

SENATE FILE NO. SF0020

Interstate insurance product regulation compact.

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

A BILL

for

1 AN ACT relating to insurance products; providing for entry  
2 into an interstate insurance product regulation compact;  
3 providing for approval of insurance policy forms; and  
4 providing for an effective date.

5

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

7

8 **Section 1.** W.S. 26-15-201 is created to read:

9

10

ARTICLE 2

11

INTERSTATE INSURANCE PRODUCT REGULATION

12

13 **26-15-201. Interstate insurance product regulation**  
14 **compact.**

15

1 The Interstate Insurance Product Regulation Compact is  
2 hereby enacted into law and entered into on behalf of this  
3 state with any and all other states legally joining therein  
4 in a form substantially as follows:

5

6 INTERSTATE INSURANCE PRODUCT REGULATION COMPACT

7

ARTICLE I

8

Purposes

9

10 (a) The purposes of this compact are, through means  
11 of joint and cooperative action among the compacting  
12 states:

13

14 (i) To promote and protect the interest of  
15 consumers of individual and group annuity, life insurance,  
16 disability income and long-term care insurance products;

17

18 (ii) To develop uniform standards for insurance  
19 products covered under the compact;

20

21 (iii) To establish a central clearinghouse to  
22 receive and provide prompt review of insurance products  
23 covered under the compact and, in certain cases,

1 advertisements related thereto, submitted by insurers  
2 authorized to do business in one or more compacting states;

3

4 (iv) To give appropriate regulatory approval to  
5 those product filings and advertisements satisfying the  
6 applicable uniform standard;

7

8 (v) To improve coordination of regulatory  
9 resources and expertise between state insurance departments  
10 regarding the setting of uniform standards and review of  
11 insurance products covered under the compact;

12

13 (vi) To create the interstate insurance product  
14 regulation commission; and

15

16 (vii) To perform these and such other related  
17 functions as may be consistent with the state regulation of  
18 the business of insurance.

19

20 ARTICLE II

21 Definitions

22

23 (a) Notwithstanding W.S. 26-1-102, for purposes of  
24 this compact:

1

2 (i) "Advertisement" means any material designed  
3 to create public interest in a product, or induce the  
4 public to purchase, increase, modify, reinstate, borrow on,  
5 surrender, replace or retain a policy, as more specifically  
6 defined in the rules and operating procedures of the  
7 commission;

8

9 (ii) "Bylaws" means those bylaws established by  
10 the commission for its governance, or for directing or  
11 controlling the commission's actions or conduct;

12

13 (iii) "Compacting state" means any state which  
14 has enacted this compact legislation and which has not  
15 withdrawn pursuant to article XIV, section 1, or been  
16 terminated pursuant to article XIV, section 2;

17

18 (iv) "Commission" means the "interstate  
19 insurance product regulation commission" established by  
20 this compact;

21

22 (v) "Commissioner" means the chief insurance  
23 regulatory official of a state including, but not limited  
24 to commissioner, superintendent, director or administrator;

1

2 (vi) "Domiciliary state" means the state in  
3 which an insurer is incorporated or organized or, in the  
4 case of an alien insurer, its state of entry;

5

6 (vii) "Insurer" means any entity licensed by a  
7 state to issue contracts of insurance for any of the lines  
8 of insurance covered by this compact;

9

10 (viii) "Member" means the person chosen by a  
11 compacting state as its representative to the commission,  
12 or his or her designee;

13

14 (ix) "Noncompacting state" means any state which  
15 is not at the time a compacting state;

16

17 (x) "Operating procedures" mean procedures  
18 promulgated by the commission implementing a rule, uniform  
19 standard or a provision of this compact;

20

21 (xi) "Product" means the form of a policy or  
22 contract, including any application, endorsement or related  
23 form which is attached to and made a part of the policy or  
24 contract, and any evidence of coverage or certificate, for

1 an individual or group annuity, life insurance, disability  
2 income or long-term care insurance product that an insurer  
3 is authorized to issue;

4

5 (xii) "Rule" means a statement of general or  
6 particular applicability and future effect promulgated by  
7 the commission, including a uniform standard developed  
8 pursuant to article VII of this compact, designed to  
9 implement, interpret or prescribe law or policy or  
10 describing the organization, procedure or practice  
11 requirements of the commission, which shall have the force  
12 and effect of law in the compacting states;

13

14 (xiii) "State" means any state, district or  
15 territory of the United States of America;

16

17 (xiv) "Third-party filer" means an entity that  
18 submits a product filing to the commission on behalf of an  
19 insurer;

20

21 (xv) "Uniform standard" means a standard adopted  
22 by the commission for a product line, pursuant to article  
23 VII of this compact, and shall include all of the product  
24 requirements in aggregate, provided, that each uniform

1 standard shall be construed, whether express or implied, to  
2 prohibit the use of any inconsistent, misleading or  
3 ambiguous provisions in a product and the form of the  
4 product made available to the public shall not be unfair,  
5 inequitable or against public policy as determined by the  
6 commission.

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8

### ARTICLE III

9

#### Establishment of the commission and venue

10

11 (a) The compacting states hereby create and establish  
12 a joint public agency known as the "interstate insurance  
13 product regulation commission." Pursuant to article IV,  
14 the commission will have the power to develop uniform  
15 standards for product lines, receive and provide prompt  
16 review of products filed therewith and give approval to  
17 those product filings satisfying applicable uniform  
18 standards; provided, it is not intended for the commission  
19 to be the exclusive entity for receipt and review of  
20 insurance product filings. Nothing herein shall prohibit  
21 any insurer from filing its product in any state wherein  
22 the insurer is licensed to conduct the business of  
23 insurance; and any such filing shall be subject to the laws  
24 of the state where filed.

