

SENATE HEARING SLIP

(Please Print Plainly)

DATE: _____
BILL NO. SB 257
OF _____
SUBJECT Mult. Pay Increase

William R. Cress
(NAME)
3610 Speedway Rd
(Street Address or Route Number)
Madison, WI 53705
(City and Zip Code)
Funeral Service Alliance
(Representing) & self

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1-19-2000
BILL NO. SB 257
OF _____
SUBJECT _____

Tom Hanson
(NAME)
1 South Pinckney
(Street Address or Route Number)
MADISON
(City and Zip Code)
WFDA
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:
AS AMENDED

Registering Against:
but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1-19-00
BILL NO. SB 257
OF _____
SUBJECT _____

David Welsh
(NAME)
675 Ferwell Dr.
(Street Address or Route Number)
Oregon 53575
(City and Zip Code)
Advanced Planning Inc
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1/18/2002

BILL NO. 257
OR

SUBJECT _____

MARK AARDED
(NAME)

131 E. MAPLE AVE.
(Street Address or Route Number)

BEAVER DAM, WI 53916
(City and Zip Code)

MURKIN COMMUNITY FURNITURE HOMES
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor: not speaking:

Registering Against: not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger **PROMPTLY.**

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1-19-00

BILL NO. SB257 w/
OR Amendment

SUBJECT _____

PATRICK ESSIE
(NAME)

16 N. CARROLL #900
(Street Address or Route Number)

MADISON, WI 53703
(City and Zip Code)

FUNERAL SERVICE ALLIANCE
(Representing) OF WI

Speaking in Favor:

Speaking Against:

Registering in Favor: not speaking:

Registering Against: not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger **PROMPTLY.**

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1-19-00

BILL NO. SB257 & Amendment
OR

SUBJECT _____

ASHLEY MOORE
(NAME)

16 N. CARROLL ST.
(Street Address or Route Number)

MADISON, WI 53703
(City and Zip Code)

FUNERAL SERVICE ALLIANCE
(Representing) OF WI

Speaking in Favor:

Speaking Against:

Registering in Favor: not speaking:

Registering Against: not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger **PROMPTLY.**

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1/5/2000

BILL NO. SB 257/AB 538

OR

SUBJECT Multi-Pay Ins. Reg.

Jan Koenig

(NAME)

2430 Monaghan Way

(Street Address or Route Number)

Sun Prairie, WI 53591

(City and Zip Code)

Cornerstone Management Systems

(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:

but not speaking:

Registering Against:

but not speaking:

Speaking for information

only; Neither for nor against:

Please return this slip to a messenger **PROMPTLY.**

Senate Sergeant-At-Arms

State Capitol - B35 South

P.O. Box 7882

Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1-5-00

BILL NO. SB 257

OR
SUBJECT Pre Need Ins

Ron Kuehn

(NAME)
2 E. MIFFLIN ST. #600
(Street Address or Route Number)

Madison WI 53711
(City and Zip Code)

Pre-Need Coalition
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information
only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1/5/2000

BILL NO. SB 257

OR
SUBJECT _____

MARK KRAUSE

(NAME)
9000 W. CAPITOL DRIVE
(Street Address or Route Number)

MILWAUKEE, WI 53222
(City and Zip Code)

FUNERAL SERVICE ALLIANCE OF WI
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information
only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1/5/00

BILL NO. SB 257

OR
SUBJECT _____

CHRISTINE JACOB

(NAME)
8921 N. MARLBURY DR
(Street Address or Route Number)

MILWAUKEE WI 53217
(City and Zip Code)

KRAUSE FUNERAL HOME
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information
only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1-5-2000
BILL NO. SB 257
OF
SUBJECT Bic need

Jim Tenuta
(NAME)
16 N. Carroll St
(Street Address or Route Number)
Madison, WI
(City and Zip Code)
WFLHS
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.
Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1-5-2000
BILL NO. SB 257
OF
SUBJECT

Tom Hanson
(NAME)
1 South Parkway
(Street Address or Route Number)
Madison
(City and Zip Code)
W.F.D.A.
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.
Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1/5/00
BILL NO. SB 257
OF
SUBJECT

KIMBERLY JACOB
(NAME)
115 N. BASSETT
(Street Address or Route Number)
MADISON WI 53703
(City and Zip Code)
CONSUMERS
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.
Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: January 2000
BILL NO. SB 257
OR
SUBJECT Mult Pay Insurance

Dean Dickinson
(NAME)
1425 Jackson Street
(Street Address or Route Number)
LaCrosse, WI 54601
(City and Zip Code)
DICKINSON Funeral Homes
(Representing) F.S.A

