CHAPTER 424

CONSUMER TRANSACTIONS — INSURANCE

SUBCHAPTER I
GENERAL PROVISIONS
424.101 Short title.
424.102 Scope.
424.103 Application of general definitions.
SUBCHAPTER II
CONSUMER CREDIT INSURANCE
424.201 Definition "consumer credit insurance".
424.202 Charge for insurance.
424.203 Conditions applying to insurance to be provided by creditor.
424.204 Maximum charge by creditor for insurance.
424.205 Refund or credit required.
424.206 Deferral, refinancing and consolidation agreements.
424.207 Term of insurance.
424.208 Amount of insurance.
424.209 Filing and approval of rates and forms.
SUBCHAPTER III
PROPERTY INSURANCE
424.301 Restrictions on property insurance.
424.302 Insurance on creditor's interest only.
424.303 Cancellation by creditor.
424.304 Cancellation by customer.
SUBCHAPTER IV
OTHER INSURANCE PRODUCTS
424.401 Cancellation by customer.
424.402 Insurance cancellation credit or payment.
SUBCHAPTER V
INSURANCE PRACTICES
424.501 False, misleading or deceptive insurance solicitation.
424.502 Insurance commissions; limitations.
SUBCHAPTER VI
ADMINISTRATION
424.601 Cooperation between administrator and commissioner of insurance.
424.602 Administrative action of commissioner of insurance.

Cross−reference: See definitions in s. 421.301.

SUBCHAPTER I

GENERAL PROVISIONS

424.101 Short title. This chapter shall be known and may be cited as Wisconsin consumer act—insurance.
History: 1971 c. 239.

424.102 Scope. This chapter applies to agreements between a creditor and a debtor under which insurance is provided or is to be provided in relation to consumer credit transactions.
History: 1971 c. 239; 1973 c. 3.

424.103 Application of general definitions. The definitions in s. 421.301 shall apply to this chapter.
History: 1973 c. 3; 1981 c. 390 s. 252.

SUBCHAPTER II

CONSUMER CREDIT INSURANCE

424.201 Definition "consumer credit insurance". "Consumer credit insurance" means insurance, other than insurance on property, by which the satisfaction of debt in whole or in part is a benefit provided, but does not include:

(1) Insurance issued as an isolated transaction on the part of the insurer not related to an agreement or plan for insuring customers of the creditor;

(2) Insurance indemnifying the creditor against loss due to the customer's default; or

(3) With respect to a motor vehicle consumer lease, a lessor's waiver of its contractual right to hold the lessee liable for any or all of the gap amount, as defined in s. 429.104 (12), if the waiver is granted without a separate charge.
History: 1971 c. 239; 1973 c. 3; 1985 a. 256; 1995 a. 329.

424.202 Charge for insurance. (1) Except as otherwise provided in this chapter and subject to the provisions on additional charges (s. 422.202), and maximum charges (s. 422.201) a creditor may agree to provide insurance, and may contract for and receive a charge for insurance separate from and in addition to other charges. A creditor need not make a separate charge for insurance provided or required by the creditor.

(2) This chapter does not authorize the issuance of any insurance prohibited under any statute, or rule thereunder, governing the business of insurance.
History: 1971 c. 239; 1991 a. 316.

424.203 Conditions applying to insurance to be provided by creditor. (1) When the parties agree that consumer credit insurance shall be provided, at the time the indebtedness is incurred there shall be delivered to the customer the individual policy, a group certificate of insurance, a copy of the application for such insurance or a notice of proposed insurance.

(2) The evidence of insurance provided pursuant to sub. (1) shall set forth the name and home office address of the insurer, the name or names of the customers, the premium or amount of payment by the customer, if any, separately for credit life insurance and credit accident and sickness insurance, the amount, term and a brief description of the coverage provided, including all exclusions and exceptions.

(3) Within 30 days of the date upon which the indebtedness is incurred, the insurer shall cause the individual policy or group certificate of insurance to be delivered to the customer if it is not delivered at the time the indebtedness is incurred.