1

2 (b) The commission is a body corporate and politic,  
3 and an instrumentality of the compacting states.

4

5 (c) The commission is solely responsible for its  
6 liabilities except as otherwise specifically provided in  
7 this compact.

8

9 (d) Venue is proper and judicial proceedings by or  
10 against the commission shall be brought solely and  
11 exclusively in a court of competent jurisdiction where the  
12 principal office of the commission is located.

13

14

## ARTICLE IV

15

## Powers of the commission

16

17 (a) The commission shall have the following powers:

18

19 (i) To promulgate rules, pursuant to article VII  
20 of this compact, which shall have the force and effect of  
21 law and shall be binding in the compacting states to the  
22 extent and in the manner provided in this compact;

23



1           (ii) To exercise its rulemaking authority and  
2 establish reasonable uniform standards for products covered  
3 under the compact, and advertisement related thereto, which  
4 shall have the force and effect of law and shall be binding  
5 in the compacting states, but only for those products filed  
6 with the commission, provided, that a compacting state  
7 shall have the right to opt out of such uniform standard  
8 pursuant to article VII, to the extent and in the manner  
9 provided in this compact, and, provided further, that any  
10 uniform standard established by the commission for long-  
11 term care insurance products may provide the same or  
12 greater protections for consumers as, but shall not provide  
13 less than, those protections set forth in the National  
14 Association of Insurance Commissioners' Long-Term Care  
15 Insurance Model Act and Long-Term Care Insurance Model  
16 Regulation, respectively, adopted as of 2001. The  
17 commission shall consider whether any subsequent amendments  
18 to the National Association Of Insurance Commissioners'  
19 Long-Term Care Insurance Model Act or Long-Term Care  
20 Insurance Model Regulation adopted by the national  
21 association of insurance commissioners require amending of  
22 the uniform standards established by the commission for  
23 long-term care insurance products;

24

1           (iii) To receive and review in an expeditious  
2 manner products filed with the commission, and rate filings  
3 for disability income and long-term care insurance  
4 products, and give approval of those products and rate  
5 filings that satisfy the applicable uniform standard, where  
6 such approval shall have the force and effect of law and be  
7 binding on the compacting states to the extent and in the  
8 manner provided in the compact;

9

10           (iv) To receive and review in an expeditious  
11 manner advertisement relating to long-term care insurance  
12 products for which uniform standards have been adopted by  
13 the commission, and give approval to all advertisement that  
14 satisfies the applicable uniform standard. For any product  
15 covered under this compact, other than long-term care  
16 insurance products, the commission shall have the authority  
17 to require an insurer to submit all or any part of its  
18 advertisement with respect to that product for review or  
19 approval prior to use, if the commission determines that  
20 the nature of the product is such that an advertisement of  
21 the product could have the capacity or tendency to mislead  
22 the public. The actions of commission as provided in this  
23 section shall have the force and effect of law and shall be

1 binding in the compacting states to the extent and in the  
2 manner provided in the compact;

3

4 (v) To exercise its rulemaking authority and  
5 designate products and advertisement that may be subject to  
6 a self-certification process without the need for prior  
7 approval by the commission;

8

9 (vi) To promulgate operating procedures,  
10 pursuant to article VII of this compact, which shall be  
11 binding in the compacting states to the extent and in the  
12 manner provided in this compact;

13

14 (vii) To bring and prosecute legal proceedings  
15 or actions in its name as the commission; provided, that  
16 the standing of any state insurance department to sue or be  
17 sued under applicable law shall not be affected;

18

19 (viii) To issue subpoenas requiring the  
20 attendance and testimony of witnesses and the production of  
21 evidence;

22

23 (ix) To establish and maintain offices;

24

1           (x) To purchase and maintain insurance and  
2 bonds;

3

4           (xi) To borrow, accept or contract for services  
5 of personnel, including, but not limited to, employees of a  
6 compacting state;

7

8           (xii) To hire employees, professionals or  
9 specialists, and elect or appoint officers, and to fix  
10 their compensation, define their duties and give them  
11 appropriate authority to carry out the purposes of the  
12 compact, and determine their qualifications; and to  
13 establish the commission's personnel policies and programs  
14 relating to, among other things, conflicts of interest,  
15 rates of compensation and qualifications of personnel;

16

17           (xiii) To accept any and all appropriate  
18 donations and grants of money, equipment, supplies,  
19 materials and services, and to receive, utilize and dispose  
20 of the same; provided that at all times the commission  
21 shall strive to avoid any appearance of impropriety;

22

23           (xiv) To lease, purchase, accept appropriate  
24 gifts or donations of, or otherwise to own, hold, improve

1 or use, any property, real, personal or mixed; provided  
2 that at all times the commission shall strive to avoid any  
3 appearance of impropriety;

4

5 (xv) To sell, convey, mortgage, pledge, lease,  
6 exchange, abandon or otherwise dispose of any property,  
7 real, personal or mixed;

8

9 (xvi) To remit filing fees to compacting states  
10 as may be set forth in the bylaws, rules or operating  
11 procedures;

12

13 (xvii) To enforce compliance by compacting  
14 states with rules, uniform standards, operating procedures  
15 and bylaws;

16

17 (xviii) To provide for dispute resolution among  
18 compacting states;

19

20 (xix) To advise compacting states on issues  
21 relating to insurers domiciled or doing business in  
22 noncompacting jurisdictions, consistent with the purposes  
23 of this compact;

24

1           (xx) To provide advice and training to those  
2 personnel in state insurance departments responsible for  
3 product review, and to be a resource for state insurance  
4 departments;

5

6           (xxi) To establish a budget and make  
7 expenditures;

8

9           (xxii) To borrow money;

10

11           (xxiii) To appoint committees, including  
12 advisory committees comprising members, state insurance  
13 regulators, state legislators or their representatives,  
14 insurance industry and consumer representatives and such  
15 other interested persons as may be designated in the  
16 bylaws;

17

18           (xxiv) To provide and receive information from,  
19 and to cooperate with law enforcement agencies;

20

21           (xxv) To adopt and use a corporate seal; and

22

23           (xxvi) To perform such other functions as may be  
24 necessary or appropriate to achieve the purposes of this

1 compact consistent with the state regulation of the  
2 business of insurance.

