

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0153/1dn
PJK:cmh:km

October 25, 1999

Most of the changes suggested in the instructions for what will be a substitute amendment to AB-392 were incorporated. Please note especially the following changes, which are different from either the proposed draft or the instructions for the draft:

1. Section 631.17 is created to expand the application of the requirement to provide written reasons for a denial of coverage. (Note also the changes to ss. 185.981 (4t) and 185.983 (1) (intro.), the creation of s. 609.89 and the deletion of s. 631.95 (5) to reflect this change.)
2. Note the change in the language of s. 631.95 (3) (b) (intro.) and (c) (intro.). The sources of information are expanded to include the applicant, insured and policyholder.
3. Immunity for life insurers is expanded to apply to all insurers under s. 631.95 (4).
4. Section 631.95 (6) (a) still prohibits use of the specified information but subd. 2. has been deleted (regarding medical condition information).
5. Section 631.95 (3) (a) 6. and (b) 4. do not include the phrase "or otherwise performing an insurance-related function" because it is too broad.
6. See changes in s. 631.95 (6) (a) and (b) to keep it more parallel with the language of s. 631.95 (3) (b) and (c).
7. Disclosing information to the policyholder or assignee is included under s. 631.95 (6) (c) 2., as disclosure for a valid business purpose. The last clause in the proposed language was left out as unnecessary and "in the course of delivery" was changed to "as a result of delivery" because it is, I think, more accurate.

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