(4) Within 10 days from the date the indebtedness is incurred, the customer shall be permitted to return the policy, certificate of insurance or the notice of proposed insurance to the creditor and to receive a refund of any premium paid for the insurance if the customer is not satisfied with the insurance for any reason. Such insurance shall then be void and the parties will be in the same position as if no certificate, policy or notice of proposed insurance had been issued. Conspicuous notice of the right to return the policy, certificate of insurance or notice of proposed insurance shall be furnished with or in the policy, certificate or notice of proposed insurance.

(5) A violation of this section is subject to s. 425.303.
History: 1971 c. 239; 1973 c. 3 ss. 59, 69; 1991 a. 316.

424.204 Maximum charge by creditor for insurance. (1) Except as provided in sub. (2), if a creditor contracts for or receives a charge for insurance, the amount charged for the insurance may not exceed the premium to be charged by the insurer, as computed at the time the charge to the customer is determined, conforming to any rate filings required by law and made by the insurer with the commissioner of insurance.

(2) A creditor who provides consumer credit insurance in relation to an open−end credit plan may calculate the charge to the

customer in each billing cycle by applying the current premium rate to either:

(a) The average daily unpaid balance of the obligation in the cycle;

(b) The unpaid balance of the obligation or a median amount within a specified range of unpaid balances of the obligation on approximately the same day of the cycle. The day of the cycle need not be the day used in calculating the finance charge (s. 422.201), but the specified range shall be the range used for that purpose; or

(c) The unpaid balances of principal calculated according to the actuarial method.

(3) A violation of this section is subject to s. 425.304.

History: 1971 c. 239.

424.205 Refund or credit required. (1) Upon prepayment in full of a consumer credit transaction by the proceeds of consumer credit insurance, the customer or the customer's estate is entitled to a refund of any portion of a separate charge for insurance which by reason of prepayment is retained by the original creditor or any assignee or returned to either of them by the insurer.

(2) This chapter does not require the creditor to grant a refund or credit if all the refunds and credits due to the customer under chs. 421 to 427 amount to less than $1 and, except as provided in sub. (1), does not require the creditor to account to the debtor for any portion of a separate charge for insurance because:

(a) The insurance is terminated by performance of the insurer's obligation;

(b) The creditor pays or accounts for premiums to the insurer in amounts and at times determined by the agreement between them; or

(c) The creditor receives directly or indirectly under any policy of insurance a gain or advantage not prohibited by law.

(3) Except as provided in sub. (2), the creditor shall promptly make or cause to be made an appropriate refund or credit to the customer with respect to any separate charge made to the customer for insurance if:

(a) The insurance is not provided or is provided for a shorter term than that for which the charge to the debtor for insurance was computed; or

(b) The insurance terminates prior to the end of the term for which it was written because of prepayment in full or otherwise.

(4) A refund or credit required by sub. (3) is appropriate as to amount if it is computed according to either s. 422.209 or a method prescribed or approved by the commissioner of insurance.

History: 1971 c. 239; 1979 c. 89; 1991 a. 316.

424.206 Deferral, refinancing and consolidation agreements. (1) The creditor may not receive a separate charge for insurance in connection with a deferral (s. 422.204), a refinancing (s. 422.205) or a consolidation (s. 422.206) unless:

(a) The customer agrees in writing at the time of deferral, refinancing or consolidation that a specific charge may be made;

(b) The customer is to be provided with insurance for an amount or a term, or insurance of a kind, in addition to that to which the customer would have been entitled had there been no deferral, refinancing or consolidation;

(c) The customer receives a refund or credit on account of any unexpired term of existing insurance in the amount that would be required if the insurance were terminated (s. 424.205); and

(d) The charge does not exceed the amount permitted by this chapter (s. 424.204).

(2) A creditor may not contract for or receive a separate charge for insurance which duplicates insurance with respect to which the creditor has previously contracted for or received a separate charge.

(3) A violation of this section is subject to the provisions of s. 425.303.

History: 1971 c. 239; 1991 a. 316.