3

4

#### ARTICLE V

5

#### Organization of the commission

6

7 (a) Membership, voting and bylaws shall be as  
8 follows:

9

10 (i) Each compacting state shall have and be  
11 limited to one (1) member. Each member shall be qualified  
12 to serve in that capacity pursuant to applicable law of the  
13 compacting state. Any member may be removed or suspended  
14 from office as provided by the law of the state from which  
15 he or she shall be appointed. Any vacancy occurring in the  
16 commission shall be filled in accordance with the laws of  
17 the compacting state wherein the vacancy exists. Nothing  
18 herein shall be construed to affect the manner in which a  
19 compacting state determines the election or appointment and  
20 qualification of its own commissioner;

21

22 (ii) Each member shall be entitled to one (1)  
23 vote and shall have an opportunity to participate in the  
24 governance of the commission in accordance with the bylaws.

1 Notwithstanding any provision herein to the contrary, no  
2 action of the commission with respect to the promulgation  
3 of a uniform standard shall be effective unless two-thirds  
4 (2/3) of the members vote in favor thereof;

5

6 (iii) The commission shall, by a majority of the  
7 members, prescribe bylaws to govern its conduct as may be  
8 necessary or appropriate to carry out the purposes, and  
9 exercise the powers, of the compact, including, but not  
10 limited to:

11

12 (A) Establishing the fiscal year of the  
13 commission;

14

15 (B) Providing reasonable procedures for  
16 appointing and electing members, as well as holding  
17 meetings, of the management committee;

18

19 (C) Providing reasonable standards and  
20 procedures:

21

22 (I) For the establishment and meetings  
23 of other committees; and

24



1 (II) Governing any general or specific  
2 delegation of any authority or function of the commission.

3

4 (D) Providing reasonable procedures for  
5 calling and conducting meetings of the commission that  
6 consist of a majority of commission members, ensuring  
7 reasonable advance notice of each such meeting and  
8 providing for the right of citizens to attend each such  
9 meeting with enumerated exceptions designed to protect the  
10 public's interest, the privacy of individuals, and  
11 insurers' proprietary information, including trade secrets.  
12 The commission may meet in camera only after a majority of  
13 the entire membership votes to close a meeting en toto or  
14 in part. As soon as practicable, the commission must make  
15 public:

16

17 (I) A copy of the vote to close the  
18 meeting revealing the vote of each member with no proxy  
19 votes allowed; and

20

21 (II) Votes taken during such meeting.

22

1                   (E) Establishing the titles, duties and  
2 authority and reasonable procedures for the election of the  
3 officers of the commission;

4  
5                   (F) Providing reasonable standards and  
6 procedures for the establishment of the personnel policies  
7 and programs of the commission. Notwithstanding any civil  
8 service or other similar laws of any compacting state, the  
9 bylaws shall exclusively govern the personnel policies and  
10 programs of the commission;

11

12                   (G) Promulgating a code of ethics to  
13 address permissible and prohibited activities of commission  
14 members and employees; and

15

16                   (H) Providing a mechanism for winding up  
17 the operations of the commission and the equitable  
18 disposition of any surplus funds that may exist after the  
19 termination of the compact after the payment and/or  
20 reserving of all of its debts and obligations; and

21

22                   (iv) The commission shall publish its bylaws in  
23 a convenient form and file a copy thereof and a copy of any

1 amendment thereto, with the appropriate agency or officer  
2 in each of the compacting states.

3

4 (b) Management committee, officers and personnel  
5 shall be as follows:

6

7 (i) A management committee comprising no more  
8 than fourteen (14) members shall be established as follows:

9

10 (A) One (1) member from each of the six (6)  
11 compacting states with the largest premium volume for  
12 individual and group annuities, life, disability income and  
13 long-term care insurance products, determined from the  
14 records of the national association of insurance  
15 commissioners for the prior year;

16

17 (B) Four (4) members from those compacting  
18 states with at least two percent (2%) of the market based  
19 on the premium volume described above, other than the six  
20 (6) compacting states with the largest premium volume,  
21 selected on a rotating basis as provided in the bylaws; and

22

23 (C) Four (4) members from those compacting  
24 states with less than two percent (2%) of the market, based

1 on the premium volume described above, with one (1)  
2 selected from each of the four (4) zone regions of the  
3 national association of insurance commissioners as provided  
4 in the bylaws.

5

6 (ii) The management committee shall have such  
7 authority and duties as may be set forth in the bylaws,  
8 including but not limited to:

9

10 (A) Managing the affairs of the commission  
11 in a manner consistent with the bylaws and purposes of the  
12 commission;

13

14 (B) Establishing and overseeing an  
15 organizational structure within, and appropriate procedures  
16 for, the commission to provide for the creation of uniform  
17 standards and other rules, receipt and review of product  
18 filings, administrative and technical support functions,  
19 review of decisions regarding the disapproval of a product  
20 filing, and the review of elections made by a compacting  
21 state to opt out of a uniform standard; provided that a  
22 uniform standard shall not be submitted to the compacting  
23 states for adoption unless approved by two-thirds (2/3) of  
24 the members of the management committee;

1

2 (C) Overseeing the offices of the  
3 commission; and

4

5 (D) Planning, implementing and coordinating  
6 communications and activities with other state, federal and  
7 local government organizations in order to advance the  
8 goals of the commission.

