

Insurance is an important feature of daily life, but it is also one of the least understood. This article is intended to provide some clarification, but it is only an overview. Specific insurance questions can be discussed with your agent, broker, or insurer. Additionally, you are welcome to contact the Wyoming Department of Insurance at 307-777-7401. *(Please understand that during the COVID19 pandemic, most of the Department of Insurance employees are working remotely so there may be some delay in responding to your questions.)*

The mission of the Department of Insurance (DOI) is to provide consumer protection through licensing, financial examination, investigation and resolution of consumer complaints, and review of insurance plans and policies for compliance with state law. In order to fulfill its mission, the DOI has diverse responsibilities including licensing and regulating insurance companies; licensing and regulating agents, brokers, adjusters, and consultants; and monitoring the insurance products that are sold in Wyoming. As part of its regulatory responsibilities, the DOI reviews and approves policy filings, investigates consumer complaints; monitors the financial condition of insurance companies, and collects taxes on the premiums charged by insurance companies on policies sold to Wyoming citizens.

For most insurance transactions, Wyoming laws require insurance companies to be licensed before selling their products or services in Wyoming. Part of the licensing requirements for an insurance company includes providing information regarding the company's accounting methods, procedures and financial solvency. This information is used by the DOI to ascertain whether the company is in good financial standing and able to pay claims in the event a claim is received. If the company meets the requirements of the Insurance Code, a Certificate of Authority is given to the company.

The insurance policy is the contract between a consumer and an insurance company. The insurance contract describes the insurance company's obligations to pay for certain expenses, damages, or losses incurred by the consumer. Policies may also limit coverage for certain losses as exclusions to what is covered. The Insurance Code requires that certain provisions be included in policies, and prohibits other provisions. The DOI reviews the policies used by insurance companies to ensure that they comply with the Wyoming Insurance Code.

A recent change to Wyoming Statute 26-5-103(a)(ii), changed the definition of disability insurance under the Insurance Code. The change to Wyoming Statute 26-5-103(a)(ii) states that disability insurance is now defined as "insurance of any kind on human beings against *Disablement or expense resulting from sickness, including*

*subscription or membership plans relating to air ambulance transport services.”* [Italics included as in the codified statutory provision.] The change to the statute was made during the 2019 Legislature, but the effective date of the new definition of disability insurance was delayed until April 1, 2020. This delay in the effective date provided time for companies selling air ambulance subscriptions to make the necessary changes to comply with the statutory change.

The jurisdiction of the DOI is defined in Wyo. Stat. §26-1-108. This statutory section says that any entity which provides insurance coverage in Wyoming is under the jurisdiction of the DOI, unless the entity can show that it is subject to the exclusive jurisdiction of another agency or the federal government. For example, employer-provided insurance under ERISA is regulated by the U.S. Department of Labor. Since air ambulance memberships are not under the exclusive jurisdiction of the U.S. Department of Labor or another regulatory entity, they fall within the jurisdiction of the DOI.

Since the DOI regulates insurance, including all disability insurance, all air ambulance memberships and subscriptions are now treated like all other disability insurance products. All other disability insurance products must be sold by licensed insurance companies, and those companies must meet all the requirements applicable to insurance companies contained in the Wyoming Insurance Code.

Companies selling air ambulance memberships and subscriptions must show that they are financially solvent so they can pay claims when a claim occurs, and they must file their policies with the DOI so the DOI can ensure the policies comply with Wyoming law. This statutory change also gave the DOI the ability to investigate complaints against the company, and to make sure that the company conducts itself in compliance with the various consumer protections contained in the Insurance Code. If the company does not comply with the Insurance Code, the DOI now has the ability to enforce compliance through an administrative action which could result in imposition of civil penalties, revocation of the company’s license to sell memberships and subscriptions, or both.