Notice of Intent to Adopt Rules

Revised October 2014

1. General Information

a. Agency/Board Name: Department of Insurance		
b. Agency/Board Address: 106 E. 6th Avenue	c. City: Cheyenne	d. Zip Code: 82002
e. Name of Contact Person: Heather Canarecci	f. Contact Telephone Number: 307-777-6916	
g. Contact Email Address: heather.canarecci1@wyo.gov		
h. Date of Public Notice: August 15, 2016	i. Comment Period Ends: October 5, 2016	
j. Program: General		

2. Rule Type and Information: For each chapter listed, indicate if the rule is New, Amended, or Repealed.

a. If "New," provide the Enrolled Act numbers and years enacted:

b. Provide the Chapter Number, Short Title, and Rule Type of Each Chapter being Created/Amended/Repealed

Please use the Additional Rule Information form for more than 10 chapters, and attach it to this certification.

Chapter Number:	Chapter Name:	
10	Coordination of Benefits	☐ New ☒ Amended ☐ Repealed
15	Regulation Governing Risk Retention	☐ New ☒ Amended ☐ Repealed
16	Regulation Governing Insurance Company Appointments of Producers	☐ New ☒ Amended ☐ Repealed
21	Rules Governing Advertisements of Accident and Sickness Insurance	☐ New ☒ Amended ☐ Repealed
22	Regulation Governing Closed Blocks of Business	☐ New ☒ Amended ☐ Repealed
23	Regulation Governing Uninsured Motorist Endorsements	☐ New ☒ Amended ☐ Repealed
26	Adjustment of Damages to Dwelling Rooves Under Homeowners Policy	☐ New ☒ Amended ☐ Repealed
31	Policy Fee-Premium Regulations	☐ New ☒ Amended ☐ Repealed
41	Scope of Pool Coverage & Schedule of Benefits by Wyoming Health Insurance Pool	☐ New ☒ Amended ☐ Repealed
43	Wyoming Life and Health Insurance Guaranty Association Notice	☐ New ☒ Amended ☐ Repealed

c. ☒ The Statement of Reasons is attached to this Notice and, in compliance with *Tri-State Generation and Transmission Association, Inc. v. Environmental Quality Council*, 590 P.2d 1324 (Wyo. 1979), includes a brief statement of the substance or terms of the rule and the basis and purpose of the rule.

Complete all that apply:

☐ The following chapters do not differ from the uniform rules identified in the Administrative Procedure Act, W.S. 16-3-103(j):

_____

(Provide chapter numbers)

☐ These chapters differ from the uniform rules identified in the Administrative Procedure Act, W.S. 16-3-103(j) (see Statement of Reasons).

_____

(Provide chapter numbers)

☑ N/A These rules are not impacted by the uniform rules identified in the Administrative Procedure Act, W.S. 16-3-103(j).

d. ☒ N/A ☐ In consultation with the Attorney General's Office, the Agency's Attorney General representative concurs that strike and underscore is not required as the proposed amendments are pervasive (Section 5 of the Rules on Rules).

e. A copy of the proposed rules* may be obtained:

☒ By contacting the Agency at the physical and/or email address listed in Section 1 above.

☐ At the following URL: _____

* If Item "d" above is not checked, the proposed rules shall be in strike and underscore format.

3. Public Comments and Hearing Information

a. A public hearing on the proposed rules has been scheduled. ☐ Yes ☒ No

If "Yes:"	Date:	Time:	City:	Location:

b. What is the manner in which interested persons may present their views on the rulemaking action?

☒ By submitting written comments to the Agency at the physical and/or email address listed in Section 1 above.

☐ At the following URL: _____

A public hearing will be held if requested by 25 persons, a government subdivision, or by an association having not less than 25 members. Requests for a public hearing may be submitted:

☒ To the Agency at the physical and/or email address listed in Section 1 above.

☐ At the following URL: _____

c. Any person may urge the Agency not to adopt the rules and request the Agency to state its reasons for overruling the consideration urged against adoption. Requests for an agency response must be made prior to, or within thirty (30) days after adoption, of the rule, addressed to the Agency and Contact Person listed in Section 1 above.

4. Federal Law Requirements

a. These rules are created/amended/repealed to comply with federal law or regulatory requirements. ☐ Yes ☒ No

If "Yes:"	Applicable Federal Law or Regulation Citation:

Indicate one (1):

☐ The proposed rules meet, but do not exceed, minimum federal requirements.

☐ The proposed rules exceed minimum federal requirements.

Any person wishing to object to the accuracy of any information provided by the Agency under this item should submit their objections prior to final adoption to:

☐ To the Agency at the physical and/or email address listed in Section 1 above.

☐ At the following URL: _____

5. State Statutory Requirements

a. Indicate one (1):

☒ The proposed rule change *MEETS* minimum substantive statutory requirements.

☐ The proposed rule change *EXCEEDS* minimum substantive statutory requirements. Please attach a statement explaining the reason that the rules exceed the requirements.

b. Indicate one (1):

☒ The Agency has complied with the requirements of W.S. 9-5-304. A copy of the assessment used to evaluate the proposed rules may be obtained:

☒ By contacting the Agency at the physical and/or email address listed in Section 1 above.

☐ At the following URL: _____

☐ Not Applicable.

6. Authorization

a. I certify that the foregoing information is correct.

Printed Name of Authorized Individual	Tom Glause
Title of Authorized Individual	Insurance Commissioner
Date of Authorization	July 29, 2016

Distribution List:

- Attorney General and LSO: Hard copy of Notice of Intent; Statement of Reasons; clean copy of the rules; and strike-through and underline version of rules (if applicable). Electronic copies (PDFs) of all items noted (in addition to hard copies) may be emailed to LSO at Criss.Carlson@wyoleg.gov.
- Secretary of State: Electronic version of Notice of Intent sent to Rules@wyo.gov.

Additional Rule Information

Revised May 2014

1. General Information		
a. Agency/Board Name Department of Insurance		
b. Agency/Board Address 106 E. 6th Avenue	c. City	d. Zip Code 82002
e. Name of Contact Person Heather Canarecci	f. Contact Telephone Number 307-777-6916	
g. Contact Email Address heather.canarecci1@wyo.gov		
h. Program General		

2. Rule Information, Cont.

a. Provide the Chapter Number, Short Title, and Rule Type of Each Chapter being Created/Amended/Repealed

Chapter Number	Chapter Name	Rule Type
68	OPT-OUT PROVISIONS OF THE INTERSTATE INSURANCE PRODUCT REGULATION COMPACT (IIPRC)	☒ New ☐ Amended ☐ Repealed
		☐ New ☐ Amended ☐ Repealed
		☐ New ☐ Amended ☐ Repealed
		☐ New ☐ Amended ☐ Repealed
		☐ New ☐ Amended ☐ Repealed
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		☐ New ☐ Amended ☐ Repealed
		☐ New ☐ Amended ☐ Repealed

If Needed

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF THE AMENDMENT OF CHAPTER 10 OF THE WYOMING DEPARTMENT OF INSURANCE RULES AND REGULATIONS,	))))	Docket No. 15-40

STATEMENT OF PRINCIPAL REASONS

FOR

The amendment of Chapter 10 of the Wyoming Insurance Department Regulations

In 1985, the Department of Insurance (DOI) originally promulgated Chapter 10 of its Rules and Regulations with an effective date of April 1, 1985. This regulation has not been substantially modified since that time.

On or about November 25, 2013, Governor Mead required all State Agencies to reduce their Rules both in number and in length. When the DOI reviewed Chapter 10 to determine what reductions might be possible, it became apparent that substantial revisions were necessary to address changes in the circumstances requiring coordination of benefits that developed after the rule was originally promulgated.

The new language of Chapter 10 is based largely upon model language drafted by the National Association of Insurance Commissioners (NAIC). The NAIC provides the opportunity for input from all states and territories, as well as from the insurance industry, regarding proposed language to be included in model regulations regarding various subjects. In the amended Chapter 10, the DOI has adopted much of the language in the NAIC model regulation regarding coordination of benefits. The language of the NAIC model regulation

has been modified to incorporate the appropriate statutory references and to remove any inconsistencies or conflicts with existing Wyoming law.

Unfortunately, the revisions to Chapter 10 did not result in a reduction in the length of the regulation. In fact, the amended Chapter 10 is nearly identical in length as the original. Nevertheless, the changes made to Chapter 10 are necessary to provide contemporary regulations for enhanced consumer protection in a changing insurance industry.

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF THE AMENDMENT OF CHAPTER 15 OF THE WYOMING DEPARTMENT OF INSURANCE RULES AND REGULATIONS,	))))	Docket No. 16-26

STATEMENT OF PRINCIPAL REASONS

FOR

The Amendment of Chapter 15 of the Wyoming Insurance Department Regulations

Wyoming Statutes § 26-36-101, et seq., known collectively as the Risk Retention Act ("the Act"), was signed into law in 1987. Among other things, the Act was designed to provide guidance on the formulation and regulation of Risk Retention Groups in the state of Wyoming. Chapter 15 of the Wyoming Insurance Department Regulations was promulgated shortly after the effective date of the Act on May 1, 1988, and has not been substantially modified since that time. The Wyoming Insurance Department has amended Chapter 15 to clarify the wording in an attempt to reduce any ambiguity.

In addition, on or about November 25, 2013, Governor Mead required all State Agencies to reduce their Rules both in number and in length. Changes have been made to reduce and reorganize the existing rule to comply with the Governor's directive. Such changes include utilization of consistent language, removing unnecessary and duplicative wording, and eliminating reiteration of statutory language in the regulation. The revisions to Chapter 15 have resulted in a reduction of words in the regulation from approximately 6,274

words in the prior version to approximately 1020 words in the amended version. This represents a reduction of approximately 83%.

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF THE AMENDMENT OF CHAPTER 16 OF THE WYOMING DEPARTMENT OF INSURANCE RULES AND REGULATIONS,	))))	Docket No. 16-27

STATEMENT OF PRINCIPAL REASONS

FOR

The amendment of Chapter 16 of the Wyoming Insurance Department Regulations

Wyoming statute § 26-9-213 regarding the appointment of insurance producers was enacted in 2001, and amended in 2004. The Wyoming Insurance Department promulgated Chapter 16 of the Wyoming Insurance Department Rules and Regulations to provide further instruction and clarification regarding the appointment of insurance producers. The Current version of Chapter 16 was effective on August 11, 2006. The Wyoming Insurance Department has amended Chapter 16 to clarify the wording in an attempt to reduce any ambiguity.

In addition, on or about November 25, 2013, Governor Mead required all State Agencies to reduce their Rules both in number and in length. Changes have been made to reduce and reorganize the existing rule to comply with the Governor's directive. Such changes include utilization of consistent language, removing unnecessary and duplicative wording, and eliminating reiteration of statutory language in the regulation. The revisions to Chapter 16 have resulted in a reduction of words in the regulation from approximately 727

words in the prior version to approximately 454 words in the amended version. This represents a reduction of approximately 37%.

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF THE AMENDMENT OF CHAPTER 21 OF THE WYOMING DEPARTMENT OF INSURANCE RULES AND REGULATIONS,	))))	Docket No. 16-20

STATEMENT OF PRINCIPAL REASONS

FOR

The Amendment of Chapter 21 of the Wyoming Insurance Department Regulations

The Department of Insurance (DOI) originally promulgated Chapter 21 of its Rules and Regulations in 1974, and was last amended in 1997. Substantial changes have occurred in the advertisement of insurance policies since that time. The DOI has amended Chapter 21 to address the chances in the advertising of insurance and to clarify the wording of this regulation to remove or avoid any ambiguity.

The new language of Chapter 21 is based largely upon model language drafted by the National Association of Insurance Commissioners (NAIC). The NAIC provides the opportunity for input from all states and territories, as well as from the insurance industry, regarding proposed language to be included in model regulations regarding various subjects. In the amended Chapter 21, the DOI has adopted much of the language in the NAIC model regulation regarding advertising of insurance policies. The language of the NAIC model regulation has been modified to incorporate the appropriate statutory references and to remove any inconsistencies or conflicts with existing Wyoming law.

On or about November 25, 2013, Governor Mead required all State Agencies to reduce their Rules both in number and in length. When the DOI reviewed Chapter 21 to determine what reductions might be possible, it became apparent that substantial revisions were necessary to address changes in insurance advertising that developed after the rule was originally promulgated.

Unfortunately, the revisions to Chapter 21 did not result in a reduction in the length of the regulation. In fact, the amended Chapter 21 is substantially longer in length than the original. Nevertheless, the changes made to Chapter 21 are necessary to provide contemporary regulations for enhanced consumer protection in a changing insurance industry.

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF THE AMENDMENT OF CHAPTER 22 OF THE WYOMING DEPARTMENT OF INSURANCE RULES AND REGULATIONS,	))))	Docket No. 16-25

STATEMENT OF PRINCIPAL REASONS

FOR

The Amendment of Chapter 22 of the Wyoming Insurance Department Regulations

The Department of Insurance (DOI) originally promulgated Chapter 22 of its Rules and Regulations in 1990, and it has not been substantially modified since that time. The DOI has amended Chapter 22 to address and clarify the wording of this regulation to remove or avoid any existing ambiguity.

In addition, on or about November 25, 2013, Governor Mead required all State Agencies to reduce their Rules both in number and in length. Changes have been made to reduce and reorganize the existing rule to comply with the Governor's directive. Such changes include utilization of consistent language, removing unnecessary and duplicative wording, and eliminating reiteration of statutory language in the regulation. The revisions to Chapter 22 have resulted in a reduction of words in the regulation from approximately 555 words in the prior version to approximately 361 words in the amended version. This represents a reduction of approximately 35%

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF THE AMENDMENT OF CHAPTER 23 OF THE WYOMING DEPARTMENT OF INSURANCE RULES AND REGULATIONS,	))))	Docket No. 16-28

STATEMENT OF PRINCIPAL REASONS

FOR

The Amendment of Chapter 23 of the Wyoming Insurance Department Regulations

The Department of Insurance (DOI) originally promulgated Chapter 23 of its Rules and Regulations in 1975, and it has not been substantially modified since that time. The DOI has amended Chapter 23 to address and clarify the wording of this regulation to remove or avoid any existing ambiguity.

In addition, on or about November 25, 2013, Governor Mead required all State Agencies to reduce their Rules both in number and in length. Changes have been made to reduce and reorganize the existing rule to comply with the Governor's directive. Such changes include utilization of consistent language, removing unnecessary and duplicative wording, and eliminating reiteration of statutory language in the regulation. The revisions to Chapter 23 have resulted in a reduction of words in the regulation from approximately 880 words in the prior version to approximately 639 words in the amended version. This represents a reduction of approximately 28%

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF THE AMENDMENT OF CHAPTER 26 OF THE WYOMING DEPARTMENT OF INSURANCE RULES AND REGULATIONS,	))))	Docket No. 16-29

STATEMENT OF PRINCIPAL REASONS

FOR

The Amendment of Chapter 26 of the Wyoming Insurance Department Regulations

The Department of Insurance (DOI) originally promulgated Chapter 26 of its Rules and Regulations in 1982, and it has not been substantially modified since that time. The DOI has amended Chapter 26 to address and clarify the wording of this regulation to remove or avoid any existing ambiguity.

In addition, on or about November 25, 2013, Governor Mead required all State Agencies to reduce their Rules both in number and in length. Changes have been made to reduce and reorganize the existing rule to comply with the Governor's directive. Such changes include utilization of consistent language, removing unnecessary and duplicative wording, and eliminating reiteration of statutory language in the regulation. The revisions to Chapter 26 have resulted in a reduction of words in the regulation from approximately 199 words in the prior version to approximately 118 words in the amended version. This represents a reduction of approximately 41%

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF THE AMENDMENT OF CHAPTER 31 OF THE WYOMING DEPARTMENT OF INSURANCE RULES AND REGULATIONS,	))))	Docket No. 16-30

STATEMENT OF PRINCIPAL REASONS

FOR

The Amendment of Chapter 31 of the Wyoming Insurance Department Regulations

The Department of Insurance (DOI) originally promulgated Chapter 31 of its Rules and Regulations in 1979, and it has not been substantially modified since that time. The DOI has amended Chapter 31 to address and clarify the wording of this regulation to remove or avoid any existing ambiguity.

In addition, on or about November 25, 2013, Governor Mead required all State Agencies to reduce their Rules both in number and in length. Changes have been made to reduce and reorganize the existing rule to comply with the Governor's directive. Such changes include utilization of consistent language, removing unnecessary and duplicative wording, and eliminating reiteration of statutory language in the regulation. The revisions to Chapter 31 have resulted in a reduction of words in the regulation from approximately 316 words in the prior version to approximately 195 words in the amended version. This represents a reduction of approximately 38%

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF THE AMENDMENT OF CHAPTER 41 OF THE WYOMING DEPARTMENT OF INSURANCE RULES AND REGULATIONS,	))))	Docket No. 16-31

STATEMENT OF PRINCIPAL REASONS

FOR

The Amendment of Chapter 41 of the Wyoming Insurance Department Regulations

The Department of Insurance (DOI) originally promulgated Chapter 41 of its Rules and Regulations in 1991. The DOI has amended Chapter 41 to address and clarify the wording of this regulation to remove or avoid any existing ambiguity.

In addition, on or about November 25, 2013, Governor Mead required all State Agencies to reduce their Rules both in number and in length. Changes have been made to reduce and reorganize the existing rule to comply with the Governor's directive. Such changes include utilization of consistent language, removing unnecessary and duplicative wording, and eliminating reiteration of statutory language in the regulation. The revisions to Chapter 41 have resulted in a reduction of words in the regulation from approximately 901 words in the prior version to approximately 329 words in the amended version. This represents a reduction of approximately 63%

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF THE AMENDMENT OF CHAPTER 43 OF THE WYOMING DEPARTMENT OF INSURANCE RULES AND REGULATIONS,	))))	Docket No. 16-32

STATEMENT OF PRINCIPAL REASONS

FOR

The Amendment of Chapter 43 of the Wyoming Insurance Department Regulations

The Department of Insurance (DOI) originally promulgated Chapter 43 of its Rules and Regulations in 1991, and has amended the regulation several times since. The DOI has amended Chapter 43 to address and clarify the wording of this regulation, and to remove or avoid any existing incorrect information regarding the contact information for the Guaranty Association.

In addition, on or about November 25, 2013, Governor Mead required all State Agencies to reduce their Rules both in number and in length. Changes have been made to reduce and reorganize the existing rule to comply with the Governor's directive. Such changes include utilization of consistent language, removing unnecessary and duplicative wording, and eliminating reiteration of statutory language in the regulation. The revisions to Chapter 43 have resulted in a reduction of words in the regulation from approximately 1,038 words in the prior version to approximately 143 words in the amended version. This represents a reduction of approximately 86%

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF CHAPTER 68 OF THE WYOMING DEPARTMENT OF INSURANCE RULES AND REGULATIONS	))))	Docket No. 16-36

STATEMENT OF PRINCIPAL REASONS

FOR

The Promulgation of Chapter 68 (Regulation Governing Opt-Out Provisions of the Interstate Insurance Product Regulation Compact) of the Wyoming Insurance Department Regulations

The Department of Insurance (DOI) files this Statement of Principal Reasons regarding the promulgation of new a regulation, Chapter 68. The addition of this new regulation is made for the following reasons:

The Interstate Insurance Product Regulation Commission (IIPRC) is a compact of member states formed in order to provide uniformity of insurance product standards across states. The IIPRC serves as a central point of electronic filing for certain insurance products, including life insurance, annuities, disability income, and long-term care insurance. The purpose of developing uniform product standards is to afford a high level of protection to purchasers of asset protection insurance products. Wyoming adopted the Interstate Insurance Product Regulation Compact (IIPRC) by enacting W.S. § 26-15-201.

On June 8, 2016, the IIPRC adopted standards regarding Group Disability Income Insurance Policies and Certificates. These standards provide less protection to Wyoming consumers than what is already in place through Wyoming law. The Commissioner has

thoroughly reviewed and considered these standards, and finds the protections offered to Wyoming citizens are not adequate.

Pursuant to W.S § 26-15-201, Article VII, (d), a compacting state my opt-out of a uniform standard by duly promulgated regulation. Chapter 68 is the DOI's regulation opting out of the standards for Group Disability Income Insurance Policies and Certificates.

CHAPTER 68
REGULATION GOVERNING OPT-OUT PROVISIONS OF THE
INTERSTATE INSURANCE PRODUCT REGULATION COMPACT (IIPRC)

Section 1. Authority

This regulation is promulgated pursuant to W.S. §§ 26-2-110, 26-15-201 and 16-3-101, et seq.

Section 2. Purpose

The purpose of this regulation is to exercise the opt-out provisions of the Interstate Insurance Product Regulation Compact (IIPRC) pursuant to W.S § 26-15-201, Article VII.

Section 3. Uniform Standards as Applied

The Commissioner has considered the Uniform Standards as applied to the Group Disability Income Insurance Product Line adopted by the IIPRC on June 8, 2016 and finds the protections offered to Wyoming citizens are not adequate.

The Wyoming Insurance Department declines to participate in the IIPRC Uniform Standards as applied to the Group Disability Income Insurance Product Line.

Section 4. Effective Date

This regulation becomes effective immediately upon filing with the Secretary of State.

CHAPTER 10
COORDINATION OF BENEFITS

Section 1. Authority

These regulations are adopted by the commissioner pursuant to W.S. §§ 26-2-110, 26-18-121 and 26-19-101, et seq.

Section 2. Definitions and Procedures

(a) "Plan" means any plan providing benefits or services for or on account of medical or dental care or treatment, which benefits or services are provided by:

(i) group, blanket, franchise, or individual insurance coverage;

(ii) service plan contracts, group practice, individual practice and other prepayment coverage;

(iii) any coverage under labor-management trusteed plans, union welfare plans, employer organization plans, or employee benefit organization plans; and

(iv) any coverage under government programs, and any coverage required or provided by statute.

(b) The term "Plan" shall be construed separately with respect to each policy, contract, or other arrangement for benefits or services and separately with respect to that portion of any such policy, contract, or other arrangement which reserves the right to take the benefits or services of other plans into consideration in determining its benefits and that portion which does not.

(c) The definition of a "Plan" within the Coordination of Benefits provision of a group contract shall enumerate the types of coverage which the insurer may consider in determining whether overinsurance exists with respect to a specific claim. Such definition:

(i) Shall not include individual or family policies, or individual or family subscriber contracts, except as provided in this subsection.

(ii) May include all group policies or group subscriber contracts as well as such group-type contracts as are not available to the general public and can be obtained and maintained only because of the covered person's membership in or connection with a particular organization or group. Such group-type contracts may be included in the definition, at the option of the insurer, whether or not individual policy forms are utilized and whether the group-type coverage is designated as "franchise" or "blanket" or in some other fashion.

(iii) Shall not include group or group-type hospital indemnity benefits written on a non-expense incurred basis unless they are characterized as reimbursement type benefits and are

designed or administered so as to give the insured the right to elect indemnity type benefits, in lieu of such reimbursement type benefits, at the time of claim.

(iv) School accident type coverages written on either an individual, group, blanket, or franchise basis shall not be taken into consideration in coordination of benefits.

(v) If "Medicare" or similar governmental benefits are included in the definition of a "Plan," such benefits shall be considered without expanding any of the definitions of this provision beyond the hospital, medical, and surgical benefits as may be provided by the governmental program.

(vi) A plan may not coordinate or design benefits so that the benefits payable are altered solely on the basis that:

(A) another plan exists; or

(B) the claimant is or could have been covered under another plan; or

(C) the claimant has elected an option under another plan providing a lower level of benefits than another option for which the claimant was eligible.

(vii) Shall not include any policy providing coverage for a specified disease.

(d) "Allowable Expense" means any necessary, reasonable and customary item of expense at least a portion of which is covered under at least one of the plans covering the person for whom claim is made.

(e) When a plan provides benefits in the form of services rather than cash payments, the reasonable cash value of each service rendered shall be deemed to be both an allowable expense and a benefit paid.

Section 3. Order of Benefit Determination

(a) The benefits of a plan which covers the person upon whose medical expense the claim is based other than as a dependent shall be determined before the benefits of a plan which covers such person as a dependent;

(b) Dependent Child Covered Under More Than One Plan

(i) Unless there is a court decree stating otherwise, plans covering a dependent child shall determine the order of benefits as follows:

(A) For a dependent child whose parents are married or are living together, whether or not they have ever been married:

(I) The plan of the parent whose birthday falls earlier in the calendar year is the primary plan; or

(II) If both parents have the same birthday, the plan that has covered a parent longest is the primary plan.

(B) For a dependent child whose parents are divorced or separated or are not living together, whether or not they have ever been married:

(I) If a court decree states that one of the parents is responsible for the dependent child's health care expenses or health care coverage and the plan of that parent has actual knowledge of those terms, that plan is primary. If the parent with responsibility has no health care coverage for the dependent child's health care expenses, but that parent's spouse does, that parent's spouse's plan is the primary plan. This item shall not apply with respect to any plan year during which benefits are paid or provided before the entity has actual knowledge of the court decree provision;

(II) If a court decree states that both parents are responsible for the dependent child's health care expenses or health care coverage, the provisions of Subparagraph (A) of this paragraph shall determine the order of benefits;

(III) If a court decree states that the parents have joint custody without specifying that one parent has responsibility for the health care expenses or health care coverage of the dependent child, the provisions of Subparagraph (A) of this paragraph shall determine the order of benefits; or

(IV) If there is no court decree allocating responsibility for the child's health care expenses or health care coverage, the order of benefits for the child are as follows:

(1.) The plan covering the custodial parent;

(2.) The plan covering the custodial parent's spouse;

(3.) The plan covering the non-custodial parent; and then

(4.) The plan covering the non-custodial parent's spouse.

(C) For a dependent child covered under more than one plan of individuals who are not the parents of the child, the order of benefits shall be determined, as applicable, under Subparagraph (A) or (B) of this paragraph as if those individuals were parents of the child.

(D) For a dependent child who has coverage under either or both parents' plans and also has his or her own coverage as a dependent under a parent's spouse's plan, the rule in Subparagraph (c) applies.

(E) In the event the dependent child's coverage under the spouse's plan began on the same date as the dependent child's coverage under either or both parents' plans, the order of benefits shall be determined by applying the birthday rule in Subparagraph (A) to the dependent child's parent(s) and the dependent's spouse.

(c) Longer or Shorter Length of Coverage

(i) If the preceding rules do not determine the order of benefits, the plan that covered the person for the longer period of time is the primary plan and the plan that covered the person for the shorter period of time is the secondary plan.

(ii) To determine the length of time a person has been covered under a plan, two successive plans shall be treated as one if the covered person was eligible under the second plan within twenty-four (24) hours after coverage under the first plan ended.

(iii) The start of a new plan does not include:

(A) A change in the amount or scope of a plan's benefits;

(B) A change in the entity that pays, provides or administers the plan's benefits; or

(C) A change from one type of plan to another, such as, from a single employer plan to a multiple employer plan.

(D) The person's length of time covered under a plan is measured from the person's first date of coverage under that plan. If that date is not readily available for a group plan, the date the person first became a member of the group shall be used as the date from which to determine the length of time the person's coverage under the present plan has been in force.

(iv) If none of the preceding rules determines the order of benefits, the allowable expenses shall be shared equally between the plans.

(d) Active Employee or Retired or Laid-Off Employee

(i) The plan that covers a person as an active employee – meaning an employee who is neither laid off nor retired or as a dependent of an active employee – is the primary plan. The plan covering that same person as a retired or laid-off employee or as a dependent of a retired or laid-off employee is the secondary plan.

(ii) If the other plan does not have this rule, and as a result, the plans do not agree on the order of benefits, this rule is ignored.

(iii) This rule does not apply if the rule in Paragraph (i) can determine the order of benefits.

(e) COBRA or State Continuation Coverage

(i) If a person whose coverage is provided pursuant to COBRA or under a right of continuation pursuant to state or other federal law is covered under another plan, the plan covering the person as an employee, member, subscriber or retiree or covering the person as a dependent of an employee, member, subscriber or retiree is the primary plan and the plan covering that same person pursuant to COBRA or under a right of continuation pursuant to state or other federal law is the secondary plan.

