

State of Wisconsin



2017 Assembly Bill 744

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2017 WISCONSIN ACT 241

AN ACT to amend 631.36 (4) (b); and to create 628.34 (14) and 631.39 of the statutes; relating to: insurance policy renewal in an affiliate and the use and contents of certificates of insurance.

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

SECTION 1. 628.34 (14) of the statutes is created to read:

628.34 (14) EVIDENCE OF INSURANCE. (a) No person may prepare, issue, request, or require a certificate of insurance or other document used for evidence of insurance to do any of the following:

1. Contain information concerning the policy referenced by the certificate of insurance or other document that is false, misleading, deceptive, unfairly discriminatory, or that otherwise violates public policy or law, as determined by the commissioner.

2. Purport to alter, amend, or extend coverage provided by the policy referenced by the certificate of insurance or other document.

3. Alter the terms and conditions of any notice requirement in the policy. A person is entitled to notice of cancellation, nonrenewal, or any material change to the policy, or to any similar notice concerning the policy only as provided in the policy or an endorsement.

(b) No person may alter a certificate of insurance or other document used for evidence of insurance after it is issued.

(c) No certificate of insurance or other document used for evidence of insurance may warrant that the pol-

icy referenced by the certificate of insurance or other document fulfills the insurance or indemnification requirements of a specific contract.

(d) 1. Except as provided in subd. 2., this subsection applies to any certificate of insurance or other document used for evidence of insurance that is issued by an insurer as evidence of property or casualty insurance.

2. This subsection does not apply to any of the following:

a. A policy or endorsement.

b. A binder.

c. Evidence of motor vehicle liability insurance required under s. 344.62 (2).

SECTION 2. 631.36 (4) (b) of the statutes is amended to read:

631.36 (4) (b) *Exceptions.* This subsection does not apply if the policyholder has insured elsewhere, has accepted replacement coverage, or has requested or agreed to nonrenewal, if the policy is renewed in an affiliate in compliance with s. 631.39, or if the policy is expressly designated as nonrenewable.

SECTION 3. 631.39 of the statutes is created to read:

631.39 Renewals in affiliates. (1) SCOPE. This section applies to property and casualty lines of insurance, excluding disability insurance, as defined in s. 645.675 (1) (h).

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

(2) RENEWAL REQUIREMENTS. An insurer may renew a policy in an affiliate without having to comply with s. 102.31 (2) (a) or 631.36 (4) or s. INS 21.01 (6), Wis. Adm. Code, if all of the following are satisfied:

(a) All of the stock of, interest in, or control of the affiliate is held by one or more persons in the same insurance holding company system, as defined in s. 622.03 (2), that includes the insurer.

(b) The affiliate holds a valid certificate of authority in this state for the kind of business necessary to write the policy being renewed.

(c) If the policy renewed in the affiliate contains terms and conditions, except for the rates and rating plan, that are less advantageous to the policyholder than the policyholder's current policy, the insurer complies with the requirements of s. 631.36 (5).

(d) The insurer provides notice to the policyholder at least 60 days before the renewal date that the policy will be renewed in an affiliate.

(e) The notice under par. (d) includes or states all of the following information:

1. The name and contact information of the company in which the policy will be renewed and that it is affiliated with the insurer.

2. That there will be no interruption of coverage.

3. That the premium for the renewal policy will be

determined according to the rates and rating plan of the affiliate.

4. If the policy currently held by the policyholder is written by a mutual company and will be renewed in an affiliate that is a stock insurance company, that the policy will be renewed in an affiliate that is a stock insurance company and the policyholder will no longer have the rights that are granted to a mutual policyholder.

5. The A.M. Best or similar rating of the affiliate, if that rating is lower than the current A.M. Best or similar rating of the insurer.

6. If the amount of the premium for the policy after it is renewed in the affiliate will increase 25 percent or more from the amount of the premium prior to being renewed in the affiliate, notice of the increased premium.

(f) If the policy is a worker's compensation insurance policy under ch. 102, the insurer provides notice to the department of workforce development at least 60 days prior to renewal of the policy in an affiliate notifying the department of the name of the affiliate in which the policy is to be renewed.

(3) APPLICABILITY OF OTHER LAW. Sections 611.78 and 618.32 do not apply to renewals under this section.

SECTION 4. Initial applicability.

(1) This act first applies to policies that are renewable on the first day of the 3rd month beginning after the effective date of this subsection.