws which provide that the association
13 holds regular meetings not less than annually to further
14 the members' purposes, that the association, except for
15 credit unions, collects dues or solicits contributions from
16 members, and that the members have voting privileges and
17 representation on the governing board and committees. If
18 formed for purposes of obtaining insurance, the
19 organization shall specify membership eligibility criteria
20 in its constitution or by laws and shall require that all
21 persons meeting the eligibility criteria be insured under
22 any group disability insurance obtained. The policy is
23 subject to the following requirements:

24

1 **26-19-106. Blanket disability insurance; defined.**

2

3 (a) Blanket disability insurance is that form of
4 disability insurance covering groups of persons under a
5 policy or contract issued to:

6

7 (viii) An association, including a labor union,
8 which has a constitution and bylaws and which ~~has been~~
9 ~~organized and is maintained in good faith for purposes~~
10 ~~other than that of obtaining insurance, which~~ is deemed the
11 policyholder, covering any group of members or participants
12 defined by reference to specified hazards incident to an
13 activity or operations sponsored or supervised by the
14 policyholder. If formed for purposes of obtaining
15 insurance, the organization shall specify membership
16 eligibility criteria in its constitution or bylaws and
17 shall require that all persons meeting the eligibility
18 criteria be insured under any blanket disability insurance
19 obtained;

20

21 **26-19-302. Definitions.**

22

23 (a) As used in this act:

24

1 (vii) "Class of business" means all of a
2 distinct grouping of small employers as shown on the
3 records of the small employer carrier, and provided:

4

5 (A) A distinct grouping may only be
6 established by the small employer carrier on the basis that
7 the applicable health benefit plans:

8

9 (III) Are provided through an
10 association with membership of not less than two (2) small
11 employers. ~~which~~If the association has been formed for
12 purposes ~~other than~~of obtaining insurance, the association
13 shall specify membership eligibility criteria and require
14 that all persons meeting the eligibility criteria be
15 insured under any small employer health benefit plan
16 obtained under this article.

17

18 **Section 2.** This act is effective July 1, 2002.

19

20 (END)