

HOUSE BILL NO. HB0235

Life insurance benefits-payments and interest.

Sponsored by: Representative(s) Roscoe

A BILL

for

1 AN ACT relating to insurance; modifying payments of claims
2 and interest requirements on life insurance benefits as
3 specified; and providing for an effective date.

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

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7 **Section 1.** W.S. 26-16-112 is amended to read:

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9 **26-16-112. Payment of claims.**

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11 (a) If the benefits under the policy are payable
12 because of the death of the insured, settlement shall be
13 made upon receipt of proof of death and, at the insurer's
14 option, surrender of the policy or proof of the interest of
15 the claimant, or both. If an insurer shall specify a
16 particular period prior to the expiration of which

1 settlement shall be made, the period may not exceed two (2)
2 months from the receipt of proof. For any private
3 placement policy, settlement may be made in cash or, if
4 allowed under the policy, by distributing assets of the
5 separate account to the claimant with the consent of the
6 policyholder, as long as the fair market value of the
7 assets are independently verified at the time of
8 disbursement by the insurer. In any private placement
9 policy, the obligation of the insurer to settle that
10 portion of the policy attributable to separate account
11 assets is subject to the liquidity of the assets and the
12 insurer shall settle the portion of the policy as and when
13 the assets can be, by their respective terms, either
14 converted to cash, which may be later than two (2) months
15 after the insurer's receipt of proof of death, or otherwise
16 dispersible by the insurer.

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18 (b) Benefits shall be paid within the time
19 requirements of W.S. 26-15-124 and shall include interest
20 accrued from the date of death until date of payment. The
21 interest rate shall be not less than the rate of interest
22 payable on death proceeds left on deposit with the insurer.

23 For any private placement policy, the interest shall be

1 computed commencing the latter of sixty (60) days
2 succeeding the date of death of the insured or the date
3 proof of death has been received by the insurer in good
4 order, until the date of payment. In any private placement
5 policy, the obligation of the insurer to pay interest on
6 that portion of the policy attributable to separate account
7 assets may only be computed as and when the assets are, by
8 their respective terms, either converted to cash or
9 otherwise dispersible by the insurer.

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11 (c) For purposes of this section, date of payment
12 shall include the date of the postmark stamped on an
13 envelope properly addressed and postage prepaid, containing
14 the payment.

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16 (d) The provisions of this section requiring the
17 payment of interest shall not apply to variable contracts
18 which provide for insurance or annuity benefits which may
19 vary according to the investment experience of any separate
20 account or accounts maintained by the insurer as to such
21 contract.

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1 **Section 2.** The provisions of this act shall apply to
2 any life insurance policy delivered, issued for delivery or
3 renewed in this state on or after July 1, 2020.

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5 **Section 3.** This act is effective July 1, 2020.

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(END)