

Ins 3

Filed March 4, 1958
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ORDER OF THE DEPARTMENT OF INSURANCE

Adopting Rules

Pursuant to authority vested in the Commissioner of Insurance by section 200.03 (2), Wis. Stats., the Commissioner of Insurance hereby adopts rules as follows:

Sections Ins 3.13, 3.14, and 3.15 of the Wisconsin administrative code are adopted to read:

Ins 3.13 Individual Accident and Sickness Insurance. (1) PURPOSE. This rule implements and interprets applicable statutes for the purpose of establishing procedures and requirements to expedite the review and approval of individual accident and sickness policies permitted by section 204.31, Wis. Stats., and franchise type accident and sickness policies permitted by section 204.32 (1), Wis. Stats. The requirements in subsections (2), (3), (4), (5), and (6) are to be followed in substance, and wording other than that described may be used provided it is not less favorable to the insured or beneficiary.

(2) POLICY PROVISIONS. (a) If a policy is not to insure against sickness losses resulting from conditions in existence prior to the effective date of coverage, or in existence prior to a specified period after such effective date, the policy by its terms shall indicate that it covers sickness contracted and commencing (or beginning, or originating, or first manifested or words of similar import) after such effective date or after such specified period. Wording shall not be used that requires the cause of the condition or sickness, as distinguished from the condition or sickness itself, to originate after such effective date or such specified period. (Note: It is understood that "sickness" as used herein means the condition or disease from which the disability or loss results.) Subsection (2) (a) shall not apply to nor prohibit the exclusion from coverage of a disease or physical condition by name or specific description.

(b) Where any "specified period" referred to in subsection (2) (a) exceeds 30 days, it shall apply to the occurrence of loss and not to the contracting or commencement of sickness after such period.

(c) 1. A policy other than a guaranteed renewable policy shall contain either a brief description or a separate statement printed on the first page and on the filing back, if any, referring to the policy's renewal conditions, or a separately captioned provision shall appear on or commence on the first page of the policy setting forth the conditions under which the policy may be renewed. The following statements or captions for this provision are considered as among those which will be acceptable: "Renewal Subject to Consent of Company", "Renewal Subject to Company Consent" or "Renewal at Option of Company". The enumerated captions are recommended without prejudice to the right of a company to submit another caption, subject to approval by the Commissioner, which it believes is equally clear or more definite as to the subject matter.

2. If the policy is not renewable it shall so state in a separate appropriately captioned provision on the first page.

3. If the policy contains a provision permitting cancellation by the insurer, it must be separately set out and captioned "Cancellation" and the existence of the cancellation provision must be referred to in the renewal provision by a specific cross reference in the renewal provision on the first page of the policy to the cancellation provision within.

(d) Policies issued on a family basis shall clearly set forth the conditions relating to termination of coverage of any family member.

(e) Surgical schedules shall provide that the benefit for any covered surgical procedure not specifically listed in the schedule shall be determined by the company on a basis consistent with the benefit provided for a comparable listed procedure.

(f) A limited policy is one that contains unusual exclusions, limitations, reductions, or conditions of such a restrictive nature that the payments of benefits under such policy are limited in frequency or in amounts. All limited policies shall be so identified by having the words "THIS IS A LIMITED POLICY--READ IT CAREFULLY" imprinted or stamped diagonally across the face of the policy and the filing back, if any, in contrasting color from the text of the policy and in outline type not smaller than eighteen point. When appropriate, these words may be varied by the insurer in a manner to indicate the type of policy; as for example, "THIS POLICY IS LIMITED TO AUTOMOBILE ACCIDENTS--READ IT CAREFULLY". Without limiting the general definition above, policies of the following types shall be defined as "limited": 1. School Accident, 2. Aviation Accident, 3. Polio, 4. Specified Disease, 5. Automobile Accident.

(g) If the policy excepts coverage while the insured is in military or naval service, the policy must provide for a refund of pro rata unearned premium upon request of the insured for any period the insured is not covered. However, if coverage is excluded only for loss resulting from military or naval service or war, the refund provision will not be required. This section shall not apply to guaranteed renewable policies.

(h) Policies which include sickness benefits and which do not cover pre-existing conditions, except single premium non-renewable policies, shall have printed thereon or attached thereto a notice stating in substance that the purchaser may return the policy within ten (10) days of delivery requesting cancellation and have any premium paid refunded if, after examination of the policy, the purchaser is not satisfied with it for any reason; or, in lieu of the foregoing notice, a statement calling the applicant's attention to the status of pre-existing conditions under his coverage shall be set forth by the company by means of any one of the following methods: 1. Included in application.