(ii) If the other plan does not have this rule, and if, as a result, the plans do not agree on the order of benefits, this rule is ignored.

(iii) This rule does not apply if the rule in Subparagraph (a) can determine the order of benefits.

(f)
If none of the preceding rules determines the order of benefits, the allowable expenses shall be shared equally between the plans. If the plans cannot agree on the order of benefits within forty-five (45) calendar days after the plans have received all of the information needed to pay the claim, the plans shall immediately pay the claim in equal shares and determine their relative liabilities following payment, except that no plan shall be required to pay more than it would have paid had it been the primary plan.

Section 4. Procedure to be Followed by Secondary Plan to Calculate Benefits and Pay a Claim

In determining the amount to be paid by the secondary plan on a claim, should the plan wish to coordinate benefits, the secondary plan shall calculate the benefits it would have paid on the claim in the absence of other health care coverage and apply that calculated amount to any allowable expense under its plan that is unpaid by the primary plan. The secondary plan may reduce its payment by the amount so that, when combined with the amount paid by the primary plan, the total benefits paid or provided by all plans for the claim do not exceed 100 percent of the total allowable expense for that claim. In addition, the secondary plan shall credit to its plan deductible any amounts it would have credited to its deductible in the absence of other health care coverage.

Section 5. Right of Recovery

Whenever payments for allowable expenses have been made by an insurer, in excess of the maximum amount required by its contract requirements, insurer shall have the right to recover excess payment as the insurer shall determine from among: any person to whom payments were made, any other insurers, or any other organizations. Coordination of Benefits differs from subrogation. Provisions for one may be included in health care benefits contracts without compelling the inclusion or exclusion of the other.

Section 6. Notice to Covered Persons

A plan shall, in its explanation of benefits provided to covered persons, include the following language: "If you are covered by more than one health benefit plan, you should file all your claims with each plan."

Section 7. Effective Date

This regulation shall become effective immediately upon filing with the Secretary of State. The provisions of this regulation shall apply to all policy and contract forms subject to this regulation which are issued on or after the effective dates. All policy and contract forms subject to this regulation which were issued prior to its effective date shall be brought into compliance with the requirements of this regulation at the next anniversary date or renewal date of the group policy or contract.

CHAPTER 10

~~REGULATIONS AND GUIDELINES RELATING TO THE USE OF OVERINSURANCE REDUCTION OF BENEFIT PROVISIONS IN GROUP DISABILITY INSURANCE POLICIES AND GROUP SERVICE PLAN CORPORATION CONTRACTS~~ COORDINATION OF BENEFITS

Section 1. Authority

These regulations are adopted by the commissioner pursuant to W.S. §§ 26-2-110, 26-18-121 and ~~W.S.~~ 26-~~15~~19-~~111~~101, et seq.

~~**Section 2. Purpose**~~

~~The purpose of these regulations is to establish uniformity in the permissive use of overinsurance~~coordination of benefits ~~provisions to avoid claim delays and misunderstandings that otherwise result from the use of inconsistent or incompatible provisions among the several carriers which may deceptively affect the risk purported to be assumed.~~

~~**Section 3. Applicability**~~

~~These regulations do not require the use of overinsurance provisions in group disability insurance policies or group service plan contracts. If, however, such policies or contracts contain overinsurance provisions, such provisions shall be consistent with these regulations. Overinsurance provisions, or provisions for the reduction of benefits otherwise payable because of other insurance by whatever name designated, other than in conformity with these regulations, shall not be used, except that plans of coverage designated to be supplementary to the policyholder's underlying basic plan of coverage may provide that its coverage shall be excess to that specific policyholder's plan of basic coverage from whatever source provided.~~

~~**Section 4. Benefits Subject to this Provision**~~

~~All of the benefits provided under a policy or contract are subject to these regulations.~~

~~**Section 5.**~~**Section 2. Definitions and Procedures**

(a) "Plan" means any plan providing benefits or services for or on account of medical or dental care or treatment, which benefits or services are provided by:

(i) group, blanket, ~~or~~ franchise, or individual insurance coverage;

(ii) service plan contracts, group practice, individual practice and other prepayment coverage;

(iii) any coverage under labor-management trusteed plans, union welfare plans, employer organization plans, or employee benefit organization plans; and

(iv) any coverage under government programs, and any coverage required or provided by statute.

(b) The term "Plan" shall be construed separately with respect to each policy, contract, or other arrangement for benefits or services and separately with respect to that portion of any such policy, contract, or other arrangement which reserves the right to take the benefits or services of other plans into consideration in determining its benefits and that portion which does not.

(c) The definition of a "Plan" within the ~~COB~~ Coordination of Benefits provision of a group contract shall enumerate the types of coverage which the insurer may consider in determining whether overinsurance exists with respect to a specific claim. Such definition:

(i) Shall not include individual or family policies, or individual or family subscriber contracts, except as provided in this subsection.

(ii) May include all group policies or group subscriber contracts as well as such group-type contracts as are not available to the general public and can be obtained and maintained only because of the covered person's membership in or connection with a particular organization or group. Such group-type contracts may be included in the definition, at the option of the insurer, whether or not individual policy forms are utilized and whether the group-type coverage is designated as "franchise" or "blanket" or in some other fashion.

(iii) Shall not include group or group-type hospital indemnity benefits written on a non-expense incurred basis unless they are characterized as reimbursement type benefits and are designed or administered so as to give the insured the right to elect indemnity type benefits, in lieu of such reimbursement type benefits, at the time of claim.

(iv) School accident type coverages written on either an individual, group, blanket, or franchise basis shall not be taken into consideration in coordination of benefits.

(v) If "Medicare" or similar governmental benefits are included in the definition of a "Plan," such benefits shall be considered without expanding any of the definitions of this provision beyond the hospital, medical, and surgical benefits as may be provided by the governmental program.

(vi) A plan may not coordinate or design benefits so that the benefits payable are altered solely on the basis that:

(A) another plan exists; or

(B) the claimant is or could have been covered under another plan; or

(C) the claimant has elected an option under another plan providing a lower level of benefits than another option for which the claimant was eligible.

(vii) Shall not include any policy providing coverage for a specified disease.

(d) "Allowable Expense" means any necessary, reasonable and customary item of expense at least a portion of which is covered under at least one of the plans covering the person for whom claim is made.

(e) When a plan provides benefits in the form of services rather than cash payments, the reasonable cash value of each service rendered shall be deemed to be both an allowable expense and a benefit paid.

~~**Section 6.**~~**Section 3. Order of Benefit Determination**

(a) The benefits of a plan which covers the person upon whose medical expense the claim is based other than as a dependent shall be determined before the benefits of a plan which covers such person as a dependent;

~~(b) Until June 30, 1985, the benefits of a plan which covers the person upon whose medical expenses the claim is based as a dependent of a male person shall be determined before the benefits of a plan which covers such person as a dependent of a female person; provided, that in the case of a person for whom claim is made as a dependent child:~~

~~(i) when the parents are separated or divorced and the parent with custody of the child has not remarried, the benefits of a plan which covers the child as a dependent of the parent with custody of the child will be determined before the benefits of a plan which covers the child as a dependent of the parent without custody;~~

~~(ii) when the parents are divorced and the parent with custody of the child has remarried, the benefits of a plan which covers the child as a dependent of the parent with custody shall be determined before the benefits of a plan which covers that child as a dependent of the stepparent, and the benefits of a plan which covers that child as a dependent of the stepparent will be determined before the benefits of a plan which covers that child as a dependent of the parent without custody.~~

~~(iii) Notwithstanding paragraphs (i) and (ii) herein, if there is a court decree which would otherwise establish financial responsibility for the medical, dental or other health care expenses with respect to the child, the benefits of a plan which covers the child as a dependent of the parent with such financial responsibility shall be determined before the benefits of any other plan which covers the child as a dependent.~~

~~(c) On and after July 1, 1985, the following provisions shall govern:~~

(b) Dependent Child Covered Under More Than One Plan

(i) Unless there is a court decree stating otherwise, plans covering a dependent

child shall determine the order of benefits as follows:

(A) For a dependent child whose parents are married or are living together, whether or not they have ever been married:

(I) The plan of the parent whose birthday falls earlier in the calendar year is the primary plan; or

(II) If both parents have the same birthday, the plan that has covered a parent longest is the primary plan.

(B) For a dependent child whose parents are divorced or separated or are not living together, whether or not they have ever been married:

(I) If a court decree states that one of the parents is responsible for the dependent child's health care expenses or health care coverage and the plan of that parent has actual knowledge of those terms, that plan is primary. If the parent with responsibility has no health care coverage for the dependent child's health care expenses, but that parent's spouse does, that parent's spouse's plan is the primary plan. This item shall not apply with respect to any plan year during which benefits are paid or provided before the entity has actual knowledge of the court decree provision;

(II) If a court decree states that both parents are responsible for the dependent child's health care expenses or health care coverage, the provisions of Subparagraph (A) of this paragraph shall determine the order of benefits;

(III) If a court decree states that the parents have joint custody without specifying that one parent has responsibility for the health care expenses or health care coverage of the dependent child, the provisions of Subparagraph (A) of this paragraph shall determine the order of benefits; or

(IV) If there is no court decree allocating responsibility for the child's health care expenses or health care coverage, the order of benefits for the child are as follows:

(1.) The plan covering the custodial parent;

(2.) The plan covering the custodial parent's spouse;

(3.) The plan covering the non-custodial parent; and then

(4.) The plan covering the non-custodial parent's spouse.

(C) For a dependent child covered under more than one plan of individuals who are not the parents of the child, the order of benefits shall be determined, as applicable, under Subparagraph (A) or (B) of this paragraph as if those individuals were parents of the child.

(D) For a dependent child who has coverage under either or both parents' plans and also has his or her own coverage as a dependent under a parent's spouse's plan, the rule in Subparagraph (c) applies.

(E) In the event the dependent child's coverage under the spouse's plan began on the same date as the dependent child's coverage under either or both parents' plans, the order of benefits shall be determined by applying the birthday rule in Subparagraph (A) to the dependent child's parent(s) and the dependent's spouse.

~~(i) Except for cases of a person for whom claim is made as a dependent child whose parents are separated or divorced, the benefits of a plan which covers the person upon whose medical expenses the claim is based as a dependent of a person whose date of birth, excluding year of birth, occurs earlier in a calendar year, shall be determined before the benefits of a plan which covers such person as a dependent of a person whose date of birth, excluding year of birth, occurs later in a calendar year. If a plan does not have the provisions of this paragraph and such absence would result either in each plan determining its benefits before the other or in each plan determining its benefits after the other, this paragraph shall not apply and the order of benefit determination of the plan not having the provisions of this paragraph shall be utilized.~~

~~(ii) In the case of a person for whom claim is made as a dependent child whose parents are separated or divorced and the parent with custody of the child has not remarried, the benefits of a plan which covers the child as a dependent of the parent with custody of the child will be determined before the benefits of a plan which covers the child as a dependent of the parent without custody;~~

~~(iii) In the case of a person for whom claim is made as a dependent child whose parents are divorced and the parent with custody of the child has remarried, the benefits of a plan which covers the child as a dependent of the parent with custody shall be determined before the benefits of a plan which covers that child as a dependent of the stepparent, and the benefits of a plan which covers that child as a dependent of the stepparent will be determined before the benefits of a plan which covers that child as a dependent of the parent without custody;~~

~~(iv) In the case of a person for whom claim is made as a dependent child whose parents are separated or divorced, where there is a court decree which would otherwise establish financial responsibility for the medical, dental or other health care expenses with respect to the child, then, notwithstanding paragraphs (ii) and (iii) herein, the benefits of a plan which covers the child as a dependent of the parent with such financial responsibility shall be determined before the benefits of any other plan which covers the child as a dependent child.~~

(c) Longer or Shorter Length of Coverage

(i) If the preceding rules do not determine the order of benefits, the plan that covered the person for the longer period of time is the primary plan and the plan that covered the person for the shorter period of time is the secondary plan.

(ii) To determine the length of time a person has been covered under a plan, two successive plans shall be treated as one if the covered person was eligible under the second plan within twenty-four (24) hours after coverage under the first plan ended.

(iii) The start of a new plan does not include:

(A) A change in the amount or scope of a plan's benefits;

(B) A change in the entity that pays, provides or administers the plan's benefits; or

(C) A change from one type of plan to another, such as, from a single employer plan to a multiple employer plan.

(D) The person's length of time covered under a plan is measured from the person's first date of coverage under that plan. If that date is not readily available for a group plan, the date the person first became a member of the group shall be used as the date from which to determine the length of time the person's coverage under the present plan has been in force.

(iv) If none of the preceding rules determines the order of benefits, the allowable expenses shall be shared equally between the plans.

~~(v) When the application of these provisions is not dispositive, the benefits of a plan which has covered the person on whose expenses claim is based for the longer period of time shall be determined before the benefits of a plan which has covered such person the shorter period of time, provided that:~~

(d) Active Employee or Retired or Laid-Off Employee

(i) The plan that covers a person as an active employee – meaning an employee who is neither laid off nor retired or as a dependent of an active employee – is the primary plan. The plan covering that same person as a retired or laid-off employee or as a dependent of a retired or laid-off employee is the secondary plan.

(ii) If the other plan does not have this rule, and as a result, the plans do not agree on the order of benefits, this rule is ignored.

(iii) This rule does not apply if the rule in Paragraph (i) can determine the order of benefits.

(e) COBRA or State Continuation Coverage

(i) If a person whose coverage is provided pursuant to COBRA or under a right of continuation pursuant to state or other federal law is covered under another plan, the plan covering the person as an employee, member, subscriber or retiree or covering the person as a

dependent of an employee, member, subscriber or retiree is the primary plan and the plan covering that same person pursuant to COBRA or under a right of continuation pursuant to state or other federal law is the secondary plan.

(ii) If the other plan does not have this rule, and if, as a result, the plans do not agree on the order of benefits, this rule is ignored.

(iii) This rule does not apply if the rule in Subparagraph (a) can determine the order of benefits.

~~(A) If the person upon whose expenses the claim is based is a laid-off or retired employee, or the dependent of same, the benefits of the plan providing coverage to him or his dependent as such shall be determined after the benefits of any other plan covering such person as an employee, other than as a laid-off or retired employee, or dependent of same. If neither plan has a provision regarding laid-off or retired employees and such absence would result in each plan determining its benefits after the other, this subparagraph shall not apply.~~

~~(d)~~ (f)

If none of the preceding rules determines the order of benefits, the allowable expenses shall be shared equally between the plans. If the plans cannot agree on the order of benefits within forty-five (45) calendar days after the plans have received all of the information needed to pay the claim, the plans shall immediately pay the claim in equal shares and determine their relative liabilities following payment, except that no plan shall be required to pay more than it would have paid had it been the primary plan.~~hen a claim under a plan with a COB provision involves another plan which also has a COB provision, the carriers involved shall use the above rules to decide the order in which the benefits payable under the respective plan will be determined.~~

Section 4. Procedure to be Followed by Secondary Plan to Calculate Benefits and Pay a Claim

In determining the amount to be paid by the secondary plan on a claim, should the plan wish to coordinate benefits, the secondary plan shall calculate the benefits it would have paid on the claim in the absence of other health care coverage and apply that calculated amount to any allowable expense under its plan that is unpaid by the primary plan. The secondary plan may reduce its payment by the amount so that, when combined with the amount paid by the primary plan, the total benefits paid or provided by all plans for the claim do not exceed 100 percent of the total allowable expense for that claim. In addition, the secondary plan shall credit to its plan deductible any amounts it would have credited to its deductible in the absence of other health care coverage.

~~Section 7.~~Section 5. Right of Recovery

Whenever payments for allowable expenses have been made by an insurer ~~with respect to allowable expenses in a total amount, at any time~~, in excess of the maximum amount ~~of payment~~

required by its contract requirements, insurer ~~or service plan~~ shall have the right to recover ~~such~~ excess ~~excess~~ payment as the insurer shall determine~~s~~ from among: ~~one or more of the following, as the insurer or service plan shall determine:~~ any person to~~, or for, or with respect to~~ whom ~~such~~ payments were made, any other insurers ~~or service plans~~, or any other organizations. Coordination of Benefits differs from subrogation. Provisions for one may be included in health care benefits contracts without compelling the inclusion or exclusion of the other.

Section 6. Notice to Covered Persons

A plan shall, in its explanation of benefits provided to covered persons, include the following language: "If you are covered by more than one health benefit plan, you should file all your claims with each plan."

~~**Section 8.**~~**Section 7. Effective Date**

This regulation shall become effective ~~on the first day of April, 1985.~~ immediately upon filing with the Secretary of State. The provisions of this regulation shall apply to all policy and contract forms subject to this regulation which are issued on or after the effective dates. All policy and contract forms subject to this regulation which were issued prior to its effective date shall be brought into compliance with the requirements of this regulation at the next anniversary date or renewal date of the group policy or contract.

CHAPTER 15
REGULATION GOVERNING RISK RETENTION

Section 1. Authority

These rules and regulations governing risk retention and purchasing groups are adopted pursuant to W.S. §§ 26-2-110 and 26-36-101 et seq.

Section 2. Definitions

As used in these rules and regulations:

(a) "authorized" and "admitted" means an insurer authorized by a subsisting certificate of authority issued by the commissioner to transact insurance in this state;

(b) "liability insurance coverage" means liability insurance policy or endorsement forms under which a liability risk retention group or liability insurer may undertake to indemnify a liability risk retention group or liability purchasing group member;

(c) "unauthorized" and "non-admitted" means not authorized to transact insurance in this state by a subsisting certificate of authority issued by the commissioner.

Section 3. REGISTRATION, NOTICE AND INFORMATIONAL FILINGS

(a) **Foreign Liability Risk Retention Group Registration**

(i) Any risk retention group chartered in a state other than Wyoming, before offering liability insurance on any risk located, resident or to be performed in this state, shall register with the commissioner, on forms the commissioner designates, sworn to by the president or chief executive officer and the secretary of the risk retention group pursuant to W.S. § 26-36-105.

(b) **Purchasing Group Notice of Intent**

(i) Any purchasing group which intends to do business in this state, before soliciting any member to insure through the group any risk located, resident or to be performed in this state, shall furnish notice of its intent to do business to the commissioner, sworn to by the party who, under the organizational plan of the group, has authority to bind the group by signature, on forms the commissioner designates, providing such information and documentation as the commissioner shall require pursuant to W.S. § 26-36-109.

(c) **Appointment of Commissioner as Agent for Service of Process**

(i) Any risk retention group filing its registration or risk purchasing group filing its notice of intent to do business unless otherwise exempted under W.S. § 26-36-109(b), shall submit

to the commissioner, contemporaneously with filing its registration or notice of intent, a statement of registration irrevocably appointing the commissioner as its agent for the purpose of receiving legal documents and service of process, in the form designated by the commissioner.

(d) **Updates and Amendments**

(i) Any registered risk retention group or risk purchasing group shall notify the commissioner in writing within thirty (30) days of any changes to the information contained on the registration form or notice of intent form. The commissioner may request additional information and documentation as necessary. No such request shall delay the effective date of the notice.

(ii) On or before March 1 of each year, each registered risk retention group and risk purchasing group shall file a sworn affidavit by the party authorized to file a registration or notice of intent to do business, certifying to the commissioner the accuracy of the information on file or as amended, and as to its continued intent to be registered and do business.

Section 4. ELIGIBILITY AND CONDITIONS FOR PROCUREMENT

(a) **Group Location**

For the purposes of Section Four of these rules and regulations a liability purchasing group shall be deemed located or situated in the state where it is domiciled.

(b) **Direct Production**

Any registered risk retention group in this state which utilizes brokers or agents in soliciting, negotiating, procuring or providing liability insurance for its members located or resident in this state shall do so only through brokers or agents licensed in this state. Nothing herein shall be construed to prevent a risk retention group from soliciting, negotiating, procuring or providing liability insurance for its members located or resident in this state directly through its officers, directors, owners, partners, trustees, or full-time salaried employees not licensed as a broker or agent in this state.

(i) Any registered purchasing group in this state which utilizes brokers or agents in soliciting, negotiating, procuring, or providing liability insurance for its members located or resident in this state shall do so only through brokers or agents licensed in this state. Nothing herein shall be construed to prevent a purchasing group from soliciting, negotiating, procuring or providing liability insurance for its members located or resident in this state through an insurer admitted in the state in which the purchasing group is located on a direct basis through the purchasing group's officers, directors, owners, partners, trustees, or full-time salaried employees not licensed as a broker or agent in this state.

Section 5. TAXES

(a) **Liability Risk Retention Group Taxes**

Each risk retention group shall file with the commissioner a report of all premiums paid to it for risks insured by it located, resident or to be performed within or properly allocated to this state in a form the commissioner prescribes and requires pursuant to the provisions of W.S. § 26-4-103 and W.S. § 26-36-105(d).

(b) **Purchasing Group Taxes**

Premium taxes and taxes on premiums paid for coverage of risks resident or located in this state by a purchasing group or any member of the purchasing groups shall be:

(i) Imposed at the same rate and subject to the same interest, fines and penalties as that applicable to premium taxes and taxes on premiums paid for similar coverage from a similar insurance source by other insureds; and

(ii) Paid first by such insurance source, and if not by such source by the agent or broker for the purchasing group, and if not by such agent or broker then by the purchasing group, and if not by such purchasing group then by each of its members.

Section 6. Tax Delinquency

If an insurer, liability risk retention group or risk retention broker agent does not pay the tax on or before March 31 of the year in which due, in accordance with the Wyoming Risk Retention Act and these rules and regulations, the tax is delinquent, and the commissioner may enforce payment thereof by the seizure, distraint and sale of any of the insurer's, the liability risk retention group's or the risk retention broker agent's property within Wyoming.

Section 7. EFFECTIVE DATE

These rules and regulations become effective upon filing with the Secretary of State.

CHAPTER 15
REGULATION GOVERNING RISK RETENTION

~~PART 1 -- GENERAL PROVISIONS~~

Section 1. ~~Section 1.1.~~ **Authority**

These rules and regulations governing ~~liability~~ risk retention and purchasing groups are adopted pursuant to ~~Section 16-3-102 through Section 16-3-106 of the Wyoming Administrative Procedures Act,~~ W.S.~~Section~~ §§ 26-2-110 and 26-36-101 et seq. ~~of the Wyoming Insurance Code and Section 26-36-115 of the Wyoming Risk Retention Act.~~

~~Section 1.2. **Purpose**~~

~~The Wyoming Risk Retention Act became effective May 22, 1987. It was intended to be consistent with and complementary to the Federal Liability Risk Retention Act of 1986. These rules and regulations are intended to carry out the provisions of the Wyoming Risk Retention Act as they pertain to registrations, notices and informational filings for liability risk retention and purchasing groups, the licensing of risk retention broker agents soliciting for liability risk retention and purchasing groups and the allocation of premium and payment of premium taxes for risks insured by or through liability risk retention and purchasing groups as allowable under and not in conflict with the Federal Liability Risk Retention Act of 1986.~~

Section 2. ~~Section 1.3.~~ **Definitions**

As used in these rules and regulations:

(a) ~~(a)~~ "authorized ~~to transact insurance in this state~~" and "admitted" means an insurer authorized by a subsisting certificate of authority issued by the commissioner to transact insurance in this state;

~~(b) "commissioner" means the insurance commissioner of the State of Wyoming;~~

~~(c) "Federal Liability Risk Retention Act of 1986" means that federal legislation which authorized qualified individuals or organizations to form special association insurance captives or to join together to purchase liability insurance on a group basis enacted as 15 U.S.C. Section 3901, et seq.;~~

(b) ~~(d)~~ "liability insurance coverage" means liability insurance policy or endorsement forms under which a liability risk retention group or liability insurer may undertake to indemnify a liability risk retention group or liability purchasing group member ~~against liability arising from similar hazards or risk contingencies including but not limited to those liability insurance coverages commonly referred to in the industry as products--completed operations liability, liquor liability, hospital professional liability, physicians, surgeons, and dentists liability, lawyers professional liability, elevator liability, storekeepers liability, governmental entity general~~

~~liability, public officials errors and omissions, school board errors and omissions, directors and officers errors and omissions, oil field general liability, day care general liability, outfitters and guides general liability, recreational area liability, long haul truckers liability, garage liability, pollution liability, etc.~~;

~~(e) "liability purchasing group" means any group meeting the requirements of a purchasing group contained in the Wyoming Risk Retention Act;~~

~~(f) "liability risk retention group" means any group meeting the requirements of a risk retention group contained in the Wyoming Risk Retention Act;~~

~~(g) "risk retention broker agent" means any individual, firm or corporation appointed by a liability purchasing group or liability risk retention group for the purpose of providing insurance to the members of the liability purchasing group or liability risk retention group;~~

(c) ~~(h)~~ "unauthorized" and "non-admitted" means not authorized to transact insurance in this state by a subsisting certificate of authority issued by the commissioner.

~~(i) "Wyoming Insurance Code" means Title 26 of the Wyoming Statutes Annotated, 1976 Revised Edition which regulates the business of insurance in the State of Wyoming; and~~

~~(j) "Wyoming Risk Retention Act" means Chapter 36 of the Wyoming Insurance Code which regulates the business of liability in the State of Wyoming as authorized by the Federal Liability Risk Retention Act of 1986.~~

~~Section 1.4. **Penalty for Violations**~~

~~The violation of these rules and regulations is punishable under Sections 26-1-107, 26-2-112, 26-3-116, 26-4-105, 26-9-130, 26-9-136, 26-11-119, 26-13-116, 26-13-202, and 26-36-112 of the Wyoming Insurance Code.~~

Section 3. ~~PART 2~~ **REGISTRATION, NOTICE AND INFORMATIONAL FILINGS**

(a) ~~Section 2.1.~~ **Foreign Liability Risk Retention Group Registration**

(i) ~~(a)~~ Any ~~liability~~ risk retention group chartered in a state other than Wyoming ~~and not holding a subsisting certificate of authority issued by the commissioner of the State of Wyoming~~, before offering liability insurance ~~as a liability risk retention group~~ on any risk located, resident or to be performed in this state, shall register with the commissioner, on forms the commissioner designates ~~and furnishes~~, sworn to by the president or chief executive officer and the secretary of the ~~liability~~ risk retention group ~~providing such~~ pursuant to ~~Section~~ W.S. § 26-36-105 ~~of the Wyoming Risk Retention Act~~.

~~(b) Any liability risk retention group chartered in a state other than Wyoming and not holding a~~

~~subsisting certificate of authority issued by the commissioner of the State of Wyoming which has registered with the commissioner pursuant to Section 3(d) of the Federal Liability Risk Retention Act of 1986 or Section 26-36-105 of the Wyoming Risk Retention Act prior to the effective date of these rules and regulations shall comply with subsection a. of this section by registering in the form prescribed by subsection a. of this section on or before July 1, 1988.~~

(b) ~~Section 2.2. Liability~~ **Purchasing Group Notice of Intent**

(i) ~~(a)~~ Any ~~liability~~ purchasing group which intends to do business in this state, before soliciting any member to insure through the group any ~~liability~~ risk located, resident or to be performed in this state, shall furnish notice of its intent to do business to the commissioner, sworn to by the ~~president, chief executive officer, secretary, partner, trustee or such other officer or~~ party who, under the organizational plan of the group, has authority to bind the group ~~with his~~by signature, on forms the commissioner designates ~~and furnishes~~, providing such information and documentation as the commissioner shall require pursuant to ~~Section~~ W.S. § 26-36-109 ~~of the Wyoming Risk Retention Act~~.

