



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor
Sean Dilweg, Commissioner

Wisconsin.gov

August 25, 2010

Legal Unit
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REPORT ON s. Ins 3.33, Wis. Adm. Code, relating to
uniform questions and format for individual health
insurance

Clearinghouse Rule No. 10-068
Submitted Under s. 227.19 (3), Stats.

(The proposed rule-making order is attached.)

(a) A detailed statement of basis for the proposed rule and how the rule advances relevant statutory goals or purposes:

The commissioner is required to prescribe by rule uniform questions and format of an application that is to be exclusively used by insurers authorized to offer individual major medical health insurance coverage. The proposed rule was developed with assistance from an advisory council comprised of intermediaries, public members, consumer advocates and representatives from the insurance industry. The rule utilized the small employer uniform application for health insurance and the State of Oregon individual health questions model.

The proposed rule requires insurers to develop policies and procedures to implement the new individual uniform application, restricts modifications, prescribes how the individual uniform application can be used when completed using internet access to the insurer or when the application is completed via telephone. The proposed rule prohibits insurers from automatically completing portion in the electronic version based on responses to various questions but does allow the insurer to rearrange the sequence as pull-down questions provided the printed form is in the required format as contained in Appendix 1.

Appendix 1 contains the individual uniform application that once applicable, contains the only questions and format that can be used by insurers offering individual major medical health insurance. The office of the commissioner of insurance will also have the form available as a downloadable form that insurers are required to accept as current if provided to an insurer within 45 days of original signature.

(b) Summary of the public comments and the agency's responses to those comments:

Comment: Request the office to clarify the use of a paper copy of the application consistent with uniform small employer application

Response: OCI incorporated the same 45 day period into the rule.

Comment: Create new underwriting section to decrease redundancy of cross cite.

Response: OCI incorporated the request.

(c) An explanation of any modifications made in proposed rule as a result of public comments or testimony received at a public hearing:

The office added a 45-day period of time for which a paper copy of the uniform application can be considered to be current information and acceptable to an insurer. The office also created par. (6), moving reference to underwriting into one paragraph.

(d) Persons who appeared or registered regarding the proposed rule:

Appearances for:

None

Appearances against:

None

Appearances for information:

None

Registrations for:

None

Registrations against:

None

Registrations neither for nor against:

Megge Stein, Group Health Coop of South Central Wisconsin
Phil Dougherty, Wisconsin Association of Health Plans
Kathryn Ambelang, WPS
Mary Haffenbredl, Humana

Letters received:

Mary Haffenbredl, Humana
Phil Dougherty, Wisconsin Association of Health Plans
Karen Geiger, Anthem
Michael Hampton, Golden Rule Ins.

(e) An explanation of any changes made to the plain language analysis of the rule under s. 227.14 (2), Stats., or to any fiscal estimate prepared under s. 227.14 (4), Stats.

None

(f) The response to the Legislative Council staff recommendations indicating acceptance of the recommendations and a specific reason for rejecting any recommendation:

All comments were complied with and corrected except for the following:
5. e. (3) asks whether the term domestic partner should be used in lieu of spouse. At this time there is not consensus that domestic partners are covered under an individual policy similar to a spouse.
5. e. (6) – an example of an extreme activity is given in the question and the office could not get consensus on additional examples among the insurers.

(g) The response to the report prepared by the small business regulatory review board:

The small business regulatory review board did not prepare a report.

(h) Final Regulatory Flexibility Analysis

A Final Regulatory Flexibility Analysis is Not Required because the rule will not have a significant economic impact on a substantial number of small businesses.

(i) Fiscal Effect

See fiscal estimate attached to proposed rule.