

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Insurance investments-digital assets.

Sponsored by: HDraft Committee

A BILL

for

1 AN ACT relating to insurance; authorizing investment in
2 digital assets by an insurer; and providing for an
3 effective date.

4

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

6

7 **Section 1.** W.S. 26-7-104(a) and 26-7-107(a) by
8 creating a new paragraph (xvi) are amended to read:

9

10 **26-7-104. General qualifications for investments.**

11

12 (a) No security or investment, other than property
13 acquired under W.S. 26-7-107(a)(xiii), is eligible for

1 acquisition unless it is interest bearing or interest
2 accruing or dividend or income paying, is not then in
3 default and the insurer is entitled to receive for its
4 exclusive account and benefit the interest or income
5 accruing thereon. Any stock or digital asset which has the
6 ability to appreciate in value shall be considered to be
7 income paying for purposes of this subsection.

8
9 *****
10 STAFF COMMENT
11 Note that W.S. 26-7-110(a) allows an insurer to invest in a
12 limited amount of investments not expressly authorized
13 under the Insurance Code. It provides, "An insurer may
14 make loans or investments not otherwise expressly permitted
15 under this chapter, in aggregate amounts not over five
16 percent (5%) of the insurer's assets and not over one
17 percent (1%) of those assets as to any one loan or
18 investment, if the loan or investment fulfills the
19 requirements of W.S. 26-7-103 and otherwise qualifies as a
20 sound investment..."

21 *****
22

23 26-7-107. Authorized investments.

24
25 (a) An insurer may invest in:

26
27 (xvi) Digital assets, as defined by W.S.
28 34-29-101(a)(i), that otherwise comply with all applicable
29 requirements of this chapter.
30

STAFF COMMENT

The following definitions under W.S. 34-29-101(a) are applicable to the paragraph created above:

(i) "Digital asset" means a representation of economic, proprietary or access rights that is stored in a computer readable format, and includes digital consumer assets, digital securities and virtual currency;

(ii) "Digital consumer asset" means a digital asset that is used or bought primarily for consumptive, personal or household purposes and includes:

(A) An open blockchain token constituting intangible personal property as otherwise provided by law;

(B) Any other digital asset which does not fall within paragraphs (iii) and (iv) of this subsection.

(iii) "Digital security" means a digital asset which constitutes a security, as defined in W.S. 17-4-102(a)(xxviii) [see definition below], but shall exclude digital consumer assets and virtual currency;

(iv) "Virtual currency" means a digital asset that is:

(A) Used as a medium of exchange, unit of account or store of value; and

(B) Not recognized as legal tender by the United States government.

"Securities" are defined in W.S. 17-4-102(a)(xxviii) as:

(xxviii) "Security" means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; put, call, straddle, option, or privilege on a security, certificate of deposit,

1 or group or index of securities, including an interest
2 therein or based on the value thereof; put, call, straddle,
3 option, or privilege entered into on a national securities
4 exchange relating to foreign currency; or, in general, an
5 interest or instrument commonly known as a "security"; or a
6 certificate of interest or participation in, temporary or
7 interim certificate for, receipt for, guarantee of, or
8 warrant or right to subscribe to or purchase, any of the
9 foregoing. The term:

10
11 (A) Includes both a certificated and an
12 uncertificated security;

13
14 (B) Does not include an insurance or endowment
15 policy or annuity contract under which an insurance company
16 promises to pay a fixed or variable sum of money either in
17 a lump sum or periodically for life or other specified
18 period;

19
20 (C) Does not include an interest in a
21 contributory or noncontributory pension or welfare plan
22 subject to the Employee Retirement Income Security Act of
23 1974;

24
25 (D) Includes as an "investment contract" an
26 investment in a common enterprise with the expectation of
27 profits to be derived primarily from the efforts of a
28 person other than the investor and a "common enterprise"
29 means an enterprise in which the fortunes of the investor
30 are interwoven with those of either the person offering the
31 investment, a third party, or other investors;

32
33 (E) Includes as an "investment contract," among
34 other contracts, an interest in a limited partnership and a
35 limited liability company and an investment in a viatical
36 settlement or similar agreement; and *[remainder of*
37 *subsection is repealed.]*

38 *****

39 Section 2. This act is effective July 1, 2020.

40
41 (END)