~~(b) Any liability purchasing group which has filed with the commissioner its notice of intent to do business pursuant to Section 4(d)(1) of the Federal Liability Risk Retention Act of 1986 or Section 26-36-109 of the Wyoming Risk Retention Act prior to the effective date of these rules and regulations shall comply with subsection a. of this section by registering in the form prescribed by subsection a. of this section on or before July 1, 1988.~~

(c) ~~Section 2.3.~~ **Appointment of Commissioner as Agent for Service of Process**

(i) ~~(a)~~ Any ~~liability~~ risk retention group~~,~~ filing its ~~registration~~ registration or risk purchasing group filing its notice of intent to do business ~~as a liability risk retention group in this state pursuant to Section 3(d) of the Federal Liability Risk Retention Act of 1986, Section 26-36-105 of the Wyoming Risk Retention Act or Section 2.1 of these rules and regulations, and any liability purchasing group, not~~unless otherwise exempted under ~~Section~~ W.S. § 26-36-109(b) ~~of the Wyoming Risk Retention Act and subsection c. of this section~~, ~~filing its notice of intent to do business as a liability purchasing group in this state, pursuant to Section 4(d)(1) of the Federal Liability Risk Retention Act of 1986, Section 26-36-109 of the Wyoming Risk Retention Act or Section 2.2 of these rules and regulations,~~ shall submit to the commissioner, contemporaneously with filing its ~~regulation~~ registration or notice of intent, a statement of registration irrevocably appointing the commissioner as its agent for the purpose of receiving legal documents and service of process, in the form ~~substantially similar to that contained in subsection b. of this section~~designated by the commissioner.

~~(i) (b) The statement of registration appointing the commissioner as agent for the purpose of receiving legal documents and service of process, required in subsection a. of this section, shall be in substantially the following form with the appropriate information included:~~

REGISTRATION OF APPOINTMENT OF AGENT FOR SERVICE OF PROCESS

KNOW AL MEN BY THESE PRESENTS:

The (name of group),a liability [risk retention] [purchasing] group authorized to transact liability insurance under the Federal Liability Risk Retention Act of 1986 and Chapter 36 of the Wyoming Insurance Code, domiciled in the State of And whose principal place of business is located at (city) (state) (zip) does hereby constitute, designate and appoint the Insurance Commissioner of the State of Wyoming, and his successors in office, as its true and lawful agent to receive legal documents and service of process issued against said liability [risk retention] [purchasing] group in the State of Wyoming. This appointment shall be irrevocable, shall be binding upon the group, and its successors in interest, as to the assets and liabilities of the group and shall remain in full force and effect for so long as there is in force any contract or certificate insuring any member [of the liability risk retention group] [of the liability purchasing group] in the State of Wyoming or any obligation of the group arising out of its transactions in the State of Wyoming.

The liablity [risk retention] [purchasing] group hereby designates the following person as the person to whom legal documents and process against it served shall be forwarded by the Insurance Commissioner:

(name) , (title)

(company or group name), , (street address)

(city) , (state) (zip)

IN WITNESS WHEREOF, the said liability [risk retention] [purchasing] group has caused this appointment to be duly executed this day of ,
19____.

(name of group)

BY:
[President, Chife Executive Officer, Secretary, Partner, Trustee, SEAL or title of the officer or party who under the organization of the group has authority to bind the group with his signature].

~~State of _____)~~
~~) ss~~
~~County of _____)~~

~~The foregoing instrument was acknowledged and executed before me this day of _____, 19___.~~

~~Notary Public~~

~~SEAL~~

~~My commission expires: _____~~

~~(c) Nothing in this section shall apply in the case of a liability purchasing group:~~

~~(i) Which was domiciled before April 1, 1986, and is domiciled on and after October 27, 1986 in any state of the United States;~~

~~(ii) Which before October 27, 1986 purchased insurance from an insurance carrier licensed in any state, and since October 27, 1986 purchased its insurance from an insurance carrier licensed in any state;~~

~~(iii) Which was a liability purchasing group under the requirements of the Product Liability Risk Retention Act of 1981 before October 27, 1986; and~~

~~(iv) which does not purchase insurance that was not authorized for purposes of an exemption under that act, as in effect before October 27, 1986.~~

(d) ~~Section 2.4.~~ **Updates and Amendments**

(i) ~~(a)~~ Any ~~liability~~ registered risk retention group or risk purchasing group~~, which has registered with the commissioner and provided him information pursuant to Section 26-36-105 of the Wyoming Risk Retention Act and Section 2.1 of these rules and regulations,~~ shall notify the commissioner in writing within thirty (30) days of any changes ~~in its operations~~to the information contained on the registration form or notice of intent form~~, which result in the registration then on file containing false, inaccurate or misleading information, including the solicitation or writing of any liability insurance coverage in addition to that for which it is registered, so as to correct such false, inaccurate, or misleading information~~. The commissioner may request ~~such~~ additional information and documentation ~~pertaining to such notice~~ as ~~he deems~~ necessary~~. provided, however,~~ No~~n~~o such request shall delay the effective date of the notice.

~~(b) Any liability purchasing group, which filed with the commissioner a notice of intent to do business and provided him information pursuant to Section 26-36-109 of the Wyoming Risk Retention Act and Section 2.2 of these rules and regulations, shall notify the commissioner in writing within thirty (30) days of any changes in its operations, which result in the notice of intent~~

to do business then on file containing false, inaccurate or misleading information, including the solicitation or writing of any liability insurance coverage in addition to that for which it has notified the commissioner, so as to correct such false, inaccurate or misleading information. The commissioner may request such additional information and documentation pertaining to such notice as he deems necessary provided, however, no such request shall delay the effective date of the notice.

(ii) (c) Any liability risk retention group, which has registered with the commissioner and provided him information pursuant to Section 26-36-105 of the Wyoming Risk Retention Act and Section 2.1 of these rules and regulations, and any liability purchasing group, which has filed with the commissioner a notice of intent to do business and provided him information pursuant to Section 26-36-109 of the Wyoming Risk Retention Act and Section 2.2 of these rules and regulations, onOn or before March 1 of each year, each registered risk retention group and risk purchasing group shall file bya sworn affidavit of by the officer or party qualified and authorized to file an original registration or notice of intent to do business, shall certifycertifying to the commissioner as to the continued accuracy of the information on file or as amended by notice filed pursuant to subsections a. or b. of this section, and as to its continued intent to be registered and do business in this state.

Section 2.5. **Policy Form Approval**

No insurance policy or contract form, or application form if written application is required and is made a part of the policy to contract, or printed rider or endorsement form or form of renewal certificate shall be delivered or issued for delivery to any liability purchasing group domiciled in this state, or any member thereof, by any insurer authorized to transact insurance in this state unless the form is filed with and approved by the commissioner pursuant to the provisions of Chapter 15 of the Wyoming Insurance Code pertaining to insurance contract as they shall apply to the liability purchasing group.

PART 3 -- **BROKER AGENTS**

Section 3.1. **License Requirement**

No person, resident or nonresident in this state, shall act as or hold himself out in this state to be a risk retention broker agent for a liability risk retention group, or liability purchasing group which solicits members for the purpose of selling liability insurance coverage, purchases liability insurance coverage for group members located within this state or otherwise does business in this state unless then licensed as such under these rules and regulations.

Section 3.2. **Exceptions to License Requirement**

Risk retention broker agent for the purpose of licensing does not include:

(a) Any officer, director, owner, partner, trustee or full-time salaried employee

of a liability risk retention group or liability purchasing group;

(b) Any officer, director, owner, partner, or full-time salaried employee of a professional management firm employed by a liability risk retention group or liability purchasing group as an independent contractor to manage the operations of the liability risk retention group or liability purchasing group; or

(c) Any telemarketing or mass mailing organization or any radio or television station or network or, newspaper or magazine publisher or distributor which makes statements or carries advertisements for a liability risk retention group or liability purchasing group to the extent only general, non-risk specific information is given concerning the Federal Liability Risk Retention Act, the Wyoming Liability Risk Retention Act and the liability risk retention group or liability purchasing group and no application for insurance is received, no underwriting information is taken, and no insurance rate or premium is quoted or collected.

Section 3.3. **Qualifications for License**

The commissioner shall not issue, continue, or permit to exist any risk retention broker agent license except in compliance with these rules and regulations and any individual applying for or holding such a license shall:

(a) Be an adult under the laws of his state of domicile;

(b) If representing a liability purchasing group registered with the commissioner, have been appointed risk retention broker agent by the liability purchasing group, subject to issuance of the license;

(c) If representing a liability risk retention group, have been appointed risk retention broker agent by the liability risk retention group, subject to issuance of the license;

(d) If representing an insurer doing business with a liability purchasing group having members in this state, have been appointed risk retention broker agent by the insurer, subject to issuance of the license;

(e) Be competent, trustworthy, financially responsible and of good reputation; and

(f) Pass any written examination required for license by the commissioner under Chapter 9 of the Wyoming Insurance Code.

Section 3.4. **Licensing of Firm or Corporation**

(a) A firm or corporation may be licensed as a risk retention broker agent. Each general partner and each other individual authorized to act for the firm and each individual authorized to act for the corporation shall be named in the license or registered with the commissioner and shall qualify as through an individual licensee; and

(b) The licensee shall promptly notify the commissioner of any changes among its members, directors, officers and other individuals designated in or registered as to the license.

Section 3.5. **Application for License**

(a) Application for a risk retention broker agent license shall be made to the commissioner on a form he shall prescribe which shall comply with the provisions of Section 26-9-108 of the Wyoming Insurance Code, applicable to an agent's license and shall be signed and sworn to by the applicant before a notary public or other person authorized by law to take acknowledgment of deeds and shall be accompanied by a written appointment by the liability purchasing group, liability risk retention group or insurer for the position or kind of insurance specified in the application; and

(b) Any surplus line broker or casualty insurance agent licensed in this state shall be deemed qualified to act as a risk retention broker agent and shall submit application for licensure as a risk retention broker agent on a form prescribed by the commissioner reflecting that previous application for license has been filed with the commissioner and containing a written appointment by the liability purchasing group, liability risk retention group or insurer for the position or kind of insurance specified in the application.

Section 3.6. **Fee**

(a) Each application shall be accompanied by the applicable license fee, appointment fee and examination fee in the amounts specified in Section 26-4-101 of the Wyoming Insurance Code for a resident casualty agent; and

(b) The commissioner shall charge and the licensee shall pay a full additional license fee for each individual exceeding one (1) named in or registered as to the license issued to a firm or corporation.

Section 3.7. **Written Examination**

(a) The commissioner shall require each applicant for license as a risk retention broker agent unless exempted therefrom under Section 3.8 of these rules and regulations to take a written examination as to his competence to act as a risk retention broker agent; and

(b) If the applicant is a firm or corporation, the examination shall be taken by each individual who is to be named in or registered as to the license.

Section 3.8. **Exemption from Examination Requirement**

No examination is required of:

(a) Any applicant for license who was licensed in this state as a risk retention broker agent, casualty insurance agent or surplus line broker, other than a temporary license,

within the twelve (12) months immediately preceding the date of application, unless the previous license was revoked, suspended or continuation thereof refused by the commissioner; and

(b) Any applicant for license who is licensed in their state of domicile as a casualty insurance agent or surplus line broker, other than a temporary license, on the date of application, if the insurance supervisory official of their state of domicile certifies that the applicant is licensed as a resident agent or surplus line broker in that state, is in good standing and has complied with that state's qualification standards therefor.

Section 3.9. **Risk Retention Broker Agent Bond**

Prior to issuance of an appointment as a risk retention broker agent for any unauthorized liability risk retention group or unauthorized insurer, the applicant shall file with the commissioner, and shall keep in force or as long as such an appointment remains in effect, a bond in favor of the State of Wyoming in the penal sum of one thousand dollars ($1000.00), with an authorized corporate surety the commissioner approves, conditioned that he will conduct business under his risk retention broker agent license in accordance with the Wyoming Risk Retention Act and these rules and regulations and that he will promptly remit the taxes in the manner prescribed in Part Five of these rules and regulations. Any risk retention broker agent licensed as a surplus line broker in the State of Wyoming and maintaining a bond pursuant to Section 26-11-114 of the Wyoming Insurance Code or previously appointed by an unauthorized liability risk retention group or unauthorized insurer and maintaining a bond pursuant to this section shall not be subject to any additional bond requirement. The aggregate liability of the surety for any claims on the bond shall not exceed the penal sum of the bond. The bond shall not be terminated unless not less than thirty (30) days prior written notice thereof is given to the licensee and filed with the commissioner.

Section 3.10. **License Continuation or Termination**

Each risk retention broker agent license shall continue in force, subject to the payment of an annual continuation fee by midnight on March 31, of each year until expired, suspend, revoked or otherwise terminated, as provided for an agent license by Section 26-9-117 of the Wyoming Insurance Code.

Section 3.11. **License Suspension or Revocation**

(a) The commissioner may suspend or revoke any risk retention broker agent license for any applicable cause for which a general lines agent's license may be suspended or revoked.

(b) The procedures provided by Chapter 9 of the Wyoming Insurance Code for suspension or revocation of licenses apply to suspension or revocation of a risk retention broker agent's license.

Section 3.12. **Appointment of Commissioner as Agent for Service of Process**

~~Application for and acceptance of a risk retention broker agent license under these rules and regulations by any person not a resident of this state constitutes the irrevocable appointment of the commissioner as the agent of the licensee for the acceptance of service of process issued in this state in any action or proceeding against the licensee arising out of the licensing or any transaction under the license.~~

~~Section 3.13. **General Licensing Provisions**~~

~~To the extent the general provisions of Chapter 9 of the Wyoming Insurance Code as they pertain to agents are not inconsistent with the Federal Liability Risk Retention Act of 1986, the Wyoming Risk Retention Act and these rules and regulations, those general provisions shall apply to risk retention broker agents.~~

Section 4. ELIGIBILITY AND CONDITIONS FOR PROCUREMENT

~~PART 4 -- **ELIGIBILITY AND CONDITIONS FOR PROCUREMENT**~~

(a) ~~Section 4.1.~~ **Group Location**

For the purposes of ~~Part~~ Section Four of these rules and regulations a liability purchasing group shall be deemed located or situated in the state where it is domiciled.

~~Section 4.2. **Exportability**~~

~~Any risk retention broker agent licensed in this state and any liability risk retention group or liability purchasing group registered in this state pursuant to Chapter 36 of the Wyoming Insurance Code and these rules and regulations operating as a direct producer in this state may procure and provide liability insurance for liability risk retention group or liability purchasing group members located in this state without regard to any requirement that a diligent effort be made to procure and provide such liability insurance from among insurers authorized to transact that kind and class of insurance in this state and without regard to any advantage which might be secured for such members regarding a lower premium rate or terms of the insurance contract.~~

~~Section 4.3. **Risk Retention Broker Agency Memorandum**~~

~~Any risk retention broker agent effecting insurance on any risk located, resident or to be performed within or properly allocated to this state with an unauthorized liability risk retention group or unauthorized insurer, pursuant to the Federal Liability Risk Retention Act of 1986, the Wyoming Risk Retention Act, and these rules and regulations, shall file with the commissioner a bordereau memorandum in a form the commissioner prescribes or accepts, setting forth the facts concerning the placement of such insurance so as to identify the coverage and the tax payable to the state relative thereto pursuant to Section 26-11-106(b) of the Wyoming Insurance Code. The risk retention broker agent shall file this bordereau with the commissioner on or before March 31 of each year in which the premium or consideration is due. Any risk retention broker agent may contract with the unauthorized liability risk retention group or unauthorized insurer or with a~~

liability purchasing group for which it acts to provide for the unauthorized liability risk retention group, the unauthorized insurer or the liability purchasing group filing this bordereau on behalf of the risk retention broker agent in accordance with this section, provided the risk retention broker agent notifies the commissioner of such delegation and files with the commissioner a copy of the contract authorizing such alternative method of filing prior to the effective date of such delegation.

(b) Section 4.4. **Direct Production**

(a) Any liability registered risk retention group required to register in this state pursuant to Section 3(d) of the Federal Liability Risk Retention Act of 1986, Section 26-36-105 of the Wyoming Risk Retention Act or Section 2.1 of these rules and regulations which utilizes risk retention broker agent brokers or agents in soliciting, negotiating, procuring or providing liability insurance for its members located or resident within in this state shall do so only through risk retention broker agent brokers or agents licensed in this state. pursuant to Chapters 9, 11 and 36 of the Wyoming Insurance Code and those rules and regulations, provided, however, n Nothing herein shall be construed to prevent such a liabilitya risk retention group from soliciting, negotiating, procuring or providing liability insurance for its members located or resident within in this state directly through its officers, directors, owners, partners, trustees, or full-time salaried employees not so licensed as a broker or agent in this state.

(i) (b) Any liability registered purchasing group required to file notice of its intent to do business in this state pursuant to Section 4(d)(1) of the Federal Liability Risk Retention Act of 1986, Section 26-36-109 of the Wyoming Risk Retention Act or Section 2.2 of these rules and regulations which utilizes risk retention broker agentbrokers or agents in soliciting, negotiating, procuring, or providing liability insurance for its members located or resident within this state shall do so only through risk retention broker agentbrokers or agents licensed in this state. pursuant to Chapters 9, 11 and 36 of the Wyoming Insurance Code and these rules and regulations, provided, however, nNothing herein shall be construed to prevent such a liabilitya purchasing group from soliciting, negotiating, procuring or providing liability insurance for its members located or resident within this state through an insurer admitted in the state in which the liability purchasing group is located on a direct basis through the liability purchasing group's officers, directors, owners, partners, trustees, or full-time salaried employees not licensed as a broker or agent as risk retention broker agents in this state.

Section 4.5. **Insurance Purchasing by Liability Purchasing Group**

A liability purchasing group may not purchase liability insurance covering risks located, resident or to be performed within or properly allocated to this state from a liability risk retention group that is not chartered in a state or from an insurer not admitted in the state in which the liability purchasing group is located unless the purchase is effected through a licensed agent or broker acting pursuant to the surplus line laws and regulations of the state in which the liability purchasing group is located.

Section 4.6. **Solicitation by Nonresident**

~~Notwithstanding the provisions of Section 26-9-133(b) of the Wyoming Insurance Code or any treaty entered into by the commissioner and the insurance supervisory official of any other state pursuant to Section 26-9-133(c) of the Wyoming Insurance Code to the contrary, any risk retention broker agent licensed in this state by the commissioner shall have the right under his license to solicit Wyoming liability risk retention group and Wyoming liability purchasing group business and members in Wyoming on behalf of the liability risk retention group or liability purchasing group by which he is appointed.~~

~~Section 4.7. **Guaranty Association**~~

~~Any liability purchasing group risk located, resident or to be performed within this state insured under a policy issued by an insurer, not a liability risk retention group authorized to transact insurance in this state shall be subject to the provisions of Chapter 31 of the Wyoming Insurance Code pertaining to the Wyoming Insurance Guaranty Association as they shall apply.~~

Section 5. ~~PART 5 –~~ TAXES

(a) ~~Section 5.1. **Admitted** ~~ Liability Risk Retention Group Taxes

~~(a)~~ Each ~~liability~~ risk retention group ~~authorized or formerly authorized to transact insurance in this state~~ shall file with the commissioner ~~on or before March 1 each year, or within any extended period the commissioner grants, not to exceed thirty (30) days,~~ a report of all premiums paid to it for risks insured by it located, resident or to be performed within or properly allocated to this state in a form the commissioner prescribes and requires ~~of all authorized and formerly authorized insurers in this state~~ pursuant to the provisions of ~~Section~~ W.S. § 26-4-103 and W.S. § 26-36-105(d). ~~of the Wyoming Insurance Code and shall specifically identify and report on behalf of its risk retention broker agent~~broker or agents, ~~in a form the commissioner prescribes, that portion of its total premiums for Wyoming liability risks which have been placed by or allocated to any risk retention broker agent~~broker or agent~~.~~

~~(ii)~~ (i) ~~(b) Each liability risk retention group authorized or formerly authorized to transact insurance in this state at the same time the report in subsection a. of this section is filed, shall pay to the state treasurer through the commissioner for the privilege of transacting business in this state, a tax upon its net Wyoming premiums and net Wyoming considerations as required of all authorized and formerly authorized insurers in this state pursuant to Section 26-4-103 of the Wyoming Insurance Code for risks located, resident or to be performed within this state or properly allocated to this state at a rate of two and one-half percent (2 1/2%) subject to any credit allowed against its tax liability pursuant to Section 26-4-104 of the Wyoming Insurance Code.~~

~~Section 5.2. **Non-Admitted Liability Risk Retention Group Taxes**~~

~~(a) Each liability risk retention group, not authorized or formerly authorized to transact insurance in this state, which has registered with the commissioner and has transacted business in this state pursuant to Section 3(d) of the Federal Liability Risk Retention Act, Section 26-36-105 of the Wyoming Risk Retention Act and Section 2.1 of these rules and regulations, shall file with the commissioner on or before March 1 each year, or within any extended period the commissioner grants, not to exceed thirty (30) days, a report of all premiums paid to it for risks insured by it located, resident or to be performed within or properly allocated to this state in a form the commissioner prescribes and requires of all authorized and formerly authorized insurers in this state pursuant to Section 26-4-103 of the Wyoming Insurance Code and shall specifically identify and report on behalf of its risk retention broker agentrisk retention broker or agents, in a form the commissioner prescribes, that portion of its total premiums for Wyoming liability risks which have been placed by or allocated to any such risk retention broker agentrisk retention broker or agent.~~

~~(b) To the extent a liability risk retention group not authorized or formerly authorized to transact insurance in this state, which has registered with the commissioner and has transacted business in this state pursuant to Section 3(d) of the Federal Liability Risk Retention Act, Section 26-36-105 of the Wyoming Risk Retention Act and Section 2.1 of these rules and regulations, has utilized risk retention broker agentrisk retention broker or agents licensed in this state to transact insurance in this state, a tax shall be reported and paid, in a form the commissioner prescribes, on or before March 1 each year, or within any extended period the commissioner grants, not to exceed thirty (30) days, by the risk retention broker agentrisk retention broker or agents, through the liability risk retention group reporting and paying on their behalf, to the state treasurer through the commissioner, on the net Wyoming premiums and net Wyoming considerations for risks located, resident or to be performed within or properly allocated to this state, at a rate of two and one-half percent (2 1/2%) pursuant to Section 26-4-103 of the Wyoming Insurance Code and Section 26-36-105(d) of the Wyoming Risk Retention Act.~~

~~(c) To the extent a liability risk retention group not authorized or formerly authorized to transact insurance in this state, which has registered with the commissioner and has transacted business in this state pursuant to Section 3(d) of the Federal Liability Risk Retention Act, Section 26-36-105 of the Wyoming Risk Retention Act and Section 2.1 of these rules and regulations, has not utilized risk retention broker agentrisk retention broker or agents licensed in this state to transact insurance in this state, a tax shall be reported and paid in a form the commissioner prescribes, on or before March 1 each year, or within any extended period the commissioner grants, not to exceed thirty (30) days, by the liability risk retention group to the state treasurer through the commissioner on the net Wyoming premiums and net Wyoming considerations for risks located, resident or to be performed or properly allocated to this state at a rate of two and one-half percent (2 1/2%) pursuant to Section 26-4-103 of the Wyoming Insurance Code and Section 26-36-105(d) of the Wyoming Risk Retention Act.~~

(b)

(c) ~~Section 5.3. **Admitted Insurer's Risk** ~~**Purchasing Group Taxes**

~~Each insurer authorized and formerly authorized to transact insurance in this state, which provides insurance for members of a liability purchasing group on risks located, resident or to be performed in this state, at the same time it files its report required pursuant to Section 26-4-104(a) of the Wyoming Insurance Code, shall file with the commissioner a specific report of all premiums paid to it for liability purchasing group risks insured by it located, resident or to be performed within and properly allocated to this state in a form the commissioner prescribes.~~Premium taxes and taxes on premiums paid for coverage of risks resident or located in this state by a purchasing group or any member of the purchasing groups shall be:

(i) Imposed at the same rate and subject to the same interest, fines and penalties as that applicable to premium taxes and taxes on premiums paid for similar coverage from a similar insurance source by other insureds; and

(ii) Paid first by such insurance source, and if not by such source by the agent or broker for the purchasing group, and if not by such agent or broker then by the purchasing group, and if not by such purchasing group then by each of its members.

~~Section 5.4.~~

~~**Non-Admitted Insurer's Risk Purchasing Group Taxes**~~

~~(a) Each insurer not authorized or formerly authorized transact insurance in this state which provides insurance for members of a liability purchasing group on risks located, resident or to be performed in this state, shall file with the commissioner on or before March 1 each year, or within any extended period the commissioner grants, not to exceed thirty (30) days, a report of all premiums paid to it during the immediately preceding calendar year for liability purchasing group risks insured by it located, resident or to be performed in this state in a form the commissioner prescribes and requires of all authorized and formerly authorized insurers in this state pursuant to Section 26-4-103 of the Wyoming Insurance Code and shall specifically identify and report on behalf of its risk retention broker agents, in a form the commissioner prescribes, that portion of its total premiums for Wyoming liability risks which have been placed by or allocated to any risk retention broker agent.~~

~~(b) To the extent an insurer not authorized or formerly authorized to transact insurance in this state has utilized risk retention broker agents licensed in this state to insure liability purchasing group risks located, resident or to be performed within or properly allocated to this state, a surplus line tax shall be reported and paid in a form the commissioner prescribes, on or before March 1 each year, or with any extended period the commissioner grants, not to exceed thirty (30) days, by the risk retention broker agent, through the insurer reporting and paying on their behalf, to the state treasurer through the commissioner, on the net Wyoming premiums and net Wyoming considerations received during the immediately preceding calendar year for risks located, resident or to be performed within or properly allocated to this state at a rate of three percent (3%) as required of all surplus line insurance sold in this state pursuant to Section 26-11-118 of the Wyoming Insurance Code.~~

(d) ~~(c) To the extent an insurer not authorized or formerly authorized to transact insurance in this state has not utilized risk retention broker agents licensed in this state when insuring liability purchasing group risks located, resident or to be performed within or properly allocated to this state, a surplus line tax shall be reported and paid in a form the commissioner prescribes, on or before March 1 each year, or within any extended period the commissioner grants, not to exceed thirty (30) days, by the insurer to the state treasurer through the commissioner on the net Wyoming premiums and net Wyoming considerations received during the immediately preceding calendar year for risks located, resident or to be performed within or properly allocated to this state at a rate of three percent (3%) as required of all surplus line insurance sold in this state pursuant to Section 26-11-118 of the Wyoming Insurance Code.~~

Section 6. Section 5.5. **Tax Delinquency**

(i) (a) If an insurer, liability risk retention group or risk retention broker agent does not pay the tax on or before March 31 of the year in which due, in accordance with the Wyoming Risk Retention Act and these rules and regulations, the tax is delinquent, and the commissioner may enforce payment thereof by the seizure, distraint and sale of any of the insurer's, the liability risk retention group's or the risk retention broker agent's property within Wyoming.

~~(b) If a risk retention broker agent fails to remit through an unauthorized insurer or unauthorized liability risk retention group the tax due on the business of an unauthorized insurer or unauthorized liability risk retention group prior to April 1 after the tax is due, and if in the commissioner's opinion the failure is without just cause, the risk retention broker agent is liable for a twenty-five dollar ($25.00) fine for each day of delinquency commencing with April 1 of the year for which the tax is due.~~

Section 7. ~~PART 6 – **SEVERABILITY AND**~~ **EFFECTIVE DATE**

~~Section 6.1. **Severability**~~

~~If any provision of these rules and regulations or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of these rules and regulations and the application of such provision to other persons and circumstances shall not be affected thereby.~~

~~Section 6.2. **Effective Date**~~

These rules and regulations become effective ~~on May 1, 1988~~upon filing with the Secretary of State.

CHAPTER 16
REGULATION GOVERNING
INSURANCE COMPANY APPOINTMENTS OF PRODUCERS

Section 1. Authority

These regulations governing the company appointments of producers are promulgated pursuant to the authority granted by W.S. §§ 26-2-110, 26-9-213 and 26-9-217.

Section 2. Definitions

(a) **"**Appointment" means a notification filed with the insurance department that an insurer has established an agency relationship with a producer.

(b) "Appointment continuation" means continuation of a company's existing appointment based on payment of the required fee without submission of an appointment form.

(c) For purposes of this regulation, "producer" means insurance producer as defined by W.S. § 26-1-102(xxxv), and includes title agents as defined in W.S. § 26-23-303(a)(xix).