Speaking in Favor:
Speaking Against:
Registering in Favor:
but not speaking:
Registering Against:
but not speaking:
Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.
Senate Sergeant-At-Arms
State Capitol - B35 South
P.O.Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: Jan 5 2000
BILL NO. AB 551 SB 257
OR
SUBJECT FIS Technical
Changes in Pre Need

Flem Mallon
(NAME)
121 E Wilson
(Street Address or Route Number)
(City and Zip Code)
Office of COMMISSIONER
(Representing) of DHS

Speaking in Favor:
Speaking Against:
Registering in Favor:
but not speaking:
Registering Against:
but not speaking:
Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.
Senate Sergeant-At-Arms
State Capitol - B35 South
P.O.Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1-5-00
BILL NO. S 257
OR
SUBJECT _____

Kenneth L Schmidt
(NAME)
629 CEDAR ST
(Street Address or Route Number)
WEST BEND 53095
(City and Zip Code)
Schmidt Funeral Homes
(Representing)

Speaking in Favor:
Speaking Against:
Registering in Favor:
but not speaking:
Registering Against:
but not speaking:
Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.
Senate Sergeant-At-Arms
State Capitol - B35 South
P.O.Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1-05-2000

BILL NO. SB-257
OR

SUBJECT _____

MARK WADJUM
(NAME)

P.O. Box 8952

(Street Address or Route Number)

MADISON WI
(City and Zip Code)

Rep. Frank LaSalle
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information
only; Neither for nor against:

Please return this slip to a messenger **PROMPTLY.**

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

ROGER BRESKE

STATE SENATOR

12th District

Capitol Address:
State Capitol
P.O. Box 7882
Madison, WI 53707-7882
(608) 266-2509

Legislative Hotline:
1 (800) 362-9472

Home Address:
8800 Hwy. 29
Eland, WI 54427
(715) 454-6575



*Specific Information Signs
S.I.S.*

COMMITTEE MEETING/AGENDA

THE CAPITOL – ROOM 201SE

January 4, 2000

I. CALL TO ORDER

"The hour of 10AM having arrived, I will call this meeting of the Senate Insurance, Tourism, Transportation and Corrections Committee to order. The clerk will take the role."

II. ASSEMBLY BILL 444

"The first bill up today is AB444, legislation initiated by the Law Revision Committee."

*An amendment has been distributed
No one registered to speak on this bill. Does Legislative Council have any comments on the bill?*

The bill was unanimously approved by the Assembly Committee on Transportation and passed on a voice vote by the full Assembly.

III. SENATE BILL 257

We're going to take SB257 out of order at this time.

"This legislation relates to minimum standards for life insurance policies in which the proceeds are assigned to funeral directors or funeral establishments."

Work out By Rule

IV. ASSEMBLY BILL 482

"Relating to: specific information signs advertising seasonal food service."

V. ASSEMBLY BILL 551

"This legislation is a comprehensive, technical bill initiated by OCI. I'd like to ask Eileen Mallow to give the committee a brief overview of the bill on behalf of the Commissioner."

The bill ~~was~~^{has} passed the Assembly Insurance Committee unanimously and the full Assembly on a voice vote. I have received a request from a Committee member for a one week delay. I will honor this request, but will either paper ballot the bill after one week or schedule for our next Executive Session on January 19.

VI. SENATE BILL 292

Relating to: prisoner reimbursement to county for booking costs.

I have introduced an amendment to SB292, a copy of which has been circulated to members.

VII. SENATE BILL 300

Relating to low-speed vehicles, granting rule-making authority and providing a penalty.

I will now close the public hearing portion of this hearing. And will now call the Committee to order for an Executive Session.

The clerk will take the roll.

The Chair would entertain a motion to adopt ^{the amendment to} AB444 – The Law Revision Committee Bill.

... *Entertain motion to adopt AB444 as amended.*

The Chair would entertain a motion to adopt AB482 – The Specific Sign Bill

...

The Chair would entertain a motion to adopt the amendment to SB292 – Booking costs for prisoners bill.

...

The Chair would entertain a motion to adopt SB292 as amended.

...

The Chair would entertain a motion to adopt SB300 – The low speed vehicle bill.

...

I will now close the Executive Session. The Committee stands adjourned.



MONUMENTAL LIFE INSURANCE CO.