9

10 (iii) The commission shall elect annually  
11 officers from the management committee, with each having  
12 such authority and duties, as may be specified in the  
13 bylaws;

14

15 (iv) The management committee may, subject to  
16 the approval of the commission, appoint or retain an  
17 executive director for such period, upon such terms and  
18 conditions and for such compensation as the commission may  
19 deem appropriate. The executive director shall serve as  
20 secretary to the commission, but shall not be a member of  
21 the commission. The executive director shall hire and  
22 supervise such other staff as may be authorized by the  
23 commission.

24

1           (c) Legislative and advisory committees shall be as  
2 follows:

3

4           (i) A legislative committee comprising state  
5 legislators or their designees shall be established to  
6 monitor the operations of, and make recommendations to, the  
7 commission, including the management committee; provided  
8 that the manner of selection and term of any legislative  
9 committee member shall be as set forth in the bylaws.  
10 Prior to the adoption by the commission of any uniform  
11 standard, revision to the bylaws, annual budget or other  
12 significant matter as may be provided in the bylaws, the  
13 management committee shall consult with and report to the  
14 legislative committee;

15

16           (ii) The commission shall establish two (2)  
17 advisory committees, one (1) of which shall comprise  
18 consumer representatives independent of the insurance  
19 industry, and the other comprising insurance industry  
20 representatives;

21

22           (iii) The commission may establish additional  
23 advisory committees as its bylaws may provide for the  
24 carrying out of its functions.

1

2 (d) Corporate records of the commission shall be as  
3 follows:

4

5 (i) The commission shall maintain its corporate  
6 books and records in accordance with the bylaws.

7

8 (e) Qualified immunity, defense and indemnification  
9 shall be as follows:

10

11 (i) The members, officers, executive director,  
12 employees and representatives of the commission shall be  
13 immune from suit and liability, either personally or in  
14 their official capacity, for any claim for damage to or  
15 loss of property or personal injury or other civil  
16 liability caused by or arising out of any actual or alleged  
17 act, error or omission that occurred, or that the person  
18 against whom the claim is made had a reasonable basis for  
19 believing occurred within the scope of commission  
20 employment, duties or responsibilities; provided, that  
21 nothing in this paragraph shall be construed to protect any  
22 such person from suit and liability for any damage, loss,  
23 injury or liability caused by the intentional or willful  
24 and wanton misconduct of that person;

1

2           (ii) The commission shall defend any member,  
3 officer, executive director, employee or representative of  
4 the commission in any civil action seeking to impose  
5 liability arising out of any actual or alleged act, error  
6 or omission that occurred within the scope of commission  
7 employment, duties or responsibilities, or that the person  
8 against whom the claim is made had a reasonable basis for  
9 believing occurred within the scope of commission  
10 employment, duties or responsibilities, provided, that  
11 nothing herein shall be construed to prohibit that person  
12 from retaining his or her own counsel, and provided  
13 further, that the actual or alleged act, error or omission  
14 did not result from that person's intentional or willful  
15 and wanton misconduct;

16

17           (iii) The commission shall indemnify and hold  
18 harmless any member, officer, executive director, employee  
19 or representative of the commission for the amount of any  
20 settlement or judgment obtained against that person arising  
21 out of any actual or alleged act, error or omission that  
22 occurred within the scope of commission employment, duties  
23 or responsibilities, or that such person had a reasonable  
24 basis for believing occurred within the scope of commission



1 employment, duties or responsibilities, provided, that the  
2 actual or alleged act, error or omission did not result  
3 from the intentional or willful and wanton misconduct of  
4 that person.

5

6

#### ARTICLE VI

7

#### Meetings and acts of the commission

8

9 (a) The commission shall meet and take such actions  
10 as are consistent with the provisions of this compact and  
11 the bylaws.

12

13 (b) Each member of the commission shall have the  
14 right and power to cast a vote to which that compacting  
15 state is entitled and to participate in the business and  
16 affairs of the commission. A member shall vote in person  
17 or by such other means as provided in the bylaws. The  
18 bylaws may provide for members' participation in meetings  
19 by telephone or other means of communication.

20

21 (c) The commission shall meet at least once during  
22 each calendar year. Additional meetings shall be held as  
23 set forth in the bylaws.

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ARTICLE VII

Rules and operating procedures:  
rulemaking functions of the commission  
and opting out of uniform standards

(a) Rulemaking authority. The commission shall promulgate reasonable rules, including uniform standards, and operating procedures in order to effectively and efficiently achieve the purposes of this compact. Notwithstanding the foregoing, in the event the commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of this compact, or the powers granted hereunder, then such an action by the commission shall be invalid and have no force and effect.

(b) Rulemaking procedure. Rules and operating procedures shall be made pursuant to a rulemaking process that conforms to the Model State Administrative Procedure Act of 1981 as amended, as may be appropriate to the operations of the commission. Before the commission adopts a uniform standard, the commission shall give written notice to the relevant state legislative committee in each compacting state responsible for insurance issues of its intention to adopt the uniform standard. The commission in

1 adopting a uniform standard shall consider fully all  
2 submitted materials and issue a concise explanation of its  
3 decision.