(d) "Termination for cause" means an insurer has ended its agency relationship with a producer for one of the reasons set forth in W.S. § 26-9-211(a) or that the producer has been found by a court, governmental body or self-regulatory organization authorized by law to have engaged in any of the activities set forth in W.S. § 26-9-211(a).

Section 3. Producer Appointment

(a) Prior to submitting a notice of appointment, the appointing insurer shall verify that the producer is licensed and qualified to sell all products the producer sells for that insurer.

(b) Each insurer appointing a title agent in Wyoming shall, at the time the request for title agent license is submitted, file with the commissioner a notice of producer appointment in a form acceptable to the commissioner.

(c) An insurer may file a notice of appointment electronically by accessing links to vendors through the Department's website. If an insurer cannot file a request electronically, then the insurer may file a paper form.

Section 4. Continuation and Termination

(a) Annually, each insurer will receive notice of the amount owed for continuation of appointments pursuant to W.S. §§ 26-9-213(e) and 26-4-101(a). The amount owed may not be altered or amended. Annually, on or before March 31, each insurer shall pay the amount owed for the continuation of appointment fee. Failure to pay the amount owed for the continuation of appointment fee on or before March 31 as required shall result in the termination of the insurer's producer appointments.

(b) Each insurer terminating a producer appointment for any reason shall file with the commissioner a notice of producer appointment termination. The notice of termination should be filed electronically by accessing links to the vendors through the department's website. An insurer may file a paper form if they cannot file electronically.

(c) If any insurer terminates a producer appointment for cause, it must submit a completed Termination for Cause form and supporting documentation in accordance with W.S. § 26-9-214.

Section 5. Effective Date

(a) These rules and regulations shall become effective upon filing with the Secretary of State.

CHAPTER 16
REGULATION GOVERNING
INSURANCE COMPANY APPOINTMENTS OF PRODUCERS

Section 1. Authority

~~These rules and~~These regulations governing the company appointments of producers are promulgated pursuant to the authority granted by ~~Wyo. Stat~~W.S. §§ 26-2-110, 26-9-213 and 26-9-217~~ of the Wyoming Insurance Code and the Wyoming Administrative Procedure Act (Wyo. Stat. § 16-3-101, *et seq.*)~~.

~~**Section 2.** Purpose~~

~~(a) The purpose of these rules and regulations is to establish a procedure for adding, terminating and continuing an insurance producer's company appointment.~~

~~**Section 3.**~~**Section 2.** Definitions

(a) **"**Appointment" means a notification filed with the insurance department that an insurer has established an agency relationship with a producer.

(b) "Appointment continuation" means continuation of a company's existing appointment based on payment of the required fee without submission of an appointment form.

(c) For purposes of this regulation, "producer" means insurance producer as defined by W.S. § 26-1-102(xxxv), and includes title agents as defined in ~~Wyo. Stat~~W.S. § 26-23-303(a)(xix).

(d) "Termination for cause" means an insurer has ended its agency relationship with a producer for one of the reasons set forth in ~~Wyo. Stat.~~W.S. § 26-9-211(a) or that the producer has been found by a court, governmental body or self-regulatory organization authorized by law to have engaged in any of the activities set forth in ~~Wyo. Stat.~~W.S. § 26-9-211(a).

~~**Section 4.**~~**Section 3.** Producer Appointment

(a) ~~Each insurer appointing a producer in this state shall within 15 days from the date the agency contract is executed or the first insurance application is submitted file with the commissioner a notice of producer appointment in a form acceptable to the commissioner.~~ Prior to submitting a notice of appointment, the appointing insurer shall verify that the producer is licensed and qualified to sell all products the producer sells for that insurer.

(b) ~~Notwithstanding subsection (a), e~~Each insurer appointing a title agent in ~~this state~~ Wyoming shall, at the time the request for title agent license is submitted, file with the commissioner a notice of producer appointment in a form acceptable to the commissioner.

(c) An insurer may file a notice of appointment electronically by accessing links to vendors through the Department's website.~~ at http://insurance.state.wy.us.~~ If an insurer cannot file a request electronically, then the insurer may file a paper form.

~~(d) Failure to timely file appointment requests pursuant to Section 4(a) may subject an insurer to sanctions under Wyo. Stat. § 26-1-107.~~

~~**Section 5.** Perpetual Appointment~~

~~(a) Every producer appointment made by an insurer pursuant to the provisions of the Wyoming Insurance Code and these rules and regulations shall be permanent and remain in effect perpetually, subject to the payment of an annual continuation fee as specified in Wyo. Stat. § 26-4-101, until terminated by the appointing insurer or appointed producer, by failure to pay such continuation fee as provided by these rules and regulations or by cancellation or revocation of the producer's license.~~

~~**Section 6.**~~**Section 4.** Continuation and Termination

(a) Annually, ~~prior to~~at a minimum of thirty (30) days prior to March 31, the commissioner will generate ~~provide~~and deliver to ~~for~~ each insurer will receive notice ~~an invoice and will~~which ~~includes~~ a list of all active ~~continuing~~ appointments ~~to be continued~~ of the amount owed for continuation of appointments pursuant to W.S. § 26-9-213(e) and 26-4-101(a). ~~The invoice~~ The amount owed may not be altered or~~,~~ amended. ~~or used for appointing or terminating producers.~~ Annually, on or before March 31, each insurer shall ~~return to the commissioner the invoice accompanied by payment of~~ pay the amount owed for the ~~annual~~ continuation of appointment fee. ~~as specified in Wyo. Stat.~~W.S. § ~~26-4-101.~~ Failure to pay the amount owed ~~submit the proper~~ for the continuation of appointment fee on or before March 31 as required shall result in the termination of the insurer's producer appointments.

(b) Each insurer terminating a producer appointment for any reason shall file with the commissioner a notice of producer appointment termination ~~in a form acceptable to the commissioner~~. ~~An insurer may file a~~ The notice of termination should be filed electronically by accessing links to the vendors through the department's website ~~at~~. ~~If an insurer cannot file a request electronically, then the~~ An insurer may file a paper form if they cannot file electronically.

(c) If any insurer terminates a producer appointment for cause, ~~the insurer~~ it must submit a completed Termination for Cause form and ~~written~~ supporting documentation in accordance with ~~Wyo. Stat~~W.S. § 26-9-214.

~~**Section 7.** Separability~~

~~(a) If any provision of these rules and regulations or application thereof to any person or circumstance is for any reason held to be invalid, the remainder of these rules and regulations and the application thereof to other persons and circumstances shall not be affected thereby.~~

~~**Section 8.**~~**Section 5.** Effective Date

(a) These rules and regulations shall become effective upon filing with the Secretary of State.

CHAPTER 21
RULES GOVERNING ADVERTISEMENTS OF
ACCIDENT AND SICKNESS INSURANCE

Section 1. Authority

These regulations governing advertisements of accident and sickness insurance supplement the provisions of W.S. §§ 26-13-101 et seq. of the Wyoming Insurance Code.

Section 2. Applicability

(a) This regulation shall apply to individual and group accident and sickness insurance (except Medicare supplement insurance or any other insurance that is covered by a separate state statute) "advertisement," as that term is defined in Section 3(b), (g), (h) and (i) unless otherwise specified in this regulation, that the insurer knows or reasonably should know is intended for presentation, distribution or dissemination in Wyoming when the presentation, distribution or dissemination is made either directly or indirectly by or on behalf of an insurer, or producer, as those terms are defined in the Wyoming Insurance Code.

(b) Every insurer shall establish and at all times maintain a system of control over the content, form and method of dissemination of all advertisements of its policies. All of the insurer's advertisements, regardless of by whom written, created, designed or presented, shall be the responsibility of the insurer whose policies are advertised.

(c) Advertising materials shall be identified by form numbers or other identifying means. The identification shall be sufficient to distinguish an advertisement from any other advertising materials, policies, applications or other materials used by the insurer.

(d) The requirements of these regulations applicable to an insurer as defined in Section 3(f) below shall also apply to health maintenance organizations.

Section 3. Definitions

As used in these rules and regulations:

(a) "Accident and sickness insurance policy" means a policy, plan, certificate, contract, agreement, statement of coverage, rider or endorsement that provides accident or sickness benefits or medical, surgical or hospital benefits, whether on an indemnity, reimbursement, service or prepaid basis, except when issued in connection with another kind of insurance other than life insurance and annuities. An accident and sickness insurance policy does not include a Medicare supplement insurance policy.

(i) "Accident and sickness insurance policy" as defined above does not apply to disability income insurance, waiver of premium and double indemnity benefits included in life

insurance, endowment or annuity contracts that contain only provisions that:

(A) Provide additional benefits in case of death or dismemberment or loss of sight by accident; or

(B) Operate to safeguard the contracts against lapse or to give a special surrender value, special benefit or an annuity in the event that the insured or annuitant shall become totally and permanently disabled as defined by the contract or supplemental contract.

(b) "Advertisement" means:

(i) Printed and published material, audio visual material, and descriptive literature of an insurer used in direct mail, newspapers, magazines, radio scripts, TV scripts, web sites and other Internet displays or communications, other forms of electronic communications, social media, billboards and similar displays;

(ii) Descriptive literature and sales aids of all kinds issued by an insurer or producer, for presentation to members of the insurance-buying public, such as circulars, leaflets, booklets, depictions, illustrations, form letters and lead-generating devices of all kinds; and

(iii) Prepared sales talks, presentations and material for use by producers whether prepared by the insurer or the producer.

(iv) Advertising material included with a policy when the policy is delivered and material used in the solicitation of renewals and reinstatements.

(v) The use of all media for communications to the general public, specific members of the general public, and for communications by producers.

(c) The definition of advertisement does **not** include:

(i) Material used solely for the training and education of an insurer's employees or producers;

(ii) Material used in-house by insurers;

(iii) Communications within an insurer's own organization not intended for dissemination to the public;

(iv) Individual communications of a personal nature with current policyholders other than material urging the policyholders to increase or expand coverages;

(v) Correspondence between a prospective group or blanket policyholder and an insurer in the course of negotiating a group or blanket contract;

(vi) Material ordered by a court to be disseminated to policyholders; or

(vii) A general announcement from a group or blanket policyholder to eligible individuals on an employment or membership list that a contract or program has been written or arranged; provided that the announcement clearly indicates that it is preliminary to the issuance of a booklet and that the announcement does not describe the specific benefits under the contract or program nor describe advantages as to the purchase of the contract or program. This does not prohibit a general endorsement of the program by the sponsor.

(d) "Certificate" means a statement of the coverage and provisions of a policy of group accident and sickness insurance, which has been delivered or issued for delivery in Wyoming and includes riders, endorsements and enrollment forms, if attached.

(e) "Exception" means any provision in a policy whereby coverage for a specified hazard is entirely excluded; it is a statement of a risk not assumed under the policy.

(f) "Insurer" means an individual, corporation, association, partnership, reciprocal exchange, inter-insurer, Lloyds, fraternal benefit society, hospital service corporation, prepaid health plan and any other legal entity that is defined as an insurer in the insurance code of Wyoming, and is engaged in the advertisement of itself or an accident and sickness insurance policy.

(g) "Institutional advertisement" means an advertisement having as its sole purpose the promotion of the reader's, viewer's or listener's interest in the concept of accident and sickness insurance, or the promotion of the insurer as a seller of accident and sickness insurance.

(h) "Invitation to contract" means an advertisement that is neither an invitation to inquire nor an institutional advertisement.

(i) "Invitation to inquire" means:

(i) An advertisement having as its objective the creation of a desire to inquire further about accident and sickness insurance and that is limited to a brief description of the loss for which benefits are payable but may contain:

(A) The dollar amount of benefits payable; and

(B) The period of time during which benefits are payable.

(ii) An invitation to inquire may not refer to cost.

(iii) An invitation to inquire shall contain a provision in the following or substantially similar form:

"This policy has [exclusions] [limitations] [reduction of benefits] [terms under which the policy may be continued in force or discontinued]. For costs and complete details of the coverage, call [or write] your insurance agent or the company [whichever is applicable]."

(j) "Lead-generating device" means any communication directed to the public that, regardless of form, content or stated purpose, is intended to result in the compilation or qualification of a list containing names and other personal information to be used to solicit residents of Wyoming for the purchase of accident and sickness insurance.

(k) "Limitation" means a provision that restricts coverage under the policy other than an exception or a reduction.

(l) "Limited benefit health coverage" is defined as insurance that is offered and marketed as supplemental health insurance and not as a substitute for hospital or medical insurance or major medical expense insurance.

(m) "Person" as defined by W.S. § 26-1-102(a)(xx).

(n) "Producer" means an insurance producer as defined by W.S. § 26-1-102(a)(xxxv).

(o) "Prominently" or "conspicuously" means that the information to be disclosed prominently or conspicuously will be presented in a manner that is noticeably set apart from other information or images in the advertisement.

(p) "Reduction" means a provision that reduces the amount of the benefit; a risk of loss is assumed but payment upon the occurrence of the loss is limited to some amount or period less than would be otherwise payable and the reduction has not been used.

Section 4. Method of Disclosure of Required Information

All information, exceptions, limitations, reductions and other restrictions required to be disclosed by this regulation shall be set out conspicuously and in close conjunction to the statements to which the information relates or under appropriate captions of such prominence that it shall not be minimized, rendered obscure or presented in an ambiguous fashion or intermingled with the context of the advertisements so as to be confusing or misleading. This regulation permits, but is not limited to, the use of either of the following methods of disclosure:

(a) Disclosure in the description of the related benefits or in a paragraph set out in close conjunction with the description of policy benefits; or

(b) Disclosure not in conjunction with the provisions describing policy benefits but under appropriate captions of such prominence that the information shall not be minimized,

rendered obscure or otherwise made to appear unimportant. The phrase "under appropriate captions" means that the title must be accurately descriptive of the captioned material. Appropriate captions include the following: "Exceptions," "Exclusions," "Conditions Not Covered," and "Exceptions and Reductions." The use of captions such as the following are prohibited because they do not provide adequate notice of the significance of the material: "Extent of Coverage," "Only these Exclusions," or "Minimum Limitations."

Section 5. Form and Content of Advertisements

(a) The format and content of an advertisement of an accident or sickness insurance policy shall be sufficiently complete and clear to avoid deception or the capacity or tendency to mislead or deceive. Format means the arrangement of the text and the captions.

(b) Distinctly different advertisements are required for publication in different media, such as newspapers or magazines of general circulation as compared to scholarly, technical or business journals and newspapers. Where an advertisement consists of more than one piece of material, each piece of material must, independent of all other pieces of material, conform to the disclosure requirements of this regulation.

(c) Whether an advertisement has a capacity or tendency to mislead or deceive shall be determined by the commissioner from the overall impression that the advertisement may be reasonably expected to create within the segment of the public to which it is directed.

(d) Advertisements shall be truthful and not misleading in fact or in implication. Words or phrases, the meaning of which is clear only by implication or by familiarity with insurance terminology, shall not be used.

(e) An insurer shall clearly identify its accident and sickness insurance policy as an insurance policy. A policy trade name shall be followed by the words "insurance policy" or similar words clearly identifying the fact that an insurance policy or health benefits product (in the case of health maintenance organizations, prepaid health plans and other direct service organizations) is being offered.

(f) An insurer, producer, or other person shall not solicit a resident of Wyoming for the purchase of accident and sickness insurance in connection with or as the result of the use of advertisement by the person or any other persons, where the advertisement:

(i) Contains any misleading representations or misrepresentations, or is otherwise untrue, deceptive or misleading with regard to the information imparted, the status, character or representative capacity of the person or the true purpose of the advertisement; or

(ii) Otherwise violates the provisions of this regulation.

(g) An insurer, producer, or other person shall not solicit residents of Wyoming for the purchase of accident and sickness insurance through the use of a true or fictitious name that is deceptive or misleading with regard to the status, character or proprietary or representative capacity of the person or the true purpose of the advertisement.

Section 6. Advertisements of Benefits Payable, Losses Covered or Premiums Payable

(a) Covered Benefits:

(i) The use of deceptive words, phrases or illustrations in advertisements of accident and sickness insurance is prohibited.

(ii) An advertisement that fails to state clearly the type of insurance coverage being offered is prohibited.

(iii) An advertisement shall not omit information or use words, phrases, statements, references or illustrations if the omission of information or use of words, phrases, statements, references or illustrations has the capacity, tendency or effect of misleading or deceiving purchasers or prospective purchasers as to the nature or extent of any policy benefit payable, loss covered or premium payable. The fact that the policy offered is made available to a prospective insured for inspection prior to consummation of the sale or an offer is made to refund the premium if the purchaser is not satisfied, does not remedy misleading statements.

(iv) An advertisement shall not contain or use words or phrases such as "all," "full," "complete," "comprehensive," "unlimited," "up to," "as high as," "this policy will help fill some of the gaps that Medicare and your present insurance leave out," "the policy will help to replace your income," (when used to express loss of time benefits), or similar words and phrases, in a manner that exaggerates a benefit beyond the terms of the policy.

(v) An advertisement of a hospital or other similar facility confinement benefit that makes reference to the benefit being paid directly to the policyholder is prohibited unless, in making the reference, the advertisement includes a statement that the benefits may be paid directly to the hospital or other health care facility if an assignment of benefits is made by the policyholder. An advertisement of medical and surgical expense benefits shall comply with this regulation in regard to the disclosure of assignments of benefits to providers of services. Phrases such as "you collect," "you get paid," "pays you," or other words or phrases of similar import may be used so long as the advertisement indicates that it is payable to the insured or someone designated by the insured.

(vi) An advertisement for limited benefit health coverage or for coverage that covers only a certain type of loss is prohibited if:

(A) The advertisement refers to a total benefit maximum limit payable under the policy in any headline, lead-in or caption without also in the same headline, lead-in or caption specifying the applicable daily limits and other internal limits;

(B) The advertisement states a total benefit limit without stating the periodic benefit payment, if any, and the length of time the periodic benefit would be payable to reach the total benefit limit; or

(C) The advertisement prominently displays a total benefit limit that would not, as a general rule, be payable under an average claim.

This paragraph does not apply to individual major medical expense coverage, individual basic medical expense coverage, or disability income insurance.

(vii) Advertisements that emphasize total amounts payable under hospital, medical or surgical accident and sickness insurance coverage or other benefits in a policy, such as benefits for private duty nursing, are prohibited unless the actual amounts payable per day for the indemnity or benefits are stated.

(viii) Advertisements that include examples of benefits payable under a policy shall not use examples in a way that implies that the maximum payable benefit payable under the policy will be paid, when less than maximum benefits are paid in an average claim.

(ix) When a range of benefit levels is set forth in an advertisement, it shall be clear that the insured will receive only the benefit level written or printed in the policy selected and issued. Language that implies that the insured may select the benefit level at the time of filing claims is prohibited.

(x) Language in an advertisement that implies that the amount of benefits payable under a loss-of-time policy may be increased at the time of claim or disability according to the needs of the insured is prohibited.

(xi) Advertisements for policies with premiums that are modest because of their limited coverage or limited amount of benefits shall not describe premiums as “low,” “low cost,” “budget” or use qualifying words of similar import. The use of words such as “only” and “just” in conjunction with statements of premium amounts when used to imply a bargain are prohibited.

(xii) Advertisements that state or imply that premiums will not be changed in the future are prohibited unless the advertised policies expressly provide that the premiums will not be changed in the future.

(xiii) An advertisement for a policy that does not require the premium to accompany the application shall not overemphasize that fact and shall clearly indicate under what circumstances coverage will become effective.

(xiv) An advertisement that exaggerates the effects of statutorily mandated benefits or required policy provisions or that implies that the provisions are unique to the advertised policy is prohibited.

(xv) An advertisement that implies that a common type of policy or a combination of common benefits is "new," "unique," "a bonus," "a breakthrough," or is otherwise unusual is prohibited. The addition of a novel method of premium payment to an otherwise common plan of insurance does not render it new.

(xvi) Language in an advertisement that states or implies that each member under a family contract is covered as to the maximum benefits advertised, where that is not the fact, is prohibited.

(xvii) An advertisement that contains statements such as "anyone can apply," or "anyone can join," other than with respect to a guaranteed issue policy for which administrative procedures exist to assure that the policy is issued within a reasonable period of time after the application is received by the insurer, is prohibited.

(xviii) An advertisement that states or implies immediate coverage of a policy is prohibited unless administrative procedures exist so that the policy is issued within fifteen (15) working days after the insurer receives the completed application.

(xix) An advertisement that contains statements such as "here is all you do to apply," or "simply" or "merely" to refer to the act of applying for a policy that is not a guaranteed issue policy is prohibited unless it refers to the fact that the application is subject to acceptance or approval by the insurer.

(xx) An advertisement of accident and sickness insurance sold by direct response shall not state or imply that because no insurance agent will call and no commissions will be paid to agents that it is a low cost plan, or use other similar words or phrases because the cost of advertising and servicing the policies is a substantial cost in the marketing by direct response.

(xxi) Applications, request forms for additional information and similar related materials are prohibited if they resemble paper currency, bonds, stock certificates, etc., or use any name, service mark, slogan, symbol or device in a manner that implies that the insurer or the policy advertised is connected with a government agency, such as the Social Security Administration or the Department of Health and Human Services.

(xxii) An advertisement that implies in any manner that the prospective insured may realize a profit from obtaining hospital, medical or surgical insurance coverage is prohibited.

(xxiii) An advertisement that uses words such as "extra," "special" or "added" to describe a benefit in the policy is prohibited. No advertisement of a benefit for which payment is

conditioned upon confinement in a hospital or similar facility shall use words or phrases such as "tax-free," "extra cash," "extra income," "extra pay," or substantially similar words or phrases because these words and phrases have the capacity, tendency or effect of misleading the public into believing that the policy advertised will, in some way, enable them to make a profit from being hospitalized.

(xxiv) An advertisement of a hospital or other similar facility confinement benefit shall not advertise that the amount of the benefit is payable on a monthly or weekly basis when, in fact, the amount of the benefit payable is based upon a daily pro rata basis relating to the number of days of confinement unless the statements of the monthly or weekly benefit amounts are in juxtaposition with equally prominent statements of the benefit payable on a daily basis. The term "juxtaposition" means side by side or immediately above or below. When the policy contains a limit on the number of days of coverage provided, the limit shall appear in the advertisement.

(xxv) An advertisement of a policy covering only one disease or a list of specified diseases shall not imply coverage beyond the terms of the policy. Synonymous terms shall not be used to refer to any disease so as to imply broader coverage than is the fact.

(xxvi) An advertisement that is an invitation to contract for a specified disease policy that provides lesser benefit amounts for a particular subtype of disease, shall clearly disclose the subtype and its benefits. This provision shall not apply to institutional advertisements.

(xxvii) An advertisement of a specified disease policy providing expense benefits shall not use the term "actual" when the policy only pays up to a limited amount for expenses. Instead, the term "charges" or substantially similar language should be used that does not create the misleading impression that there is full coverage for expenses.

(xxviii) An advertisement that describes any benefits that vary by age shall disclose that fact.

(xxix) An advertisement that uses a phrase such as "no age limit," if benefits or premiums vary by age or if age is an underwriting factor, shall disclose that fact.

(xxx) A television, radio, mail or newspaper advertisement or lead-generating device that is designed to produce leads either by use of a coupon, a request to write or to call the company or a subsequent advertisement prior to contact shall include information disclosing that an agent may contact the applicant.

(xxxi) Advertisements, applications, requests for additional information and similar materials are prohibited if they state or imply that the recipient has been individually selected to be offered insurance or has had his or her eligibility for the insurance individually determined in advance when the advertisement is directed to all persons in a group or to all persons whose names appear on a mailing list.

(xxxii) An advertisement, including invitations to inquire or invitations to contract, shall not employ devices that are designed to create undue fear or anxiety in the minds of those to whom they are directed. Examples of prohibited devices are:

(A) The use of phrases such as "cancer kills somebody every two minutes" and "total number of accidents" without reference to the total population from which the statistics are drawn;

(B) The exaggeration of the importance of diseases rarely or seldom found in the class of persons to whom the policy is offered;

(C) The use of phrases such as "the finest kind of treatment," implying that the treatment would be unavailable without insurance;

(D) The reproduction of newspaper articles, magazine articles, information from the Internet or other similar published material containing irrelevant facts and figures;

(E) The use of images that unduly emphasize automobile accidents, disabled persons or persons confined in beds who are in obvious distress, persons receiving hospital or medical bills or persons being evicted from their homes due to their medical bills;

(F) The use of phrases such as "financial disaster," "financial distress," "financial shock," or another phrase implying that financial ruin is likely without insurance is only permissible in an advertisement for major medical expense coverage, individual basic medical expense coverage or disability income coverage, and only if the phrase does not dominate the advertisement;

(G) The use of phrases or devices that unduly excite fear of dependence upon relatives or charity; and

(H) The use of phrases or devices that imply that long sicknesses or hospital stays are common among the elderly.

(b) Exceptions, Reductions and Limitations

(i) An advertisement shall not contain descriptions of policy limitations, exceptions or reductions, worded in a positive manner to imply that it is a benefit, such as describing a waiting period as a "benefit builder" or stating "even preexisting conditions are covered after two years." Words and phrases used in an advertisement to describe the policy limitations, exceptions and reductions shall fairly and accurately describe the negative features of the limitations, exceptions and reductions of the policy offered.

(ii) An advertisement that is an invitation to contract shall disclose those exceptions, reductions and limitations affecting the basic provisions of the policy.

(iii) When a policy contains a waiting, elimination, probationary or similar time period between the effective date of the policy and the effective date of coverage under the policy or at a time period between the date a loss occurs and the date benefits begin to accrue for the loss, an advertisement that is subject to the requirements of the preceding paragraph shall prominently disclose the existence of the periods.

(iv) An advertisement shall not use the words "only," "just," "merely," "minimum," "necessary" or similar words or phrases to describe the applicability of any exceptions, reductions, limitations or exclusions such as: "This policy is subject to the following minimum exceptions and reductions."

(v) An advertisement that is an invitation to contract that fails to disclose the amount of any deductible or the percentage of any coinsurance factor is prohibited.

(vi) An advertisement for loss-of-time coverage that is an invitation to contract that sets forth a range of amounts of benefit levels is prohibited unless it also states that eligibility for the benefits is based upon condition of health, income or other economic conditions, or other underwriting standards of the insurer if that is the fact.

(vii) An advertisement that refers to "hospitalization for injury or sickness" omitting the word "covered" when the policy excludes certain sicknesses or injuries, or that refers to "whenever you are hospitalized," "when you go to the hospital" or "while you are confined in the hospital" omitting the phrase "for covered injury or sickness," if the policy excludes certain injuries or sickness, is prohibited. Continued reference to "covered injury or sickness" is not necessary where this fact has been prominently disclosed in the advertisement and where the description of sicknesses or injuries not covered is prominently set forth.

(viii) An advertisement that fails to disclose that the definition of "hospital" does not include certain facilities that provide institutional care such as a nursing home, convalescent home or extended care facility, when the facilities are excluded under the definition of hospital in the policy, is prohibited.

(ix) The term "confining sickness" or "homebound status" shall be explained in an advertisement containing the term.

(x) An advertisement that fails to disclose any waiting or elimination periods for specific benefits is prohibited.

(xi) An advertisement for a policy providing benefits for specified illnesses only, such as cancer, or for specified accidents only, such as automobile accidents, or other policies providing benefits that are limited in nature, shall clearly and conspicuously in prominent type state the limited nature of the policy. The statement shall be worded in language identical to or substantially similar to the following: "THIS IS A LIMITED POLICY," "THIS POLICY PROVIDES

LIMITED BENEFITS," "THIS IS A CANCER ONLY POLICY," or "THIS IS AN AUTOMOBILE ACCIDENT ONLY POLICY."

(c) Preexisting Conditions

(i) An advertisement that is an invitation to contract shall, in negative terms, disclose the extent to which any loss is not covered if the cause of the loss is traceable to a condition existing prior to the effective date of the policy. The use of the term "preexisting condition" shall not be used without an appropriate definition or description which complies with Wyoming Statute.

