



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2007 Wisconsin Act 170**  
[2007 Senate Bill 386]

**Insurance Law Revisions**

2007 Wisconsin Act 170 contains a number of changes in insurance laws, as follows:

- Removes the local government property insurance fund from the state investment fund and requires the State of Wisconsin Investment Board to invest in the local government property insurance fund.
- Provides that any action to recover any license fee, other required fee, or tax paid by an insurer must be brought by the Attorney General in Dane County circuit court, and further provides this is the exclusive remedy by which to recover the license fee, tax, or fee.
- Provides that stop-loss coverage of an employer self-funded health plan is considered to be insurance that is governed by the insurance statutes.
- Provides the insurance commissioner with discretion in setting up an appropriate advisory council or committee to advise the commissioner in developing administrative rules governing the uniform employee application form used by small employers.
- Clarifies the insurance commissioner's privilege against disclosure of certain records, how the privilege may be waived, and what the privilege applies to.
- Sets forth the conditions under which the local government property insurance fund may cover a building or structure.
- Modifies the laws relating to the investment of an insurance corporation's assets in a subsidiary.
- Removes the prohibition on submitting a proposed plan of merger, or other plan for acquisition or control, to shareholders prior to being approved by the commissioner.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

- Creates an alternative for providing group insurances certificates, by permitting insurers to make the certificate available electronically online. If made available electronically, the insurer must provide information to the policyholder on how to access the certificate information, must provide notice of any subsequent changes in the certificate, and provide a paper copy of the certificate upon request.
- Prohibits a lender from requiring a borrower to insure property against risks to improvements on the real property in an amount that exceeds the replacement value or market value of improvements, whichever is less.
- Provides that an eligible enrollee to a group health benefit plan will not be considered a late enrollee if the person previously declined coverage under the plan due to enrollment in other group coverage.
- Makes several changes to the insurance security fund in ch. 646, Stats.

***Effective Date:*** 2007 Wisconsin Act 170 takes effect on April 9, 2008.

***Prepared by:*** Laura Rose, Deputy Director

April 29, 2008

LR:jb;wu