



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBs0153/2  
PJK:cmh:km

rm is run

ASSEMBLY SUBSTITUTE AMENDMENT,  
TO 1999 ASSEMBLY BILL 392

needed by  
1pm if possible  
D-note  
see p 5

Regen  
cat

1 AN ACT to amend 40.51 (8), 40.51 (8m), 185.981 (4t) and 185.983 (1) (intro.); and  
2 to create 111.91 (2) (kc), 609.89, 609.90, 631.17 and 631.95 of the statutes;  
3 relating to: prohibiting certain insurance practices on the basis of domestic  
4 abuse, providing written reasons for coverage denial and prohibiting collective  
5 bargaining by the state with respect to the prohibitions.

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

6 SECTION 1. 40.51 (8) of the statutes, as affected by 1997 Wisconsin Act 27,  
7 section 1324m, is amended to read:

8 40.51 (8) Every health care coverage plan offered by the state under sub. (6)  
9 shall comply with ss. 631.89, 631.90, 631.93 (2), 631.95, 632.72 (2), 632.746 (1) to (8)  
10 and (10), 632.747, 632.748, 632.87 (3) to (5), 632.895 (5m) and (8) to (13) and 632.896.

11 SECTION 2. 40.51 (8m) of the statutes, as affected by 1997 Wisconsin Act 27,  
12 section 1325m, is amended to read:

1           40.51 (8m) Every health care coverage plan offered by the group insurance  
2 board under sub. (7) shall comply with ss. 631.95, 632.746 (1) to (8) and (10), 632.747  
3 and, 632.748 and 632.895 (11) to (13).

4           **SECTION 3.** 111.91 (2) (kc) of the statutes is created to read:

5           111.91 (2) (kc) Compliance with the insurance requirements under s. 631.95.

6           **SECTION 4.** 185.981 (4t) of the statutes, as affected by 1997 Wisconsin Act 27,  
7 section 3133m, is amended to read:

8           185.981 (4t) A sickness care plan operated by a cooperative association is  
9 subject to ss. 252.14, 631.17, 631.89, 631.95, 632.72 (2), 632.745 to 632.749, 632.87  
10 (2m), (3), (4) and (5), 632.895 (10) to (13) and 632.897 (10) and chs. 149 and 155.

11           **SECTION 5.** 185.983 (1) (intro.) of the statutes, as affected by 1997 Wisconsin  
12 Act 27, section 3134m, is amended to read:

13           185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be  
14 exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41,  
15 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.17, 631.89, 631.93,  
16 631.95, 632.72 (2), 632.745 to 632.749, 632.775, 632.79, 632.795, 632.87 (2m), (3), (4)  
17 and (5), 632.895 (5) and (9) to (13), 632.896 and 632.897 (10) and chs. 609, 630, 635,  
18 645 and 646, but the sponsoring association shall:

19           **SECTION 6.** 609.89 of the statutes is created to read:

20           **609.89 Written reason for coverage denial.** Limited service health  
21 organizations, preferred provider plans and managed care plans are subject to s.  
22 631.17.

23           **SECTION 7.** 609.90 of the statutes is created to read:

1           **609.90 Restrictions related to domestic abuse.** Limited service health  
2 organizations, preferred provider plans and managed care plans are subject to s.  
3 631.95.

4           **SECTION 8.** 631.17 of the statutes is created to read:

5           **631.17 Written reason for coverage denial.** An insurer that denies  
6 coverage under an individual or group insurance policy or a certificate of group  
7 insurance shall advise the applicant or proposed insured in writing of the reasons for  
8 the denial.

9           **SECTION 9.** 631.95 of the statutes is created to read:

10           **631.95 Restrictions on insurance practices; domestic abuse. (1)**

11           **DEFINITIONS.** In this section:

- 12           (a) "Abuse" has the meaning given in s. 813.122 (1) (a).  
13           (b) "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).  
14           (c) "Domestic abuse" has the meaning given in s. 968.075 (1) (a).

15           **(2) GENERAL PROHIBITIONS.** Except as provided in sub. (3), an insurer may not  
16 do any of the following:

17           (a) Refuse to provide or renew coverage to a person, or cancel a person's  
18 coverage, under an individual or group insurance policy or a certificate of group  
19 insurance on the basis that the person has been, or the insurer has reason to believe  
20 that the person is, a victim of abuse or domestic abuse or that a member of the  
21 person's family has been, or the insurer has reason to believe that a member of the  
22 person's family is, a victim of abuse or domestic abuse.

23           (b) Refuse to provide or renew coverage to an employer or other group, or cancel  
24 an employer's or other group's coverage, under a group insurance policy on the basis  
25 that an employe or other group member has been, or the insurer has reason to believe

1 that an employe or other group member is, a victim of abuse or domestic abuse or that  
2 a member of an employe's or other group member's family has been, or the insurer  
3 has reason to believe that a member of an employe's or other group member's family  
4 is, a victim of abuse or domestic abuse.

5 (c) Use as a factor in the determination of rates or any other aspect of insurance  
6 coverage under an individual or group insurance policy or a certificate of group  
7 insurance the knowledge or suspicion that a person or an employe or other group  
8 member has been or is a victim of abuse or domestic abuse or that a member of the  
9 person's or an employe's or other group member's family has been or is a victim of  
10 abuse or domestic abuse.

11 (d) Under an individual or group disability insurance policy or a certificate of  
12 group disability insurance, exclude or limit coverage of, or deny a claim for, health  
13 care services or items related to the treatment of injury or disease resulting from  
14 abuse or domestic abuse on the basis that a person or an employe or other group  
15 member has been, or the insurer has reason to believe that a person or an employe  
16 or other group member is, a victim of abuse or domestic abuse or that a member of  
17 the person's or an employe's or other group member's family has been, or the insurer  
18 has reason to believe that a member of the person's or an employe's or other group  
19 member's family is, a victim of abuse or domestic abuse.

20 (e) Under an individual or group life insurance policy or a certificate of group  
21 life insurance, deny or limit benefits in the event that the death of the person whose  
22 life is insured results from abuse or domestic abuse on the basis that the person  
23 whose life is insured has been, or the insurer has reason to believe that the person  
24 whose life is insured is, a victim of abuse or domestic abuse or that a member of the  
25 family of the person whose life is insured has been, or the insurer has reason to

1 believe that a member of the family of the person whose life is insured is, a victim  
2 of abuse or domestic abuse.

3 (f) Under a property and casualty insurance policy, deny a claim of an insured  
4 ~~on the basis that the damages to which the claim relates were caused by an~~  
5 ~~intentional act, including abuse or domestic abuse, committed by another person,~~  
6 ~~regardless of whether that other person is also an insured. If the intentional act was~~  
7 ~~committed for the purpose of obtaining insurance proceeds, this paragraph applies~~  
8 ~~only if the insured making the claim had no knowledge that the other person~~  
9 ~~intended to commit the intentional act.~~

10 (3) EXCEPTIONS AND QUALIFICATIONS RELATED TO PROHIBITIONS. (a) *Individual*  
11 *disability insurance.* In establishing premiums for an individual disability  
12 insurance policy, an insurer may inquire about a person's existing medical condition  
13 and, based on the opinion of a qualified actuary, as defined in s. 623.06 (1c), use  
14 information related to a person's existing medical condition, regardless of whether  
15 that condition is or may have been caused by abuse or domestic abuse.

16 (b) *Life insurance.* With respect to an individual or group life insurance policy  
17 or a certificate of group life insurance, an insurer may, on the basis of information  
18 in medical, law enforcement or court records, or on the basis of information provided  
19 by the insured, policyholder or applicant for insurance, do any of the following:

20 1. Deny or limit benefits under such a policy or certificate to a beneficiary who  
21 is the perpetrator of abuse or domestic abuse that results in the death of the insured.

22 2. Refuse to issue such a policy or certificate that names as a beneficiary a  
23 person who is or was, or who the insurer has reason to believe is or was, a perpetrator  
24 of abuse or domestic abuse against the person who is to be the insured under the  
25 policy.