(ii) Under no circumstance shall the definition of "preexisting condition" be based upon "prudent person" or similar language, meaning that the average layperson would have sought treatment or advice for the given condition or symptom. Preexisting conditions shall only relate to conditions for which medical advice, diagnosis, care, or treatment was actually recommended or received.

(iii) When an accident and sickness insurance policy does not cover losses resulting from preexisting conditions, an advertisement of the policy shall not state or imply that the applicant's physical condition or medical history will not affect the issuance of the policy or payment of a claim under the policy. The phrase "no health questions" or words of similar import shall not be used if the policy excludes preexisting conditions. Use of a phrase such as "guaranteed issue" or "automatic issue," if the policy excludes preexisting conditions for a certain period, must be accompanied by a statement disclosing that fact in a manner that does not minimize, render obscure, or otherwise make it appear unimportant and is otherwise consistent with Section 4.

(iv) When an advertisement contains an application form to be completed by the applicant and returned by mail, the application form shall contain a question or statement that reflects the preexisting condition provisions of the policy immediately preceding the blank space for the applicant's signature. For example, the application form shall contain a question or statement substantially as follows:

> "I understand that the policy applied for will not pay benefits for any loss incurred during the first twelve (12) months after the issue date on account of disease or physical conditions for which medical advice, diagnosis, care, or treatment was actually recommended or received in the last six (6) months.

Section 7. Necessity for Disclosing Policy Provisions Relating to Renewability, Cancellability and Termination

(a) An advertisement that is an invitation to contract shall disclose the provisions relating to renewability, cancellability and termination and any modification of benefits, losses

covered, or premiums because of age or for other reasons, in a manner that shall not minimize or render obscure the qualifying conditions.

(b) Advertisements of non-renewable accident and sickness insurance policies shall state that the contract is renewable at the option of the company, in language substantially similar to the following: "This policy is renewable at the option of the company," or "The company has the right to refuse renewal of this policy," or "Renewable at the option of the insurer."

(c) Advertisements of insurance policies that are guaranteed renewable, or renewable at the option of the company shall disclose that the insurer has the right to increase premium rates if the policy so provides.

(d) Qualifying conditions that constitute limitations on the permanent nature of the coverage shall be disclosed in advertisements of insurance policies that are guaranteed renewable, or renewable at the option of the company. Examples of qualifying conditions include (1) age limits, (2) reservation of a right to increase premiums, and (3) the establishment of lifetime maximum limits.

(i) Provisions for reduction of benefits at stated ages shall be set forth. For example, a policy may contain a provision that reduces benefits fifty percent (50%) after age sixty (60) although it is renewable to age sixty-five (65). Also, a provision for the elimination of certain hazards at any specific ages or after the policy has been in force for a specified time shall be set forth.

(ii) An advertisement for a policy that provides for step-rated premium rates based upon the policy year or the insured's attained age shall disclose the rate increases and the times or ages at which the premiums increase.

Section 8. Standards for Marketing

(a) An insurer, directly or through its producers, shall:

(i) Establish marketing procedures to assure that any comparison of policies by its producers will be fair and accurate;

(ii) Establish marketing procedures assuring excessive insurance is not sold or issued, except this requirement does not apply to group major medical expense coverage and disability income coverage; and

(iii) Establish auditable procedures for verifying compliance with this subsection.

(b) In addition to the practices prohibited in W.S. § 26-13-101 et seq. the following acts and practices are prohibited:

(i) High Pressure Tactics. Employing a method of marketing that has the effect of inducing the purchase of insurance, or tends to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance; and

(ii) Cold Lead Advertising. Making use directly or indirectly of any method of marketing that fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance producer or insurance company.

Section 9. Testimonials or Endorsements by Third Parties

(a) Testimonials and endorsements used in advertisements shall be genuine, represent the current opinion of the author, be applicable to the policy advertised and be accurately reproduced. The insurer, in using a testimonial or endorsement, makes as its own all of the statements contained in it, and the advertisement, including the statement, is subject to all the provisions of this regulation. When a testimonial or endorsement is used more than one year after it was originally given, a written confirmation must be obtained.

(b) A person shall be deemed a "spokesperson" if the person making the testimonial or endorsement:

(i) Has a financial interest in the insurer or a related entity as a stockholder, director, officer, employee or otherwise;

(ii) Has been formed by the insurer, is owned or controlled by the insurer, its employees, or the person or persons who own or control the insurer;

(iii) Is any person in a policy-making position who is affiliated with the insurer in any of the above described capacities; or

(iv) Is in any way directly or indirectly compensated for making a testimonial or endorsement.

(c) The fact of a financial interest or the proprietary or representative capacity of a spokesperson shall be disclosed in an advertisement and shall be accomplished in the introductory portion of the testimonial or endorsement in the same form and with equal prominence. If a spokesperson is directly or indirectly compensated for making a testimonial or endorsement, the fact shall be disclosed in the advertisement by language substantially as follows: "Paid Endorsement" or words of similar import in a type style and size at least equal to that used for the spokesperson's name or the body of the testimonial or endorsement, whichever is larger. In the case of television or radio advertising, the required disclosure shall be accomplished in the introductory portion of the advertisement and shall be given prominence.

(d) The disclosure requirements of this regulation shall not apply where the sole financial interest or compensation of a spokesperson, for all testimonials or endorsements made on behalf of the insurer, consists of the payment of union scale wages required by union rules, and if the payment is actually the scale for TV or radio performances.

(e) An advertisement shall not state or imply that an insurer or an accident and sickness insurance policy has been approved or endorsed by any individual, group of individuals, society, association or other organizations, unless that is the fact, and unless any proprietary relationship between an organization and the insurer is disclosed. If the entity making the endorsement or testimonial has been formed by the insurer or is owned or controlled by the insurer or the person or persons who own or control the insurer, the fact shall be disclosed in the advertisement. If the insurer or an officer of the insurer formed or controls the association, or holds any policy-making position in the association, that fact must be disclosed.

(f) When a testimonial refers to benefits received under an accident and sickness insurance policy, the specific claim data, including claim number, date of loss and other pertinent information shall be retained by the insurer for inspection for a period of four (4) years or until the filing of the next regular report of examination of the insurer, whichever is the longer period of time. The use of testimonials that do not correctly reflect the present practices of the insurer or that are not applicable to the policy or benefit being advertised is not permissible.

Section 10. Use of Statistics

(a) An advertisement relating to the dollar amounts of claims paid, the number of persons insured, or similar statistical information relating to an insurer or policy shall not use irrelevant facts, and shall not be used unless it accurately reflects all of the current and relevant facts. The advertisement shall not imply that the statistics are derived from the policy advertised unless that is the fact, and when applicable to other policies or plans shall specifically so state.

(i) An advertisement shall specifically identify the accident and sickness insurance policy to which statistics relate and where statistics are given that are applicable to a different policy, it shall be stated clearly that the data do not relate to the policy being advertised.

(ii) An advertisement using statistics that describe an insurer, such as assets, corporate structure, financial standing, age, product lines or relative position in the insurance business, may be irrelevant and, if used at all, shall be used with extreme caution because of the potential for misleading the public. As a specific example, an advertisement for accident and sickness insurance that refers to the amount of life insurance which the company has in force or the amounts paid out in life insurance benefits is not permissible unless the advertisement clearly indicates the amount paid out for each line of insurance.

(b) An advertisement shall not represent or imply that claim settlements by the insurer are “liberal” or “generous,” or use words of similar import, or that claim settlements are or will be

beyond the actual terms of the contract. An unusual amount paid for a unique claim for the policy advertised is misleading and shall not be used.

(c) The source of any statistics used in an advertisement shall be identified in the advertisement.

Section 11. Identification of Plan or Number of Policies

(a) An advertisement that uses the word "plan" without prominently identifying it as an accident and sickness insurance policy is prohibited.

(b) When a choice of the amount of benefits is referred to, an advertisement that is an invitation to contract shall disclose that the amount of benefits provided depends upon the plan selected and that the premium will vary with the amount of the benefits selected.

(c) When an advertisement that is an invitation to contract refers to various benefits that may be contained in two (2) or more policies, other than group master policies, the advertisement shall disclose that the benefits are provided only through a combination of policies.

Section 12. Disparaging Comparisons and Statements

An advertisement shall not directly or indirectly make unfair or incomplete comparisons of policies or benefits or comparisons of non-comparable policies of other insurers, and shall not disparage competitors, their policies, services or business methods, and shall not disparage or unfairly minimize competing methods of marketing insurance.

(a) An advertisement shall not contain statements such as "no red tape" or "here is all you do to receive benefits."

(b) Advertisements that state or imply that competing insurance coverages customarily contain certain exceptions, reductions or limitations not contained in the advertised policies are prohibited unless the exceptions, reductions or limitations are contained in a substantial majority of the competing coverages.

(c) Advertisements that state or imply that an insurer's premiums are lower or that its loss ratios are higher because its organizational structure differs from that of competing insurers are prohibited.

Section 13. Jurisdictional Licensing and Status of Insurer

(a) An advertisement that is intended to be seen or heard beyond the limits of the jurisdiction in which the insurer is licensed shall not imply licensing beyond those limits.

(b) An advertisement shall not create the impression directly or indirectly that the insurer, its financial condition or status, or the payment of its claims, or the merits, desirability, or advisability of its policy forms or kinds or plans of insurance are approved, endorsed or accredited by any division or agency of the state of Wyoming or the federal government. Terms such as "official" or words of similar import, used to describe any policy or application form are prohibited because of the potential for deceiving or misleading the public.

(c) An advertisement shall not imply that approval, endorsement or accreditation of policy forms or advertising has been granted by any division or agency of the state of Wyoming or the federal government. Approval of either policy forms or advertising shall not be used by an insurer to imply or state that a governmental agency has endorsed or recommended the insurer, its policies, advertising or its financial condition.

Section 14. Identity of Insurer

(a) The name of the actual insurer shall be stated in all of its advertisements. The form number or numbers of the policy advertised shall be stated in an advertisement that is an invitation to contract. An advertisement shall not use a trade name, an insurance group designation, name of the parent company of the insurer, name of a particular division of the insurer, service mark, slogan, symbol or other device that without disclosing the name of the actual insurer, would have the capacity and tendency to mislead or deceive as to the true identity of the insurer.

(b) An advertisement shall not use any combination of words, symbols, or physical materials that by their content, phraseology, shape, color or other characteristics are so similar to combination of words, symbols or physical materials used by agencies of the federal government or of the state of Wyoming, or otherwise appear to be of such a nature that it tends to confuse or mislead prospective insureds into believing that the solicitation is in some manner connected with an agency of the municipal, state or federal government.

(c) Advertisements, envelopes or stationery that employ words, letters, initials, symbols or other devices that are similar to those used in governmental agencies or by other insurers are not permitted if they may lead the public to believe:

(i) That the advertised coverages are somehow provided by or are endorsed by the governmental agencies or the other insurers; or

(ii) That the advertiser is the same as is connected with or is endorsed by the governmental agencies or the other insurers.

(d) An advertisement shall not use the name of a state or political subdivision of a state in a policy name or description.

(e) An advertisement in the form of envelopes or stationery of any kind may not use any name, service mark, slogan, symbol or any device in a manner that implies that the insurer or

the policy advertised, or that any agent who may call upon the consumer in response to the advertisement, is connected with a governmental agency, such as the Social Security Administration.

(f) An advertisement may not incorporate the word "Medicare" in the title of the plan or policy being advertised unless, wherever it appears, the word is qualified by language differentiating it from Medicare. The advertisement, however, shall not use the phrase "[ ] Medicare Department of the [ ] Insurance Company," or language of similar import.

(g) An advertisement may not imply that the reader may lose a right or privilege or benefit under federal, state or local law if he or she fails to respond to the advertisement.

(h) The use of letters, initials or symbols of the corporate name or trademark that would have the tendency or capacity to mislead or deceive the public as to the true identity of the insurer is prohibited unless the true, correct and complete name of the insurer is in close conjunction and in the same size type as the letters, initials or symbols of the corporate name or trademark.

(i) The use of the name of an agency or "[ ] Underwriters" or "[ ] Plan" in type, size and location so as to have the capacity and tendency to mislead or deceive as to the true identity of the insurer is prohibited.

(j) The use of an address so as to mislead or deceive as to true identity of the insurer, its location or licensing status is prohibited.

(k) An insurer shall not use, in the trade name of its insurance policy, any terminology or words so similar to the name of a governmental agency or governmental program as to have the tendency to confuse, deceive or mislead the prospective purchaser.

(l) Advertisements used or created by agents, producers, brokers or solicitors of an insurer shall have prior written approval of the insurer before they may be used.

(m) An agent who makes contact with a consumer, as a result of acquiring that consumer's name from a lead-generating device, shall disclose that fact in the initial contact with the consumer. An agent or insurer may not use names produced from lead-generating devices that do not comply with the requirements of this regulation.

Section 15. Group or Quasi-Group Implications

(a) An advertisement of a particular policy shall not state or imply that prospective insureds become group or quasi-group members covered under a group policy and as members, enjoy special rates or underwriting privileges, unless that is the fact.

(b) This regulation prohibits the solicitations of a particular class, such as governmental employees, by use of advertisements which state or imply that their occupational status entitles

them to reduced rates on a group or other basis when, in fact, the policy being advertised is sold only on an individual basis at regular rates.

(c) Advertisements that indicate that a particular coverage or policy is exclusively for "preferred risks" or a particular segment of the population or that a particular segment of the population is an acceptable risk, when the distinctions are not maintained in the issuance of policies, are prohibited.

(d) An advertisement to join an association, trust or discretionary group that is also an invitation to contract for insurance coverage shall clearly disclose that the applicant will be purchasing both membership in the association, trust or discretionary group and insurance coverage. The insurer shall solicit insurance coverage on a separate and distinct application that requires a separate signature. The separate and distinct applications required need not be on separate documents or contained in a separate mailing. The insurance program shall be presented so as not to conceal the fact that the prospective members are purchasing insurance as well as applying for membership, if that is the case. Similarly, it is prohibited to use terms such as "enroll" or "join" to imply group or blanket insurance coverage when that is not the fact.

(e) Advertisements for group or franchise group plans that provide a common benefit or a common combination of benefits shall not imply that the insurance coverage is tailored or designed specifically for that group, unless that is the fact.

Section 16. Introductory, Initial or Special Offers

(a) An advertisement of an individual policy shall not directly or by implication represent that a contract or combination of contracts is an introductory, initial or special offer, or that applicants will receive substantial advantages not available at a later date, or that the offer is available only to a specified group of individuals, unless that is the fact. An advertisement shall not contain phrases describing an enrollment period as "special," "limited," or similar words or phrases when the insurer uses the enrollment periods as the usual method of marketing accident and sickness insurance.

(b) An enrollment period included in limited health benefit plans during which a particular insurance product may be purchased on an individual basis shall not be offered within Wyoming unless there has been a lapse of not less than twenty-four (24) months between the close of the immediately preceding enrollment period for the same product and the opening of the new enrollment period. The advertisement shall indicate the date by which the applicant must mail the application, which shall be not less than ten (10) days and not more than forty (40) days from the date that the enrollment period is advertised for the first time. This regulation applies to all advertising media, i.e., mail, newspapers, the Internet, radio, television, magazines and periodicals, by any one insurer. It is inapplicable to solicitations of employees or members of a particular group or association that otherwise would be eligible under specific provisions of the Insurance Code for group, blanket or franchise insurance. The phrase "any one insurer" includes all the affiliated companies of a group of insurance companies under common management or control.

(i) The phrase "a particular insurance product" means an insurance policy that provides substantially different benefits than those contained in any other policy. Different terms of renewability; an increase or decrease in the dollar amounts of benefits; an increase or decrease in any elimination period or waiting period from those available during an enrollment period for another policy shall not be sufficient to constitute the product being offered as a different product eligible for concurrent or overlapping enrollment periods.

(c) This regulation prohibits any statement or implication to the effect that only a specific number of policies will be sold, or that a time is fixed for the discontinuance of the sale of the particular policy advertised because of special advantages available in the policy, unless that is the fact.

(d) An advertisement shall not offer a policy that utilizes a reduced initial premium rate in a manner that overemphasizes the availability and the amount of the initial reduced premium. When an insurer charges an initial premium that differs in amount from the amount of the renewal premium payable on the same mode, the advertisement shall not display the amount of the reduced initial premium either more frequently or more prominently than the renewal premium, and both the initial reduced premium and the renewal premium must be stated in juxtaposition in each portion of the advertisement where the initial reduced premium appears.

(e) Special awards, such as a "safe drivers' award," shall not be used in connection with advertisements of accident and sickness insurance.

Section 17. Statements about an Insurer

An advertisement shall not contain statements that are untrue in fact, or by implication misleading, with respect to the assets, corporate structure, financial standing, age or relative position of the insurer in the insurance business. An advertisement shall not contain a recommendation by any commercial rating system unless it clearly indicates the purpose of the recommendation and the limitations of the scope and extent of the recommendations.

Section 18. Enforcement Procedures

(a) Advertising File. Each insurer shall maintain at its home or principal office a complete file containing every advertisement of its individual policies and typical advertisements of its blanket, franchise and group policies hereafter disseminated in this or any other state, whether or not licensed in another state, with a notation attached to each advertisement that indicates the manner and extent of distribution and the form number of any policy advertised. The file shall be subject to regular and periodical inspection by the commissioner. All of these advertisements shall be maintained in a file for a period of either four (4) years or until the filing of the next regular report on examination of the insurer, whichever is the longer period of time. The provisions of this paragraph shall also apply to all insurer-approved agency advertising.

(b) Certificate of Compliance. Each insurer required to file an annual statement shall file with the commissioner by March 1 of each year, a certificate of compliance executed by an authorized officer of the insurer that states that, to the best of the officer's knowledge, information and belief, the advertisements that were disseminated by the insurer during the preceding statement year complied with the provisions of this regulation and the insurance laws of Wyoming as implemented and interpreted by this regulation.

Section 19. Filing for Prior Review

Any accident and sickness insurance advertising material shall be filed for approval prior to use. The advertising material shall be filed by the insurer with the commissioner not less than forty-five (45) days prior to the date the insurer desires to use the advertisement.

Section 20. Effective Date

This regulation shall become effective immediately upon filing with the Secretary of State.

CHAPTER 21
RULES GOVERNING ADVERTISEMENTS OF
ACCIDENT AND SICKNESS INSURANCE

Section 1. **Authority**

These rules (regulations) governing advertisements of accident and sickness insurance supplement the provisions of Section 26-13-101 et seq. of the Wyoming Insurance Code. They are promulgated by authority of and pursuant to the Wyoming Administrative Procedure Act (Sections 16-3-101 et seq.) and to the Wyoming Insurance Code (Sections 26-2-110, 26-2-125, and Section 26-13-101 et seq.).

Section 2. **Purpose**

The purpose of these rules is to assure truthful and adequate disclosure of all material and relevant information in the advertising of accident and sickness insurance. The purpose is intended to be accomplished by the establishment of, and adherence to, certain minimum standards and guidelines of conduct in the advertising of accident and sickness insurance in a manner which prevents unfair competition among insurers and is conducive to the accurate presentation and description to the insurance buying public of a policy of such insurance offered through various advertising media.

Section 3. **Applicability**

(a) These rules shall apply to any accident and sickness insurance "advertisement," as that term is hereinafter defined, intended for presentation, distribution or dissemination in this State when such presentation, distribution or dissemination is made either directly or indirectly by or on behalf of an insurer, agent, broker or solicitor as those terms are defined in the Insurance Code of this State and these rules.

(b) Every insurer shall establish and at all times maintain a system of control over the content, form and method of dissemination of all advertisements of its policies. All such advertisements, regardless of by whom written, created, designed or presented, shall be the responsibility of the insurer whose policies are so advertised.

Section 4. **Definitions**

(a) An advertisement for the purpose of these rules shall include:

(i) printed and published material, audio visual material, and descriptive literature of an insurer used in direct mail, newspapers, magazines, radio scripts, TV scripts, billboards and similar displays; and

(ii) descriptive literature and sales aids of all kinds issued by an insurer, agent or broker for presentation to members of the insurance buying public, including but not limited to

~~circulars, leaflets, booklets, depictions, illustrations, and form letters; and~~

~~(iii) prepared sales talks, presentations and material for use by agents, brokers and solicitors.~~

~~(b) "Policy" for the purpose of these rules shall include any policy, plan, certificate, contract, agreement, statement of coverage, rider or endorsement which provides accident or sickness benefits or medical, surgical or hospital expense benefits, whether on an indemnity, reimbursement, service or prepaid basis, except when issued in connection with another kind of insurance other than life and except disability, waiver of premium and double indemnity benefits included in life insurance and annuity contracts.~~

~~(c) "Insurer" for the purpose of these rules shall include any individual, corporation, association, partnership, reciprocal exchange, inter-insurer, Lloyds, fraternal benefit society, health maintenance organization, and any other legal entity which is defined as an "insurer" in the Insurance Code of this State and is engaged in the advertisement of a policy as "policy" is herein defined.~~

~~(d) "Exception" for the purpose of these rules shall mean any provision in a policy whereby coverage for a specified hazard is entirely eliminated; it is a statement of a risk not assumed under the policy.~~

~~(e) "Reduction" for the purpose of these rules shall mean any provision which reduces the amount of the benefit; a risk of loss is assumed but payment upon the occurrence of such loss is limited to some amount or period less than would be otherwise payable had such reduction not been used.~~

~~(f) "Limitation" for the purpose of these rules shall mean any provision which restricts coverage under the policy other than an exception or a deduction.~~

~~Section 5 **Method of Disclosure of Required Information**~~

~~All information required to be disclosed by these rules shall be set out conspicuously and in close conjunction with the statements to which such information relates or under appropriate captions of such prominence that it shall not be minimized, rendered obscure or presented in an ambiguous fashion or intermingled with the context of the advertisement so as to be confusing or misleading.~~

~~Section 6. **Form and Content of Advertisements**~~

~~(a) The format and content of an advertisement of an accident or sickness insurance policy shall be sufficiently complete and clear to avoid deception or the capacity or tendency to mislead or deceive. Whether an advertisement has a capacity or tendency to mislead or deceive shall be determined by the Commissioner of Insurance from the overall impression that the advertisement may be reasonably expected to create upon a person of average education or~~

~~intelligence, within the segment of the public to which it is directed.~~

~~(b) Advertisements shall be truthful and not misleading in fact or in implication. Words or phrases, the meaning of which is clear only by implication or by familiarity with insurance terminology, shall not be used.~~

~~Section 7. **Advertisements of Benefits Payable, Losses Covered or Premiums Payable**~~

~~(a) Deceptive Words, Phrases or Illustrations Prohibited.~~

~~(i) No advertisement shall omit information or use words, phrases, statements, references or illustrations if the omission of such information or use of such words, phrases, statements, references or illustrations has the capacity, tendency or effect of misleading or deceiving purchasers or prospective purchasers as to the nature or extent of any policy benefit payable, loss covered or premium payable. The fact that the policy offered is made available to a prospective insured for inspection prior to consummation of the sale or an offer is made to refund the premium if the purchaser is not satisfied, does not remedy misleading statements.~~

~~(ii) No advertisement shall contain or use words or phrases such as "all"; "full"; "complete"; "comprehensive"; "unlimited"; "up to"; "as high as"; "this policy will help fill some of the gaps that Medicare and your present insurance leave out"; "this policy will help to replace your income"; (when used to express loss of time benefits); or similar words and phrases, in a manner which exaggerates any benefits beyond the terms of the policy.~~

~~(iii) An advertisement shall not contain descriptions of a policy limitation, exception, or reduction, worded in a positive manner to imply that it is a benefit, such as, describing a waiting period as a "benefit builder", or stating "even pre-existing conditions are covered after two years". Words and phrases used in an advertisement to describe such policy limitations, exceptions and reductions shall fairly and accurately describe the negative features of such limitations, exceptions and reductions of the policy offered.~~

~~(iv) No advertisement of a benefit for which payment is conditional upon confinement in a hospital or similar facility shall use words or phrases such as "tax free"; "extra cash"; "extra income"; "extra pay"; or substantially similar words or phrases because such words and phrases have the capacity, tendency or effect of misleading the public into believing that the policy advertised will, in some way, enable them to make a profit from being hospitalized.~~

~~(v) No advertisement of a hospital or other similar facility confinement benefit shall advertise that the amount of the benefit is payable on a monthly or weekly basis when, in fact, the amount of the benefit payable is based upon a daily pro rata basis relating to the number of days of confinement. When the policy contains a limit on the number of days of coverage provided, such limit must appear in the advertisement.~~

~~(vi) No advertisement of a policy covering only one disease or a list of specified~~

diseases shall imply coverage beyond the terms of the policy. Synonymous terms shall not be used to refer to any disease so as to imply broader coverage than is the fact.

(vii) An advertisement for a policy providing benefits for specified illnesses only, such as cancer, or for specified accidents only, such as automobile accidents, shall clearly and conspicuously in prominent type state the limited nature of the policy. The statement shall be worked in language identical to, or substantially similar to the following: "THIS IS A LIMITED POLICY"; "THIS IS A CANCER ONLY POLICY"; "THIS IS AN AUTOMOBILE ACCIDENT ONLY POLICY."

(vii) An advertisement of a direct response insurance product shall not imply that because "no insurance agent will call and no commissions will be paid to agents" that it is "a low cost plan", or use other similar words or phrases because the cost of advertising and servicing such policies is a substantial cost in the marketing of a direct response insurance product.

(b) Exceptions, Reductions and Limitations.

(ii) When an advertisement refers to either a dollar amount, or a period of time for which any benefit is payable, or the cost of the policy, or specific policy benefit, or the loss for which such benefit is payable, it shall also disclose those exceptions, reductions and limitations affecting the basic provisions of the policy without which the advertisement would have the capacity or tendency to mislead or deceive.

(ii) When a policy contains a waiting, elimination, probationary or similar time period between the effective date of the policy and the effective date of coverage under the policy or at a time period between the date a loss occurs and the date benefits begin to accrue for such loss, an advertisement which is subject to the requirements of the preceding paragraph shall disclose the existence of such periods.

(iii) An advertisement shall not use the words "only"; "just"; "merely"; "minimum" or similar words or phrases to describe the applicability of any exceptions and reductions, such as: "This policy is subject to the following minimum exceptions and reductions."

(c) Pre-Existing Conditions.

(i) An advertisement which is subject to the requirements of Section 6(b) shall, in negative terms, disclose the extent to which any loss is not covered if the cause of such loss is traceable to a condition existing prior to the effective date of the policy. The use of the term "pre-existing condition" without an appropriate definition or description shall not be used.

(ii) When a policy does not cover losses resulting from preexisting conditions, no advertisement of the policy shall state or imply that the applicant's physical condition or medical history will not affect the issuance of the policy or payment of a claim thereunder. This rule prohibits the use of the phrase "no medical examination required" and phrases of similar import, but does not prohibit explaining "automatic issue." If an insurer requires a medical examination for a specified policy, the advertisement shall disclose that a medical examination is

required.

(iii) When an advertisement contains an application form to be completed by the applicant and returned by mail for a direct response insurance product, such application form shall contain a question or statement which reflects the pre-existing condition provisions of the policy immediately preceding the blank space for the applicant's signature. For example, such an application form shall contain a question or statement substantially as follows:

"Do you understand that this policy will not pay benefits during the first year(s) after the issue date for a disease or physical condition which you now have or have had in the past?

_____Yes"

Or substantially the following statement:

"I understand that the policy applied for will not pay benefits for any loss incurred during the first _____ year(s) after the issue date on account of a known disease or a treated physical condition which I now have or have had in the past."

Section 8. **Necessity for Disclosing Policy Provisions Relating to Renewability, Cancellability and Termination**

When an advertisement refers to either a dollar amount or a period of time for which any benefit is payable, or the cost of the policy, or specific policy benefit or the loss for which such benefit is payable, it shall disclose the provisions relating to renewability, cancel ability and termination and any modification of benefits, losses covered or premiums because of age or for other reasons, in a manner which shall not minimize or render obscure the qualifying conditions.

Section 9. **Testimonials or Endorsements**

(a) Testimonials used in advertisements must be genuine, made with the consent of the author, represent his current opinion, be applicable to the policy advertised and be accurately reproduced. The insurer, in using a testimonial, makes as its own all of the statements contained therein, and the advertisement, including such statement, is subject to all the provisions of these rules.