424.207 Term of insurance. (1) Consumer credit insurance provided by a creditor may be subject to the furnishing of evidence of insurability satisfactory to the insurer. Whether or not such evidence is required, the term of the insurance shall commence no later than when the customer becomes obligated to the creditor or when the customer applies for the insurance, whichever is later except as follows:

(a) If any required evidence of insurability is not furnished until more than 30 days after the term would otherwise commence, the term may commence on the date when the insurer determines the evidence to be satisfactory; or

(b) If the creditor provides insurance not previously provided covering debts previously created, the term may commence on the effective date of the policy.

(2) In the case where the commencement of the insurance is delayed, the customer to the extent the customer has paid a premium charge for any period of time before the insurance became effective, shall be entitled to a rebate or credit of such premium according to s. 424.205.

(3) The originally scheduled term of the insurance shall extend at least until the due date of the last scheduled payment of the obligation, except as follows:

(a) If the insurance relates to an open−end credit plan, the term need extend only until the payment of the account and may be sooner terminated after at least 30 days' notice to the customer; or

(b) If the customer is advised in writing in a clear and conspicuous manner that the insurance will be written for a specified shorter time, the term need extend only until the end of the specified time.

(4) The term of the insurance shall not extend more than 15 days after the originally scheduled due date of the last scheduled payment of the debt unless it is extended without additional cost to the customer or as an incident to a deferral, refinancing or consolidation agreement.

History: 1971 c. 239; 1991 a. 316.

424.208 Amount of insurance. (1) The initial amount of credit life insurance shall not exceed the total amount repayable under the contract of indebtedness however the indebtedness may be repayable, but in cases where an indebtedness is repayable in substantially equal installments, the amount of insurance shall at no time exceed the scheduled or actual amount of unpaid indebtedness, whichever is greater.

(2) The total amount of indemnity payable by credit accident and sickness insurance in the event of a disability, shall not exceed the aggregate of the periodic scheduled unpaid installments of the indebtedness, and the amount of each periodic indemnity payable shall not exceed the original indebtedness divided by the number of periodic installments.

History: 1971 c. 239; 1973 c. 3 ss. 60, 69; 1997 a. 302.

Legislative Council Note, 1973: [As to sub. (1) (intro.)] Clarifies the application of this subsection to open−end accounts. As the section reads prior to amendment, it could be construed to mean that maximum credit life insurance coverage would be determined by the account balance at the time the insurance was initially contracted for. However, the intent is that the amount of insurance fluctuate with, but never exceed, the account balance in open−end credit accounts. For verification, see s. 424.204 (2), which uses the current account balance to determine the premium charge. [Bill 432−A]

424.209 Filing and approval of rates and forms. (1) Notwithstanding s. 625.13 (1), no individual or group policy, certificate of insurance, notice of proposed insurance, application for insurance, endorsement or rider relating to credit life insurance or credit accident and sickness insurance delivered or issued for delivery in this state, or the schedule of premium rates or charges pertaining thereto, may be issued, delivered or used in this state until a copy of the form thereof has been filed with the commissioner of insurance, nor until the expiration of 30 days after it has

been so filed unless the commissioner shall sooner give written approval thereto. Notwithstanding s. 625.22 (1), the commissioner, within 30 days after the filing of any such form, may disapprove such form or rate schedule if the benefits provided are unreasonable in relation to the premiums to be charged, or if the form contains a provision which is unjust, unfair, inequitable, misleading, deceptive or encourages misrepresentation of the policy, or is contrary to chs. 600 to 646 or any rule adopted thereunder. The benefits provided by any such policy shall be presumed reasonable in relation to the premium to be charged if the ratio of losses incurred to premiums earned is, or may reasonably be expected to be, 50 percent for credit life insurance and 60 percent for credit accident and sickness insurance, or such lower loss ratios as designated by the commissioner to afford reasonable allowance for expenses for a particular plan of coverage. If the ratio of losses incurred to premiums earned is less than or can reasonably be expected to be less than the prescribed standards, the benefits provided shall be presumed unreasonable in relation to the premiums charged. Determination of the reasonable relation of benefits to premiums shall be made by the commissioner for each policy form filed for such approval. Premium rate standards for other benefit plans shall be actuarially consistent with the prescribed rate standards. The commissioner may limit the use of any such form for those creditors or customers whose experience was the basis for approval and such other creditors or customers likely to experience similar mortality or morbidity.

