

SENATE FILE NO. SF0022

Insurance policies.

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

A BILL

for

1 AN ACT relating to insurance; providing the insurance
2 policy with specified modifications thereto is the
3 insurance contract between the insurer and the insured;
4 providing other statements including advertising and
5 certificates of insurance do not modify the insurance
6 contract; providing for disclosures in certificates of
7 insurance; providing for clarification of contract
8 provisions; providing penalties for false statements
9 concerning insurance coverage as specified; providing for
10 civil actions; and providing for an effective date.

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

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14 **Section 1.** W.S. 26-1-109 is created to read:

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1 **26-1-109. False statements concerning insurance**
2 **coverage; penalties.**

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4 (a) Any person who violates W.S. 26-11-108(g),
5 26-15-110(f) or 26-15-111(c) or who knowingly makes a false
6 advertisement or other materially false statement
7 concerning the insurance coverage provided by a specific
8 policy, including any amendments, riders or endorsements
9 thereto, violates this act and may be punished as provided
10 in W.S. 26-1-107.

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12 (b) Actual damages may be recovered in a civil action
13 against any insurer, agent, producer, broker, insured,
14 including other named insureds, or third parties requesting
15 a certificate of insurance, who knowingly issues or causes
16 to be issued a certificate of insurance or similar document
17 that contains a materially false statement that
18 misrepresents the contents of an insurance policy with the
19 intent to deceive the insured or a third party. A
20 certificate of insurance is not materially false if the
21 certificate states that there is coverage for a particular
22 kind of risk without reciting the exceptions and
23 limitations to that coverage in the insurance policy,
24 providing the certificate contains the disclaimer required

1 by W.S. 26-11-108(g), 26-15-110(f) or a similar disclaimer
2 that clearly states the policy is the contract of insurance
3 and should be examined to determine the specifics of
4 coverage.

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6 **Section 2.** W.S. 26-11-108 by creating a new
7 subsection (g), 26-15-110 by creating a new subsection (f)
8 and 26-15-111 by creating a new subsection (c) are amended
9 to read:

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11 **26-11-108. Evidence of surplus lines insurance.**

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13 (g) After the policy is delivered to the insured in
14 replacement of the certificate as provided by subsection
15 (d) of this section, the policy shall serve as the
16 insurance contract between the insurer and the insured and
17 the certificate shall have no further effect. The policy
18 and any printed rider, endorsement form and form of renewal
19 notice delivered to the insured is the insurance contract
20 between the insurer and the insured. The contract shall
21 not be modified, or deemed to be modified, by any other
22 oral or written statement, advertisement, certificate of
23 insurance or other communication from any insurer, broker,
24 producer, agent or insured except that to the extent

1 written application is not required, the persons,
2 organizations and premises insured may be changed by
3 agreement between the insurer and insured or as otherwise
4 provided by this act. Any insurer, producer, broker or
5 agent issuing any other written description of the coverage
6 contained in the policy, including a certificate of
7 insurance, shall include the following disclaimer: "This
8 is a general description of the insurance coverage. The
9 policy and any amendments, riders and endorsements thereto
10 are the actual insurance contract, are not modified by this
11 document and should be examined to determine the specifics
12 of the insurance coverage."

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14 **26-15-110. Filing and approval of application forms.**

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16 (f) The basic insurance policy or annuity contract
17 form, and application form if written application is
18 required and is to be made a part of the policy or
19 contract, and any printed rider, endorsement form or form
20 of renewal notice, issued or delivered for issue in this
21 state and filed pursuant to subsection (a) of this section
22 and approved pursuant to W.S. 26-15-111 or 26-15-201, is
23 the entire insurance contract between the insurer and the
24 insured. The contract shall not be modified, or deemed to

1 be modified, by any other oral or written statement,
2 advertisement, certificate of insurance or other
3 communication from any insurer, broker, producer, agent or
4 insured except that to the extent written application is
5 not required, the persons, organizations and premises
6 insured may be changed by agreement between the insurer and
7 insured or as otherwise provided by this act. Any insurer,
8 producer, broker or agent issuing any other written
9 description of the coverage contained in the policy,
10 including a certificate of insurance, shall include the
11 following disclaimer: "This is a general description of
12 the insurance coverage. The policy and any amendments,
13 riders and endorsements thereto are the actual insurance
14 contract, are not modified by this document and should be
15 examined to determine the specifics of the insurance
16 coverage."

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18 **26-15-111. Filing and approval of application forms;**
19 **grounds for disapproval.**

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21 (c) The commissioner may, in his discretion, if
22 during the initial review, or subsequently based on
23 experience within this state or without, he determines that
24 a particular clause or section of a document approved under

1 this section does not violate this code but causes
2 confusion, or is likely to cause confusion, on the part of
3 the insured, producers, agents or brokers, and causes, or
4 is likely to cause, material misunderstandings of what is
5 covered:

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7 (i) Require the particular clause or section be
8 identified on the face of the contract in a manner
9 specified by the commissioner;

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11 (ii) Require the insured sign a statement that
12 he is aware of the clause or section; or

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14 (iii) Require both.

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16 **Section 3.** This act is effective July 1, 2014.

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(END)