2. Included in notice attached to the policy.

3. Printed or stamped on the policy.

The above enumerated methods are set forth without prejudice to the right of

a company to submit another method, subject to approval by the Commissioner, which it believes is equally clear or effective.

(3) RIDERS AND ENDORSEMENTS. (a) A rider is an instrument signed by one or more officers of the insurer issuing the same to be attached to and form a part of a policy. All riders shall comply with the requirements of section 204.31 (2) (a) 4, Wis. Stats. If the rider reduces or eliminates coverage of the policy, signed acceptance by the insured is necessary.

(b) An endorsement differs from a rider only in that it is applied to a policy by means of printing or stamping on the body of the policy. All endorsements shall comply with the requirements of section 204.31 (2) (a) 4, Wis. Stats. If the endorsement reduces or eliminates coverage of the policy, signed acceptance by the insured is necessary; however, signed acceptance is not necessary when the endorsement is made at the time of the original issuance of the policy if notice of the endorsement is affixed on the face and filing back, if any, in contrasting color, in not less than twelve point type.

(4) APPLICATIONS. (a) Application forms shall indicate that answers to questions about the health of any proposed insured that call for an opinion, or require the exercise of judgment, are to the best of the applicant's knowledge and belief or words of similar import.

(b) It shall not be necessary for the applicant to sign a proxy provision as a condition for obtaining insurance. The applicant's signature to the application must be separate and apart from any signature to a proxy provision.

(5) FILING PROCEDURE. Policy forms, riders or endorsements submitted for review and approval must be filed as follows: (a) One copy of all such forms (two copies should be submitted if company desires one copy stamped as approved and returned) shall be submitted with a copy of the application applying thereto, if such application is to be made a part of the contract. If such application is already on file and has been previously approved, the form number and date of approval may be submitted rather than the application.

(b) If the nature of the information to be inserted in any blank space of any such form cannot be determined from the wording of the form, such blank space shall be filled in with hypothetical data to the extent needed to indicate the purpose and use of the form. As an alternative such purpose and use may be explained in the filing letter submitted with the form.

(c) The filing letter shall be in duplicate and shall contain the following information: 1. The identifying form number and title, if any, of the form.

2. A general description of the form.

3. In case of a rider or endorsement, the form numbers, identifying symbols or types of policies with which the rider or endorsement will be used.

4. The form number and date of department approval of any form superseded by the filing.

(6) RATE FILINGS. (a) The following must be accompanied by a rate schedule: 1. Policy forms.

2. Rider or endorsement forms which affect the premium rate.

(b) The rate schedule shall bear the insurer's name and shall contain or be accompanied by the following information: 1. The form number or identification symbol of each policy, rider or endorsement to which the rates apply.

2. A schedule of rates including policy fees or rate changes at renewal, if any, and variations, if any, based upon age, sex, occupation, or other classification.

3. An indication of the anticipated loss ratio.

4. Any revision of a rate filing shall be accompanied by a statement of the experience on the form and the anticipated loss ratio under the revised rate filing.

5. Subsection (6), paragraphs (b) 3 and (b) 4, shall not apply to guaranteed renewable policies or riders.

History: Cr. Register, March, 1958, No. 27; subsections (1), (5), (6) eff. 4-1-58; subsections (2), (3), (4) eff. 5-15-58.

Ins 3.14 Group Accident and Sickness Insurance. (1) PURPOSE.

This rule implements and interprets applicable statutes for the purpose of establishing procedures and requirements to expedite the review and approval of group accident and sickness policies permitted by section 204.32 (2) (a), Wis. Stats.

(2) FILING PROCEDURE. Policy forms, including certificates, riders or endorsements submitted for review and approval must be filed as follows: (a) One copy of all such forms (two copies should be submitted if company desires one copy stamped as approved and returned) shall be submitted with a copy of the application applying thereto, if such application is to be made a part of the contract. If such application is already on file and has been previously approved, the form number and date of approval may be submitted rather than the application.

(b) If the nature of the information to be inserted in any blank space of any such form cannot be determined from the wording of the form, such blank space shall be filled in with hypothetical data to the extent needed to indicate the purpose and use of the form. As an alternative such purpose and use may be explained in the filing letter submitted with the form.