4

5 (c) Effective date and opt out of a uniform standard.  
6 A uniform standard shall become effective ninety (90) days  
7 after its promulgation by the commission or such later date  
8 as the commission may determine; provided, however, that a  
9 compacting state may opt out of a uniform standard as  
10 provided in this article. "Opt out" shall be defined as  
11 any action by a compacting state to decline to adopt or  
12 participate in a promulgated uniform standard. All other  
13 rules and operating procedures, and amendments thereto,  
14 shall become effective as of the date specified in each  
15 rule, operating procedure or amendment.

16

17 (d) Opt out procedure. A compacting state may opt  
18 out of a uniform standard, either by legislation or  
19 regulation duly promulgated by the insurance department  
20 under the compacting state's administrative procedure act.  
21 If a compacting state elects to opt out of a uniform  
22 standard by regulation, it must:

23

1           (i) Give written notice to the commission no  
2 later than ten (10) business days after the uniform  
3 standard is promulgated, or at the time the state becomes a  
4 compacting state; and

5  
6           (ii) Find that the uniform standard does not  
7 provide reasonable protections to the citizens of the  
8 state, given the conditions in the state. The commissioner  
9 shall make specific findings of fact and conclusions of  
10 law, based on a preponderance of the evidence, detailing  
11 the conditions in the state which warrant a departure from  
12 the uniform standard and determining that the uniform  
13 standard would not reasonably protect the citizens of the  
14 state. The commissioner must consider and balance the  
15 following factors and find that the conditions in the state  
16 and needs of the citizens of the state outweigh:

17  
18           (A) The intent of the legislature to  
19 participate in, and the benefits of, an interstate  
20 agreement to establish national uniform consumer  
21 protections for the products subject to this compact; and

22

1                   (B) The presumption that a uniform standard  
2 adopted by the commission provides reasonable protections  
3 to consumers of the relevant product.

4  
5                   (iii) Notwithstanding the foregoing, a  
6 compacting state may, at the time of its enactment of this  
7 compact, prospectively opt out of all uniform standards  
8 involving long-term care insurance products by expressly  
9 providing for such opt out in the enacted compact, and such  
10 an opt out shall not be treated as a material variance in  
11 the offer or acceptance of any state to participate in this  
12 compact. Such an opt out shall be effective at the time of  
13 enactment of this compact by the compacting state and shall  
14 apply to all existing uniform standards involving long-term  
15 care insurance products and those subsequently promulgated.

16  
17                   (e) Effect of opt out is as follows:

18  
19                   (i) If a compacting state elects to opt out of a  
20 uniform standard, the uniform standard shall remain  
21 applicable in the compacting state electing to opt out  
22 until such time the opt out legislation is enacted into law  
23 or the regulation opting out becomes effective;

24

1           (ii) Once the opt out of a uniform standard by a  
2 compacting state becomes effective as provided under the  
3 laws of that state, the uniform standard shall have no  
4 further force and effect in that state unless and until the  
5 legislation or regulation implementing the opt out is  
6 repealed or otherwise becomes ineffective under the laws of  
7 the state. If a compacting state opts out of a uniform  
8 standard after the uniform standard has been made effective  
9 in that state, the opt out shall have the same prospective  
10 effect as provided under article XIV for withdrawals.

11

12           (f) Stay of uniform standard. If a compacting state  
13 has formally initiated the process of opting out of a  
14 uniform standard by regulation, and while the regulatory  
15 opt out is pending, the compacting state may petition the  
16 commission, at least fifteen (15) days before the effective  
17 date of the uniform standard, to stay the effectiveness of  
18 the uniform standard in that state. The commission may  
19 grant a stay if it determines the regulatory opt out is  
20 being pursued in a reasonable manner and there is a  
21 likelihood of success. If a stay is granted or extended by  
22 the commission, the stay or extension thereof may postpone  
23 the effective date by up to ninety (90) days, unless  
24 affirmatively extended by the commission; provided, a stay

1 may not be permitted to remain in effect for more than one  
2 (1) year unless the compacting state can show extraordinary  
3 circumstances which warrant a continuance of the stay,  
4 including, but not limited to, the existence of a legal  
5 challenge which prevents the compacting state from opting  
6 out. A stay may be terminated by the commission upon  
7 notice that the rulemaking process has been terminated.

8

9 (g) Not later than thirty (30) days after a rule or  
10 operating procedure is promulgated, any person may file a  
11 petition for judicial review of the rule or operating  
12 procedure; provided, that the filing of such a petition  
13 shall not stay or otherwise prevent the rule or operating  
14 procedure from becoming effective unless the court finds  
15 that the petitioner has a substantial likelihood of  
16 success. The court shall give deference to the actions of  
17 the commission consistent with applicable law and shall not  
18 find the rule or operating procedure to be unlawful if the  
19 rule or operating procedure represents a reasonable  
20 exercise of the commission's authority.

21

22

## ARTICLE VIII

23

### Commission records and enforcement

24

1           (a) The commission shall promulgate rules  
2 establishing conditions and procedures for public  
3 inspection and copying of its information and official  
4 records, except such information and records involving the  
5 privacy of individuals and insurers' trade secrets. The  
6 commission may promulgate additional rules under which it  
7 may make available to federal and state agencies, including  
8 law enforcement agencies, records and information otherwise  
9 exempt from disclosure, and may enter into agreements with  
10 such agencies to receive or exchange information or records  
11 subject to nondisclosure and confidentiality provisions.

12

13           (b) Except as to privileged records, data and  
14 information, the laws of any compacting state pertaining to  
15 confidentiality or nondisclosure shall not relieve any  
16 compacting state commissioner of the duty to disclose any  
17 relevant records, data or information to the commission;  
18 provided, that disclosure to the commission shall not be  
19 deemed to waive or otherwise affect any confidentiality  
20 requirement; and further provided, that, except as  
21 otherwise expressly provided in this compact, the  
22 commission shall not be subject to the compacting state's  
23 laws pertaining to confidentiality and nondisclosure with  
24 respect to records, data and information in its possession.



