

State of Wisconsin



2023 Assembly Bill 437

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2023 WISCONSIN ACT 212

AN ACT *to repeal* 49.45 (12) (a), 601.41 (8), 601.41 (10), 601.415 (12), 601.56, 601.57, 628.92 (5) and 635.10; *to renumber and amend* 601.64 (3) (c); *to amend* 15.165 (3) (b) 9., 49.45 (12) (b), 601.415 (3), 601.63 (2), 628.10 (2) (b), 646.11 (2), 646.51 (1m), 646.51 (3) (am), 646.51 (3) (ar) and 646.51 (3) (b); and *to create* 601.41 (13), 601.465 (1m) (c) 9m., 601.64 (3) (c) 2. a., b. and c., 609.98 (5), 611.12 (5), 613.12 (4) and 646.13 (2) (h) of the statutes; **relating to:** various changes to insurance laws and providing a penalty.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 15.165 (3) (b) 9. of the statutes is amended to read:

15.165 (3) (b) 9. The commissioner of insurance or an experienced actuary in the office of the commissioner designated by the commissioner the commissioner's designee under s. 601.415 (3).

SECTION 2. 49.45 (12) (a) of the statutes is repealed.

SECTION 3. 49.45 (12) (b) of the statutes is amended to read:

49.45 (12) (b) If the commissioner of insurance promulgates rules under s. 601.57 (2), 2021 stats. establishing a health insurance identification card system and its computerized support system, the department shall develop a plan to coordinate a system of machine-readable identification cards for medical assistance recipients with the systems established by the commissioner and shall submit the plan to the governor, and to the legislature under s. 13.172 (2), before issuing a request for proposals under par. (c).

SECTION 4. 601.41 (8) of the statutes is repealed.

SECTION 5. 601.41 (10) of the statutes is repealed.

SECTION 6. 601.41 (13) of the statutes is created to read:

601.41 (13) INTERSTATE REGULATORY REVIEWS; CONSULTANT CONTRACTS. Notwithstanding ss. 16.70 to 16.78, the commissioner may enter into a contract for the services of a consultant if all of the following apply:

(a) The office and the insurance department of another state are coordinating a review on a regulatory matter.

(b) The other state's insurance department has already procured the services of the consultant.

SECTION 7. 601.415 (3) of the statutes is amended to read:

601.415 (3) WISCONSIN RETIREMENT BOARD. The commissioner or ~~an experienced actuary~~ the deputy commissioner, chief legal counsel, or chief financial regulator in the office designated by the commissioner shall serve as a member of the Wisconsin retirement board under s. 15.165 (3) (b).

SECTION 8. 601.415 (12) of the statutes is repealed.

SECTION 9. 601.465 (1m) (c) 9m. of the statutes is created to read:

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

601.465 (1m) (c) 9m. The security fund created under ch. 646.

SECTION 10. 601.56 of the statutes is repealed.

SECTION 11. 601.57 of the statutes is repealed.

SECTION 12. 601.63 (2) of the statutes is amended to read:

601.63 (2) NOTIFICATION TO AGENTS OF REVOCATION OF CERTIFICATE OF AUTHORITY OF INSURER. Upon issuance of any order ~~limiting, suspending or~~ revoking an insurer's authority to do business in this state, the ~~commissioner~~ insurer shall within 10 business days and by separate written notice notify ~~by mail all agents of~~ appointed with the insurer of whom and shall provide a copy of the notice to the commissioner has record. The commissioner shall also publish ~~a class 4 notice of the order under ch. 985~~ revocation in whatever reasonable form the commissioner designates.

SECTION 13. 601.64 (3) (c) of the statutes is renumbered 601.64 (3) (c) 1. and amended to read:

601.64 (3) (c) 1. Whoever violates an insurance statute or rule or s. 149.13, 2011 stats., intentionally aids a person in violating an insurance statute or rule or s. 149.13, 2011 stats., or knowingly permits a person over whom he or she has authority to violate an insurance statute or rule or s. 149.13, 2011 stats., shall forfeit to the state not more than \$1,000 for each violation, ~~except that,~~

2. Notwithstanding subd. 1., whoever violates an insurance statute or rule, intentionally aids a person in violating an insurance statute or rule, or knowingly permits a person over whom he or she has authority to violate an insurance statute or rule shall, ~~if the violation specifically involves a consumer who is an adult at risk, as defined in s. 55.01 (1e), or an individual who is at least 60 years of age,~~ forfeit to the state not more than \$5,000 for each violation. if any of the following applies:

3. If the statute or rule violated under subd. 1. or 2. imposes a duty to make a report to the commissioner, each week of delay in complying with the duty is a new violation.

SECTION 14. 601.64 (3) (c) 2. a., b. and c. of the statutes are created to read:

601.64 (3) (c) 2. a. The violation specifically involves a consumer who is an adult at risk, as defined in s. 55.01 (1e).

b. The violation specifically involves an individual who is at least 60 years of age.

c. The violation involves or constitutes fraud or misrepresentation.

