

Ins 3

Filed Sept 26, 1972  
2:06 P.M.

STATE OF WISCONSIN )  
 ) ss.  
OFFICE OF THE COMMISSIONER OF INSURANCE)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, S. C. DuRose, Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order adopting a rule relating to unfair trade practices in credit life and credit accident and sickness insurance was issued by this office on September 26, 1972.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the official seal of the Office of the Commissioner of Insurance in the City of Madison, State of Wisconsin, this 26th day of September, 1972.



S. C. DuRose  
Commissioner of Insurance

STATE OF WISCONSIN  
DEPARTMENT OF STATE  
RECEIVED AND FILED

SEP 26 1972

ROBERT C. ZIMMERMAN  
SECRETARY OF

ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

Adopting Rules

Pursuant to authority vested in the Commissioner of Insurance by section 601.41 (3), Wis. Stats., the Commissioner of Insurance hereby adopts a rule as follows:

Section Ins 3.26 of the Wisconsin Administrative Code is adopted to read:

Ins 3.26 Unfair Trade Practices in Credit Life and Credit Accident and Sickness Insurance. (1) PURPOSE. The purpose of this rule is to assist in the maintenance of a fair and equitable credit life insurance and credit accident and sickness insurance market. This rule interprets, including but not limited to, the following Wisconsin statutes: 201.045; 201.53 (2), (4), (7) and (8); 206.41 (10); 207.03; 207.04 (1) (d), (f), (g), (h), and (j); 209.04 (9); 601.01 (3) (a), (b), (c), (g) and (h); and 601.41 (1), (2) and (3).

(2) SCOPE. This rule shall apply to the transaction of credit life insurance as defined in section 201.04 (3c) and 206.63, Wis. Stats., and the transaction of credit accident and sickness insurance as defined in section 201.04 (4a), Wis. Stats.

(3) UNFAIR TRADE PRACTICES DEFINED. The following acts, whether done directly or indirectly, in consideration of or in connection with a policy issued or proposed to be issued are defined to be prohibited unfair trade practices in the transaction of insurance described in subsection (2) above:

(a) The offer or grant by an insurer of any special favor or advantage, or any valuable consideration or inducement not set out in the insurance contract. The payment of agents' commissions, reported annually in Schedule 24S, shall not be a violation of this paragraph but the acts cited in paragraphs (b), (c), (d), (e) and (f) may not in any way be construed as agents' commissions.

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- (b) The offer to deposit or the deposit with a bank or other financial institution, money or securities of the insurer or of any affiliate of the insurer with the design or intent that the deposit offset or take the place of a deposit of money or securities which otherwise would be required of the creditor by such bank or financial institution as a compensating balance or offsetting deposit for a loan or other advancement.
- (c) The deposit with a bank or other financial institution of money or securities without interest or at a lesser rate of interest than is currently being paid other depositors on similar deposits with such bank or other financial institution. This shall not be construed to prohibit the maintenance by an insurer of such demand deposits as are reasonably necessary for use in the ordinary course of business of the insurer.
- (d) The offer to sell or the sale of any capital stock or other security or certificate of indebtedness of the insurer or affiliated person.
- (e) The offer to pay or the payment of any part of the premium for any insurance on the life, health or property of any creditor or any employee or other person affiliated with the creditor.
- (f) The extension to the creditor of credit for the remittance of premium beyond the grace period of a group policy or for more than 45 days from the effective date of an individual policy.

(4) PENALTY. Violations of this rule shall subject the insurer or agent to section 601.64, Wis. Stats.

Dated September 26, 1972.



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S. C. DuRose  
Commissioner of Insurance