Insert 5-9

1           3. Refuse to name as a beneficiary under such a policy or certificate a person  
2 who is or was, or who the insurer has reason to believe is or was, a perpetrator of  
3 abuse or domestic abuse against the insured under the policy.

4           4. Refuse to issue such a policy or certificate to a person who is or was, or who  
5 the insurer has reason to believe is or was, a perpetrator of abuse or domestic abuse  
6 against the person who is to be the insured under the policy.

7           5. Refuse to issue such a policy or certificate to a person who lacks an insurable  
8 interest in the person who is to be the insured under the policy.

9           6. For purposes of administering a claim under, or underwriting, such a policy  
10 or certificate, inquire about and use information related to a person's medical history  
11 or existing medical condition, regardless of whether that condition is or may have  
12 been caused by abuse or domestic abuse. Any adverse underwriting decision based  
13 on a person's medical history or medical condition must be made in conformance with  
14 sound actuarial principles or otherwise supported by actual or reasonably  
15 anticipated experience.

16           (c) *Disability income or long-term care insurance.* With respect to an individual  
17 or group disability income or long-term care insurance policy or a certificate of group  
18 disability income or long-term care insurance, an insurer may, on the basis of  
19 information in medical, law enforcement or court records, or on the basis of  
20 information provided by the insured, policyholder or applicant for insurance, do any  
21 of the following:

22           1. Refuse to name as a beneficiary under such a policy or certificate a person  
23 who is or was, or who the insurer has reason to believe is or was, a perpetrator of  
24 abuse or domestic abuse against the insured under the policy.

1           2. Refuse to issue such a policy or certificate to a person who is or was, or who  
2 the insurer has reason to believe is or was, a perpetrator of abuse or domestic abuse  
3 against the person who is to be the insured under the policy.

4           3. Refuse to issue such a policy or certificate to a person who lacks an insurable  
5 interest in the person who is to be the insured under the policy.

6           4. For purposes of underwriting, establishing premiums for or administering  
7 a claim under such a policy or certificate, inquire about and use information related  
8 to a person's medical history or existing medical condition, regardless of whether  
9 that condition is or may have been caused by abuse or domestic abuse. Any adverse  
10 underwriting decision based on a person's medical history or medical condition must  
11 be made in conformance with sound actuarial principles or otherwise supported by  
12 actual or reasonably anticipated experience.

13           (4) IMMUNITY FOR INSURERS. An insurer is immune from any civil or criminal  
14 liability for any action taken under sub. (3) or for the death of, or injury to, an insured  
15 that results from abuse or domestic abuse.

16           (6) USE AND DISCLOSURE OF ABUSE INFORMATION. (a) Except as provided in pars.  
17 (c) and (d) and sub. (3), no person employed by or contracting with an insurer may  
18 use, disclose or transfer information related to any of the following:

19           1. Whether an insured or applicant for insurance or a member of the insured's  
20 or applicant's family, or whether an employe or other group member of an insured  
21 or applicant for insurance or a member of the employe's or other group member's  
22 family, is or has been, or is with reason believed by the person employed by or  
23 contracting with the insurer to be or to have been, a victim of abuse or domestic  
24 abuse.

1           3. Whether an insured or applicant for insurance, or whether an employe or  
2 other group member of an insured or applicant for insurance, is a family member or  
3 associate of, or a person in a relationship with, a person who is or has been, or who  
4 the person employed by or contracting with the insurer has reason to believe is or has  
5 been, a victim of abuse or domestic abuse.

6           4. Whether an insured or an applicant for insurance is an employer of a person  
7 who is or has been, or who the person employed by or contracting with the insurer  
8 has reason to believe is or has been, a victim of abuse or domestic abuse.

9           (b) Except as provided in pars. (c) and (d), a person employed by or contracting  
10 with an insurer may not disclose or transfer information related to the telephone  
11 number or address or other location of any of the following individuals, if the person  
12 knows that the individual is or has been, or has reason to believe that the individual  
13 is or has been, a victim of abuse or domestic abuse:

14           1. An insured.

15           2. An applicant for insurance.

16           3. An employe of an insured or of an applicant for insurance.

17           4. A group member of an insured or of an applicant for insurance.

18           5. A member of the family of any of the individuals listed in subs. 1. to 4.

19           (c) Paragraphs (a) and (b) do not apply if the use, disclosure or transfer of the  
20 information is made with the consent of the individual to whom the information  
21 relates or if the use, disclosure or transfer satisfies any of the following:

22           1. Is for a purpose related to the direct provision of health care services.

23           2. Is for a valid business purpose, including the disclosure or transfer of the  
24 information to any of the following:

25           a. A reinsurer.



1           b. A party to a proposed or consummated sale, transfer, merger or consolidation  
2 of all or part of the business of the insurer.

3           c. Medical, underwriting or claims personnel under contract or affiliated with  
4 the insurer.

5           d. An attorney representing the interests of the insurer.

6           e. The policyholder or policyholder's assignee as a result of delivery of the  
7 policy.

8           3. Is in response to legal process.

9           4. Is required by a court order or an order of an entity with authority to regulate  
10 insurance, or is otherwise required by law.

11           5. Is required or authorized by the commissioner by rule.

12           (d) Nothing in this subsection limits or precludes an insured or an applicant  
13 for insurance, or an employe or other group member of an insured or applicant for  
14 insurance, from obtaining his or her own insurance records from an insurer.

15           **SECTION 10. Initial applicability.**

16           (1) This act first applies to all of the following:

17           (a) Except as provided in paragraph (b), policies or certificates that are issued,  
18 renewed or applied for, whichever is appropriate, on the effective date of this  
19 paragraph.

20           (b) Policies or certificates covering employes who are affected by a collective  
21 bargaining agreement containing provisions inconsistent with this act that are  
22 issued, renewed or applied for, whichever is appropriate, on the earlier of the  
23 following:

24           1. The day on which the collective bargaining agreement expires.



**1999-2000 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBs0153/2ins  
PJK:cmh:km

**INSERT 5-9**

9 (f) Under a property and casualty insurance policy that excludes coverage for loss or damage to property resulting from intentional acts, deny payment to an insured for a claim based on property loss or damage resulting from an act, or pattern, of abuse or domestic abuse if that insured did not cooperate in or contribute to the creation of the loss or damage and if the person who committed the act or acts that caused the loss or damage is criminally prosecuted for the act or acts. Payment to the innocent insured may be limited in accordance with his or her ownership interest in the property or reduced by payments to a mortgagee or other holder of a secured interest.

**(END OF INSERT 5-9)**

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBs0153/2dn  
FJK:cmh:km

DATE

1. I'm pretty sure they meant "mortgagee" (a bank, for example) instead of "mortgagor" (who would probably be the innocent insured himself or herself).

2. I did not describe the innocent insured as a co-insured. I did not think it was their intention to impose a requirement that the person be a co-insured with another person, including the abuser.

3. Another ~~problematic phrase~~ in this language, which you probably noticed, is that the innocent party must not have *contributed* to the creation of the loss or damage. I can see objections to that based on the fear that, for example, staying in a relationship with an abusive partner might be considered contributing to one's own abuse.

problem with

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: Pam.Kahler@legis.state.wi.us

and,  
therefore,  
property  
loss

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBs0153/2dn  
PJK:cmh:mrc

October 26, 1999

1. I'm pretty sure they meant "mortgagee" (a bank, for example) instead of "mortgagor" (who would probably be the innocent insured himself or herself).
2. I did not describe the innocent insured as a co-insured. I did not think it was their intention to impose a requirement that the person be a co-insured with another person, including the abuser.
3. Another problem with this language, which you probably noticed, is that the innocent party must not have *contributed* to the creation of the loss or damage. I can see objections to that based on the fear that, for example, staying in a relationship with an abusive partner might be considered contributing to one's own abuse and, therefore, property loss.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: Pam.Kahler@legis.state.wi.us

7-9836

for redraft of sub to AB 392 →

(S0153/3)

add "in group" in 631.95(3)(a)

substitute bolded language

for 631.95(3)(b) 6.

send e-mail of draft to Rich

## Kahler, Pam

---

**From:** Williams, Ritch  
**Sent:** Thursday, November 11, 1999 3:32 PM  
**To:** Kahler, Pam  
**Subject:** AB 392 Suggestions

Pam -

I wanted to follow up with the suggested changes that the life insurers imply will garner their support for AB 392 (or at least they won't oppose it). It goes back to the language they suggested in their letter in point 3. They suggested "insurance-related functions" and we all had concerns as to exactly what that phrase may entail. They have responded to our request for a suggested definition of that phrase, but there are two choices: one simple and one very detailed. Here they are:

Insurance transaction: "the determination of an individual's eligibility for an insurance coverage, benefit or payment, or the servicing of an insurance application, policy, contract, or certificate."