1 Confidential information of the commission shall remain  
2 confidential after such information is provided to any  
3 commissioner.

4

5 (c) The commission shall monitor compacting states  
6 for compliance with duly adopted bylaws, rules, including  
7 uniform standards, and operating procedures. The  
8 commission shall notify any noncomplying compacting state  
9 in writing of its noncompliance with commission bylaws,  
10 rules or operating procedures. If a noncomplying  
11 compacting state fails to remedy its noncompliance within  
12 the time specified in the notice of noncompliance, the  
13 compacting state shall be deemed to be in default as set  
14 forth in article XIV.

15

16 (d) The commissioner of any state in which an insurer  
17 is authorized to do business, or is conducting the business  
18 of insurance, shall continue to exercise his authority to  
19 oversee the market regulation of the activities of the  
20 insurer in accordance with the provisions of the state's  
21 law. The commissioner's enforcement of compliance with the  
22 compact is governed by the following provisions:

23

1           (i) With respect to the commissioner's market  
2 regulation of a product or advertisement that is approved  
3 or certified to the commission, the content of the product  
4 or advertisement shall not constitute a violation of the  
5 provisions, standards or requirements of the compact except  
6 upon a final order of the commission, issued at the request  
7 of a commissioner after prior notice to the insurer and an  
8 opportunity for hearing before the commission;

9  
10           (ii) Before a commissioner may bring an action  
11 for violation of any provision, standard or requirement of  
12 the compact relating to the content of an advertisement not  
13 approved or certified to the commission, the commission, or  
14 an authorized commission officer or employee, must  
15 authorize the action. However, authorization pursuant to  
16 this paragraph does not require notice to the insurer,  
17 opportunity for hearing or disclosure of requests for  
18 authorization or records of the commission's action on such  
19 requests.

20  
21   ARTICLE IX

22   Dispute resolution

23

1 The commission shall attempt, upon the request of a member,  
2 to resolve any disputes or other issues that are subject to  
3 this compact and which may arise between two (2) or more  
4 compacting states, or between compacting states and  
5 noncompacting states, and the commission shall promulgate  
6 an operating procedure providing for resolution of such  
7 disputes.

8

9

## ARTICLE X

10

## Product filing and approval

11

12 (a) Insurers and third-party filers seeking to have a  
13 product approved by the commission shall file the product  
14 with, and pay applicable filing fees to, the commission.  
15 Nothing in this compact shall be construed to restrict or  
16 otherwise prevent an insurer from filing its product with  
17 the insurance department in any state wherein the insurer  
18 is licensed to conduct the business of insurance, and such  
19 filing shall be subject to the laws of the states where  
20 filed.

21

22 (b) The commission shall establish appropriate filing  
23 and review processes and procedures pursuant to commission  
24 rules and operating procedures. Notwithstanding any

1 provision herein to the contrary, the commission shall  
2 promulgate rules to establish conditions and procedures  
3 under which the commission will provide public access to  
4 product filing information. In establishing such rules,  
5 the commission shall consider the interests of the public  
6 in having access to such information, as well as protection  
7 of personal medical and financial information and trade  
8 secrets, that may be contained in a product filing or  
9 supporting information.

10

11 (c) Any product approved by the commission may be  
12 sold or otherwise issued in those compacting states for  
13 which the insurer is legally authorized to do business.

14

15 ARTICLE XI

16 Review of commission decisions regarding filings

17

18 (a) Not later than thirty (30) days after the  
19 commission has given notice of a disapproved product or  
20 advertisement filed with the commission, the insurer or  
21 third-party filer whose filing was disapproved may appeal  
22 the determination to a review panel appointed by the  
23 commission. The commission shall promulgate rules to  
24 establish procedures for appointing such review panels and

1 provide for notice and hearing. An allegation that the  
2 commission, in disapproving a product or advertisement  
3 filed with the commission, acted arbitrarily, capriciously  
4 or in a manner that is an abuse of discretion or otherwise  
5 not in accordance with the law, is subject to judicial  
6 review in accordance with article III, subsection (d).

7

8 (b) The commission shall have authority to monitor,  
9 review and reconsider products and advertisements  
10 subsequent to their filing or approval upon a finding that  
11 the product does not meet the relevant uniform standard.  
12 Where appropriate, the commission may withdraw or modify  
13 its approval after proper notice and hearing, subject to  
14 the appeal process in subsection (a) of this article.

15

16 Article XII

17 Finance

18

19 (a) The commission shall pay or provide for the  
20 payment of the reasonable expenses of its establishment and  
21 organization. To fund the cost of its initial operations,  
22 the commission may accept contributions and other forms of  
23 funding from the national association of insurance  
24 commissioners, compacting states and other sources.

1 Contributions and other forms of funding from other sources  
2 shall be of such a nature that the independence of the  
3 commission concerning the performance of its duties shall  
4 not be compromised.

5

6 (b) The commission shall collect a filing fee from  
7 each insurer and third-party filer filing a product with  
8 the commission to cover the cost of the operations and  
9 activities of the commission and its staff in a total  
10 amount sufficient to cover the commission's annual budget.

11

12 (c) The commission's budget for a fiscal year shall  
13 not be approved until it has been subject to notice and  
14 comment as set forth in article VII of this compact.

15

16 (d) The commission shall be exempt from all taxation  
17 in and by the compacting states.

18

19 (e) The commission shall not pledge the credit of any  
20 compacting state, except by and with the appropriate legal  
21 authority of that compacting state.