(2) Not later than 6 months after March 1, 1973, the commissioner of insurance, by rule, shall adopt premium rates for credit life and credit accident and sickness insurance based upon the loss ratio standards set forth in sub. (1), which rates shall be acceptable without further justification. No charge may be made for credit life or credit accident and sickness insurance which exceeds such premium rates except as provided in this subsection. The commissioner of insurance from time to time shall raise or lower the acceptable premium charges permitted for such insurance for any particular creditor, class of creditor or class of transaction whenever the commissioner determines that the actual loss experience for that particular creditor, class of creditor or class of transactions produces a ratio of losses to premiums which differs substantially, based on credible data for a relevant period of time, from the loss ratio standards established by sub. (1).

(3) No individual policy of credit accident and sickness insurance or group policy of credit accident and sickness insurance may be delivered or issued for delivery in this state if the benefits are payable after a waiting period of less than 14 days, regardless of whether the payment of benefits is retroactive to the first day of disability.

(4) If a group credit life insurance policy or group credit accident and sickness insurance policy is delivered to a policyholder which is not a Wisconsin corporation or other resident and does not have its principal office in Wisconsin, the forms to be filed by the insurer with the commissioner of insurance are the group certificates and notices of proposed insurance. The commissioner of insurance shall approve them if:

(a) They provide the information that would be required if the group policy were delivered in this state;

(b) The applicable premium rates or charges do not exceed those established by chs. 421 to 427 or by rules adopted thereunder; and

(c) They do not contain provisions which are unjust, unfair, inequitable or deceptive, or encourage misrepresentation of the coverages, or are contrary to chs. 600 to 646, or of any rule adopted thereunder.

History: 1971 c. 239; 1973 c. 3; 1977 c. 339 s. 43; 1979 c. 89; 1991 a. 316; 1993 a. 325.

SUBCHAPTER III

PROPERTY INSURANCE

424.301 Restrictions on property insurance. (1) A creditor may not contract for a separate charge or receive a separate charge for insurance against loss of or damage to property in which the creditor holds a security interest or to property leased under a motor vehicle consumer lease unless all of the following conditions are met:

(a) The insurance covers a substantial risk of loss or damage to property which is allowable collateral under s. 422.417 for the credit transaction.

(b) The amount of the insurance does not exceed any of the following:

1. The actual cash value or stated value of any motor vehicle, manufactured home, or mobile home in which the creditor holds a security interest.

2. The cash value or replacement value of any property in which the creditor holds a purchase money security interest.

3. The stated amount of the customer's credit line if the purchase money security interest secures transactions pursuant to an open−end credit plan.

5. In any other transaction, the total payments or, if the transaction is for a term of 49 months or more, the amount financed.

(c) The term of the insurance is reasonable in relation to the terms of credit.

(1m) The limitations of subs. (1) and (2) and s. 422.202 (1) (b) do not apply to property insurance on some or all of the property in which the creditor holds a security interest if the creditor does not require any insurance on the property and if the creditor is not designated a loss payee in the policy. Subsection (3) does not apply to a credit transaction solely to finance the purchase of such property insurance.

(2) The term of the insurance is reasonable if it is customary and does not extend substantially beyond a scheduled maturity.

(3) A creditor may not contract for or receive a separate charge for insurance against loss of or damage to property unless the amount financed exclusive of charges for the insurance is $800 or more, and the value of the property is $800 or more.

(4) (a) A creditor may not contract for or receive a separate charge for insurance against loss of or damage to the customer's property in which the creditor does not hold a security interest if any of the following apply:

1. The creditor sells the customer insurance described in sub. (1) covering some or all of the same property, except as provided in sub. (1m).

2. The amount of the insurance exceeds the amount by which the value of the property exceeds the amount of insurance against loss or damage to the property which the customer has in force at the time the consumer credit transaction is consummated.

