

1979 Assembly Bill 1207

Date published: May 7, 1980

## CHAPTER 218, Laws of 1979

AN ACT to create 631.20 (2) (e) and 631.22 of the statutes, relating to plain language and legibility requirements for insurance policies, granting rule-making authority and providing a penalty.

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

SECTION 1. 631.20 (2) (e) of the statutes is created to read:

631.20 (2) (e) That its use would violate s. 631.22.

SECTION 2. 631.22 of the statutes is created to read:

**631.22 Consumer insurance policy readability.** (1) In this section "consumer insurance policy" means a life, disability, property or casualty insurance policy, or a certificate or a substitute for a certificate for group life, disability, property or casualty insurance coverage, which is issued to a person for a personal, family or household purpose and a copy of which is customarily, in the insurance industry, delivered or is required by law, rule or agreement to be delivered to the person obtaining insurance coverage.

(2) An insurer may provide a consumer insurance policy which is delivered to a person obtaining insurance coverage and is not exempt under sub. (5) only if the consumer insurance policy is coherent, written in commonly understood language, legible, appropriately divided and captioned by its various sections and presented in a meaningful sequence. The

commissioner shall promulgate rules establishing standards for the determination of compliance with this subsection.

(3) This section does not apply to specific language or format required by state or federal law, rule or regulation.

(4) This section applies only to consumer insurance policies delivered on or after the date which is 6 months after the effective date of this act (1979) except the commissioner may provide by rule that this section will not apply to specific types of consumer insurance policies until a later date which is not later than the date which is 2 years after the effective date of this act (1979) if the commissioner determines that delayed application is necessary to prevent an unreasonable burden upon insurers issuing those types of consumer insurance policies.

(5) The commissioner may by rule exempt a type of consumer insurance policy from the application of this section if the commissioner finds that type of consumer insurance policy is generally understood by persons to whom it is delivered or that those persons are otherwise adequately protected.

(6) A violation of this section does not void or render voidable any portion of an insurance policy and is not a defense to an action under the insurance policy.

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