22

23 (f) The commission shall keep complete and accurate  
24 accounts of all its internal receipts, including grants and

1 donations, and disbursements of all funds under its  
2 control. The internal financial accounts of the commission  
3 shall be subject to the accounting procedures established  
4 under its bylaws. The financial accounts and reports  
5 including the system of internal controls and procedures of  
6 the commission shall be audited annually by an independent  
7 certified public accountant. Upon the determination of the  
8 commission, but no less frequently than every three (3)  
9 years, the review of the independent auditor shall include  
10 a management and performance audit of the commission. The  
11 commission shall make an annual report to the governor and  
12 legislature of the compacting states, which shall include a  
13 report of the independent audit. The commission's internal  
14 accounts shall not be confidential and such materials may  
15 be shared with the commissioner of any compacting state  
16 upon request provided, however, that any work papers  
17 related to any internal or independent audit and any  
18 information regarding the privacy of individuals and  
19 insurers' proprietary information, including trade secrets,  
20 shall remain confidential.

21

22 (g) No compacting state shall have any claim to or  
23 ownership of any property held by or vested in the

1 commission or to any commission funds held pursuant to the  
2 provisions of this compact.

3

4

#### ARTICLE XIII

5

Compacting states, effective date and amendment

6

7

(a) Any state is eligible to become a compacting  
8 state.

9

10

(b) The compact shall become effective and binding  
11 upon legislative enactment of the compact into law by two

12

(2) compacting states; provided, the commission shall  
13 become effective for purposes of adopting uniform standards

14

for, reviewing, and giving approval or disapproval of,

15

products filed with the commission that satisfy applicable

16

uniform standards only after twenty-six (26) states are

17

compacting states or, alternatively, by states representing

18

greater than forty percent (40%) of the premium volume for

19

life insurance, annuity, disability income and long-term

20

care insurance products, based on records of the national

21

association of insurance commissioners for the prior year.

22

Thereafter, it shall become effective and binding as to any

23

other compacting state upon enactment of the compact into

24

law by that state.



1

2 (c) Amendments to the compact may be proposed by the  
3 commission for enactment by the compacting states. No  
4 amendment shall become effective and binding upon the  
5 commission and the compacting states unless and until all  
6 compacting states enact the amendment into law.

7

8

## ARTICLE XIV

9

## Withdrawal, default and termination

10

11 (a) Withdrawal shall be as follows:

12

13 (i) Once effective, the compact shall continue  
14 in force and remain binding upon each and every compacting  
15 state; provided, that a compacting state may withdraw from  
16 the compact ("withdrawing state") by enacting a statute  
17 specifically repealing the statute which enacted the  
18 compact into law;

19

20 (ii) The effective date of withdrawal is the  
21 effective date of the repealing statute. However, the  
22 withdrawal shall not apply to any product filings approved  
23 or self-certified, or any advertisement of such products,  
24 on the date the repealing statute becomes effective, except

1 by mutual agreement of the commission and the withdrawing  
2 state unless the approval is rescinded by the withdrawing  
3 state as provided in paragraph (v) of this subsection;

4

5 (iii) The commissioner of the withdrawing state  
6 shall immediately notify the management committee in  
7 writing upon the introduction of legislation repealing this  
8 compact in the withdrawing state;

9

10 (iv) The commission shall notify the other  
11 compacting states of the introduction of such legislation  
12 within ten (10) days after its receipt of notice thereof;

13

14 (v) The withdrawing state is responsible for all  
15 obligations, duties and liabilities incurred through the  
16 effective date of withdrawal, including any obligations,  
17 the performance of which extend beyond the effective date  
18 of withdrawal, except to the extent those obligations may  
19 have been released or relinquished by mutual agreement of  
20 the commission and the withdrawing state. The commission's  
21 approval of products and advertisement prior to the  
22 effective date of withdrawal shall continue to be effective  
23 and be given full force and effect in the withdrawing  
24 state, unless formally rescinded by the withdrawing state

1 in the same manner as provided by the laws of the  
2 withdrawing state for the prospective disapproval of  
3 products or advertisement previously approved under state  
4 law;

5

6 (vi) Reinstatement following withdrawal of any  
7 compacting state shall occur upon the effective date of the  
8 withdrawing state reenacting the compact.

9

10 (b) Default shall be as follows:

11

12 (i) If the commission determines that any  
13 compacting state has at any time defaulted ("defaulting  
14 state") in the performance of any of its obligations or  
15 responsibilities under this compact, the bylaws or duly  
16 promulgated rules or operating procedures, then, after  
17 notice and hearing as set forth in the bylaws, all rights,  
18 privileges and benefits conferred by this compact on the  
19 defaulting state shall be suspended from the effective date  
20 of default as fixed by the commission. The grounds for  
21 default include, but are not limited to, failure of a  
22 compacting state to perform its obligations or  
23 responsibilities, and any other grounds designated in  
24 commission rules. The commission shall immediately notify

1 the defaulting state in writing of the defaulting state's  
2 suspension pending a cure of the default. The commission  
3 shall stipulate the conditions and the time period within  
4 which the defaulting state must cure its default. If the  
5 defaulting state fails to cure the default within the time  
6 period specified by the commission, the defaulting state  
7 shall be terminated from the compact and all rights,  
8 privileges and benefits conferred by this compact shall be  
9 terminated from the effective date of termination;

10  
11 (ii) Product approvals by the commission or  
12 product self-certifications, or any advertisement in  
13 connection with such product, that are in force on the  
14 effective date of termination shall remain in force in the  
15 defaulting state in the same manner as if the defaulting  
16 state had withdrawn voluntarily pursuant to subsection (a)  
17 of this article;

18  
19 (iii) Reinstatement following termination of any  
20 compacting state requires a reenactment of the compact.