(c) The filing letter shall be in duplicate and shall contain the following information: 1. The identifying form number and title, if any, of the form.

2. A general description of the form.

3. In case of a certificate, rider or endorsement, the form numbers, identifying symbols or types of policies with which the certificate, rider or endorsement will be used.

4. The form number and date of department approval of any form superseded by the filing.

(3) RATE FILINGS. Schedules of premium rates shall be filed in accordance with the requirements of section 204.32 (4), Wis. Stats. The schedules of premium rates shall bear the insurer's name and shall identify the coverages to which such rates are applicable.

(4) CERTIFICATES. (a) Each certificate issued to an employee or member of an insured group in connection with a group insurance policy shall include a statement in summary form of the provisions of the group policy relative to: 1. the essential features of the insurance coverage,

2. to whom benefits are payable,

3. notice or proof of loss,

4. the time for paying benefits, and

5. the time within which suit may be brought.

(5) COVERAGE REQUIREMENTS. Policies issued in accordance with section 204.32 (2), Wis. Stats., shall offer to insure all eligible members of the group or association except any as to whom evidence of insurability is not satisfactory to the insurer. Cancellation of coverage of individual members of the group or association who have not withdrawn participation nor received maximum benefits is not permitted, except that the insurer may terminate or refuse renewal of an individual member who attains a specified age, retires or who ceases to actively engage in the duties of his profession or occupation on a full-time basis or ceases to be an active member of the association or labor union or an employee of the employer, or otherwise ceases to be an eligible member.

History: Cr. Register, March, 1958, No. 27; subsections (1), (2), (3) eff. 4-1-58; subsections (4), (5) eff. 5-15-58.

Ins 3.15 Blanket Accident and Sickness Insurance. (1) PURPOSE.

This rule implements and interprets applicable statutes for the purpose of establishing procedures and requirements to expedite the review and approval of blanket accident and sickness policies permitted by section 204.32 (3) (a), Wis. Stats.

(2) FILING PROCEDURE. Policy forms, including riders or endorsements submitted for review and approval must be filed as follows: (a) One copy of all such forms (two copies should be submitted if company desires one copy stamped as approved and returned) shall be submitted with a copy of the application applying thereto, if such application is to be made a part of the contract. If such application is already on file and has been previously approved, the form number and date of approval may be submitted rather than the application.

(b) If the nature of the information to be inserted in any blank space of any such form cannot be determined from the wording of the form, such blank space shall be filled in with hypothetical data to the extent needed to indicate the purpose and use of the form. As an alternative such purpose and use may be explained in the filing letter submitted with the form.

(c) The filing letter shall be in duplicate and shall contain the following information: 1. The identifying form number and title, if any, of the form.

2. A general description of the form.

3. In case of a rider or endorsement, the form numbers, identifying symbols or types of policies with which the rider or endorsement will be used.

4. The form number and date of department approval of any form superseded by the filing.

(3) RATE FILINGS. Schedules of premium rates shall be filed in accordance with the requirements of section 204.32 (4), Wis. Stats. The schedules of premium rates shall bear the insurer's name and shall identify the coverages to which such rates are applicable.

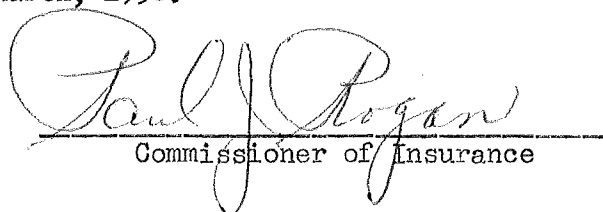
(4) ELIGIBLE RISKS. (a) In accordance with the provisions of section 204.32 (3) (a) 6, Wis. Stats., the following are eligible for blanket accident and health insurance: 1. Volunteer fire departments, 2. National Guard Units, 3. Newspaper delivery boys, 4. Dependents of students.

(b) A company may submit any other risk or class of risks, subject to approval by the Commissioner, which it believes is properly eligible for blanket accident and health insurance.

History: Gr. Register, March, 1958, No. 27; eff. 4-1-58.

I, Paul J. Rogan, Commissioner of Insurance, hereby certify that the foregoing is a true, correct and complete copy of the rules duly and regularly adopted by the Commissioner of Insurance on the 4th day of March, 1958, after a public hearing held on September 19, 1957, pursuant to law following due notice thereof.

Dated this 4th day of March, 1958.


Commissioner of Insurance