(b) If the person making a testimonial, an endorsement or an appraisal has a financial interest in the insurer or a related entity as a stockholder, director, officer, employee, or otherwise, such fact shall be disclosed in the advertisement. If a person is compensated for making a testimonial, endorsement or appraisal, such fact shall be disclosed in the advertisement. If a person is compensated for making a testimonial, endorsement or appraisal, such fact shall be disclosed in the advertisement by language substantially as follows: "Paid endorsement." This rule does not require disclosure of union "scale"wages required by union rules if the payment is actually for such "scale" wages for TV or radio performances. The payment of substantial amounts, directly or indirectly, for "travel and entertainment" for filming or recording of TV or

radio advertisements remove the filming or recording from the category of an unsolicited testimonial and require disclosure of such compensation.

(c) An advertisement shall not state or imply that an insurer or a policy has been approved or endorsed by any individual, group of individuals, society, association or other organizations, unless such is the fact, and unless any proprietary relationship between an organization and the insurer is disclosed. If the entity making the endorsement or testimonial has been formed by the insurer or is owned or controlled by the insurer or the person or persons who own or control the insurer, such fact shall be disclosed in the advertisement.

(d) When a testimonial refers to benefits received under a policy, the specific claim data, including claim number, date of loss, and other pertinent information shall be retained by the insurer for inspection for a period of four years or until the filing of the next regular report on examination of the insurer, whichever is the longer period of time.

Section 10. **Use of Statistics**

(a) An advertisement relating to the dollar amounts of claims paid, the number of persons insured, or similar statistical information relating to any insurer or policy shall not use irrelevant facts, and shall not be used unless it accurately reflects all of the relevant facts. Such an advertisement shall not imply that such statistics are derived from the policy advertised unless such is the fact, and when applicable to other policies or plans shall specifically so state.

(b) An advertisement shall not represent or imply that claim settlements by the insurer are "liberal" or "generous" or use words of similar import, or that claim settlements are or will be beyond the actual terms of the contract. An unusual amount paid for a unique claim for the policy advertised is misleading and shall not be used.

(c) The source of any statistics used in an advertisement shall be identified in such advertisement.

Section 11. **Identification of Plan or Number of Policies**

(a) When a choice of the amount of benefits is referred to, an advertisement shall disclose that the amount of benefits provided depends upon the plan selected and that the premium will vary with the amount of the benefits selected.

(b) When an advertisement refers to various benefits which may be contained in two or more policies, other than group master policies, the advertisement shall disclose that such benefits are provided only through a combination of such policies.

Section 12. **Disparaging Comparisons and Statements**

An advertisement shall not directly or indirectly make unfair or incomplete comparisons of policies or benefits or comparisons of non-comparable policies of other insurers, and shall not

disparage competitors, their policies, services or business methods, and shall not disparage or unfairly minimize competing methods of marketing insurance.

Section 13. **Jurisdictional Licensing and Status of Insurer**

(a) An advertisement which is intended to be seen or heard beyond the limits of the jurisdiction in which the insurer is licensed shall not imply licensing beyond those limits.

(b) An advertisement shall not create the impression directly or indirectly that the insurer, its financial condition or status, or the payment of its claims, or the merits, desirability, or advisability of its policy forms or kinds of plans of insurance are approved, endorsed, or accredited by any division or agency of this State or the United States Government.

Section 14. **Identity of Insurer**

(a) The name of the actual insurer and the form number or numbers advertised shall be identified and made clear in all of its advertisements. An advertisement shall not use a trade name, any insurance group designation, name of the parent company of the insurer, name of a particular division of the insurer, service mark, slogan, symbol or other device which without disclosing the name of the actual insurer would have the capacity and tendency to mislead or deceive as to the true identity of the insurer.

(b) No advertisement shall use any combination of words, symbols, or physical materials which by their content, phraseology, shape, color or other characteristics are so similar to combinations of words, symbols, or physical materials used by agencies of the federal government or of this State, or otherwise appear to be of such a nature that it tends to confuse or mislead prospective insureds into believing that the solicitation is in some manner connected with an agency of the municipal, state, or federal government.

Section 15. **Group or Quasi-Group Implications**

An advertisement of a particular policy shall not state or imply that prospective insureds become group or quasi-group members covered under a group policy and as such enjoy special rates or underwriting privileges, unless such is the fact.

Section 16. **Introductory, Initial or Special Offers**

(a)(i) An advertisement of an individual policy shall not directly or by implication represent that a contract or combination of contracts is an introductory, initial or special offer, or that applicants will receive substantial advantages not available at a later date, or that the offer is available only to a specified group of individuals, unless such is the fact. An advertisement shall not contain phrases describing an enrollment period as "special," "limited," or similar words or phrases when the insurer used such enrollment periods as the usual method of advertising accident and sickness insurance.

(ii) An enrollment period during which a particular insurance product may be purchased on an individual basis shall not be offered within this State unless there has been a lapse of not less than 24 months between the close of the immediately preceding enrollment period for the same product and the opening of the new enrollment period. The advertisement shall indicate the date by which the applicant must mail the application, which shall not be less than ten days and not more than forty days from the date that such enrollment period is advertised for the first time. This rule applies to all advertising media, i.e., mail, newspapers, radio, television, magazines and periodicals, by any one insurer. It is inapplicable to solicitations of employees or members of a particular group or association which otherwise would be eligible under specific provisions of the Insurance Code for group, blanket or franchise insurance. The phrase "any one insurer"includes all the affiliated companies of a group of insurance companies under common management or control.

(iii) This rule prohibits any statement or implication to the effect that only a specific number of policies will be sold, or that a time is fixed for the discontinuance of the sale of the particular policy advertised because of special advantages available in the policy, unless such is the fact.

(iv) The phrase "a particular insurance product" in Paragraph (2) of this Section means an insurance policy which provides substantially different benefits than those contained in any other policy. Different terms of renewability; an increase or decrease in the dollar amounts of benefits; an increase or decrease in any elimination period or waiting period from those available during an enrollment period for another policy shall not be sufficient to constitute the product being offered as a different product eligible for concurrent or overlapping enrollment periods.

(b) An advertisement shall not offer a policy which utilizes a reduced initial premium rate in a manner which overemphasizes the availability and the amount of the initial reduced premium. When an insurer charges an initial premium that differs in amount from the amount of the renewal premium payable on the same mode, the advertisement shall not display the amount of the reduced initial premium either more frequently or more prominently than the renewal premium, and both the initial reduced premium and the renewal premium must be stated in juxtaposition in each portion of the advertisement where the initial reduced premium appears.

(c) Special awards, such as a "safe driver's award" shall not be used in connection with advertisements of accident or accident and sickness insurance.

Section 17. **Statements About an Insurer**

An advertisement shall not contain statements which are untrue in fact, or by implication misleading, with respect to the assets, corporate structure, financial standing, age or relative position of the insurer in the insurance business. An advertisement shall not contain a recommendation by any commercial rating system unless it clearly indicates the purpose of the recommendation and the limitations of the scope and extent of the recommendation.

Section 18. **Enforcement Procedures**

~~Advertising File. Each insurer shall maintain at its home or principal office a complete file containing every printed, published or prepared advertisement of its individual policies and typical printed, published or prepared advertisements of its blanket, franchise and group policies hereafter disseminated in this or any other state, whether or not licensed in such other state, with a notation attached to each such advertisement which shall indicate the manner and extent of distribution and the form number of any policy advertised. Such file shall be subject to regular and periodical inspection by this Department. All such advertisements shall be maintained in said file for a period of either four years or until the filing of the next regular report on examination of the insurer, whichever is the longer period of time.~~

~~Section 19. **Severability Provision**~~

~~If any section or portion of a Section of these rules, or the applicability thereof to any person or circumstance is held invalid by a court, the remainder of the rules, or the applicability of such provision to other persons or circumstances, shall not be affected thereby.~~

Section 1. Authority

These regulations governing advertisements of accident and sickness insurance supplement the provisions of W.S. §§ 26-13-101 et seq. of the Wyoming Insurance Code.

Section 2. Applicability

(a) This regulation shall apply to individual and group accident and sickness insurance (except Medicare supplement insurance or any other insurance that is covered by a separate state statute) "advertisement," as that term is defined in Section 3(b), (g), (h) and (i) unless otherwise specified in this regulation, that the insurer knows or reasonably should know is intended for presentation, distribution or dissemination in Wyoming when the presentation, distribution or dissemination is made either directly or indirectly by or on behalf of an insurer, or producer, as those terms are defined in the Wyoming Insurance Code.

(b) Every insurer shall establish and at all times maintain a system of control over the content, form and method of dissemination of all advertisements of its policies. All of the insurer's advertisements, regardless of by whom written, created, designed or presented, shall be the responsibility of the insurer whose policies are advertised.

(c) Advertising materials shall be identified by form numbers or other identifying means. The identification shall be sufficient to distinguish an advertisement from any other advertising materials, policies, applications or other materials used by the insurer.

(d) The requirements of these regulations applicable to an insurer as defined in Section 3(f) below shall also apply to health maintenance organizations.

Section 3. Definitions

As used in these rules and regulations:

(a) "Accident and sickness insurance policy" means a policy, plan, certificate, contract, agreement, statement of coverage, rider or endorsement that provides accident or sickness benefits or medical, surgical or hospital benefits, whether on an indemnity, reimbursement, service or prepaid basis, except when issued in connection with another kind of insurance other than life insurance and annuities. An accident and sickness insurance policy does not include a Medicare supplement insurance policy.

(i) "Accident and sickness insurance policy" as defined above does not apply to disability income insurance, waiver of premium and double indemnity benefits included in life insurance, endowment or annuity contracts that contain only provisions that:

(A) Provide additional benefits in case of death or dismemberment or loss of sight by accident; or

(B) Operate to safeguard the contracts against lapse or to give a special surrender value, special benefit or an annuity in the event that the insured or annuitant shall become totally and permanently disabled as defined by the contract or supplemental contract.

(b) "Advertisement" means:

(i) Printed and published material, audio visual material, and descriptive literature of an insurer used in direct mail, newspapers, magazines, radio scripts, TV scripts, web sites and other Internet displays or communications, other forms of electronic communications, social media, billboards and similar displays;

(ii) Descriptive literature and sales aids of all kinds issued by an insurer or producer, for presentation to members of the insurance-buying public, such as circulars, leaflets, booklets, depictions, illustrations, form letters and lead-generating devices of all kinds; and

(iii) Prepared sales talks, presentations and material for use by producers whether prepared by the insurer or the producer.

(iv) Advertising material included with a policy when the policy is delivered and material used in the solicitation of renewals and reinstatements.

(v) The use of all media for communications to the general public, specific members of the general public, and for communications by producers.

(c) The definition of advertisement does **not** include:

(i) Material used solely for the training and education of an insurer's employees or producers;

(ii) Material used in-house by insurers;

(iii) Communications within an insurer's own organization not intended for dissemination to the public;

(iv) Individual communications of a personal nature with current policyholders other than material urging the policyholders to increase or expand coverages;

(v) Correspondence between a prospective group or blanket policyholder and an insurer in the course of negotiating a group or blanket contract;

(vi) Material ordered by a court to be disseminated to policyholders; or

(vii) A general announcement from a group or blanket policyholder to eligible individuals on an employment or membership list that a contract or program has been written or arranged; provided that the announcement clearly indicates that it is preliminary to the issuance of a booklet and that the announcement does not describe the specific benefits under the contract or program nor describe advantages as to the purchase of the contract or program. This does not prohibit a general endorsement of the program by the sponsor.

(d) "Certificate" means a statement of the coverage and provisions of a policy of group accident and sickness insurance, which has been delivered or issued for delivery in Wyoming and includes riders, endorsements and enrollment forms, if attached.

(e) "Exception" means any provision in a policy whereby coverage for a specified hazard is entirely excluded; it is a statement of a risk not assumed under the policy.

(f) "Insurer" means an individual, corporation, association, partnership, reciprocal exchange, inter-insurer, Lloyds, fraternal benefit society, hospital service corporation, prepaid health plan and any other legal entity that is defined as an insurer in the insurance code of Wyoming, and is engaged in the advertisement of itself or an accident and sickness insurance policy.

(g) "Institutional advertisement" means an advertisement having as its sole purpose the promotion of the reader's, viewer's or listener's interest in the concept of accident and sickness insurance, or the promotion of the insurer as a seller of accident and sickness insurance.

(h) "Invitation to contract" means an advertisement that is neither an invitation to inquire nor an institutional advertisement.

(i) "Invitation to inquire" means:

(i) An advertisement having as its objective the creation of a desire to inquire further about accident and sickness insurance and that is limited to a brief description of the loss for which benefits are payable but may contain:

(A) The dollar amount of benefits payable; and

(B) The period of time during which benefits are payable.

(ii) An invitation to inquire may not refer to cost.

(iii) An invitation to inquire shall contain a provision in the following or substantially similar form:

"This policy has [exclusions] [limitations] [reduction of benefits] [terms under which the policy may be continued in force or discontinued]. For costs and complete details of the coverage, call [or write] your insurance agent or the company [whichever is applicable]."

(j) "Lead-generating device" means any communication directed to the public that, regardless of form, content or stated purpose, is intended to result in the compilation or qualification of a list containing names and other personal information to be used to solicit residents of Wyoming for the purchase of accident and sickness insurance.

(k) "Limitation" means a provision that restricts coverage under the policy other than an exception or a reduction.

(l) "Limited benefit health coverage" is defined as insurance that is offered and marketed as supplemental health insurance and not as a substitute for hospital or medical insurance or major medical expense insurance.

(m) "Person" as defined by W.S. § 26-1-102(a)(xx).

(n) "Producer" means an insurance producer as defined by W.S. § 26-1-102(a)(xxxv).

(o) "Prominently" or "conspicuously" means that the information to be disclosed prominently or conspicuously will be presented in a manner that is noticeably set apart from other information or images in the advertisement.

(p) "Reduction" means a provision that reduces the amount of the benefit; a risk of loss is assumed but payment upon the occurrence of the loss is limited to some amount or period less than would be otherwise payable and the reduction has not been used.

Section 4. Method of Disclosure of Required Information

All information, exceptions, limitations, reductions and other restrictions required to be disclosed

by this regulation shall be set out conspicuously and in close conjunction to the statements to which the information relates or under appropriate captions of such prominence that it shall not be minimized, rendered obscure or presented in an ambiguous fashion or intermingled with the context of the advertisements so as to be confusing or misleading. This regulation permits, but is not limited to, the use of either of the following methods of disclosure:

(a) Disclosure in the description of the related benefits or in a paragraph set out in close conjunction with the description of policy benefits; or

(b) Disclosure not in conjunction with the provisions describing policy benefits but under appropriate captions of such prominence that the information shall not be minimized, rendered obscure or otherwise made to appear unimportant. The phrase "under appropriate captions" means that the title must be accurately descriptive of the captioned material. Appropriate captions include the following: "Exceptions," "Exclusions," "Conditions Not Covered," and "Exceptions and Reductions." The use of captions such as the following are prohibited because they do not provide adequate notice of the significance of the material: "Extent of Coverage," "Only these Exclusions," or "Minimum Limitations."

Section 5. Form and Content of Advertisements

(a) The format and content of an advertisement of an accident or sickness insurance policy shall be sufficiently complete and clear to avoid deception or the capacity or tendency to mislead or deceive. Format means the arrangement of the text and the captions.

(b) Distinctly different advertisements are required for publication in different media, such as newspapers or magazines of general circulation as compared to scholarly, technical or business journals and newspapers. Where an advertisement consists of more than one piece of material, each piece of material must, independent of all other pieces of material, conform to the disclosure requirements of this regulation.

(c) Whether an advertisement has a capacity or tendency to mislead or deceive shall be determined by the commissioner from the overall impression that the advertisement may be reasonably expected to create within the segment of the public to which it is directed.

(d) Advertisements shall be truthful and not misleading in fact or in implication. Words or phrases, the meaning of which is clear only by implication or by familiarity with insurance terminology, shall not be used.

(e) An insurer shall clearly identify its accident and sickness insurance policy as an insurance policy. A policy trade name shall be followed by the words "insurance policy" or similar words clearly identifying the fact that an insurance policy or health benefits product (in the case of health maintenance organizations, prepaid health plans and other direct service organizations) is being offered.

(f) An insurer, producer, or other person shall not solicit a resident of Wyoming for the purchase of accident and sickness insurance in connection with or as the result of the use of advertisement by the person or any other persons, where the advertisement:

(i) Contains any misleading representations or misrepresentations, or is otherwise untrue, deceptive or misleading with regard to the information imparted, the status, character or representative capacity of the person or the true purpose of the advertisement; or

(ii) Otherwise violates the provisions of this regulation.

(g) An insurer, producer, or other person shall not solicit residents of Wyoming for the purchase of accident and sickness insurance through the use of a true or fictitious name that is deceptive or misleading with regard to the status, character or proprietary or representative capacity of the person or the true purpose of the advertisement.

Section 6. Advertisements of Benefits Payable, Losses Covered or Premiums Payable

(a) Covered Benefits:

(i) The use of deceptive words, phrases or illustrations in advertisements of accident and sickness insurance is prohibited.

(ii) An advertisement that fails to state clearly the type of insurance coverage being offered is prohibited.

(iii) An advertisement shall not omit information or use words, phrases, statements, references or illustrations if the omission of information or use of words, phrases, statements, references or illustrations has the capacity, tendency or effect of misleading or deceiving purchasers or prospective purchasers as to the nature or extent of any policy benefit payable, loss covered or premium payable. The fact that the policy offered is made available to a prospective insured for inspection prior to consummation of the sale or an offer is made to refund the premium if the purchaser is not satisfied, does not remedy misleading statements.

(iv) An advertisement shall not contain or use words or phrases such as "all," "full," "complete," "comprehensive," "unlimited," "up to," "as high as," "this policy will help fill some of the gaps that Medicare and your present insurance leave out," "the policy will help to replace your income," (when used to express loss of time benefits), or similar words and phrases, in a manner that exaggerates a benefit beyond the terms of the policy.

(v) An advertisement of a hospital or other similar facility confinement benefit that makes reference to the benefit being paid directly to the policyholder is prohibited unless, in making the reference, the advertisement includes a statement that the benefits may be paid directly to the hospital or other health care facility if an assignment of benefits is made by the policyholder. An advertisement of medical and surgical expense benefits shall comply with this regulation in regard to the disclosure of assignments of benefits to providers of services. Phrases such as "you

collect," "you get paid," "pays you," or other words or phrases of similar import may be used so long as the advertisement indicates that it is payable to the insured or someone designated by the insured.

(vi) An advertisement for limited benefit health coverage or for coverage that covers only a certain type of loss is prohibited if:

(A) The advertisement refers to a total benefit maximum limit payable under the policy in any headline, lead-in or caption without also in the same headline, lead-in or caption specifying the applicable daily limits and other internal limits;

(B) The advertisement states a total benefit limit without stating the periodic benefit payment, if any, and the length of time the periodic benefit would be payable to reach the total benefit limit; or

(C) The advertisement prominently displays a total benefit limit that would not, as a general rule, be payable under an average claim.

This paragraph does not apply to individual major medical expense coverage, individual basic medical expense coverage, or disability income insurance.

(vii) Advertisements that emphasize total amounts payable under hospital, medical or surgical accident and sickness insurance coverage or other benefits in a policy, such as benefits for private duty nursing, are prohibited unless the actual amounts payable per day for the indemnity or benefits are stated.

(viii) Advertisements that include examples of benefits payable under a policy shall not use examples in a way that implies that the maximum payable benefit payable under the policy will be paid, when less than maximum benefits are paid in an average claim.

(ix) When a range of benefit levels is set forth in an advertisement, it shall be clear that the insured will receive only the benefit level written or printed in the policy selected and issued. Language that implies that the insured may select the benefit level at the time of filing claims is prohibited.

(x) Language in an advertisement that implies that the amount of benefits payable under a loss-of-time policy may be increased at the time of claim or disability according to the needs of the insured is prohibited.

(xi) Advertisements for policies with premiums that are modest because of their limited coverage or limited amount of benefits shall not describe premiums as "low," "low cost," "budget" or use qualifying words of similar import. The use of words such as "only" and "just" in conjunction with statements of premium amounts when used to imply a bargain are prohibited.

(xii) Advertisements that state or imply that premiums will not be changed in the future are prohibited unless the advertised policies expressly provide that the premiums will not be changed in the future.

(xiii) An advertisement for a policy that does not require the premium to accompany the application shall not overemphasize that fact and shall clearly indicate under what circumstances coverage will become effective.

(xiv) An advertisement that exaggerates the effects of statutorily mandated benefits or required policy provisions or that implies that the provisions are unique to the advertised policy is prohibited.

(xv) An advertisement that implies that a common type of policy or a combination of common benefits is "new," "unique," "a bonus," "a breakthrough," or is otherwise unusual is prohibited. The addition of a novel method of premium payment to an otherwise common plan of insurance does not render it new.

(xvi) Language in an advertisement that states or implies that each member under a family contract is covered as to the maximum benefits advertised, where that is not the fact, is prohibited.

(xvii) An advertisement that contains statements such as "anyone can apply," or "anyone can join," other than with respect to a guaranteed issue policy for which administrative procedures exist to assure that the policy is issued within a reasonable period of time after the application is received by the insurer, is prohibited.

(xviii) An advertisement that states or implies immediate coverage of a policy is prohibited unless administrative procedures exist so that the policy is issued within fifteen (15) working days after the insurer receives the completed application.

(xix) An advertisement that contains statements such as "here is all you do to apply," or "simply" or "merely" to refer to the act of applying for a policy that is not a guaranteed issue policy is prohibited unless it refers to the fact that the application is subject to acceptance or approval by the insurer.

(xx) An advertisement of accident and sickness insurance sold by direct response shall not state or imply that because no insurance agent will call and no commissions will be paid to agents that it is a low cost plan, or use other similar words or phrases because the cost of advertising and servicing the policies is a substantial cost in the marketing by direct response.

(xxi) Applications, request forms for additional information and similar related materials are prohibited if they resemble paper currency, bonds, stock certificates, etc., or use any name, service mark, slogan, symbol or device in a manner that implies that the insurer or the policy advertised is connected with a government agency, such as the Social Security Administration or the Department of Health and Human Services.

(xxii) An advertisement that implies in any manner that the prospective insured may realize a profit from obtaining hospital, medical or surgical insurance coverage is prohibited.

(xxiii) An advertisement that uses words such as "extra," "special" or "added" to describe a benefit in the policy is prohibited. No advertisement of a benefit for which payment is conditioned upon confinement in a hospital or similar facility shall use words or phrases such as "tax-free," "extra cash," "extra income," "extra pay," or substantially similar words or phrases because these words and phrases have the capacity, tendency or effect of misleading the public into believing that the policy advertised will, in some way, enable them to make a profit from being hospitalized.

(xxiv) An advertisement of a hospital or other similar facility confinement benefit shall not advertise that the amount of the benefit is payable on a monthly or weekly basis when, in fact, the amount of the benefit payable is based upon a daily pro rata basis relating to the number of days of confinement unless the statements of the monthly or weekly benefit amounts are in juxtaposition with equally prominent statements of the benefit payable on a daily basis. The term "juxtaposition" means side by side or immediately above or below. When the policy contains a limit on the number of days of coverage provided, the limit shall appear in the advertisement.

(xxv) An advertisement of a policy covering only one disease or a list of specified diseases shall not imply coverage beyond the terms of the policy. Synonymous terms shall not be used to refer to any disease so as to imply broader coverage than is the fact.

(xxvi) An advertisement that is an invitation to contract for a specified disease policy that provides lesser benefit amounts for a particular subtype of disease, shall clearly disclose the subtype and its benefits. This provision shall not apply to institutional advertisements.

(xxvii) An advertisement of a specified disease policy providing expense benefits shall not use the term "actual" when the policy only pays up to a limited amount for expenses. Instead, the term "charges" or substantially similar language should be used that does not create the misleading impression that there is full coverage for expenses.

(xxviii) An advertisement that describes any benefits that vary by age shall disclose that fact.

(xxix) An advertisement that uses a phrase such as "no age limit," if benefits or premiums vary by age or if age is an underwriting factor, shall disclose that fact.

(xxx) A television, radio, mail or newspaper advertisement or lead-generating device that is designed to produce leads either by use of a coupon, a request to write or to call the company or a subsequent advertisement prior to contact shall include information disclosing that an agent may contact the applicant.

(xxxi) Advertisements, applications, requests for additional information and similar materials are prohibited if they state or imply that the recipient has been individually selected to be offered insurance or has had his or her eligibility for the insurance individually determined in advance when the advertisement is directed to all persons in a group or to all persons whose names appear on a mailing list.

(xxxii) An advertisement, including invitations to inquire or invitations to contract, shall not employ devices that are designed to create undue fear or anxiety in the minds of those to whom they are directed. Examples of prohibited devices are:

(A) The use of phrases such as "cancer kills somebody every two minutes" and "total number of accidents" without reference to the total population from which the statistics are drawn;

(B) The exaggeration of the importance of diseases rarely or seldom found in the class of persons to whom the policy is offered;

(C) The use of phrases such as "the finest kind of treatment," implying that the treatment would be unavailable without insurance;

(D) The reproduction of newspaper articles, magazine articles, information from the Internet or other similar published material containing irrelevant facts and figures;

(E) The use of images that unduly emphasize automobile accidents, disabled persons or persons confined in beds who are in obvious distress, persons receiving hospital or medical bills or persons being evicted from their homes due to their medical bills;

(F) The use of phrases such as "financial disaster," "financial distress," "financial shock," or another phrase implying that financial ruin is likely without insurance is only permissible in an advertisement for major medical expense coverage, individual basic medical expense coverage or disability income coverage, and only if the phrase does not dominate the advertisement;

(G) The use of phrases or devices that unduly excite fear of dependence upon relatives or charity; and

(H) The use of phrases or devices that imply that long sicknesses or hospital stays are common among the elderly.

(b) Exceptions, Reductions and Limitations

(i) An advertisement shall not contain descriptions of policy limitations, exceptions or reductions, worded in a positive manner to imply that it is a benefit, such as describing a waiting period as a "benefit builder" or stating "even preexisting conditions are covered after two years." Words and phrases used in an advertisement to describe the policy limitations, exceptions and

reductions shall fairly and accurately describe the negative features of the limitations, exceptions and reductions of the policy offered.

(ii) An advertisement that is an invitation to contract shall disclose those exceptions, reductions and limitations affecting the basic provisions of the policy.

(iii) When a policy contains a waiting, elimination, probationary or similar time period between the effective date of the policy and the effective date of coverage under the policy or at a time period between the date a loss occurs and the date benefits begin to accrue for the loss, an advertisement that is subject to the requirements of the preceding paragraph shall prominently disclose the existence of the periods.

(iv) An advertisement shall not use the words "only," "just," "merely," "minimum," "necessary" or similar words or phrases to describe the applicability of any exceptions, reductions, limitations or exclusions such as: "This policy is subject to the following minimum exceptions and reductions."

(v) An advertisement that is an invitation to contract that fails to disclose the amount of any deductible or the percentage of any coinsurance factor is prohibited.

(vi) An advertisement for loss-of-time coverage that is an invitation to contract that sets forth a range of amounts of benefit levels is prohibited unless it also states that eligibility for the benefits is based upon condition of health, income or other economic conditions, or other underwriting standards of the insurer if that is the fact.

(vii) An advertisement that refers to "hospitalization for injury or sickness" omitting the word "covered" when the policy excludes certain sicknesses or injuries, or that refers to "whenever you are hospitalized," "when you go to the hospital" or "while you are confined in the hospital" omitting the phrase "for covered injury or sickness," if the policy excludes certain injuries or sickness, is prohibited. Continued reference to "covered injury or sickness" is not necessary where this fact has been prominently disclosed in the advertisement and where the description of sicknesses or injuries not covered is prominently set forth.

(viii) An advertisement that fails to disclose that the definition of "hospital" does not include certain facilities that provide institutional care such as a nursing home, convalescent home or extended care facility, when the facilities are excluded under the definition of hospital in the policy, is prohibited.

