

Chapter Ins 4

FIRE AND ALLIED LINES INSURANCE

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Ins 4.01 Mutual insurance companies operating on a post mortem assessment plan cannot limit assessments to a specific amount. Mutual insurance companies operating on the post mortem assessment plan cannot limit the liability of members. Section 201.02 (5) (c), Wis. Stats., is applicable only to companies operating on the advance premium basis.

Ins 4.02 Nonassessable policies of mutual companies. (1) A mutual insurance company having a sufficient amount of earned surplus to comply with the provisions of section 201.07, Wis. Stats., must set aside, as a distinct guarantee fund, the amount required by statute to issue nonassessable policies, by resolution of the board of directors, certified copy of which resolution must be filed in the office of the commissioner of insurance, and, subsequent thereto and while the company continues to issue nonassessable policies in this state, must show the amount of such guarantee fund in every annual statement to this department.

(2) The conditions of nonassessability shall be plainly stated in policies issued in this state. Wherever the "Mutual Policy Conditions" are printed, there shall be printed in type not smaller than the body of the policy "This policy is nonassessable."

(3) All policy forms used in issuing nonassessable policies shall be submitted for approval by the commissioner of insurance.

(4) No company shall be permitted to issue nonassessable policies and assessable policies at the same time.

(5) No joint policy may be issued in this state which includes a company operating on the nonassessable plan and a company operating on the assessable plan.

History: 1-2-56; r. (2)(b) and renum. (2)(c) to be (2)(b), Register, July, 1958, No. 31, eff. 8-1-58; am. (2)(a) and (2)(b), Register, October, 1958, No. 34, eff. 11-1-58; am. (2) Register, February, 1959, No. 38, eff. 3-1-59.

Ins. 4.03 Policy, inspection and similar fees. The total advance consideration including policy, inspection, and other fees charged an insured must be stated in the policy. Such fees are a part of the premium and are subject to all statutory provisions relating to premiums except as to policy fees otherwise provided for under section 201.18 (3), Wis. Stats.

Ins 4.04 **History:** 1-2-56; am. (3), Register, July, 1958, No. 31, eff. 8-1-58; r. Register, November, 1960, No. 59, eff. 12-1-60.

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Ins 4.05 "Merit rating plan"—Farm property. (1) The term "merit rating plan", as used in section 203.32 (6) (f), Wis. Stats., is hereby defined to be a plan of rating of farm property whereby each individual risk is rated under a filed rating schedule or rating plan which produces rates by the use of a basis rate and a system of charges and credits which are applied after inspection to establish a rate on each individual risk which properly reflects the hazards and fire protection features existing in such risk.

(2) A copy of a survey or rate make-up sheet, bearing the name of a representative of the insurer or rating organization who has inspected the risk, must be kept on file in the office of such insurer or rating organization.

History: Ins 4.06 Handling of cash and the recording of cash transactions by town mutual insurance companies. 1-2-56; r. Register, August, 1974, No. 224, eff. 9-1-74.

Ins 4.07 Inland marine definition. The purpose of this rule is to define the kinds of risks and coverages which may be classified or identified as inland marine insurance ~~under section 203.32 (2) (a), Wis. Stats.~~, but does not include all of the kinds of risks and coverages which may be written, classified or identified under inland marine insuring powers, nor shall it be construed to mean that the kinds of risks and coverages are solely inland marine insurance in all instances. This rule shall not be construed to restrict or limit in any way the exercise of any insuring powers granted under charters and license whether used separately, in combination or otherwise. Inland marine policies may cover under the following conditions:

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(1) IMPORTS. (a) Imports on consignment may be covered wherever the property may be and without restriction as to time, provided the coverage of the issuing companies includes hazards of transportation. A shipment "on consignment" shall mean property consigned and intrusted to a factor or agent to be held in his care, or under his control for sale for account of another or for exhibit or trial or approval or auction, and if not disposed of, to be returned.

(b) Imports not on consignment in such places of storage as are usually employed by importers, provided the coverage of the issuing companies includes hazards of transportation. Such policies may also include the same coverage in respect to property purchased on C.I.F. terms or "spot" purchases for inclusion with or in substitution for bona fide importations.

(c) An import, as a proper subject of inland marine insurance, shall be deemed to maintain its character as such so long as the property remains segregated in the original form or package in such a way that it can be identified and has not become incorporated and mixed with the general mass of property in the United States, and shall be deemed to have been completed when such property has been sold and delivered by the importer, factor or consignee; or removed from place of storage as desired in paragraph (b) above and placed on sale as part of importer's stock in trade at a point of sale-distribution; or delivered for manufacture, processing or change in form to premises of the importer or of another used for any such purposes.