2 East Chase Street
Baltimore, Maryland 21202
Telephone: (410) 665-2900

January 4, 2000

Senate Committee on Insurance, Tourism, Transportation and Corrections
P.O. Box 7882
Madison, Wisconsin 53707-7882

Senator Roger Breske, Chair
Senator Richard Grobschmidt
Senator Jim Baumgart
Senator Dale Schultz
Senator Alan Lasec
Senator Kevin Shibilski
Senator David Zien

RE: SB 257 – Multi-Pay Insurance Legislation (Companion to AB 538)

Dear Honorable Committee Members:

On behalf of Monumental Life Insurance Company (Monumental), I urge you to vote in favor of SB 257 at tomorrow's Senate Hearing. Monumental is licensed to conduct insurance business in Wisconsin. Monumental primarily offers pre-need insurance to Wisconsin consumers. Pre-need insurance is life insurance which funds a pre-arranged funeral.

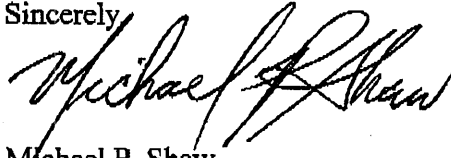
Existing laws in Wisconsin impose restrictions on insurers like Monumental which offer multi-pay life insurance products to fund a pre-arranged funeral. Insurers which sell life insurance policies which do not fund a prearranged funeral, however, do not face the same restrictions. The result is that Monumental is barred from selling multi-pay products on a guaranteed issue basis, which means that only the healthiest of Wisconsin consumers are eligible to apply for life insurance from Monumental. Insurers which sell life insurance which does not fund a prearranged funeral are permitted to sell to a wider pool of applicants, which includes applicants who are in less than perfect health.

SB 257 will level the playing field between insurers which offer multi-pay insurance products to fund a pre-arranged funeral and those which offer multi-pay

insurance products which do not involve the funding of a prearranged funeral contract. By leveling the playing field, SB 257 will promote more choices for the insurance-buying Wisconsin consumer. SB 257 will also promote greater competition between insurers which conduct business in Wisconsin.

Please contact me at (410) 576-4583 if you have any questions relating to Monumental or SB 257. Thank you for your consideration of this important legislation.

Sincerely



Michael P. Shaw
Counsel

mps

Monumental Agency Group

2 East Chase Street
Baltimore, Maryland 21202
Telephone: (410) 685-2900
Telecopier: (410) 576-4554



No. Of Pages: 3
(Including this sheet)

Date: January 4, 2000

Deliver To:

Name:
Senator Roger Breske
c/o Beth

Telecopier No.:
(606) 267-0309
608

From:
Michael Shaw

Telephone No.:
(410) 576-4583

Comments/Message:

Beth – Thank you for offering to copy the attached letter and distribute it to each of the Senators on the Committee on Insurance, Tourism, Transportation and Corrections.

IF ALL THE PAGES ARE NOT RECEIVED PLEASE CALL AS SOON AS
POSSIBLE. ASK FOR DESIRENA FARMER AT EXT. 2054.

Confidentiality Notice: This facsimile page and its attachments are confidential and is intended only for use by those individuals to whom it is addressed. If you are not the intended addressee or agent responsible for delivering the message to the intended addressee, you are hereby notified that reading, disseminating, distributing, and/or copying of this communication is unauthorized and prohibited. If you have received this communication in error, please notify us immediately by telephone. Thank you.



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tommy G. Thompson
Governor

Connie L. O'Connell
Commissioner

121 East Wilson Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: information@oci.state.wi.us
http://badger.state.wi.us/agencies/oci/oci_home.htm

Testimony to the
Senate Insurance, Tourism, Transportation and Corrections Committee
on SB 257
January 5, 2000

By Eileen Mallow
Office of the Commissioner of Insurance

Chairman Breske and members of the committee, thank you for this opportunity to testify for informational purposes on SB 257 related to the regulation of preneed insurance policies. I am Eileen Mallow, Assistant Deputy Commissioner of Insurance.

SB 257 would eliminate the Office of Commissioner of Insurance's (OCI) authority to establish minimum standards for benefits and compensation arrangements for preneed policies.

Under current law, OCI is required to establish these standards and did so in ch. INS 23, Wis. Adm. Code. A requirement to establish minimum benefit standards is somewhat unique given Wisconsin's general approach to insurance regulation. This requirement may be best viewed in its historical context. Until the 1980's, the Wisconsin Insurance Code prohibited insurance contracts sold for funeral home purposes. At that time, an Attorney General's opinion opened the door to sales of preneed policies under certain circumstances. In the early 1990's, insurance companies started to enter into arrangements with funeral directors to sell life insurance policies with a preneed contract.

The Legislature stepped in to establish a regulatory structure for the sale of these products by adopting 1995 WI Act 295. In this legislation, OCI was directed to establish criteria for minimum benefit standards and compensation arrangements as well as other consumer protections.

The original prohibition on these sales, and the subsequent statute requiring minimum benefit standards, is unusual given Wisconsin's general insurance regulatory approach favoring a strong, competitive market as the means to provide consumer protection. Both the characteristics of the product sold, and the target audience, are the reasons for the variance from the typical state regulatory approach.