I guess the idea is that we would keep their suggested language which talked about an "insurance-related function" or "insurance transaction" and use the definition above. It is taken from "an earlier NAIC model privacy act." The next suggestion is more detailed and comes from the "new" NAIC medical records privacy act. In it, the "carrier's insurance functions" are defined as follows:

Carrier's insurance functions: "claims administration, claims adjustment and management, fraud investigation, underwriting, loss control, rate-making functions, reinsurance, risk management, case management, disease management, quality assessment, quality improvement, provider credentialing verification, utilization review, peer review activities, grievance procedures, and internal administration of compliance, managerial, information systems, and policyholder service functions. Additional insurance functions may be allowed with the prior approval of the commissioner."

The life insurers stated in their email to me that either one of these would work for them or the original language that they had suggested. Representative Cullen and I would like to modify the substitute amendment in this manner:

\*\*LRBs0153/2, page 6, lines 11 - ?

***631.95 (3)(b)(6): For purposes of administering a claim under, underwriting, or determining an individual's eligibility for an insurance coverage, benefit, or payment, or servicing an insurance application, policy, contract, or certificate, inquire about and use information related to a person's medical history or existing medical condition, regardless of whether that condition is or may have been caused by abuse or domestic abuse. Any adverse underwriting decision based on a person's medical history or medical condition must be made in conformance with sound actuarial principles or otherwise supported by actual or reasonably anticipated experience.***

As you can see, this is incorporating the beginning of the current language in the sub. and combining it with the "old" NAIC model language that the industry feels it can support. Representative Cullen and I would like to know your opinion of this suggested change.

Finally, I would like to once again point out a change the I IMO Association would like to make in the bill. Both Representative Cullen and I would like to know how this proposed change would affect the bill and would like to know your opinion of it. I understand that you can not advocate a position and simply ask for an analysis of what the change would actually mean as far as the bill is concerned. Here is their suggestion:

LRBs0153/2, page 5, lines 12 - ?

***(3) Exceptions and Qualifications Related to Prohibitions. (a) Individual and group disability insurance. In establishing premiums for an individual or group disability insurance policy...."***

Thanks once again (and in advance) for all your help,  
Ritch Williams  
Office of Rep. Cullen  
7-9836

**Kahler, Pam**

---

To: Williams, Ritch  
Subject: AB 392

Ritch:

1. To be honest with you, the suggested change is probably an improvement, but I still have some concerns. I think there are some redundancies. I think, in practice, administering a claim is very close to, if not the same as, determining an individual's eligibility for a payment. I think, in practice, underwriting is very close to, if not the same as, determining an individual's eligibility for insurance coverage or an insurance benefit, and it may also be the same as servicing an insurance application. I'm not exactly sure what "servicing" an application (or a policy, contract or certificate) is. "Servicing" seems to be about as vague as the original suggested language (any other insurance-related functions). "Servicing" *may* be an insurance term that has a very specific, technical, generally-accepted meaning, but I don't know what that is. As you can appreciate, exceptions to the rule should be specific. It would be good to get the opinion of an expert in the field on which phrases are redundant and on what specific functions could be substituted, if possible, for the term "servicing".

2. This change does not strike me as problematic. For very large groups, such as all state employees, insurers do not even consider each person's medical condition because, statistically, the size of the group ensures that those in good health balance out those with health problems. Additionally, considering each person's medical condition would be administratively burdensome. For smaller groups, just one or a few individuals with major health problems could outweigh those with good health to such an extent that the premium per individual needs to be higher than the premium per individual for large groups. The language of s. 631.95 (3) (a) allows an insurer to inquire about medical condition and use that information, based on an actuary's opinion, for the purpose of establishing premiums. In addition, the prohibition under s. 631.95 (2) (c) would still apply because the two are not mutually exclusive. Thus, the insurer could inquire about medical condition and use that information to establish rates, but the insurer may consider only *existing* medical condition, must base the determination on an actuary's opinion and may not use the suspicion (or knowledge) that a person is (and may again be) a victim of domestic abuse. Certainly for small groups, knowing the medical conditions of the group members is as legitimate a concern as it is for individual policies. For large groups, it is doubtful that considering each person's medical condition would be cost-effective and so probably would not be done.

I hope this helps. These are only my opinions. Let me know if you have any other questions.

++++  
Pamela J. Kahler  
Legislative Attorney  
Legislative Reference Bureau  
(608) 266-2682



## Kahler, Pam

---

**From:** Williams, Ritch  
**Sent:** Thursday, November 11, 1999 3:32 PM  
**To:** Kahler, Pam  
**Subject:** AB 392 Suggestions

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I guess the idea is that we would keep their suggested language which talked about an "insurance-related function" or "insurance transaction" and use the definition above. It is taken from "an earlier NAIC model privacy act." The next suggestion is more detailed and comes from the "new" NAIC medical records privacy act. In it, the "carrier's insurance functions" are defined as follows:

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As you can see, this is incorporating the beginning of the current language in the sub. and combining it with the "old" NAIC model language that the industry feels it can support. Representative Cullen and I would like to know your opinion of this suggested change.

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LRBs0153/2, page 5, lines 12 - ?

**(3) Exceptions and Qualifications Related to Prohibitions. (a) Individual and group disability insurance. In establishing premiums for an individual or group disability insurance policy...."**

Thanks once again (and in advance) for all your help,  
Ritch Williams  
Office of Rep. Cullen  
7-9836

## Kahler, Pam

---

**From:** Williams, Ritch  
**Sent:** Thursday, December 02, 1999 11:19 AM  
**To:** Kahler, Pam  
**Subject:** FW: Comments on proposed 631.95 (3)(b)(6)

Pam -

Here's the response for which we were kept waiting for a month. Seems as though it will be difficult to come up with a definition for "servicing" without leaving out something that will delay everything another year or two, so let's go with what we have (minus the word "under" per Steve's note). Then, I'd suggest drafting the Senate companion for Sen. Burke using the latest version of the substitute amendment. Hopefully, this should get us over the hump and allow the bill to move forward.

Thanks again for all your help, Pam.

Ritch

-----Original Message-----

**From:** [steveradke@northwesternmutual.com](mailto:steveradke@northwesternmutual.com) [<mailto:steveradke@northwesternmutual.com>] <<mailto:steveradke@northwesternmutual.com>>  
**Sent:** Thursday, December 02, 1999 10:53 AM  
**To:** [ritch.williams@legis.state.wi.us](mailto:ritch.williams@legis.state.wi.us)  
**Subject:** Comments on proposed 631.95 (3)(b)(6)

Ritch:

I apologize for the delay, but here are a few thoughts following up on your e-mail of November 16.

According to your e-mail one of the last questions Rep. Cullen and Pam have is what constitutes "servicing." They are fearful that this still might be a bit too broad. We are unaware of any general definition of "servicing" in any statutes. However, at most insurance companies, once a policy is issued a policyowner is beginning what we hope will be a very long relationship with the insurer. Servicing a policy could include any number of inquiries and transactions including adding or terminating a benefit, changing the type of coverage, increasing or decreasing coverage, splitting the policy, etc., term conversions, exercising options, changing beneficiaries, changing ownership, assignments, loans, surrenders, producing annual policy statements, etc. While some of these changes would not require a re-analysis of medical information, others clearly would.

