

Bill No.: HB0235 **Effective:** 7/1/2020 12:00:00 AM

LSO No.: 20LSO-0555

Enrolled Act No.: HEA No. 0056

Chapter No.: 137

Prime Sponsor: Roscoe

Catch Title: **Life insurance benefits-payments and interest.**

Subject: Life insurance benefits payments of claims and interest.

Summary/Major Elements:

- The bill authorizes an insurer to specify the period of time to settle a life insurance claim, which may not exceed forty-five (45) days after receipt of proof of death.
- For private placement policies, the bill authorizes settlement in cash, or if allowed under the policy, by distributing assets of the separate account to the claimant, provided that the fair market value of the assets must be independently verified at the time of disbursement. The obligation of the insurer to settle the portion of the policy attributable to separate account assets is subject to the liquidity of the assets and shall be settled when the assets can be converted to cash, which may be later than the forty-five (45) days after receipt of proof of death.
- For private placement policies, the bill specifies how interest on a settlement shall be computed. The obligation of the insurer to pay interest on the portion of a policy attributable to separate account assets may only be computed as and when the assets are either converted to cash or otherwise dispersible by the insurer.
- The bill defines private placement policy as a variable life insurance policy that is:
 - Issued exclusively to a person who is an accredited investor or a qualified purchaser, as defined in the Securities Act of 1933 or the Investment Company Act of 1940 or in regulations promulgated under either statute;
 - Offered for sale and sold in a transaction that is exempt from registration under the Securities Act of 1933.

The above summary is not an official publication of the Wyoming Legislature and is not an official statement of legislative intent. While the Legislative Service Office endeavored to provide accurate information in this summary, it should not be relied upon as a comprehensive abstract of the bill.