(b) If the customer purchases property insurance in addition to that already in force, the value of the customer's property shall be verified by the customer's written statement or an appraisal or a bill of sale.

(5) A violation of this section is subject to s. 425.303.

(6) This section does not apply to portable electronics insurance, as defined in s. 632.975 (1) (e).

History: 1971 c. 239; 1973 c. 3; 1985 a. 256; 1995 a. 329; 1997 a. 302; 2007 a. 11; 2013 a. 230.

Legislative Council Note, 1973: [As to sub. (1) (a)] Clarifies the scope of allowable property insurance. This paragraph sets forth one of the conditions necessary for property insurance. However, as it reads prior to amendment, no insurance could be taken on any household furnishings, regardless of whether the transaction involved a security interest in them. The effect of the amendment is to allow insurance on any permitted collateral, regardless of its nature. Therefore, if a creditor has a security interest in household furnishings, he will be able to protect his interest by the use of insurance against loss or damage. [Bill 432−A]

424.302 Insurance on creditor's interest only. If a creditor contracts for or receives a separate charge for insurance against loss of or damage to property, the risk of loss or damage not willfully caused by the customer is on the debtor only to the extent of

any deficiency in the effective coverage of the insurance, even though the insurance covers only the interest of the creditor.

History: 1971 c. 239.

424.303 Cancellation by creditor. (1) A creditor shall not request cancellation of a policy of property or liability insurance except after the customer's default (s. 425.103), or in accordance with a written agreement by the customer at any time other than when the original transaction is entered into. In either case the cancellation does not take effect until written notice is delivered to the customer or mailed to the customer at an address as stated by the customer. The notice shall state that the policy may be canceled on a date not less than 30 days after the notice is delivered, or, if the notice is mailed, not less than 33 days after it is mailed.

(2) Following cancellation, the customer shall be entitled to a rebate or credit for any prepaid charges which represent the premium for a period following cancellation.

(3) This section shall not apply to a contract issued by an insurance premium finance company licensed under s. 138.12.

History: 1971 c. 239; 1973 c. 3; 1991 a. 316.

424.304 Cancellation by customer. (1) Following the sale of any insurance product under s. 422.202 (1) (b), the customer has the right to cancel the insurance until 30 days after the policy is mailed or otherwise delivered to the customer. The creditor shall provide the customer a notice in duplicate in the form set forth in subs. (2) and (3).

(2) The notice required by sub. (1) shall be in substantially the following form:

CUSTOMER'S RIGHT TO SUBSTITUTE PROPERTY OR LIABILITY INSURANCE

You may cancel the property or liability insurance which you purchased through .... (name and address of lender) to insure the collateral securing your loan dated .... (date). To cancel, you must mail or deliver a written notice, together with the original policy for the property or liability insurance, to us before midnight of the 30th day after the date our policy was mailed or otherwise delivered to you. In addition, you must include a copy of a policy or endorsement for substitute insurance from another insurance company, such as the company insuring your home, that provides the same coverage and that names our company as loss payee. If you cancel and you do not provide evidence of substitute insurance to us with your notice or within 7 days after sending a cancellation notice to us, we may purchase other insurance to cover our risk and charge you for it.

If you wish, you may use this page as your written notice by writing "I hereby cancel this insurance" and adding your name, address and the date. This page, the original policy and a copy of the substitute policy or endorsement showing our company as loss payee must be sent or delivered to us before midnight on the 30th day after the date our policy was mailed or otherwise delivered to you. Keep the copy of this page for your records.

If you cancel this insurance, you may elect to receive either a check for the insurance premiums or a credit against your loan balance in the amount of the insurance premiums and the amount of applicable finance charge. Check which of the following you elect:

1. .... I want you to send me a check in the amount of $.... (amount of insurance premiums) for the insurance premiums.

2. .... I want you to credit my loan balance in the amount of $.... (amount of insurance premiums) which is the amount of the insurance premiums, plus the amount of applicable finance charge.