One other note on the proposed section you sent. The first sentence reads "For purposes of administering a claim under, underwriting, or determining..." It appears to us that the word "under" is no longer needed. In an earlier version, the section read "For purposes of administering a claim under, or underwriting, such a policy..." In this version the "under" was appropriate, but given subsequent changes that word no longer appears to fit quite properly and nothing would be lost by deleting it. Let me know if I am missing something here.

Other than that, we are fine with the new language. Please let me know if you have additional questions about "servicing."

Again, I apologize for the delay in getting these comments back to you.

Steve



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBs0153/3  
PJK:cmh:mrc

rm is new

ASSEMBLY SUBSTITUTE AMENDMENT,  
TO 1999 ASSEMBLY BILL 392

SDOW  
(Thurs - 12-7)

regen  
cost

1 AN ACT *to amend* 40.51 (8), 40.51 (8m), 185.981 (4t) and 185.983 (1) (intro.); and  
2 *to create* 111.91 (2) (kc), 609.89, 609.90, 631.17 and 631.95 of the statutes;  
3 **relating to:** prohibiting certain insurance practices on the basis of domestic  
4 abuse, providing written reasons for coverage denial and prohibiting collective  
5 bargaining by the state with respect to the prohibitions.

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

6 SECTION 1. 40.51 (8) of the statutes, as affected by 1997 Wisconsin Act 27,  
7 section 1324m, is amended to read:

8 40.51 (8) Every health care coverage plan offered by the state under sub. (6)  
9 shall comply with ss. 631.89, 631.90, 631.93 (2), 631.95, 632.72 (2), 632.746 (1) to (8)  
10 and (10), 632.747, 632.748, 632.87 (3) to (5), 632.895 (5m) and (8) to (13) and 632.896.

11 SECTION 2. 40.51 (8m) of the statutes, as affected by 1997 Wisconsin Act 27,  
12 section 1325m, is amended to read:

1           40.51 (8m) Every health care coverage plan offered by the group insurance  
2 board under sub. (7) shall comply with ss. 631.95, 632.746 (1) to (8) and (10), 632.747  
3 and, 632.748 and 632.895 (11) to (13).

4           **SECTION 3.** 111.91 (2) (kc) of the statutes is created to read:

5           111.91 (2) (kc) Compliance with the insurance requirements under s. 631.95.

6           **SECTION 4.** 185.981 (4t) of the statutes, as affected by 1997 Wisconsin Act 27,  
7 section 3133m, is amended to read:

8           185.981 (4t) A sickness care plan operated by a cooperative association is  
9 subject to ss. 252.14, 631.17, 631.89, 631.95, 632.72 (2), 632.745 to 632.749, 632.87  
10 (2m), (3), (4) and (5), 632.895 (10) to (13) and 632.897 (10) and chs. 149 and 155.

11           **SECTION 5.** 185.983 (1) (intro.) of the statutes, as affected by 1997 Wisconsin  
12 Act 27, section 3134m, is amended to read:

13           185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be  
14 exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41,  
15 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.17, 631.89, 631.93,  
16 631.95, 632.72 (2), 632.745 to 632.749, 632.775, 632.79, 632.795, 632.87 (2m), (3), (4)  
17 and (5), 632.895 (5) and (9) to (13), 632.896 and 632.897 (10) and chs. 609, 630, 635,  
18 645 and 646, but the sponsoring association shall:

19           **SECTION 6.** 609.89 of the statutes is created to read:

20           **609.89 Written reason for coverage denial.** Limited service health  
21 organizations, preferred provider plans and managed care plans are subject to s.  
22 631.17.

23           **SECTION 7.** 609.90 of the statutes is created to read:

1           **609.90 Restrictions related to domestic abuse.** Limited service health  
2 organizations, preferred provider plans and managed care plans are subject to s.  
3 631.95.

4           **SECTION 8.** 631.17 of the statutes is created to read:

5           **631.17 Written reason for coverage denial.** An insurer that denies  
6 coverage under an individual or group insurance policy or a certificate of group  
7 insurance shall advise the applicant or proposed insured in writing of the reasons for  
8 the denial.

9           **SECTION 9.** 631.95 of the statutes is created to read:

10           **631.95 Restrictions on insurance practices; domestic abuse. (1)**

11           **DEFINITIONS.** In this section:

12           (a) "Abuse" has the meaning given in s. 813.122 (1) (a).

13           (b) "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).

14           (c) "Domestic abuse" has the meaning given in s. 968.075 (1) (a).

15           **(2) GENERAL PROHIBITIONS.** Except as provided in sub. (3), an insurer may not  
16 do any of the following:

17           (a) Refuse to provide or renew coverage to a person, or cancel a person's  
18 coverage, under an individual or group insurance policy or a certificate of group  
19 insurance on the basis that the person has been, or the insurer has reason to believe  
20 that the person is, a victim of abuse or domestic abuse or that a member of the  
21 person's family has been, or the insurer has reason to believe that a member of the  
22 person's family is, a victim of abuse or domestic abuse.

23           (b) Refuse to provide or renew coverage to an employer or other group, or cancel  
24 an employer's or other group's coverage, under a group insurance policy on the basis  
25 that an employe or other group member has been, or the insurer has reason to believe

1 that an employe or other group member is, a victim of abuse or domestic abuse or that  
2 a member of an employe's or other group member's family has been, or the insurer  
3 has reason to believe that a member of an employe's or other group member's family  
4 is, a victim of abuse or domestic abuse.

5 (c) Use as a factor in the determination of rates or any other aspect of insurance  
6 coverage under an individual or group insurance policy or a certificate of group  
7 insurance the knowledge or suspicion that a person or an employe or other group  
8 member has been or is a victim of abuse or domestic abuse or that a member of the  
9 person's or an employe's or other group member's family has been or is a victim of  
10 abuse or domestic abuse.

11 (d) Under an individual or group disability insurance policy or a certificate of  
12 group disability insurance, exclude or limit coverage of, or deny a claim for, health  
13 care services or items related to the treatment of injury or disease resulting from  
14 abuse or domestic abuse on the basis that a person or an employe or other group  
15 member has been, or the insurer has reason to believe that a person or an employe  
16 or other group member is, a victim of abuse or domestic abuse or that a member of  
17 the person's or an employe's or other group member's family has been, or the insurer  
18 has reason to believe that a member of the person's or an employe's or other group  
19 member's family is, a victim of abuse or domestic abuse.

20 (e) Under an individual or group life insurance policy or a certificate of group  
21 life insurance, deny or limit benefits in the event that the death of the person whose  
22 life is insured results from abuse or domestic abuse on the basis that the person  
23 whose life is insured has been, or the insurer has reason to believe that the person  
24 whose life is insured is, a victim of abuse or domestic abuse or that a member of the  
25 family of the person whose life is insured has been, or the insurer has reason to

or a certificate of group disability insurance

1 believe that a member of the family of the person whose life is insured is, a victim  
2 of abuse or domestic abuse.

3 (f) Under a property and casualty insurance policy that excludes coverage for  
4 loss or damage to property resulting from intentional acts, deny payment to an  
5 insured for a claim based on property loss or damage resulting from an act, or  
6 pattern, of abuse or domestic abuse if that insured did not cooperate in or contribute  
7 to the creation of the loss or damage and if the person who committed the act or acts  
8 that caused the loss or damage is criminally prosecuted for the act or acts. Payment  
9 to the innocent insured may be limited in accordance with his or her ownership  
10 interest in the property or reduced by payments to a mortgagee or other holder of a  
11 secured interest.