(ix) The term "confining sickness" or "homebound status" shall be explained in an advertisement containing the term.

(x) An advertisement that fails to disclose any waiting or elimination periods for specific benefits is prohibited.

(xi) An advertisement for a policy providing benefits for specified illnesses only, such as cancer, or for specified accidents only, such as automobile accidents, or other policies providing benefits that are limited in nature, shall clearly and conspicuously in prominent type state the limited nature of the policy. The statement shall be worded in language identical to or substantially similar to the following: "THIS IS A LIMITED POLICY," "THIS POLICY PROVIDES LIMITED BENEFITS," "THIS IS A CANCER ONLY POLICY," or "THIS IS AN AUTOMOBILE ACCIDENT ONLY POLICY."

(c) Preexisting Conditions

(i) An advertisement that is an invitation to contract shall, in negative terms, disclose the extent to which any loss is not covered if the cause of the loss is traceable to a condition existing prior to the effective date of the policy. The use of the term "preexisting condition" shall not be used without an appropriate definition or description which complies with Wyoming Statute.

(ii) Under no circumstance shall the definition of "preexisting condition" be based upon "prudent person" or similar language, meaning that the average layperson would have sought treatment or advice for the given condition or symptom. Preexisting conditions shall only relate to conditions for which medical advice, diagnosis, care, or treatment was actually recommended or received.

(iii) When an accident and sickness insurance policy does not cover losses resulting from preexisting conditions, an advertisement of the policy shall not state or imply that the applicant's physical condition or medical history will not affect the issuance of the policy or payment of a claim under the policy. The phrase "no health questions" or words of similar import shall not be used if the policy excludes preexisting conditions. Use of a phrase such as "guaranteed issue" or "automatic issue," if the policy excludes preexisting conditions for a certain period, must be accompanied by a statement disclosing that fact in a manner that does not minimize, render obscure, or otherwise make it appear unimportant and is otherwise consistent with Section 4.

(iv) When an advertisement contains an application form to be completed by the applicant and returned by mail, the application form shall contain a question or statement that reflects the preexisting condition provisions of the policy immediately preceding the blank space for the applicant's signature. For example, the application form shall contain a question or statement substantially as follows:

> "I understand that the policy applied for will not pay benefits for any loss incurred during the first twelve (12) months after the issue date on account of disease or physical conditions for which medical advice, diagnosis, care, or treatment was actually recommended or received in the last six (6) months.

Section 7. Necessity for Disclosing Policy Provisions Relating to Renewability, Cancellability and Termination

(a) An advertisement that is an invitation to contract shall disclose the provisions relating to renewability, cancellability and termination and any modification of benefits, losses covered, or premiums because of age or for other reasons, in a manner that shall not minimize or render obscure the qualifying conditions.

(b) Advertisements of non-renewable accident and sickness insurance policies shall state that the contract is renewable at the option of the company, in language substantially similar to the following: "This policy is renewable at the option of the company," or "The company has the right to refuse renewal of this policy," or "Renewable at the option of the insurer."

(c) Advertisements of insurance policies that are guaranteed renewable, or renewable at the option of the company shall disclose that the insurer has the right to increase premium rates if the policy so provides.

(d) Qualifying conditions that constitute limitations on the permanent nature of the coverage shall be disclosed in advertisements of insurance policies that are guaranteed renewable, or renewable at the option of the company. Examples of qualifying conditions include (1) age limits, (2) reservation of a right to increase premiums, and (3) the establishment of lifetime maximum limits.

(i) Provisions for reduction of benefits at stated ages shall be set forth. For example, a policy may contain a provision that reduces benefits fifty percent (50%) after age sixty (60) although it is renewable to age sixty-five (65). Also, a provision for the elimination of certain hazards at any specific ages or after the policy has been in force for a specified time shall be set forth.

(ii) An advertisement for a policy that provides for step-rated premium rates based upon the policy year or the insured's attained age shall disclose the rate increases and the times or ages at which the premiums increase.

Section 8. Standards for Marketing

(a) An insurer, directly or through its producers, shall:

(i) Establish marketing procedures to assure that any comparison of policies by its producers will be fair and accurate;

(ii) Establish marketing procedures assuring excessive insurance is not sold or issued, except this requirement does not apply to group major medical expense coverage and disability income coverage; and

(iii) Establish auditable procedures for verifying compliance with this subsection.

(b) In addition to the practices prohibited in W.S. § 26-13-101 et seq. the following acts and practices are prohibited:

(i) High Pressure Tactics. Employing a method of marketing that has the effect of inducing the purchase of insurance, or tends to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance; and

(ii) Cold Lead Advertising. Making use directly or indirectly of any method of marketing that fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance producer or insurance company.

Section 9. Testimonials or Endorsements by Third Parties

(a) Testimonials and endorsements used in advertisements shall be genuine, represent the current opinion of the author, be applicable to the policy advertised and be accurately reproduced. The insurer, in using a testimonial or endorsement, makes as its own all of the statements contained in it, and the advertisement, including the statement, is subject to all the provisions of this regulation. When a testimonial or endorsement is used more than one year after it was originally given, a written confirmation must be obtained.

(b) A person shall be deemed a "spokesperson" if the person making the testimonial or endorsement:

(i) Has a financial interest in the insurer or a related entity as a stockholder, director, officer, employee or otherwise;

(ii) Has been formed by the insurer, is owned or controlled by the insurer, its employees, or the person or persons who own or control the insurer;

(iii) Is any person in a policy-making position who is affiliated with the insurer in any of the above described capacities; or

(iv) Is in any way directly or indirectly compensated for making a testimonial or endorsement.

(c) The fact of a financial interest or the proprietary or representative capacity of a spokesperson shall be disclosed in an advertisement and shall be accomplished in the introductory portion of the testimonial or endorsement in the same form and with equal prominence. If a spokesperson is directly or indirectly compensated for making a testimonial or endorsement, the fact shall be disclosed in the advertisement by language substantially as follows: "Paid Endorsement" or words of similar import in a type style and size at least equal to that used for the spokesperson's name or the body of the testimonial or endorsement, whichever is larger. In the

case of television or radio advertising, the required disclosure shall be accomplished in the introductory portion of the advertisement and shall be given prominence.

(d) The disclosure requirements of this regulation shall not apply where the sole financial interest or compensation of a spokesperson, for all testimonials or endorsements made on behalf of the insurer, consists of the payment of union scale wages required by union rules, and if the payment is actually the scale for TV or radio performances.

(e) An advertisement shall not state or imply that an insurer or an accident and sickness insurance policy has been approved or endorsed by any individual, group of individuals, society, association or other organizations, unless that is the fact, and unless any proprietary relationship between an organization and the insurer is disclosed. If the entity making the endorsement or testimonial has been formed by the insurer or is owned or controlled by the insurer or the person or persons who own or control the insurer, the fact shall be disclosed in the advertisement. If the insurer or an officer of the insurer formed or controls the association, or holds any policy-making position in the association, that fact must be disclosed.

(f) When a testimonial refers to benefits received under an accident and sickness insurance policy, the specific claim data, including claim number, date of loss and other pertinent information shall be retained by the insurer for inspection for a period of four (4) years or until the filing of the next regular report of examination of the insurer, whichever is the longer period of time. The use of testimonials that do not correctly reflect the present practices of the insurer or that are not applicable to the policy or benefit being advertised is not permissible.

Section 10. Use of Statistics

(a) An advertisement relating to the dollar amounts of claims paid, the number of persons insured, or similar statistical information relating to an insurer or policy shall not use irrelevant facts, and shall not be used unless it accurately reflects all of the current and relevant facts. The advertisement shall not imply that the statistics are derived from the policy advertised unless that is the fact, and when applicable to other policies or plans shall specifically so state.

(i) An advertisement shall specifically identify the accident and sickness insurance policy to which statistics relate and where statistics are given that are applicable to a different policy, it shall be stated clearly that the data do not relate to the policy being advertised.

(ii) An advertisement using statistics that describe an insurer, such as assets, corporate structure, financial standing, age, product lines or relative position in the insurance business, may be irrelevant and, if used at all, shall be used with extreme caution because of the potential for misleading the public. As a specific example, an advertisement for accident and sickness insurance that refers to the amount of life insurance which the company has in force or the amounts paid out in life insurance benefits is not permissible unless the advertisement clearly indicates the amount paid out for each line of insurance.

(b) An advertisement shall not represent or imply that claim settlements by the insurer are "liberal" or "generous," or use words of similar import, or that claim settlements are or will be beyond the actual terms of the contract. An unusual amount paid for a unique claim for the policy advertised is misleading and shall not be used.

(c) The source of any statistics used in an advertisement shall be identified in the advertisement.

Section 11. Identification of Plan or Number of Policies

(a) An advertisement that uses the word "plan" without prominently identifying it as an accident and sickness insurance policy is prohibited.

(b) When a choice of the amount of benefits is referred to, an advertisement that is an invitation to contract shall disclose that the amount of benefits provided depends upon the plan selected and that the premium will vary with the amount of the benefits selected.

(c) When an advertisement that is an invitation to contract refers to various benefits that may be contained in two (2) or more policies, other than group master policies, the advertisement shall disclose that the benefits are provided only through a combination of policies.

Section 12. Disparaging Comparisons and Statements

An advertisement shall not directly or indirectly make unfair or incomplete comparisons of policies or benefits or comparisons of non-comparable policies of other insurers, and shall not disparage competitors, their policies, services or business methods, and shall not disparage or unfairly minimize competing methods of marketing insurance.

(a) An advertisement shall not contain statements such as "no red tape" or "here is all you do to receive benefits."

(b) Advertisements that state or imply that competing insurance coverages customarily contain certain exceptions, reductions or limitations not contained in the advertised policies are prohibited unless the exceptions, reductions or limitations are contained in a substantial majority of the competing coverages.

(c) Advertisements that state or imply that an insurer's premiums are lower or that its loss ratios are higher because its organizational structure differs from that of competing insurers are prohibited.

Section 13. Jurisdictional Licensing and Status of Insurer

(a) An advertisement that is intended to be seen or heard beyond the limits of the jurisdiction in which the insurer is licensed shall not imply licensing beyond those limits.

(b) An advertisement shall not create the impression directly or indirectly that the insurer, its financial condition or status, or the payment of its claims, or the merits, desirability, or advisability of its policy forms or kinds or plans of insurance are approved, endorsed or accredited by any division or agency of the state of Wyoming or the federal government. Terms such as "official" or words of similar import, used to describe any policy or application form are prohibited because of the potential for deceiving or misleading the public.

(c) An advertisement shall not imply that approval, endorsement or accreditation of policy forms or advertising has been granted by any division or agency of the state of Wyoming or the federal government. Approval of either policy forms or advertising shall not be used by an insurer to imply or state that a governmental agency has endorsed or recommended the insurer, its policies, advertising or its financial condition.

Section 14. Identity of Insurer

(a) The name of the actual insurer shall be stated in all of its advertisements. The form number or numbers of the policy advertised shall be stated in an advertisement that is an invitation to contract. An advertisement shall not use a trade name, an insurance group designation, name of the parent company of the insurer, name of a particular division of the insurer, service mark, slogan, symbol or other device that without disclosing the name of the actual insurer, would have the capacity and tendency to mislead or deceive as to the true identity of the insurer.

(b) An advertisement shall not use any combination of words, symbols, or physical materials that by their content, phraseology, shape, color or other characteristics are so similar to combination of words, symbols or physical materials used by agencies of the federal government or of the state of Wyoming, or otherwise appear to be of such a nature that it tends to confuse or mislead prospective insureds into believing that the solicitation is in some manner connected with an agency of the municipal, state or federal government.

(c) Advertisements, envelopes or stationery that employ words, letters, initials, symbols or other devices that are similar to those used in governmental agencies or by other insurers are not permitted if they may lead the public to believe:

(i) That the advertised coverages are somehow provided by or are endorsed by the governmental agencies or the other insurers; or

(ii) That the advertiser is the same as is connected with or is endorsed by the governmental agencies or the other insurers.

(d) An advertisement shall not use the name of a state or political subdivision of a state in a policy name or description.

(e) An advertisement in the form of envelopes or stationery of any kind may not use any name, service mark, slogan, symbol or any device in a manner that implies that the insurer or the policy advertised, or that any agent who may call upon the consumer in response to the

advertisement, is connected with a governmental agency, such as the Social Security Administration.

(f) An advertisement may not incorporate the word "Medicare" in the title of the plan or policy being advertised unless, wherever it appears, the word is qualified by language differentiating it from Medicare. The advertisement, however, shall not use the phrase "[ ] Medicare Department of the [ ] Insurance Company," or language of similar import.

(g) An advertisement may not imply that the reader may lose a right or privilege or benefit under federal, state or local law if he or she fails to respond to the advertisement.

(h) The use of letters, initials or symbols of the corporate name or trademark that would have the tendency or capacity to mislead or deceive the public as to the true identity of the insurer is prohibited unless the true, correct and complete name of the insurer is in close conjunction and in the same size type as the letters, initials or symbols of the corporate name or trademark.

(i) The use of the name of an agency or "[ ] Underwriters" or "[ ] Plan" in type, size and location so as to have the capacity and tendency to mislead or deceive as to the true identity of the insurer is prohibited.

(j) The use of an address so as to mislead or deceive as to true identity of the insurer, its location or licensing status is prohibited.

(k) An insurer shall not use, in the trade name of its insurance policy, any terminology or words so similar to the name of a governmental agency or governmental program as to have the tendency to confuse, deceive or mislead the prospective purchaser.

(l) Advertisements used or created by agents, producers, brokers or solicitors of an insurer shall have prior written approval of the insurer before they may be used.

(m) An agent who makes contact with a consumer, as a result of acquiring that consumer's name from a lead-generating device, shall disclose that fact in the initial contact with the consumer. An agent or insurer may not use names produced from lead-generating devices that do not comply with the requirements of this regulation.

Section 15. Group or Quasi-Group Implications

(a) An advertisement of a particular policy shall not state or imply that prospective insureds become group or quasi-group members covered under a group policy and as members, enjoy special rates or underwriting privileges, unless that is the fact.

(b) This regulation prohibits the solicitations of a particular class, such as governmental employees, by use of advertisements which state or imply that their occupational status entitles them to reduced rates on a group or other basis when, in fact, the policy being advertised is sold only on an individual basis at regular rates.

(c) Advertisements that indicate that a particular coverage or policy is exclusively for "preferred risks" or a particular segment of the population or that a particular segment of the population is an acceptable risk, when the distinctions are not maintained in the issuance of policies, are prohibited.

(d) An advertisement to join an association, trust or discretionary group that is also an invitation to contract for insurance coverage shall clearly disclose that the applicant will be purchasing both membership in the association, trust or discretionary group and insurance coverage. The insurer shall solicit insurance coverage on a separate and distinct application that requires a separate signature. The separate and distinct applications required need not be on separate documents or contained in a separate mailing. The insurance program shall be presented so as not to conceal the fact that the prospective members are purchasing insurance as well as applying for membership, if that is the case. Similarly, it is prohibited to use terms such as "enroll" or "join" to imply group or blanket insurance coverage when that is not the fact.

(e) Advertisements for group or franchise group plans that provide a common benefit or a common combination of benefits shall not imply that the insurance coverage is tailored or designed specifically for that group, unless that is the fact.

Section 16. Introductory, Initial or Special Offers

(a) An advertisement of an individual policy shall not directly or by implication represent that a contract or combination of contracts is an introductory, initial or special offer, or that applicants will receive substantial advantages not available at a later date, or that the offer is available only to a specified group of individuals, unless that is the fact. An advertisement shall not contain phrases describing an enrollment period as "special," "limited," or similar words or phrases when the insurer uses the enrollment periods as the usual method of marketing accident and sickness insurance.

(b) An enrollment period included in limited health benefit plans during which a particular insurance product may be purchased on an individual basis shall not be offered within Wyoming unless there has been a lapse of not less than twenty-four (24) months between the close of the immediately preceding enrollment period for the same product and the opening of the new enrollment period. The advertisement shall indicate the date by which the applicant must mail the application, which shall be not less than ten (10) days and not more than forty (40) days from the date that the enrollment period is advertised for the first time. This regulation applies to all advertising media, i.e., mail, newspapers, the Internet, radio, television, magazines and periodicals, by any one insurer. It is inapplicable to solicitations of employees or members of a particular group or association that otherwise would be eligible under specific provisions of the Insurance Code for group, blanket or franchise insurance. The phrase "any one insurer" includes all the affiliated companies of a group of insurance companies under common management or control.

(i) The phrase "a particular insurance product" means an insurance policy that provides substantially different benefits than those contained in any other policy. Different terms of renewability; an increase or decrease in the dollar amounts of benefits; an increase or decrease in any elimination period or waiting period from those available during an enrollment period for another policy shall not be sufficient to constitute the product being offered as a different product eligible for concurrent or overlapping enrollment periods.

(c) This regulation prohibits any statement or implication to the effect that only a specific number of policies will be sold, or that a time is fixed for the discontinuance of the sale of the particular policy advertised because of special advantages available in the policy, unless that is the fact.

(d) An advertisement shall not offer a policy that utilizes a reduced initial premium rate in a manner that overemphasizes the availability and the amount of the initial reduced premium. When an insurer charges an initial premium that differs in amount from the amount of the renewal premium payable on the same mode, the advertisement shall not display the amount of the reduced initial premium either more frequently or more prominently than the renewal premium, and both the initial reduced premium and the renewal premium must be stated in juxtaposition in each portion of the advertisement where the initial reduced premium appears.

(e) Special awards, such as a "safe drivers' award," shall not be used in connection with advertisements of accident and sickness insurance.

Section 17. Statements about an Insurer

An advertisement shall not contain statements that are untrue in fact, or by implication misleading, with respect to the assets, corporate structure, financial standing, age or relative position of the insurer in the insurance business. An advertisement shall not contain a recommendation by any commercial rating system unless it clearly indicates the purpose of the recommendation and the limitations of the scope and extent of the recommendations.

Section 18. Enforcement Procedures

(a) Advertising File. Each insurer shall maintain at its home or principal office a complete file containing every advertisement of its individual policies and typical advertisements of its blanket, franchise and group policies hereafter disseminated in this or any other state, whether or not licensed in another state, with a notation attached to each advertisement that indicates the manner and extent of distribution and the form number of any policy advertised. The file shall be subject to regular and periodical inspection by the commissioner. All of these advertisements shall be maintained in a file for a period of either four (4) years or until the filing of the next regular report on examination of the insurer, whichever is the longer period of time. The provisions of this paragraph shall also apply to all insurer-approved agency advertising.

(b) Certificate of Compliance. Each insurer required to file an annual statement shall file with the commissioner by March 1 of each year, a certificate of compliance executed by an authorized officer of the insurer that states that, to the best of the officer's knowledge, information and belief, the advertisements that were disseminated by the insurer during the preceding statement year complied with the provisions of this regulation and the insurance laws of Wyoming as implemented and interpreted by this regulation.

Section 19. Filing for Prior Review

Any accident and sickness insurance advertising material shall be filed for approval prior to use. The advertising material shall be filed by the insurer with the commissioner not less than forty-five (45) days prior to the date the insurer desires to use the advertisement.

Section 20. Effective Date

This regulation shall become effective immediately upon filing with the Secretary of State.

CHAPTER 22
REGULATION GOVERNING CLOSED BLOCKS OF BUSINESS

Section 1. Authority

This regulation governing closed blocks of business is promulgated by the authority of and pursuant to the Wyoming Insurance Code W.S. §§ 26-2-110 and 26-39-101 et. seq.

Section 2. Definitions

"Like Insureds" for the purposes of W.S. § 26-39-103 shall mean those insureds who:

(a) Are of the same underwriting risk classification as designated or approved by the Wyoming Insurance Commissioner; and

(b) Are insured under disability insurance policies providing the same type of coverage. Each of the following coverages shall be deemed a type of coverage:

(i) Hospital-surgical expense coverage;

(ii) Major medical expense coverage;

(iii) Hospital indemnity coverage;

(iv) Disability income coverage;

(v) Accident only coverage;

(vi) Specified disease coverage;

(vii) Medicare supplement coverage;

(viii) Mortgage disability coverage;

(ix) Long-term care coverage;

(x) Short-term non-renewable coverage; and

(xi) Such other coverages as designated or approved by the Commissioner.

Section 3. Closed Blocks

An insurer will be presumed to have closed a block of business in Wyoming pursuant to W.S. § 26-39-102(a)(ii), if the insurer has not marketed or sold a new contract in Wyoming in that block of business during the preceding calendar year.

Section 4. Reporting Requirements

On or before March 1 of each year, any insurer who has sold an individual group or blanket disability contract or certificate, excluding credit disability insurance as defined in W.S. § 26-21-102(a)(ii), in Wyoming in the past calendar year shall submit a report containing the following information:

(a) A listing for the preceding calendar year of all blocks of business which still have Wyoming insureds as policy or certificate holders within each block as well as an indication as to whether each block has been closed according to the standard set forth in Section 3 of this regulation;

(b) A listing of the number of insureds on the first and last days of the reporting year in each block, and the number of insureds added or canceled from that block during reporting year.

(c) Such other information as the Insurance Commissioner deems necessary.

Section 5. Effective Date

This regulation becomes effective immediately upon filing with the Secretary of State.

CHAPTER 22
REGULATION GOVERNING CLOSED BLOCKS OF BUSINESS

Section 1. ~~Section 1.~~ **Authority**

This regulation governing closed blocks of business is promulgated by the authority of and pursuant to the Wyoming ~~Administrative Procedure Act W.S. 16-3-101 et. seq. and the Wyoming~~ Insurance Code W.S. §§ 26-2-110 ~~, W.S. 26-2-116 and supplements and defines W.S.~~and 26-39-101 et. seq. ~~of the Insurance Code~~.

~~Section 2. **Scope**~~

~~This regulation shall apply to those insurers who are within the scope of W.S. 26-39-101 et seq.~~

Section 2. ~~Section 3.~~ **Definitions**

~~As used in these regulations:~~

~~(a)~~ "Like Insureds" for the purposes of W.S. § 26-39-103 shall mean those insureds who:

(a) ~~(i)~~ Are of the same underwriting risk classification as designated or approved by the Wyoming Insurance Commissioner; and

(b) ~~(ii)~~ Are insured under disability insurance policies providing the same type of coverage. Each of the following coverages shall be deemed a type of coverage:

(i) ~~(A)~~ Hospital-surgical expense coverage;

(ii) ~~(B)~~ Major medical expense coverage;

(iii) ~~(C)~~ Hospital indemnity coverage;

(iv) ~~(D)~~ Disability income coverage;

(v) ~~(E)~~ Accident only coverage;

(vi) ~~(F)~~ Specified disease coverage;

(vii) ~~(G)~~ Medicare supplement coverage;

(viii) ~~(H)~~ Mortgage disability coverage;

(ix) ~~(I)~~ Long-term care coverage;

(x) ~~(J)~~ Short-term non-renewable coverage; and

(xi) ~~(K)~~ Such other coverages as designated or approved by the Commissioner.

~~(b) "Person" shall have the meaning set forth in W.S. 26-1-102(a)(xx).~~

Section 3. ~~Section 4.~~ **Closed Blocks**

An insurer will be presumed to have closed a block of business in Wyoming pursuant to W.S. § 26-39-102(a)(ii), if the insurer ~~no longer offers for sale any individual, group or blanket disability insurance contracts in Wyoming from a particular block of business and~~ has not marketed or sold a new contract in Wyoming in that block of business during the preceding calendar year.

Section 4. ~~Section 5.~~ **Reporting Requirements**

On or before March 1 of each year, any insurer who has sold an individual group or blanket disability contract or certificate, excluding credit disability insurance as defined in W.S. § 26-21-102(a)(ii), in Wyoming in the past calendar year shall submit a report containing the following information:

(a) ~~(a)~~ A listing for the preceding calendar year of all blocks of business which still have Wyoming insureds as policy or certificate holders within each block as well as an indication as to whether each block has been closed according to the standard set forth in Section ~~4~~ 3 of this regulation;

(b) ~~(b)~~ A listing of the number of insureds ~~at the beginning~~on the first and last days of the ~~calendar~~ reporting year in each block, and the number of insureds added or canceled from that block during ~~the year and the number of insureds at the end of the calendar year in each block~~reporting year.

(c) ~~(c)~~ Such other information as the Insurance Commissioner deems necessary ~~to fulfill his duties under the Wyoming Insurance Code~~.

~~Section 6. **Violations**~~

~~Any person who violates any provision of this regulation or files false or fraudulent information required under Section 5, shall be punishable in accordance with W.S. 26-1-107 and, in addition, may have any license or certificate of authority issued by this Department suspended or revoked pursuant to W.S. 26-9-136 and W.S. 26-3-116.~~

~~Section 7. **Severability**~~

~~If any provision of this regulation or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of these rules and regulations and the application~~

~~of such provision to other persons and circumstances shall not be affected thereby.~~

Section 5. ~~Section 8.~~ **Effective Date**

(i) This regulation becomes effective immediately upon filing with the Secretary of State.

CHAPTER 23
REGULATION GOVERNING UNINSURED MOTORIST ENDORSEMENTS

Section 1. Authority

These rules and regulations supplement W.S. § § 26-2-110 and W.S. § 26-15-101 et. seq. of the Wyoming Insurance Code and the Wyoming Uninsured Motorists' Act W.S. § 31-10-101, et. seq.

Section 2. "Other" Insurance Clauses

If an insured holds more than one policy of uninsured motorists insurance or is entitled to recover under more than one policy of uninsured motorists insurance, for which separate premiums have been paid, the extent of this coverage will be the combined coverages under all policies, and actual damages sustained by the insured will be recoverable to the full extent of the combined limits of all such policies. Such recovery, however, will not exceed the minimum requirements for coverage under W.S. § 31-9-102, as to all other policies except the primary policy. The primary policy shall be construed to mean that policy which provides the coverage for the insured automobile involved in the accident.

Section 3. Reduction of Uninsured Motorists Coverage by Sums Paid Under Automobile Medical Coverage, Bodily Injury Coverage, and Worker's Compensation

(a) Benefits payable under uninsured motorists coverage shall not be reduced by payments made under any other section of the policy, including, but not limited to, sums paid under automobile medical coverage and bodily injury liability coverage, where actual damages exceed the policy limits of the uninsured motorists coverage. Payment under the policy may only be reduced when total proven or undisputed damages incurred by the insured do not exceed the policy limits of the uninsured motorists coverage.

(b) Benefits payable under uninsured motorists coverage shall not be reduced by amounts paid under Worker's Compensation.

Section 4. Hit-and-Run Coverage

(a) Uninsured motorist endorsements that provide coverage against bodily injury inflicted by a hit-and-run motorist shall not restrict such coverage to injuries which result from actual physical contact with the hit-and-run vehicle.

(b) If a policy contains language requiring the insured to report a hit-and-run accident to a police officer or the Department of Motor Vehicles within a specific timeframe after the accident, the policy shall also include the phrase, " or as soon thereafter as is practicable under the circumstances."

(c) If a policy contains language requiring an insured to file with the insurer a statement or oath within a specific timeframe after the accident the policy shall also include the phrase “after request for the same is made by the insurer."

Section 5. Defining an Uninsured Automobile

(a) The definition of an uninsured automobile shall not include a provision that states the unauthorized use of a motor vehicle owned by a federal, state or local governmental agency is excluded.

(b) Any uninsured motorists coverage that excludes from the uninsured automobile definition any land motor vehicle or trailer while located for use as a residence or premises shall be amended to read "This exclusion shall not apply to mobile recreational vehicles while being used for normal and ordinary purposes."

Section 6. Consent to Sue Clause

Uninsured motorists coverage shall not contain any policy language which requires the insured to obtain written consent of the insurer to initiate an action against an uninsured motorist. The insurer shall be entitled to a copy of the complaint and summons.

Section 7. Mandatory Arbitration Clause

Uninsured motorists coverage shall not contain a mandatory arbitration clause. An arbitration clause shall not require that the decision is binding on the parties without the right of appeal unless the parties agree to be so bound by a separate written agreement.

