



Briefing Sheet for Wyoming Department of Insurance Notice of Opt Out by Regulation and Request to Stay the Effectiveness of Uniform Standards

- On April 24th, the Wyoming Insurance Department notified the Commission of its intent to opt out by regulation of the following Uniform Standards – Individual Disability Income Buy Sell Insurance Policy Standards and Individual Disability Income Key Person Replacement Insurance Uniform Standard (“IDI Standards”).
- The full Commission votes on a request for stay from a Compacting State.
- The Commission adopted these two IDI Standards at its March 24, 2023, meeting.
- The Compact Statute Article VII, and state enactments thereof, and the *Operating Procedure for Providing Notice of Opt Out of Uniform Standards by Regulation and for Submission and Consideration of Petitions for Stay of Uniform Standard* (“Opt-out Operating Procedure”) provide the process, rights and obligation for the opt out and stay process for staying the Uniform Standard’s effectiveness.
- The IDI Standards were promulgated to the members on April 11, 2023. They become effective for accepting filings on July 10, 2023.
- Under the procedures in the Compact Statute, a Compacting State has the right to opt out by regulation by providing notice to the Commission of its intent to opt out within 10 business days of promulgation, or in this case, by April 25th.
- Since the regulation-making process can take several weeks or months, the drafters of the Compact Statute included the ability to petition the Commission to grant to the Compacting State that is pursuing the opt-out, a stay of the effectiveness of the Uniform Standard. A stay avoids the inclusion of the opting-out state in a product filing before the opt-out is perfected.
- The stay periods are in 90-day increments and can be extended beyond 90 days if affirmatively agreed to by the Commission.
- In practice, regulation-making opt-outs have taken up to one year, if not longer. For this reason, Wyoming seeks a stay of the effectiveness of these two IDI Standards of up to one year with regular reporting on its progress to the Commission.
- The Commission has precedent, including when Wyoming opted out of other individual disability income Uniform Standards, of granting a stay longer than 90 days. Wyoming was granted the requested 120- and 180-day stays in conjunction with that opt-out.

- Wyoming is opting out of the individual disability income Uniform Standards due to conflicts with state law with respect to pre-existing condition requirements, including look-back and limitation periods with state law.