12 (3) EXCEPTIONS AND QUALIFICATIONS RELATED TO PROHIBITIONS. (a) *Individual*  
13 *disability insurance.* In establishing premiums for an individual <sup>or group</sup> disability

14 insurance policy, an insurer may inquire about a person's existing medical condition  
15 and, based on the opinion of a qualified actuary, as defined in s. 623.06 (1c), use  
16 information related to a person's existing medical condition, regardless of whether  
17 that condition is or may have been caused by abuse or domestic abuse.

18 (b) *Life insurance.* With respect to an individual or group life insurance policy  
19 or a certificate of group life insurance, an insurer may, on the basis of information  
20 in medical, law enforcement or court records, or on the basis of information provided  
21 by the insured, policyholder or applicant for insurance, do any of the following:

22 1. Deny or limit benefits under such a policy or certificate to a beneficiary who  
23 is the perpetrator of abuse or domestic abuse that results in the death of the insured.

24 2. Refuse to issue such a policy or certificate that names as a beneficiary a  
25 person who is or was, or who the insurer has reason to believe is or was, a perpetrator

1 of abuse or domestic abuse against the person who is to be the insured under the  
2 policy.

3 3. Refuse to name as a beneficiary under such a policy or certificate a person  
4 who is or was, or who the insurer has reason to believe is or was, a perpetrator of  
5 abuse or domestic abuse against the insured under the policy.

6 4. Refuse to issue such a policy or certificate to a person who is or was, or who  
7 the insurer has reason to believe is or was, a perpetrator of abuse or domestic abuse  
8 against the person who is to be the insured under the policy.

9 5. Refuse to issue such a policy or certificate to a person who lacks an insurable  
10 interest in the person who is to be the insured under the policy.

11 6. For purposes of administering a claim under, or underwriting, such a policy  
12 or certificate, inquire about and use information related to a person's medical history

13 or existing medical condition, regardless of whether that condition is or may have  
14 been caused by abuse or domestic abuse. Any adverse underwriting decision based  
15 on a person's medical history or medical condition must be made in conformance with  
16 sound actuarial principles or otherwise supported by actual or reasonably  
17 anticipated experience.

18 (c) *Disability income or long-term care insurance.* With respect to an individual  
19 or group disability income or long-term care insurance policy or a certificate of group  
20 disability income or long-term care insurance, an insurer may, on the basis of  
21 information in medical, law enforcement or court records, or on the basis of  
22 information provided by the insured, policyholder or applicant for insurance, do any  
23 of the following:

Insert 6-12



1           1. Refuse to name as a beneficiary under such a policy or certificate a person  
2 who is or was, or who the insurer has reason to believe is or was, a perpetrator of  
3 abuse or domestic abuse against the insured under the policy.

4           2. Refuse to issue such a policy or certificate to a person who is or was, or who  
5 the insurer has reason to believe is or was, a perpetrator of abuse or domestic abuse  
6 against the person who is to be the insured under the policy.

7           3. Refuse to issue such a policy or certificate to a person who lacks an insurable  
8 interest in the person who is to be the insured under the policy.

9           4. For purposes of underwriting, establishing premiums for or administering  
10 a claim under such a policy or certificate, inquire about and use information related  
11 to a person's medical history or existing medical condition, regardless of whether  
12 that condition is or may have been caused by abuse or domestic abuse. Any adverse  
13 underwriting decision based on a person's medical history or medical condition must  
14 be made in conformance with sound actuarial principles or otherwise supported by  
15 actual or reasonably anticipated experience.

16           (4) IMMUNITY FOR INSURERS. An insurer is immune from any civil or criminal  
17 liability for any action taken under sub. (3) or for the death of, or injury to, an insured  
18 that results from abuse or domestic abuse.

19           (6) USE AND DISCLOSURE OF ABUSE INFORMATION. (a) Except as provided in pars.  
20 (c) and (d) and sub. (3), no person employed by or contracting with an insurer may  
21 use, disclose or transfer information related to any of the following:

22           1. Whether an insured or applicant for insurance or a member of the insured's  
23 or applicant's family, or whether an employe or other group member of an insured  
24 or applicant for insurance or a member of the employe's or other group member's  
25 family, is or has been, or is with reason believed by the person employed by or

1 contracting with the insurer to be or to have been, a victim of abuse or domestic  
2 abuse.

3 3. Whether an insured or applicant for insurance, or whether an employe or  
4 other group member of an insured or applicant for insurance, is a family member or  
5 associate of, or a person in a relationship with, a person who is or has been, or who  
6 the person employed by or contracting with the insurer has reason to believe is or has  
7 been, a victim of abuse or domestic abuse.

8 4. Whether an insured or an applicant for insurance is an employer of a person  
9 who is or has been, or who the person employed by or contracting with the insurer  
10 has reason to believe is or has been, a victim of abuse or domestic abuse.

11 (b) Except as provided in pars. (c) and (d), a person employed by or contracting  
12 with an insurer may not disclose or transfer information related to the telephone  
13 number or address or other location of any of the following individuals, if the person  
14 knows that the individual is or has been, or has reason to believe that the individual  
15 is or has been, a victim of abuse or domestic abuse:

- 16 1. An insured.
- 17 2. An applicant for insurance.
- 18 3. An employe of an insured or of an applicant for insurance.
- 19 4. A group member of an insured or of an applicant for insurance.
- 20 5. A member of the family of any of the individuals listed in subds. 1. to 4.

21 (c) Paragraphs (a) and (b) do not apply if the use, disclosure or transfer of the  
22 information is made with the consent of the individual to whom the information  
23 relates or if the use, disclosure or transfer satisfies any of the following:

- 24 1. Is for a purpose related to the direct provision of health care services.

1           2. Is for a valid business purpose, including the disclosure or transfer of the  
2 information to any of the following:

3           a. A reinsurer.

4           b. A party to a proposed or consummated sale, transfer, merger or consolidation  
5 of all or part of the business of the insurer.

6           c. Medical, underwriting or claims personnel under contract or affiliated with  
7 the insurer.

8           d. An attorney representing the interests of the insurer.

9           e. The policyholder or policyholder's assignee as a result of delivery of the  
10 policy.

11           3. Is in response to legal process.

12           4. Is required by a court order or an order of an entity with authority to regulate  
13 insurance, or is otherwise required by law.

14           5. Is required or authorized by the commissioner by rule.

15           (d) Nothing in this subsection limits or precludes an insured or an applicant  
16 for insurance, or an employe or other group member of an insured or applicant for  
17 insurance, from obtaining his or her own insurance records from an insurer.

18           **SECTION 10. Initial applicability.**

19           (1) This act first applies to all of the following:

20           (a) Except as provided in paragraph (b), policies or certificates that are issued,  
21 renewed or applied for, whichever is appropriate, on the effective date of this  
22 paragraph.

23           (b) Policies or certificates covering employes who are affected by a collective  
24 bargaining agreement containing provisions inconsistent with this act that are

1 issued, renewed or applied for, whichever is appropriate, on the earlier of the  
2 following:

- 3 1. The day on which the collective bargaining agreement expires.  
4 2. The day on which the collective bargaining agreement is extended, modified  
5 or renewed.

6 **SECTION 11. Effective date.**

7 (1) This act takes effect on the first day of the 6th month beginning after  
8 publication.

9 (END)

1999-2000 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

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INSERT 6-12

6. For purposes of underwriting; administering a claim under; or determining a person's eligibility for coverage, a benefit or payment under; such a policy or certificate; or for purposes of servicing such a policy or certificate or an application for such a policy or certificate; inquire about and use information related to a person's medical history

(END OF INSERT 6-12)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBs0153/4  
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ASSEMBLY SUBSTITUTE AMENDMENT,  
TO 1999 ASSEMBLY BILL 392

cmH  
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Very soon  
(Tues.)

regenerate ↓

1 AN ACT to amend 40.51 (8), 40.51 (8m), 185.981 (4t) and 185.983 (1) (intro.); and  
2 to create 111.91 (2) (kc), 609.89, 609.90, 631.17 and 631.95 of the statutes;  
3 relating to: prohibiting certain insurance practices on the basis of domestic  
4 abuse, providing written reasons for coverage denial and prohibiting collective  
5 bargaining by the state with respect to the prohibitions.