Section 8. Benefits in Excess of Damages

Payments shall not be required under uninsured motorists coverage which would result in duplicate payment for the same elements of loss or payment in excess of damages sustained.

Section 9. Effective Date:

This regulation is effective immediately upon filing with the Secretary of State.

CHAPTER 23
REGULATION GOVERNING UNINSURED MOTORIST ENDORSEMENTS

Section 1. ~~Section 1.~~ **Authority**

These rules and regulations ~~governing the policy provisions employed in various uninsured motorist endorsements circulated within the State of Wyoming~~ supplement ~~Section~~ W.S. § ~~26-15-113~~ § 26-2-110 and W.S. § 26-15-101 et. seq. of the Wyoming Insurance Code and the Wyoming Uninsured Motorists' Act W.S. § 31-10-101, et. seq. ~~They are promulgated by authority of and pursuant to~~ W.S. § ~~the Wyoming Administrative Procedures Act (Sections 16-3-101 et seq.) and to Sections 26-2-110 and 26-2-125 of the Wyoming Insurance Code.~~

~~Section 2. Purpose~~

~~The purpose of these rules is to assure that uninsured motorist coverages issued and circulated with the State of Wyoming do not conflict with or otherwise unlawfully restrict the minimum coverages required by the Wyoming Uninsured Motorists Act, Section 31-10-101 - W.S. 1977. Further, their purpose is to prevent the circulation of uninsured motorist policy forms in Wyoming which contain ambiguous, misleading, or inconsistent language, or which deceptively affect the risk purported to be assumed in the general coverage of the contract.~~

~~Section 3. Applicability~~

~~These rules shall apply to any casualty insurer who circulates automobile liability insurance in the State of Wyoming.~~

Section 2. ~~Section 4.~~ **"Other" Insurance Clauses**

~~In all instances where~~ If ~~the~~ an insured holds more than one policy of uninsured motorists insurance or is entitled to recover under more than one policy of uninsured motorists insurance, for which separate premiums have been paid, the extent of this coverage will be the combined coverages under all policies, and actual damages sustained by the insured will be recoverable to the full extent of the combined limits of all such policies. Such recovery, however, will not exceed the minimum requirements for coverage under ~~Section~~ W.S. § 31-9-102 ~~- W.S. 1977~~, as to all other policies except the primary policy. The primary policy shall be construed to mean that policy which provides the coverage for the insured automobile involved in the accident.

Section 3. ~~Section 5.~~ **Reduction of Uninsured Motorists Coverage by Sums Paid Under Automobile Medical Coverage, Bodily Injury Coverage, and Work~~~~m~~~~er~~~~en~~**'s Compensation**

(a) ~~(a) In no instance shall the benefits~~ Benefits payable under uninsured motorists coverage shall not be reduced ~~on account~~ by ~~of~~ payments made under any other section of the policy, including, but not limited to, sums paid under automobile medical coverage and bodily

injury liability coverage, where actual damages exceed the policy limits of the uninsured motorists coverage. Payment under the policy may ~~Only~~ only be reduced when total proven or undisputed damages incurred by the insured do not exceed the policy limits of the uninsured motorists coverage. ~~may payments made under other provisions of the policy be used to reduce uninsured motorist benefits.~~

(b) ~~(b) In no instance shall the b~~Benefits payable under uninsured motorists coverage shall not be reduced by amounts paid under ~~Workmen's~~ Worker's Compensation. ~~legislation.~~

Section 4. ~~Section 6.~~ **Hit-and-Run Coverage**

(a) ~~(a) In no instance shall u~~Uninsured motorist endorsements ~~which~~ that provide coverage against bodily injury inflicted by a hit-and-run motorist shall not restrict such coverage to injuries which result from actual physical contact with the hit-and-run vehicle.

(b) ~~(b)~~ If a policy contains ~~Any~~ language ~~which requires~~ requiring the insured to report a hit-and-run accident to a police officer or the Department of Motor Vehicles within ~~24 hours~~ a specific timeframe after the ~~occurrence of the~~ accident, the policy ~~shall be amended~~ shall also include ~~to read~~ the phrase, "~~within 24 hours after the occurrence of the accident~~ or as soon thereafter as is practicable under the circumstances."

(c) ~~(c)~~ If a policy contains ~~Any~~ language ~~which~~ requiring ~~requires the~~ an insured to file with the insurer a statement or oath within a specific timeframe ~~30 days~~ after the accident ~~shall have been reported~~ the policy shall also ~~be amended to~~ include the phrase ~~read~~ "~~and at the request of the insurer shall have filed a statement of oath within 30 days~~ after request for the same is made by the insurer."

Section 5. ~~Section 7.~~ **Defining an Uninsured Automobile**

(a) ~~(a)~~ The definition of an uninsured automobile shall not include a provision that states the unauthorized use of a motor vehicle owned by a federal, state or local governmental agency is excluded. ~~All uninsured motorist coverages must delete from policy forms circulated within the State of Wyoming any language which excludes from the definition of an uninsured automobile any motor vehicle owned by a state or local governmental agency and any federal vehicle where its use is unauthorized.~~

(b) ~~(b)~~ Any uninsured motorists coverage ~~circulated within the State of Wyoming which~~ that excludes from the ~~definition of an~~ uninsured automobile definition any land motor vehicle or trailer while located for use as a residence or premises shall be amended to read "This exclusion shall not apply to mobile recreational vehicles while being used for normal and ordinary purposes."

Section 6. ~~Section 8.~~ **Consent to Sue Clause**

~~In no instance shall any u~~Uninsured motorists coverage ~~circulated within the State of Wyoming~~ shall not contain any policy language which requires~~forbids~~ the insured ~~to~~ to obtain written consent of the insurer to ~~prosecute~~ initiate an action against an uninsured motorist ~~without the written consent of the insurer~~. The insurer~~, however,~~ shall be entitled to a copy of the complaint and summons ~~forthwith in the event the insured decides to initiate a lawsuit~~.

Section 7. ~~Section 9.~~ **Mandatory Arbitration Clause**

~~In no instance shall any uninsured~~ Uninsured motorists coverage ~~circulated within the State of Wyoming~~ shall not contain a mandatory arbitration clause. ~~by which the insured is required to arbitrate an insurance claim in the event of disagreement with his insurer, nor shall any such clause require that the results of~~ An arbitration ~~are binding on the~~ clause shall not require that the decision is binding on the parties without the right of appeal unless the parties ~~themselves~~ agree to be so bound by a separate written agreement.

Section 8. ~~Section 10.~~ **Benefits in Excess of ~~Actual~~ Damages ~~Not to be Inferred~~**

~~Notwithstanding any other section of this regulation, no p~~Payments shall not~~will~~ be required under uninsured motorists coverage which would result in duplicate payment for the same elements of loss or payment in excess of damages sustained.

Section 9. Effective Date:

This regulation is effective immediately upon filing with the Secretary of State.

CHAPTER 26
REGULATION GOVERNING ADJUSTMENT OF DAMAGES TO
DWELLING ROOFS UNDER HOMEOWNERS' POLICIES

Section 1. Authority

These rules and regulations governing the adjustment of roof damage under Homeowners' Policies marketed in the State of Wyoming are initiated to supplement W.S. § 26-15-113. They are promulgated by authority of and pursuant to the W.S. §§16-3-101 through 16-3-115 and W.S. §§ 26-2-110 and 26-2-125.

Section 2. Adjustment Practices

If the shingles are obsolete and there is partial damage, i.e., a full slope of the roof, it shall be construed that the full roof has been damaged and adjustment shall be made on that basis.

Section 3. Effective Date

This regulation shall become effective upon filing with the Secretary of State.

CHAPTER 26
REGULATION GOVERNING ADJUSTMENT OF DAMAGES TO
DWELLING ROOFS UNDER HOMEOWNERS' POLICIES

Section 1. ~~Section 1.~~ **Authority**

These rules and regulations governing the adjustment of roof damage under Homeowners' Policies marketed in the State of Wyoming are initiated to supplement ~~Section~~ W.S. § 26-15-113~~ of the Wyoming Insurance Code~~. They are promulgated by authority of and pursuant to the ~~Wyoming Administrative Procedure Act (~~W.S. ~~Sections16~~§§16-3-101 through 16-3-115~~)~~ and ~~Sections~~ W.S. §§ 26-2-110 and 26-2-125~~ of the Wyoming Insurance Code~~.

~~Section 2. **Purpose**~~

~~The purpose of these rules is to establish acceptable adjustment practices in the settlement of roof damages under Homeowners' Policies.~~

~~Section 3. **Applicability**~~

~~These rules shall apply to casualty or property insurers who market Homeowners' Insurance in the State of Wyoming.~~

Section 2. ~~Section 4.~~ **Adjustment Practices**

If the shingles are obsolete and there is partial damage, i.e., a full slope of the roof, it shall be construed that the full roof has been damaged and adjustment shall be made on that basis.

Section 3. ~~Section 5.~~ **Effective Date**

This regulation shall become effective ~~on January 1, 1983~~upon filing with the Secretary of State.

~~Section 6. **Repealer**~~

~~The regulations of 6 October 1977 governing adjustment of damages to dwelling roofs under Homeowners' Policies are repealed as of the effective date of these regulations.~~

CHAPTER 31
POLICY FEE--PREMIUM REGULATION

Section 1. **Authority**

This regulation is promulgated by authority of W.S. §§ 26-2-110, 26-3-102, 26-4-103 and 16-3-101 et. seq.

Section 2. **Applicability**

This regulation shall apply to all direct insurance written in this State.

Section 3. **Definition of Policy Fee**

A policy fee means any sum of money by whatever name called that is directly or indirectly, collected from an insured, by an insurer or its insurance agent or broker as a consideration for insurance, which sum of money is added to the premium the insured would otherwise pay. A policy fee shall not be interpreted to include the cost of medical examinations required by a life insurer pursuant to W.S. § 26-13-121(b), nor shall it include sums collected for taxes by surplus lines brokers.

Section 4. **Premium Tax**

Any policy fee collected or charged shall be included in an insurer's premium income and the appropriate premium tax shall be paid pursuant to W.S. §§ 26-3-102 and 26-4-103. Such tax shall be paid by the insurer and shall not be charged to any individual insured, agent or broker.

Section 5. **Effective Date**

This regulation shall become effective upon filing with the Secretary of State.

CHAPTER 31
POLICY FEE--PREMIUM REGULATION

Section 1. ~~Section 1.~~ **Authority**

This regulation is promulgated by authority of W.S. §§ 26-2-110, 26-3-102, 26-4-103 and ~~pursuant to the terms and provisions of the Wyoming Administrative Procedure Act, W.S.~~ 16-3-101 et. seq.

~~Section 2. **Purpose**~~

~~This regulation is promulgated to ensure disclosure of all costs of insurance, to make certain that all sums collected as consideration for insurance are properly taxed.~~

Section 2. ~~Section 3.~~ **Applicability**

This regulation shall apply to all direct insurance written in this State.

Section 3. ~~Section 4.~~ **Definition of Policy Fee**

~~As used herein, a~~A policy fee means any sum of money by whatever name called that is directly or indirectly, collected from an insured, ~~directly or indirectly,~~ by an insurer or its insurance agent or broker as a consideration for insurance, which sum of money is added to the premium the insured would otherwise pay. A policy fee shall not be interpreted to include the cost of medical examinations required by a life insurer pursuant to W.S. § 26-13-121(b), nor shall it include sums collected for taxes by surplus lines brokers.

Section 4. ~~Section 5.~~ **Premium Tax**

~~-~~Any policy fee collected or charged shall be included in an insurer's premium income and the appropriate premium tax shall be paid ~~thereon~~pursuant to W.S. §§ 26-3-102 and 26-4-103. Such tax shall be paid by the insurer and shall not be charged to any individual insured, agent or broker.

~~Section 6. **Penalties**~~

~~Any violation of the provisions of this regulation shall subject the violator, or the principal of said violator or both to the sanctions provided by W.S. 26-1-107, or revocations or suspensions of licenses or both.~~

~~Section 7. **Severability Clause**~~

~~If any of the applications or provisions of this regulation are held invalid, the invalidity shall not affect other applications or provisions of this regulation which can be given effect without the invalid applications or provisions, and to this end this regulation is severable.~~

Section 5. ~~Section 8.~~ **Effective Date**

This regulation shall become effective ~~on 1 July 1979~~upon filing with the Secretary of

State.

Chapter 41
SCOPE OF POOL COVERAGE AND SCHEDULE OF BENEFITS
OFFERED BY WYOMING HEALTH INSURANCE POOL

Section 1. **Authority**

This regulation is issued pursuant to the authority vested in the Wyoming Insurance Commissioner under W.S. §§ 26-2-110, 26-43-106 and 16-3-101, et seq.

Section 2. **Eligibility**

(a) A "resident" of the state for purposes of eligibility for pool coverage shall mean:

(i) Any individual person who occupies a dwelling in this state and has a present intent to make this state his home.

(ii) The pool administrator shall consider the following factors as indicating intent to remain in this state:

(A) Whether the applicant (or his custodial parent in the case of a minor) is registered to vote in this state;

(B) Whether the applicant (or his custodial parent in the case of a minor) has applied for or received a Wyoming driver's license;

(C) Whether the minor children of the applicant are enrolled to attend school in this state;

(D) If the applicant is of school age, then whether the applicant is enrolled to attend school in this state; and

(E) Whether the applicant (or his custodial parent in the case of a minor) has applied for or currently receives service in his name from any public utility at a dwelling within this state.

(iii) Any applicant currently occupying a dwelling in this state and meeting any two or more of the above-listed criteria shall be considered a resident eligible for pool coverage.

(iv) Any applicant denied pool coverage due to the administrator's determination of resident status shall have a right to appeal the administrator's determination in the manner set forth in the Plan of Operation for the pool.

Section 3. **Pool Coverage and Schedule of Benefits**

The general benefit features for an insured of the pool are set forth in the Wyoming Health Insurance Pool Summary of Benefit Features, located at http://doi.wyo.gov.

Section 4. **Effective Date**

This regulation shall become effective upon filing with the Secretary of State.

Chapter 41
SCOPE OF POOL COVERAGE AND SCHEDULE OF BENEFITS
OFFERED BY WYOMING HEALTH INSURANCE POOL

Section 1. ~~Section 1.~~ **Authority**

This regulation is issued pursuant to the authority vested in the Wyoming Insurance Commissioner under W.S. §§ 26-2-110, ~~and W.S.~~ 26-43-106 ~~of the Wyoming Insurance Code~~ and ~~W.S.~~ 16-3-101, et seq~~., of the Wyoming Administrative Procedure Act~~.

~~Section 2. Section 2. **Purpose**~~

~~The purpose of this regulation is to set forth the scope of pool coverage and schedule of benefits offered by the Wyoming Health Insurance Pool.~~

~~Section 3.~~Section 2. ~~Section 3.~~ **Eligibility**

(a) ~~(a)~~ A "resident" of the state for purposes of eligibility for pool coverage shall mean:

(i) ~~(i)~~ Any individual person who occupies a dwelling in this state and has a present intent to make this state his home.

(ii) ~~(ii)~~ The pool administrator shall consider the following factors as indicating intent to remain in this state:

(A) ~~(A)~~ Whether the applicant (or his custodial parent in the case of a minor) is registered to vote in this state;

(B) ~~(B)~~ Whether the applicant (or his custodial parent in the case of a minor) has applied for or received a Wyoming driver's license;

(C) ~~(C)~~ Whether the minor children of the applicant are enrolled to attend school in this state;

(D) ~~(D)~~ If the applicant is of school age, then whether the applicant is enrolled to attend school in this state; and

(E) ~~(E)~~ Whether the applicant (or his custodial parent in the case of a minor) has applied for or currently receives service in his name from any public utility at a dwelling within this state.

(iii) ~~(iii)~~ Any applicant currently occupying a dwelling in this state and meeting any two or more of the above-listed criteria shall be considered a resident eligible for pool coverage.

(iv) ~~(iv)~~ Any applicant denied pool coverage due to the administrator's determination of resident status shall have a right to appeal the administrator's determination in the manner set forth in the Plan of Operation for the pool.

~~Section 4.~~Section 3. ~~Section 4.~~ **Pool Coverage and Schedule of Benefits**

~~The Wyoming Health Insurance pool provides coverage on all policies issued by the pool after January 1, 1991~~. The general benefit features for an insured of the pool are set forth in the Wyoming Health Insurance Pool Summary of Benefit Features, located at http://doi.wyo.gov.~~in Appendix A.~~

~~Section 5. Section 5. **Separability**~~
~~Section 6.~~
~~Section 7. Any section or provision of this regulation held by a court to be invalid or unconstitutional shall not affect the validity of any other section or provision of this regulation.~~

~~Section 8.~~Section 4. ~~Section 6.~~ **Effective Date**

This regulation shall become effective upon filing with the Secretary of State.

~~APPENDIX A~~

~~WYOMING HEALTH INSURANCE POOL~~
~~SUMMARY OF BENEFIT FEATURES~~

~~CONTRACT MAXIMUMS~~

~~Lifetime Maximum of: $[250,000]*~~

~~Out-of-Pocket Maximum of: $[3,000] per individual~~
~~$[9,000] per family of 3 or more~~

~~BENEFIT LEVELS~~

~~Type A (reimbursed at [80]% of R&C after deductibles have been met)~~

~~Inpatient Surgical $[500] deductible per admission~~
~~Inpatient Medical $[500] deductible per admission~~
~~Outpatient Surgery $[500] deductible~~
~~Inpatient Physician [No deductible]~~
~~Outpatient Physician Surgery [No deductible]~~
~~Office Surgery $[100] deductible per surgery~~
~~Ambulance [No deductible]/subject to contract limitations~~

~~Type B (reimbursed at [70%] of R&C after $[2,000] deductible has been met)~~

~~Office calls~~
~~Outpatient drugs~~
~~Outpatient diagnostic, x-ray and laboratory~~
~~Nervous/Mental treatment subject to contract limitations~~
~~Alcohol or drug abuse subject to contract limitations~~
~~Emergency Room Medical Treatment~~

~~Type C (reimbursed at [100]% of R&C after $[4,000] deductible has been met)~~

~~Pre-natal care~~
~~Delivery~~
~~Post-natal care~~
~~Routine newborn care~~

~~This is intended as a brief overview of benefits for the Wyoming Health Insurance Pool.~~

~~*Hereinafter, every amount that appears in brackets is subject to change by the Wyoming Health Insurance Pool Board. Current amounts may be obtained from the Wyoming Insurance~~

~~Department.~~

~~WYOMING HEALTH INSURANCE POOL~~
~~BENEFIT STRUCTURE~~

~~$[250,000] lifetime maximum*~~

~~Total out-of-pocket cost -- $[3,000] per individual. $[9,000] per family of 3 or more~~

~~TYPE A BENEFITS~~

~~Benefits~~	~~Deductible~~	~~Reimbursement~~	~~Program Features~~
~~Hospital Services~~ ~~·Intensive Care~~ ~~·Ancillary Services~~ ~~·Outpatient~~ ~~Emergency room~~ ~~surgery~~	~~$[500] per admission~~ ~~deductible~~	~~[80%] of R&C after~~ ~~& board~~	~~·Semi-private room~~
~~Inpatient Medical~~ ~~Deductible~~	~~$[500] per admission~~	~~[80%] of R&C after~~	~~·In-hospital visits~~ ~~·Consultations~~
~~Physician Services~~ ~~(Inpatient &~~ ~~Outpatient Surgery)~~	~~[No deductible]~~	~~[80%] of R&C~~	~~·Surgical Services~~ ~~·Surgeon~~ ~~·Assistant Surgeon~~ ~~·Anesthesiologist~~
~~Ambulance Services~~ ~~Contract maximum~~ ~~per ground trip~~ ~~and $[2000] per air~~ ~~trip~~	~~[No deductible]~~ ~~charges up to~~	~~[80%] of covered~~ ~~services are~~ ~~covered up to $[150]~~	~~·Ambulance~~
~~Office Surgery~~ ~~Deductible~~ ~~·Local~~ ~~administration of~~ ~~anesthesia~~ ~~·Follow-up care~~ ~~·Recasting~~	~~$[100] deductible~~	~~[80%] of R&C after~~	~~·Surgery~~ ~~·Preoperative visits~~

~~*Hereinafter, every amount that appears in brackets is subject to change by the Wyoming Health Insurance Pool Board. Current amount may be obtained from the Wyoming Insurance Department.~~

TYPE B BENEFITS

Benefits	Deductible	Reimbursement	Program Features
Covered Services	$[2000] total on all Type B Benefits	[70%] of R&C after deductible	·Office calls ·Outpatient drugs ·Outpatient diagnostic, x-ray and laboratory ·Outpatient psychotherapeutic (limited to 20 visits per calendar year and up to $30 per visit) ·Physical therapy (limited to 20 visits per calendar year) ·Chiropractic services (limited to $500 per calendar year) ·Rehabilitation therapy (limited to a lifetime maximum of $20,000) ·Outpatient emergency room medical care
Nervous/Mental	[same as above]	[70%] of R&C after deductible	·Inpatient treatment for nervous and mental or psychotherapeutic services is limited to $5000 per 12 month period
Substance Abuse	[same as above]	[70%] or R&C after deductible	·Alcohol or drug abuse payable to a lifetime maximum of $5000

TYPE C BENEFITS

Benefits	Deductible	Reimbursement	Program Features
Maternity Service	$[4000] deductible	[100%] of R&C after deductible	·Pre-natal care ·Delivery ·Post-natal care ·Routine newborn care

CHAPTER 43
WYOMING LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION NOTICE

Section 1. Authority

This regulation is issued pursuant to W.S. §§ 16-3-101, et seq., 26-2-110 and 26-42-101, et seq.

Section 2. Notices

This regulation establishes the form and content of the disclaimer as required by W.S. § 26-42-116. The summary document describes the general purposes and current limitations of the Association, and the notice required to be used when a policy is not covered by the Guaranty Association. The required form, Wyoming Life and Health Insurance Guaranty Disclaimer (the Disclaimer) is located at http://doi.wyo.gov.

The Disclaimer, in its entirety, is to be used by each insurer and shall be given to each insured either prior to or at the time of delivery of the policy or contract.

Section 3. Effective Date

This regulation shall be effective upon filing with the Secretary of State.

CHAPTER 43
WYOMING LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION NOTICE

Section 1. Authority

This regulation is issued pursuant to ~~the authority vested in the Wyoming Insurance Commissioner under~~ W.S. §§ 16-3-101, et seq., 26-2-110 and ~~W.S.~~ 26-42-~~116~~101, et seq. ~~of the Wyoming Insurance Code and W.S. 16-3-101, et seq. of the Wyoming Administrative Procedure Act.~~

~~Section 2. **Purpose**~~

~~The purpose of this regulation is to implement Chapter 42 of the Wyoming Insurance Code, also known as the Wyoming Life and Health Insurance Guaranty Association Act.~~

~~Section 3. **Applicability and Scope**~~

~~This regulation applies to every member insurer in the Wyoming Life and Health Insurance Guaranty Association as defined in W.S. 26-42-102(a)(vii).~~

~~Section 4.~~**Section 2. Notices**

~~Pursuant to W.S. 26-42-116 the Insurance Commissioner hereby promulgates~~ T~~t~~his regulation ~~in order to~~ establish~~es~~ the form and content of the disclaimer as required by W.S. § 26-42-116. ~~(Appendix A),~~ T~~t~~he summary document describ~~es~~~~ing~~ the general purposes and current limitations of the Association ~~(Appendix A)~~, and the notice required to be used when a policy is not covered by the Guaranty Association ~~(Appendix A)~~. The required form, Wyoming Life and Health Insurance Guaranty Disclaimer (the Disclaimer) is located at http://doi.wyo.gov.

~~Appendix A~~The Disclaimer, in its entirety, ~~-~~ is to be used by each insurer and shall be given to each insured either prior to or at the time of delivery of the policy or contract. ~~If the policy is not covered by the Association, no insurer or agent shall deliver a policy or contract unless the insurer or agent prior to or at the time of delivery gives the policyholder or contract holder the appropriate notice as found in Appendix A, which clearly disclose that the policy is not covered by the Association.~~

~~Appendix A contains an address and telephone number for the Wyoming Life and Health Insurance Guaranty Association and for the Wyoming Insurance Department. Should the address or telephone number change, the Wyoming Life and Health Insurance Guaranty Association will send written notice to each member insurer.~~

~~Section 5. **Separability**~~

~~Any section or provision of this regulation held by a court to be invalid or unconstitutional shall not affect the validity of any other section or provision of this regulation.~~

~~Section 6.~~**Section 3. Effective Date**

This regulation shall be effective ~~sixty~~ upon~~(60) days after~~ filing with the Secretary of State.

Appendix A

NOTICE OF
PROTECTION PROVIDED BY
WYOMING LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION

This notice provides a **brief summary** of the Wyoming Life and Health Insurance Guaranty Association ("the Association") and the protection it provides for policyholders. This safety net was created under Wyoming law, which determines who and what is covered and the amounts of coverage.

The Association was established to provide protection in the unlikely event that your life, annuity or health insurance company becomes financially unable to meet its obligations and is taken over by its Insurance Department. If this should happen, the Association will typically arrange to continue coverage and pay claims, in accordance with Wyoming law, with funding from assessments paid by other insurance companies.

The basic protections provided by the Association are:

- Life Insurance
  - $300,000 in death benefits
  - $100,000 in cash surrender or withdrawal values
- Health Insurance
  - $300,000 in hospital, medical and surgical insurance benefits or major medical insurance
  - $300,000 in disability insurance benefits
  - $300,000 in disability income insurance
  - $300,000 in long-term care insurance benefits
  - $100,000 in other types of health insurance benefits
- Annuities
  - $250,000 in withdrawal and cash values

The maximum amount of protection for each individual, regardless of the number of policies or contracts, is $500,000

Note: Certain policies and contracts may not be covered or fully covered. For example, coverage does not extend to any portion(s) of a policy or contract that the insurer does not guarantee, such as certain investment additions to the account value of a variable life insurance policy or a variable annuity contract. There are also various residency requirements and other limitations under Wyoming law.

EXCLUSIONS FROM COVERAGE

Persons holding such policies are *not* protected by this Association if:

• they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
• the insurer was not authorized to do business in this state;
• their policy was issued by a fraternal benefit society, a mandatory state pooling plan, a stipulated premium insurance company, a local mutual burial association, a mutual assessment company, or similar plan in which the policy-holder is subject to future assessments, or by an insurance exchange.

The Association also does not provide coverage for:

• any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
• any policy of reinsurance (unless an assumption certificate was issued pursuant to the reinsurance policy of contract);
• interest rate yields that exceed an average rate or interest earned on an equity indexed policy;
• dividends;
• credits given in connection with the administration of a policy by a group contract holder;
• annuity contracts issued by a nonprofit insurance company exclusively for the benefit of nonprofit educational institutions and their employees;
• unallocated annuity contracts (which give rights to group contract holders, not individuals);
• any plan or program of an employer or association that provides life, health or annuity benefits to its employees or members to the extent the plan is self-funded or uninsured;
• an obligation that does not arise under the express written terms of the policy or contract;
• Medicare supplement plans.

To learn more about the above protections, protections relating to group contracts or retirement plans, and all exclusions from coverage, please visit the Association's website at wyoming.lhiga.com or contact:

Wyoming Life and Health Insurance Guaranty Association P.O. Box 36009 Denver, CO 80236-0009	Wyoming Department of Insurance 106 East 6th Avenue Cheyenne, WY 82002
Phone: (303) 292-5022 Toll Free: (888) 959-4091 Fax: (303) 292-4663 Website: wyoming.lhiga.com Email: jkelldorf@aol.com	Phone: (307) 777-7401 Toll Free: (800) 438-5768 Fax: (307) 777-2446 Website: doi.wyo.gov Email: wyinsdep@wyo.gov

Insurance companies and agents are not allowed by Wyoming law to use the existence of the Association or its coverage to encourage you to purchase any form of insurance. When selecting an insurance company, you should not rely on Association coverage. If there is any inconsistency between this notice and Wyoming law, then Wyoming law will control.