We have been asked why pre-need policies should be regulated differently than other life insurance policies. The link between the life insurance policy and the pre-arranged funeral products creates potential conflicts between what is best for the consumer and the interests of the funeral home and insurer, which lead to the different requirements for this product in relation to other life insurance products. Without the relationship at the point of sale, the same pressure to buy does not exist, creating a different environment for the consumer. In addition, OCI's past experience with the marketing of insurance products sold to fund funeral policies has resulted in enforcement actions against the agents and the companies. In these actions, insurance products were sold where in many cases individuals buying the policies did not even know they were purchasing life insurance policies.

The average age of individuals buying preneed products is the low to mid 70's. The elderly are more susceptible to high-pressure sales tactics. Senior citizens who often live alone and may have problems with loneliness, have become a lucrative and vulnerable target for unscrupulous individuals.

As required by statute and in response to these consumer protection concerns, OCI promulgated INS 23. Under the minimum benefit standards in the rule, the average person buying this product, after adjusting for inflation, would not pay more in premiums than they would receive in death benefit. In other words, a person of average life expectancy will receive a death benefit not less than the premiums paid, after a modest inflation adjustment. The intent of this regulation is to deal with life insurance issued at older ages to fund preneed funeral arrangements. The necessarily high mortality charges and combined with expense loadings and required profits could produce a high premium to the consumer for the coverage provided. Unless the policyholder dies within a small window in time, the total premium could be more than the ultimate benefit. The

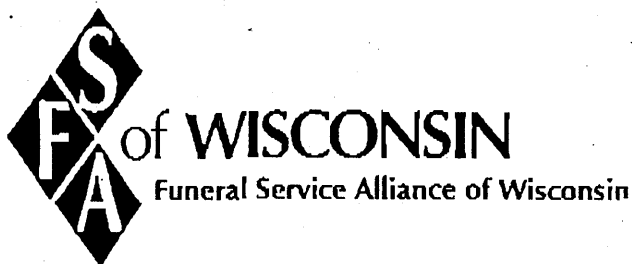
minimum benefit requirements currently contained in the rule attempts to prevent an unfair result to the consumer.

However, some of the concerns we have heard regarding the rule demonstrate that it is necessary to clarify the requirements under the rule. Several insurers indicated that ch. INS 23 requires issuance of a policy that does not qualify for favorable treatment under the Internal Revenue Code definition of life insurance. This concern appears to arise from the belief that the rule requires guaranteed graduated death benefits. Although the office originally proposed a provision in the rule that would have required increasing death benefits, this was removed from the rule prior to promulgation in response to concerns from the industry. The rule, as it now stands, does not require guaranteed graduated death benefits.

As you may know, after a series of meetings with industry representatives, OCI released a draft of proposed changes to Ins 23 this week. The proposed changes would permit multi-pay policies and establish minimum guidelines for multi-pay policies. It also sets graduated death benefit policies and new consumer disclosure provisions.

The statute requires a minimum benefit standard. The current rule established a benefit standard designed to provide appropriate consumer protections. Representatives of the industry have expressed concern that the rule is onerous. We believe the proposed changes address industry concerns within the statutory framework.

We look forward to continuing these discussions and will be meeting with interested legislators and representatives of the funeral industry to discuss specific suggestions in the near future. I would be happy to answer any questions you may have.



February 16, 2000

Members of the Senate Committee on Insurance:

The Funeral Service Alliance of Wisconsin (FSA) and the Wisconsin Funeral Directors Association (WFDA) would like to ask for your support of Senate Bill 257 and the Senate Substitute Amendment to SB 257. SB 257 improves that ability of consumers to purchase life insurance to pay for future funeral expenses. This bill allows consumers the ability to purchase a pre-need policy in installments like any other insurance. Consumer protections in the current law are all retained.

The language in the Substitute Amendment has been endorsed by both funeral director associations and the Pre-need Insurance Coalition.

The members of the Funeral Service Alliance of Wisconsin and the Wisconsin Funeral Directors Association are hopeful that you will choose to support this legislation and the Substitute Amendment.

Sincerely,

Ken Schmidt, President
Funeral Service Alliance of WI

Patrick Essie
Funeral Service Alliance of WI
608-256-7701

Terry Schwartz, President
Wisconsin Funeral Directors Assoc.

Tom Hanson
Wisconsin Funeral Directors Assoc.
608-256-5299

Post-it® Fax Note	7671	Date	2/16	# of pages	▶
To	Sen Breske				
Co./Dept.					
Phone #					
Fax #					
	From				
	Co.				
	Phone #				
	Fax #				