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

6 SECTION 1. 40.51 (8) of the statutes, as affected by 1997 Wisconsin Act 27,  
7 section 1324m, is amended to read:

8 40.51 (8) Every health care coverage plan offered by the state under sub. (6)  
9 shall comply with ss. 631.89, 631.90, ~~631.93 (2), 631.95~~, 632.72 (2), 632.746 (1) to (8)  
10 and (10), 632.747, 632.748, 632.87 (3) to (5), 632.895 (5m) and (8) to (13) and 632.896.

11 SECTION 2. 40.51 (8m) of the statutes, as affected by 1997 Wisconsin Act 27,  
12 section 1325m, is amended to read:

↓

**BILL**

or nonrenewal notice the basis for the cancellation or nonrenewal of an insurance policy.

Finally, the bill gives an insurer immunity from any civil or criminal liability for actions that, in the bill, are exceptions to the specified prohibited actions, including: 1) denying life insurance benefits to a beneficiary who is the perpetrator of child or domestic abuse that results in the death of the insured; 2) refusing to issue a life insurance policy that names as a beneficiary a person who is or was, or who the insurer has reason to believe is or was, a perpetrator of child or domestic abuse against the person who would be the insured under the policy; 3) refusing to name as a beneficiary under a life, disability income or long-term care insurance policy a person who is or was, or who the insurer has reason to believe is or was, a perpetrator of child or domestic abuse against the person who would be the insured under the policy; and 4) inquiring about and using information related to a person's medical condition, regardless of whether the condition was caused by child or domestic abuse, for the purpose of establishing premiums under a health insurance policy and for various other insurance-related purposes under a life, disability income or long-term care insurance policy. The bill also gives an insurer immunity from civil and criminal liability for the death of, or injury to, an insured resulting from child or domestic abuse.

Current law contains two provisions that are somewhat similar to provisions in the bill. An insurer may not condition the provision of insurance coverage on, or consider in the determination of rates or any other aspect of insurance coverage, whether a person has obtained, or the results of, a test for the presence of human immunodeficiency virus (HIV), antigen or nonantigenic products of HIV or an antibody to HIV, or whether a person or a member of the person's family has obtained, or the results of, a genetic test.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

- 1           **SECTION 1.** 40.51 (8) of the statutes is amended to read:
- 2           40.51 (8) Every health care coverage plan offered by the state under sub. (6)
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- 4           and (10), 632.747, 632.748, 632.85, 632.853, 632.855, 632.87 (3) to (5), 632.895 (5m)
- 5           and (8) to (13) and 632.896.
- 6           **SECTION 2.** 40.51 (8m) of the statutes is amended to read:

**BILL**

1           40.51 (8m) Every health care coverage plan offered by the group insurance  
2 board under sub. (7) shall comply with ss. 631.95, 632.746 (1) to (8) and (10), 632.747,  
3 632.748, 632.85, 632.853, 632.855 and 632.895 (11) to (13).

4           **SECTION 3.** 111.91 (2) (kc) of the statutes is created to read:

5           111.91 (2) (kc) Compliance with the insurance requirements under s. 631.95.

6           **SECTION 4.** 185.981 (4t) of the statutes is amended to read:

7           185.981 (4t) A sickness care plan operated by a cooperative association is  
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9 632.853, 632.855, 632.87 (2m), (3), (4) and (5), 632.895 (10) to (13) and 632.897 (10)  
10 and chs. 149 and 155.

11           **SECTION 5.** 185.983 (1) (intro.) of the statutes is amended to read:

12           185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be  
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14 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.17, 631.89, 631.93,  
15 631.95, 632.72 (2), 632.745 to 632.749, 632.775, 632.79, 632.795, 632.85, 632.853,  
16 632.855, 632.87 (2m), (3), (4) and (5), 632.895 (5) and (9) to (13), 632.896 and 632.897  
17 (10) and chs. 609, 630, 635, 645 and 646, but the sponsoring association shall:

18           **SECTION 6.** 609.89 of the statutes is created to read:

19           **609.89 Written reason for coverage denial.** Limited service health  
20 organizations, preferred provider plans and managed care plans are subject to s.  
21 631.17.

22           **SECTION 7.** 609.90 of the statutes is created to read:

23           **609.90 Restrictions related to domestic abuse.** Limited service health  
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**BILL**

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2           **631.17 Written reason for coverage denial.** An insurer that denies  
3 coverage under an individual or group insurance policy or a certificate of group  
4 insurance shall advise the applicant or proposed insured in writing of the reasons for  
5 the denial.

6           **SECTION 9.** 631.95 of the statutes is created to read:

7           **631.95 Restrictions on insurance practices; domestic abuse. (1)**

8           **DEFINITIONS.** In this section:

9           (a) "Abuse" has the meaning given in s. 813.122 (1) (a).

10          (b) "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).

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12          **(2) GENERAL PROHIBITIONS.** Except as provided in sub. (3), an insurer may not  
13 do any of the following:

14          (a) Refuse to provide or renew coverage to a person, or cancel a person's  
15 coverage, under an individual or group insurance policy or a certificate of group  
16 insurance on the basis that the person has been, or the insurer has reason to believe  
17 that the person is, a victim of abuse or domestic abuse or that a member of the  
18 person's family has been, or the insurer has reason to believe that a member of the  
19 person's family is, a victim of abuse or domestic abuse.

20          (b) Refuse to provide or renew coverage to an employer or other group, or cancel  
21 an employer's or other group's coverage, under a group insurance policy on the basis  
22 that an employe or other group member has been, or the insurer has reason to believe  
23 that an employe or other group member is, a victim of abuse or domestic abuse or that  
24 a member of an employe's or other group member's family has been, or the insurer

**BILL**

1 has reason to believe that a member of an employe's or other group member's family  
2 is, a victim of abuse or domestic abuse.

3 (c) Use as a factor in the determination of rates or any other aspect of insurance  
4 coverage under an individual or group insurance policy or a certificate of group  
5 insurance the knowledge or suspicion that a person or an employe or other group  
6 member has been or is a victim of abuse or domestic abuse or that a member of the  
7 person's or an employe's or other group member's family has been or is a victim of  
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9 (d) Under an individual or group disability insurance policy or a certificate of  
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18 (e) Under an individual or group life insurance policy or a certificate of group  
19 life insurance, deny or limit benefits in the event that the death of the person whose  
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**BILL**

1           (f) Under a property and casualty insurance policy that excludes coverage for  
2           loss or damage to property resulting from intentional acts, deny payment to an  
3           insured for a claim based on property loss or damage resulting from an act, or  
4           pattern, of abuse or domestic abuse if that insured did not cooperate in or contribute  
5           to the creation of the loss or damage and if the person who committed the act or acts  
6           that caused the loss or damage is criminally prosecuted for the act or acts. Payment  
7           to the innocent insured may be limited in accordance with his or her ownership  
8           interest in the property or reduced by payments to a mortgagee or other holder of a  
9           secured interest.

10           (3) EXCEPTIONS AND QUALIFICATIONS RELATED TO PROHIBITIONS. (a) *Disability*  
11           *insurance*. In establishing premiums for an individual or group disability insurance  
12           policy or a certificate of group disability insurance, an insurer may inquire about a  
13           person's existing medical condition and, based on the opinion of a qualified actuary,  
14           as defined in s. 623.06 (1c), use information related to a person's existing medical  
15           condition, regardless of whether that condition is or may have been caused by abuse  
16           or domestic abuse.

17           (b) *Life insurance*. With respect to an individual or group life insurance policy  
18           or a certificate of group life insurance, an insurer may, on the basis of information  
19           in medical, law enforcement or court records, or on the basis of information provided  
20           by the insured, policyholder or applicant for insurance, do any of the following:

21           1. Deny or limit benefits under such a policy or certificate to a beneficiary who  
22           is the perpetrator of abuse or domestic abuse that results in the death of the insured.