(2) EXPORTS. (a) Exports may be covered wherever the property may be without restriction as to time, provided the coverage of the issuing companies includes hazards of transportation.

secure a loan under a policy which would continue in force after the seller's interest ceases. Negative since the form of policy is not the well established type of policy known as "The Personal Property Floater" nor does the policy comply with subsection (6) (o).

174. Telephone answering service insurance including business interruption or extra expense coverage covering physical damage to leased telephone or radio telephone equipment against all risks of loss. Affirmative.

175. Trailer truck theatre consisting of portable theatre equipment including trailer trucks used in transporting such equipment. Negative as to insurance of the trailer trucks.

176. Ice vending machines, mobile in nature, in use for the purpose for which they were manufactured. Affirmative.

177. Coin changers permanently located in parking lots. Negative.

178. Trailer-kitchen, restaurant covering trailer unit and its contents wherever located and operating as restaurant. Negative as to the unit; affirmative as to mobile articles used in connection therewith.

179. Chicks and supplies in possession of growers also engaged in business as a dealer. Affirmative.

180. Theatrical floaters affording coverage to eligible property on an all-risk basis. Affirmative.

History: 1-2-56; am. (6) (d); am. (7) (a), (b), (c) and (d); r. (7) (e), (f), (g), (h), (i), (j) and (k); am. (9) (a) 18, 21, 29 and 49; cr. (9) (a) 76 through 152, both inclusive. Register, November, 1960, No. 59, eff. 12-1-60; cr. (9) (a) 153 through 180, both inclusive, Register, April, 1964, No. 100, eff. 5-1-64.

Ins 4.08 Inland marine classes exempt from filing requirements. (1) PURPOSE. In accordance with section 625.04, Wis. Stats., the purpose of this rule is to exempt from the filing requirements of section 625.13, Wis. Stats., those classes of inland marine risks which by general custom of the business have not been written according to manual rates or rating plans promulgated by a rate service organization. This exemption is to apply to insurers even though certain of the classes listed are written by the insurer in accordance with manual rates or rating plans.

(2) **SCOPE.** This rule shall apply to inland marine insurance transacted under the authorization of section 201.04 (1), Wis. Stats.

(3) **EXEMPT CLASSES.** (a) Insurers and rate service organizations are exempt from section 625.13, Wis. Stats., in respect to the filing of rates and supplementary rate information for the following classes of inland marine insurance:

1. Armored car and messenger.
2. Bailees customers.
3. Bills of lading—railroad.
4. Boats and motors used for business, hire or other commercial use and boats exceeding 16 feet in overall length, measured on the center line, including motors, equipment and appurtenances, including boat carriers and trailers used in conjunction therewith.
5. Cold storage locker operators policies.
6. Commercial radio and TV towers.
7. Contact lenses.
8. Contractors equipment.

9. Dealers policies—miscellaneous.
10. Deferred payment merchandise.
11. Department store floaters.
12. Exhibition risks.
13. Fine art dealers, museums, etc.
14. Government service policies.
15. Gun floaters.
16. Installation floaters.
17. Leased property.
18. Live animals and pelts.
19. Logging equipment.
20. Machinery and mechanical equipment.
21. Mine equipment and rolling stock.
22. Morticians equipment floaters.
23. Morticians liability.
24. Motor truck cargo.
25. Paraphernalia floaters.
26. Parcel post, other than coupon policies.
27. Pattern floaters.
28. Poultry floaters.
29. Processing risks.
30. Salesmen's samples.
31. Scientific instrument floaters.
32. Trailer contents (mobile homes).
33. Transmission and pipe lines.
34. Transportation—open and annual forms.
35. Transportation—all other.
36. Warehousemen's legal liability.
37. Well drilling equipment.
38. Miscellaneous individual risk floaters.

History: Cr. Register, December, 1969, No. 168, eff. 1-1-70.

Ins 4.10 Wisconsin insurance plan. (1) PURPOSE. This rule is intended to implement and interpret chapter 619, Wis. Stats., for the purpose of establishing procedures and requirements for a mandatory risk sharing facility for basic property insurance coverage. The implementation of the plan shall be in accordance with the urban property protection and reinsurance act of 1968, P.L. 90-448, 82 Stat. 476. This rule is also intended to encourage improvement and reasonable loss prevention measures of properties located in Wisconsin and further orderly community development.

(2) SCOPE. This rule shall apply to all insurers included in subsection (3) (b) of this rule, except those organized under chapter 202, Wis. Stats., and farm assessment mutual insurance companies which insure farm property on an assessment basis. This rule shall apply to the state insurance fund established under sections 210.01 through 210.04, Wis. Stats., insofar as necessary to qualify for reinsurance under P.L. 90-448.

(3) DEFINITIONS. (a) The *Wisconsin Insurance Plan*, hereinafter referred to as the Plan, means the nonprofit, unincorporated facility established by this rule to provide for the issuance of basic property insurance, for risk sharing, and to assist applicants in securing basic property insurance.