21  
22 (c) Dissolution of the compact shall be as follows:  
23

1           (i) The compact dissolves effective upon the  
2 date of the withdrawal or default of the compacting state  
3 which reduces membership in the compact to one (1)  
4 compacting state;

5

6           (ii) Upon the dissolution of this compact, the  
7 compact becomes null and void and shall be of no further  
8 force or effect, and the business and affairs of the  
9 commission shall be wound up and any surplus funds shall be  
10 distributed in accordance with the bylaws.

11

12

#### ARTICLE XV

13

#### Severability and construction

14

15           (a) The provisions of this compact shall be  
16 severable; and if any phrase, clause, sentence or provision  
17 is deemed unenforceable, the remaining provisions of the  
18 compact shall be enforceable.

19

20           (b) The provisions of this compact shall be liberally  
21 construed to effectuate its purposes.

22

23

#### ARTICLE XVI

24

#### Binding effect of compact and other laws

1

2 (a) Other laws:

3

4 (i) Nothing herein prevents the enforcement of  
5 any other law of a compacting state, except as provided in  
6 paragraph (ii) of this subsection;

7

8 (ii) For any product approved or certified to  
9 the commission, the rules, uniform standards and any other  
10 requirements of the commission shall constitute the  
11 exclusive provisions applicable to the content, approval  
12 and certification of such products. For advertisement that  
13 is subject to the commission's authority, any rule, uniform  
14 standard or other requirement of the commission which  
15 governs the content of the advertisement shall constitute  
16 the exclusive provision that a commissioner may apply to  
17 the content of the advertisement. Notwithstanding the  
18 foregoing, no action taken by the commission shall abrogate  
19 or restrict:

20

21 (A) The access of any person to state  
22 courts;

23

1                   (B) Remedies available under state law  
2 related to breach of contract, tort, or other laws not  
3 specifically directed to the content of the product;

4

5                   (C) State law relating to the construction  
6 of insurance contracts; or

7

8                   (D) The authority of the attorney general  
9 of the state, including but not limited to maintaining any  
10 actions or proceedings, as authorized by law.

11

12                   (iii) All insurance products filed with  
13 individual states shall be subject to the laws of those  
14 states.

15

16                   (b) Binding effect of this compact:

17

18                   (i) All lawful actions of the commission,  
19 including all rules and operating procedures promulgated by  
20 the commission, are binding upon the compacting states;

21

22                   (ii) All agreements between the commission and  
23 the compacting states are binding in accordance with their  
24 terms;

1

2 (iii) Upon the request of a party to a conflict  
3 over the meaning or interpretation of commission actions,  
4 and upon a majority vote of the compacting states, the  
5 commission may issue advisory opinions regarding the  
6 meaning or interpretation in dispute;

7

8 (iv) In the event any provision of this compact  
9 exceeds the constitutional limits imposed on the  
10 legislature of any compacting state, the obligations,  
11 duties, powers or jurisdiction sought to be conferred by  
12 that provision upon the commission shall be ineffective as  
13 to that compacting state, and those obligations, duties,  
14 powers or jurisdiction shall remain in the compacting state  
15 and shall be exercised by the agency thereof to which those  
16 obligations, duties, powers or jurisdiction are delegated  
17 by law in effect at the time this compact becomes  
18 effective.

19

20 **Section 2.** W.S. 26-15-110(a) and (d)(i), (ii) and by  
21 creating a new paragraph (iii) is amended to read:

22

23 **26-15-110. Filing and approval of application forms.**

24



1           (a) No basic insurance policy or annuity contract  
2 form, or application form if written application is  
3 required and is to be made a part of the policy or  
4 contract, or printed rider or endorsement form or form of  
5 renewal certificate, shall be delivered or issued for  
6 delivery in this state unless the form is filed with and  
7 approved by the commissioner or is approved as provided in  
8 W.S. 26-15-201. This provision does not apply to surety  
9 bonds, or to specially rated inland marine risks, nor to  
10 policies, riders, endorsements or forms of unique character  
11 designed for and used with relation to insurance upon a  
12 particular subject, or which relate to the manner of  
13 distribution of benefits or to the reservation of rights  
14 and benefits under life or disability insurance policies  
15 and are used at the request of the individual policyholder,  
16 contract holder or certificate holder. As to forms for use  
17 in property, marine, other than wet marine and  
18 transportation insurance, casualty and surety insurance  
19 coverages, the filing required by this subsection may be  
20 made by advisory and rating organizations on behalf of  
21 their members and subscribers. This provision does not  
22 prohibit any member or subscriber from filing the forms on  
23 its own behalf.

24

1 (d) The commissioner, by order, may exempt from the  
2 requirements of this section for so long as he deems proper  
3 any insurance document or form or type thereof as specified  
4 in the order, to which, in his opinion:

5  
6 (i) This section may not practicably be applied;

7 ~~or~~

8  
9 (ii) The filing and approval of which are not  
10 desirable or necessary for the public's protection; ~~or~~ or

11  
12 (iii) The document or form or type thereof has  
13 been approved under the provisions of the Interstate  
14 Insurance Product Regulation Compact as provided in W.S.  
15 26-15-201.

16  
17 **Section 3.** Pursuant to terms and conditions of this  
18 act, the State of Wyoming seeks to join with other states  
19 and establish the Interstate Insurance Product Regulation  
20 Compact, and thus become a member of the Interstate  
21 Insurance Product Regulation Commission. The insurance  
22 commissioner is hereby designated to serve as the  
23 representative of this state to the commission.

24

1           **Section 4.** This act is effective immediately upon  
2 completion of all acts necessary for a bill to become law  
3 as provided by Article 4, Section 8 of the Wyoming  
4 Constitution.

5

6

(END)