23           2. Refuse to issue such a policy or certificate that names as a beneficiary a  
24           person who is or was, or who the insurer has reason to believe is or was, a perpetrator

**BILL**

1 of abuse or domestic abuse against the person who is to be the insured under the  
2 policy.

3 3. Refuse to name as a beneficiary under such a policy or certificate a person  
4 who is or was, or who the insurer has reason to believe is or was, a perpetrator of  
5 abuse or domestic abuse against the insured under the policy.

6 4. Refuse to issue such a policy or certificate to a person who is or was, or who  
7 the insurer has reason to believe is or was, a perpetrator of abuse or domestic abuse  
8 against the person who is to be the insured under the policy.

9 5. Refuse to issue such a policy or certificate to a person who lacks an insurable  
10 interest in the person who is to be the insured under the policy.

11 6. For purposes of underwriting; administering a claim under; or determining  
12 a person's eligibility for coverage, a benefit or payment under; such a policy or  
13 certificate; or for purposes of servicing such a policy or certificate or an application  
14 for such a policy or certificate; inquire about and use information related to a person's  
15 medical history or existing medical condition, regardless of whether that condition  
16 is or may have been caused by abuse or domestic abuse. Any adverse underwriting  
17 decision based on a person's medical history or medical condition must be made in  
18 conformity with sound actuarial principles or otherwise supported by actual or  
19 reasonably anticipated experience.

20 (c) *Disability income or long-term care insurance.* With respect to an individual  
21 or group disability income or long-term care insurance policy or a certificate of group  
22 disability income or long-term care insurance, an insurer may, on the basis of  
23 information in medical, law enforcement or court records, or on the basis of  
24 information provided by the insured, policyholder or applicant for insurance, do any  
25 of the following:

**BILL**

1           1. Refuse to name as a beneficiary under such a policy or certificate a person  
2 who is or was, or who the insurer has reason to believe is or was, a perpetrator of  
3 abuse or domestic abuse against the insured under the policy.

4           2. Refuse to issue such a policy or certificate to a person who is or was, or who  
5 the insurer has reason to believe is or was, a perpetrator of abuse or domestic abuse  
6 against the person who is to be the insured under the policy.

7           3. Refuse to issue such a policy or certificate to a person who lacks an insurable  
8 interest in the person who is to be the insured under the policy.

9           4. For purposes of underwriting; administering a claim under; or determining  
10 a person's eligibility for coverage, a benefit or payment under; such a policy or  
11 certificate; or for purposes of servicing such a policy or certificate or an application  
12 for such a policy or certificate; inquire about and use information related to a person's  
13 medical history or existing medical condition, regardless of whether that condition  
14 is or may have been caused by abuse or domestic abuse. Any adverse underwriting  
15 decision based on a person's medical history or medical condition must be made in  
16 conformity with sound actuarial principles or otherwise supported by actual or  
17 reasonably anticipated experience.

18           (4) IMMUNITY FOR INSURERS. An insurer is immune from any civil or criminal  
19 liability for any action taken under sub. (3) or for the death of, or injury to, an insured  
20 that results from abuse or domestic abuse.

21           (5) USE AND DISCLOSURE OF ABUSE INFORMATION. (a) Except as provided in pars.  
22 (c) and (d) and sub. (3), no person employed by or contracting with an insurer may  
23 use, disclose or transfer information related to any of the following:

24           1. Whether an insured or applicant for insurance or a member of the insured's  
25 or applicant's family, or whether an employe or other group member of an insured

**BILL**

1 or applicant for insurance or a member of the employe's or other group member's  
2 family, is or has been, or is with reason believed by the person employed by or  
3 contracting with the insurer to be or to have been, a victim of abuse or domestic  
4 abuse.

5 2. Whether an insured or applicant for insurance, or whether an employe or  
6 other group member of an insured or applicant for insurance, is a family member or  
7 associate of, or in a relationship with, a person who is or has been, or who the person  
8 employed by or contracting with the insurer has reason to believe is or has been, a  
9 victim of abuse or domestic abuse.

10 3. Whether an insured or an applicant for insurance employs a person who is  
11 or has been, or who the person employed by or contracting with the insurer has  
12 reason to believe is or has been, a victim of abuse or domestic abuse.

13 (b) Except as provided in pars. (c) and (d), a person employed by or contracting  
14 with an insurer may not disclose or transfer information related to the telephone  
15 number or address or other location of any of the following individuals, if the person  
16 knows that the individual is or has been, or has reason to believe that the individual  
17 is or has been, a victim of abuse or domestic abuse:

- 18 1. An insured.
- 19 2. An applicant for insurance.
- 20 3. An employe of an insured or of an applicant for insurance.
- 21 4. A group member of an insured or of an applicant for insurance.
- 22 5. A member of the family of any of the individuals listed in subds. 1. to 4.

23 (c) Paragraphs (a) and (b) do not apply if the use, disclosure or transfer of the  
24 information is made with the consent of the individual to whom the information  
25 relates or if the use, disclosure or transfer satisfies any of the following:

**BILL**

- 1           1. Is for a purpose related to the direct provision of health care services.
- 2           2. Is for a valid business purpose, including the disclosure or transfer of the
- 3 information to any of the following:
- 4           a. A reinsurer.
- 5           b. A party to a proposed or consummated sale, transfer, merger or consolidation
- 6 of all or part of the business of the insurer.
- 7           c. Medical, underwriting or claims personnel under contract or affiliated with
- 8 the insurer.
- 9           d. An attorney representing the interests of the insurer.
- 10          e. The policyholder or policyholder's assignee as a result of delivery of the
- 11 policy.
- 12          3. Is in response to legal process.
- 13          4. Is required by a court order or an order of an entity with authority to regulate
- 14 insurance, or is otherwise required by law.
- 15          5. Is required or authorized by the commissioner by rule.
- 16          (d) Nothing in this subsection limits or precludes an insured or an applicant
- 17 for insurance, or an employee or other group member of an insured or applicant for
- 18 insurance, from obtaining his or her own insurance records from an insurer.

**SECTION 10. Initial applicability.**

- 20          (1) This act first applies to all of the following:
- 21           (a) Except as provided in paragraph (b), policies or certificates that are issued,
- 22 renewed or applied for, whichever is appropriate, on the effective date of this
- 23 paragraph.
- 24           (b) Policies or certificates covering employees who are affected by a collective
- 25 bargaining agreement containing provisions inconsistent with this act that are

**BILL**

1 issued, renewed or applied for, whichever is appropriate, on the earlier of the  
2 following:

- 3 1. The day on which the collective bargaining agreement expires.  
4 2. The day on which the collective bargaining agreement is extended, modified  
5 or renewed.

6 **SECTION 11. Effective date.**

7 (1) This act takes effect on the first day of the 6th month beginning after  
8 publication.

9 (END)



12/12/99  
~~January 3, 2000~~

FAM -

FBI.

RITCH

Representative Dave Cullen  
P.O. Box 8952  
Madison, WI 53708-8952

RE: AB-392 - LRB 0153/3

Dear Representative Cullen:

We have one technical concern with the captioned. Assuming that it can be resolved, we are prepared to remove our objection to the bill.

Concern has been raised with reference to sec. 631.95(2)(f)... more specifically the words "and casualty" shown at line 3, page 5 of LRB 0153/3.

As you are aware, we have been willing to discuss the application of this language as it relates to property loss... not personal injury actions. We believe you were in accord with this delineation.

We have been advised by outside counsel that the inclusion of the term "an casualty" at line 3, page 5 creates an inconsistency with the balance of the language shown at sec. 631.95(2)(f).

The term "casualty" means liability. Sec. 631.95(2)(f) is meant to apply to property insurance. We believe that is the legislative intent as reflected by the use of the term "property" in the balance of the paragraph.

Based upon the above, we respectfully request that the term "and casualty" be deleted from the draft at line 3 of page 5.