(3) A creditor may elect to provide only a credit to a customer who cancels insurance under this section. If a creditor so elects, the creditor shall delete the last paragraph of the notice under sub. (2) and shall substitute the following: "If you cancel this insurance, we will credit your loan balance in the amount of $.... (amount of insurance premiums), which is the amount of the insurance premiums, plus the amount of applicable finance charge."

(4) Any customer who cancels and substitutes insurance within the 30−day period under sub. (1) is entitled to a credit or payment under s. 424.402. Any insurance policy covered by the notice shall be void as of the date of purchase, unless a loss has occurred, upon mailing or delivery of the notice of cancellation by the customer and all rights under the policy shall terminate. The creditor shall promptly provide the customer with a credit or payment, as applicable, even if the original policy does not accompany the notice of cancellation.

(5) A violation of this section is subject to s. 425.303.

History: 1985 a. 256.

SUBCHAPTER IV

OTHER INSURANCE PRODUCTS

424.401 Cancellation by customer. (1) Following the sale of any insurance product under s. 422.202 (2s) (a) 2., including insurance described in s. 424.301 (1m), or, if for a term of more than one year, any future service or motor club service contracts under s. 422.202 (2s) (a) 3., the customer has the right to cancel the products or contracts until 30 days after the insurance policy, future service contract or motor club service contract is mailed or otherwise delivered to the customer. The creditor shall provide the customer a notice in duplicate in the form set forth in subs. (2) and (3).

(2) The notice required by sub. (1) shall be in substantially the following form:

CUSTOMER'S RIGHT TO CANCEL OPTIONAL .... (INSURANCE, FUTURE SERVICE CONTRACT OR MOTOR CLUB SERVICE CONTRACT)

You may cancel the optional .... (insurance, future service contract or motor club service contract) which you purchased and financed through .... (name and address of lender) on .... (date). To cancel, you must mail or deliver a written notice to us before midnight of the 30th day after the date this .... (insurance policy or service contract) was mailed or otherwise delivered to you.

If you wish, you may use this page as your written notice by writing "I hereby cancel this .... (insurance or service contract)" and adding your name, address and the date. This page and the original .... (policy or contract) must be sent or delivered to us before midnight on the 30th day after the date the .... (insurance policy or service contract) was mailed or otherwise delivered to you. Keep the copy of this page for your records.

If you cancel this .... (insurance or service contract), you may elect to receive either a check for the .... (insurance premiums or service contract charges), or a credit against your loan balance in the amount of the .... (insurance premiums or service contract charges) plus the amount of applicable finance charge. Check which of the following you elect:

1. .... I want you to send me a check in the amount of $.... (amount of insurance premiums or service contract charges) for the .... (insurance premiums or service contract charges).

2. .... I want you to credit my loan balance in the amount of $.... (amount of insurance premiums or service contract charges), which is the amount of the .... (insurance premiums or service contract charges), plus the amount of applicable finance charge.

(3) A creditor may elect to provide only a credit to a customer who cancels insurance or a service contract under this section. If a creditor so elects, the creditor shall delete the last paragraph of the notice under sub. (2) and shall substitute the following: "If you cancel this .... (insurance or service contract), we will credit your loan balance in the amount of $.... (amount of insurance premiums or service contract charges), which is the amount of $.... (insurance premiums or service contract charges), plus the amount of applicable finance charge."

(4) Any person who cancels insurance or a service contract within the 30−day period under sub. (1) is entitled to a credit or payment under s. 424.402. Any insurance policy or service con-

tract covered by the notice is void as of the date of purchase upon mailing or delivery of the notice of cancellation by the customer and all rights under the policy or contract shall terminate. The creditor shall promptly provide the customer with a refund or credit, as applicable, even if the original policy or contract does not accompany the notice of cancellation.

(5) A violation of this section is subject to s. 425.303.

(6) This section does not apply to portable electronics insurance, as defined in s. 632.975 (1) (e).

History: 1985 a. 256; 2013 a. 230.

424.402 Insurance cancellation credit or payment. **(1)** Any customer who cancels insurance or a service contract under s. 424.304 or 424.401 shall receive one of the following:

(a) A credit against the balance of the customer's obligation or account in the amount of the insurance premiums or service contract charges plus that portion of the finance charge attributable to the insurance premiums or service contract charges.