SECTION 15. 609.98 (5) of the statutes is created to read:

609.98 (5) FAMILY CARE PROGRAM; DEPOSIT REQUIRED.
(a) In this subsection, "family care program" means the program under ss. 46.2805 to 46.2895 that provides the family care benefit, as defined in s. 46.2805 (4).

(b) A health maintenance organization participating in the family care program is subject to s. 648.75.

SECTION 16. 611.12 (5) of the statutes is created to read:

611.12 (5) FORUM SELECTION PROVISIONS. Section 180.0145 applies to stock corporations, and s. 181.0163 applies to mutuals.

SECTION 16m. 613.12 (4) of the statutes is created to read:

613.12 (4) FORUM SELECTION PROVISIONS. The articles or bylaws of a service insurance corporation may require, consistent with applicable jurisdictional requirements, that any or all claims pertaining to the internal affairs of the service insurance corporation shall be brought solely and exclusively in the courts in this state.

SECTION 17. 628.10 (2) (b) of the statutes is amended to read:

628.10 (2) (b) *For other reasons.* Except as provided in pars. (c) to (d), after a hearing, the commissioner may revoke, suspend, or limit in whole or in part the license of any intermediary or individual navigator if the commissioner finds that the licensee is unqualified as an intermediary or navigator, is not ~~of good character~~ competent or trustworthy under s. 628.04 (1) (b) 2., or has repeatedly or knowingly violated an insurance statute or rule or a valid order of the commissioner under s. 601.41 (4), or if the intermediary's or navigator's methods and practices in the conduct of business endanger, or financial resources are inadequate to safeguard, the legitimate interests of customers and the public. Nothing in this paragraph limits the authority of the commissioner to suspend summarily an intermediary's or individual navigator's license under s. 227.51 (3).

SECTION 18. 628.92 (5) of the statutes is repealed.

SECTION 19. 635.10 of the statutes is repealed.

SECTION 20. 646.11 (2) of the statutes is amended to read:

646.11 (2) ACCOUNTS. The fund shall be composed of ~~6~~ 5 segregated accounts, one for life insurance, ~~one for~~ and annuities, one for disability insurance other than policies issued or coverage provided by a health maintenance organization insurer, one for health maintenance organization insurers, one for all other kinds of insurance subject to this chapter, and an administrative account.

SECTION 21. 646.13 (2) (h) of the statutes is created to read:

646.13 (2) (h) Negotiate and contract with other guaranty associations to provide and receive administrative, claims, and other services that are usual to guaranty associations.

SECTION 22. 646.51 (1m) of the statutes is amended to read:

646.51 (1m) DUTY TO ASSESS. ~~As soon as practicable~~ To meet the board's obligations under this chapter, after a liquidation order has been issued, the board shall estimate separately for each of the accounts of s. 646.11 (2) and separately for life insurance policies and for annuity contracts in the life insurance and annuities account, the

amounts necessary to make the payments provided by this chapter ~~and~~. The board shall authorize assessments separately for each account and separately for life insurance policies and for annuity contracts in the life insurance and annuities account.

SECTION 23. 646.51 (3) (am) of the statutes is amended to read:

646.51 (3) (am) *General.* Except as provided in pars. (ar), (b), and (c), ~~the board shall calculate the~~ assessments shall be calculated as a percentage of ~~premium premiums~~ written in this state by each insurer in the classes protected by the accounts under s. 646.11 (2) for the year immediately preceding the year in which the board authorizes the assessment is authorized by the board.

SECTION 24. 646.51 (3) (ar) of the statutes is amended to read:

646.51 (3) (ar) *Disability.* Except as provided in par. (c), with respect to the disability insurance policies, including policies issued by account under s. 646.11 (2) and the health maintenance organization insurers, account under s. 646.11 (2), the board shall calculate the assessments shall be calculated as a percentage of ~~pre-mium premiums~~ written in this state by each insurer in the classes protected by the accounts for the year immedi-ately preceding the year in which the board authorizes the

~~assessment is authorized by the board.~~ If the assessment data for the year immediately preceding the year in which the board authorizes the assessment is ~~authorized by the~~ board is not available when the assessment is called, the ~~fund~~ board may use the assessment data for the most recent year for which data is available.

SECTION 25. 646.51 (3) (b) of the statutes is amended to read:

646.51 (3) (b) *Life and annuities.* Except as provided in par. (c), with respect to ~~annuity contracts or life insur-ance policies,~~ assessments shall be calculated the life insurance and annuities account under s. 646.11 (2), the board shall calculate the assessments separately for life insurance policies and for annuity contracts as a percent-age of ~~average annual premium premiums~~ received in this state by each insurer in the classes protected by the ~~accouunts~~ account for the ~~3~~ most recent years year imme-diatly preceding the year of the entry of the order of liq-uidation in which the board authorizes the assessment. If the assessment data for the year immediately preceding the year in which the board authorizes the assessment is not available when the assessment is called, the board may use the assessment data for the most recent year for which data is available.