Respectfully submitted,

Wisconsin Insurance Alliance

Eric Englund



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBs0153/4  
PJK:cmh&wlj:kjf

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*in is run*

ASSEMBLY SUBSTITUTE AMENDMENT,  
TO 1999 ASSEMBLY BILL 392

*SOON  
1-3*

*one change  
on p 5*

*refer cat*

1 **AN ACT to amend** 40.51 (8), 40.51 (8m), 185.981 (4t) and 185.983 (1) (intro.); and  
2 **to create** 111.91 (2) (kc), 609.89, 609.90, 631.17 and 631.95 of the statutes;  
3 **relating to:** prohibiting certain insurance practices on the basis of domestic  
4 abuse, providing written reasons for coverage denial and prohibiting collective  
5 bargaining by the state with respect to the prohibitions.

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

6 **SECTION 1.** 40.51 (8) of the statutes is amended to read:

7 40.51 (8) Every health care coverage plan offered by the state under sub. (6)  
8 shall comply with ss. 631.89, 631.90, 631.93 (2), 631.95, 632.72 (2), 632.746 (1) to (8)  
9 and (10), 632.747, 632.748, 632.85, 632.853, 632.855, 632.87 (3) to (5), 632.895 (5m)  
10 and (8) to (13) and 632.896.

11 **SECTION 2.** 40.51 (8m) of the statutes is amended to read:

1 (f) Under a property and casualty insurance policy that excludes coverage for  
2 loss or damage to property resulting from intentional acts, deny payment to an  
3 insured for a claim based on property loss or damage resulting from an act, or  
4 pattern, of abuse or domestic abuse if that insured did not cooperate in or contribute  
5 to the creation of the loss or damage and if the person who committed the act or acts  
6 that caused the loss or damage is criminally prosecuted for the act or acts. Payment  
7 to the innocent insured may be limited in accordance with his or her ownership  
8 interest in the property or reduced by payments to a mortgagee or other holder of a  
9 secured interest.

10 (3) EXCEPTIONS AND QUALIFICATIONS RELATED TO PROHIBITIONS. (a) *Disability*  
11 *insurance*. In establishing premiums for an individual or group disability insurance  
12 policy or a certificate of group disability insurance, an insurer may inquire about a  
13 person's existing medical condition and, based on the opinion of a qualified actuary,  
14 as defined in s. 623.06 (1c), use information related to a person's existing medical  
15 condition, regardless of whether that condition is or may have been caused by abuse  
16 or domestic abuse.

17 (b) *Life insurance*. With respect to an individual or group life insurance policy  
18 or a certificate of group life insurance, an insurer may, on the basis of information  
19 in medical, law enforcement or court records, or on the basis of information provided  
20 by the insured, policyholder or applicant for insurance, do any of the following:

- 21 1. Deny or limit benefits under such a policy or certificate to a beneficiary who  
22 is the perpetrator of abuse or domestic abuse that results in the death of the insured.
- 23 2. Refuse to issue such a policy or certificate that names as a beneficiary a  
24 person who is or was, or who the insurer has reason to believe is or was, a perpetrator

1 issued, renewed or applied for, whichever is appropriate, on the earlier of the  
2 following:

3 1. The day on which the collective bargaining agreement expires.

4 2. The day on which the collective bargaining agreement is extended, modified  
5 or renewed.

6 **SECTION 11. Effective date.**

7 (1) This act takes effect on the first day of the 6th month beginning after  
8 publication.

9 (END)

Pam -

FYI

RITCH

January 11, 2000

Mr. Eric Englund  
Wisconsin Insurance Alliance  
44 E. Mifflin Street, Suite 305  
Madison, Wisconsin 53703

Dear Eric,

I want to first of all thank you for your continuing input and help in drafting Assembly Bill 392. Without a doubt, your willingness to work on this legislation will help us send to the Insurance Committee a final product that should have broad, bi-partisan support. I appreciate your assistance.

I have received your request for another redraft of the proposed s. 631.95 (2)(f) found in LRB s0153/5. I have no objections to including this change in the draft. As the bill draft number indicates, this legislation has been reviewed and changed on several occasions and each time, it is with the idea that the proposed changes are to address the supposed "final" concerns of one party or another.

Rather than burdening Pam Kahler of the LRB with yet another redraft request, I am asking you to submit any further requested changes to me prior to **5:00 p.m. on Thursday, January 13**. If I do not hear from you prior to that time, I will assume that you have indeed removed your objections to the bill and trust that you will have indicated the same to Chairman Lasee.

Sincerely,

**DAVID A. CULLEN**  
State Representative  
13<sup>th</sup> Assembly District

DAC/rw

cc: Representative Frank Lasee

**Williams, Ritch**

**From:** Eric Englund [englund2@execpc.com]  
**Sent:** Monday, January 10, 2000 10:58 AM  
**To:** Williams, Ritch  
**Cc:** Mark Wadium  
**Subject:** Re: Sub to AB 392

We have one last technical change and then we are removing our objection to the bill. Please note page 5 line 1 of the draft that currently provided "Under a property insurance policy..." We have two different lawyers who've asked that the language be changed to read "Under property insurance coverage..." i.e. delete "a" and "policy" and insert "coverage". We believe this change is consistent with our agreement that the bill only applies to property insurance and concern has been raised that the current wording may give rise to a claim that the bill applied to some of the non-property coverage's that might be found in a property and casualty insurance policy. -----  
Original Message -----

**From:** Williams, Ritch <Ritch.Williams@legis.state.wi.us>  
**To:** <englund2@execpc.com>  
**Sent:** Tuesday, January 04, 2000 3:06 PM  
**Subject:** Sub to AB 392

Eric -  
Here is the latest version with the change you requested. Let me know what you think as soon as possible. Again, we appreciate your continuing work to get this legislation drafted cleanly and through the process.

Ritch Williams

-----Original Message-----

**From:** Kahler, Pam  
**Sent:** Tuesday, January 04, 2000 2:57 PM  
**To:** Williams, Ritch  
**Subject:** Sub to AB 392

Ritch:  
Here is the sub, as you requested.  
Pam

<<99s0153/5>>

++++  
Pamela J. Kahler  
Legislative Attorney  
Legislative Reference Bureau  
(608) 266-2682

## Kahler, Pam

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**From:** Williams, Ritch  
**Sent:** Tuesday, January 18, 2000 2:18 PM  
**To:** Kahler, Pam  
**Subject:** Last Change

Pam -

Representative Cullen and I were contacted two weeks ago by another party interested in AB 392. Rather than asking that you make yet another change to the bill at that time, we sent a letter indicating that we had already burdened you with enough changes on this bill and wouldn't make another request until all was said and done. We gave everyone until last week Thursday to get back to us with any more changes. This is the last one we will make:

On **page 5, line 1 of s0153/5**, it reads: "...Under a property insurance policy...."

The change we would like to make should have the line begin as follows: **"Under property insurance coverage..."**

That's it. I am very sorry for the inconvenience. The change is needed ASAP as the Insurance Committee is meeting on 1/20. We'd like to have the bill "execed" at that time. Thanks once again for all your help.

Ritch



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBs0153/3  
PJK:cmh&wlj:jf

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ASSEMBLY SUBSTITUTE AMENDMENT,  
TO 1999 ASSEMBLY BILL 392

*today (Tues)*  
*see p. 5* ↑

*reger cat*

1 AN ACT to amend 40.51 (8), 40.51 (8m), 185.981 (4t) and 185.983 (1) (intro.); and  
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4 abuse, providing written reasons for coverage denial and prohibiting collective  
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11 SECTION 2. 40.51 (8m) of the statutes is amended to read:



1 (f) Under <sup>2</sup> property insurance ~~that~~ <sup>coverage</sup> that excludes coverage for loss or damage  
2 to property resulting from intentional acts, deny payment to an insured for a claim  
3 based on property loss or damage resulting from an act, or pattern, of abuse or  
4 domestic abuse if that insured did not cooperate in or contribute to the creation of the  
5 loss or damage and if the person who committed the act or acts that caused the loss  
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9 (END)