(b) A payment in the amount of the full amount of the insurance premiums or service contract charges, which amount shall continue to be part of the customer's obligation, if the creditor offers and the customer elects this option.

(2) With respect to the application of a credit under sub. (1) (a) to a customer's obligation for a consumer credit transaction other than one pursuant to an open−end credit plan, a merchant shall do one of the following:

(a) If the obligation is for a consumer credit transaction other than a precomputed consumer loan, apply the credit in one of the following ways:

1. First against the final installment due on the customer's obligation and then to the preceding installments in the reverse order in which they are due.

2. Against the balance of the customer's obligation and proportionately reduce the amount of each remaining installment.

(b) If the obligation is for a precomputed consumer loan, apply the credit against the balance of the customer's obligation, compute and apply a refund of the finance charge, less the portion included in the credit, in the manner described in s. 422.209 (2) as of the date of the loan or the nearest scheduled installment due date, and thereafter charge interest at a rate not to exceed the annual percentage rate of finance charge which was disclosed to the customer when the loan was made.

(3) If a credit under sub. (1) (a) is applied to a precomputed consumer loan, the finance charge resulting after application of the credit shall be the finance charge for the precomputed consumer loan, but the cancellation shall not otherwise alter the customer's obligation for the precomputed consumer loan.

(4) A contract between an insurer and a creditor may not provide for a refund to the creditor upon cancellation by a customer under s. 424.304 or 424.401 in an amount less than the amount of the insurance premiums that the creditor must credit to the customer's account or pay to the customer under sub. (1).

(5) A violation of this section is subject to s. 425.303.

History: 1985 a. 256.

SUBCHAPTER V

INSURANCE PRACTICES

424.501 False, misleading or deceptive insurance solicitation. **(1)** A creditor may not solicit or offer for sale any insurance product in connection with a consumer credit transaction in any manner that is false, misleading or deceptive or that omits to state material information with respect to the insurance or the consumer credit transaction that is necessary to make the solicitation or offer not false, misleading or deceptive.

(2) It is not a violation of sub. (1) to use printed materials or forms that have been approved for use by the office of the commissioner of insurance.

(3) A violation of this section is subject to s. 425.304.

History: 1985 a. 256.

424.502 Insurance commissions; limitations. A creditor or insurer may not pay to an employee of the creditor who participates in the processing of consumer credit transactions any commission or bonus that exceeds an amount equal to 25 percent of the employee's annual earnings for the sale of insurance in connection with those consumer credit transactions. Insurance does not include a warranty plan for which the commissioner of insurance has issued a limited certificate of authority pursuant to rule promulgated under s. 600.01 (1) (b) 5.

History: 1985 a. 256.

SUBCHAPTER VI

ADMINISTRATION

424.601 Cooperation between administrator and commissioner of insurance. The administrator and the commissioner of insurance shall consult and assist one another in maintaining compliance with this chapter. They may jointly or severally pursue investigations, prosecute suits and take other official action, as may seem to them appropriate, if either of them is otherwise empowered to take the action. If the administrator is informed of a violation or suspected violation by an insurer of this chapter, or of chs. 600 to 646, rules and regulations of this state, the administrator shall advise the commissioner of insurance of the circumstances, and the commissioner of insurance may act under the laws of this state.

History: 1971 c. 239; 1973 c. 3; 1977 c. 339 s. 43; 1979 c. 89; 1985 a. 256 s. 14; Stats. 1985 s. 424.601.

424.602 Administrative action of commissioner of insurance. To the extent that the commissioner of insurance's responsibility under this chapter requires, the commissioner shall issue rules with respect to insurers and with respect to refunds (s. 424.205), forms, schedules of premium rates and charges (s. 424.209), and the commissioner's approval or disapproval thereof and, in case of violation, may make an order for compliance.

History: 1971 c. 239; 1985 a. 256 s. 16; Stats. 1985 s. 424.602; 1991 a. 316.