



1995 ASSEMBLY BILL 84

January 31, 1995 - Introduced by Representatives BELL, RILEY, BALDUS, CARPENTER, CULLEN, NOTESTEIN, OWENS, ROBSON, RYBA, WILDER, GROBSCHMIDT and R. YOUNG, cosponsored by Senators BURKE, RISSER and BUETTNER. Referred to Committee on Insurance, Securities and Corporate Policy.

1 **AN ACT to create** 424.21 of the statutes; **relating to:** age restrictions for coverage
2 under credit life insurance.

Analysis by the Legislative Reference Bureau

Credit life insurance is a type of insurance that may be purchased by a customer in a consumer credit transaction to satisfy the debt if the customer is unable to make the payments due to death. Administrative rules specify that such policies shall contain either no age restrictions or age restrictions making debtors age 65 or over at the time that the debt is incurred ineligible for such coverage. The rules provide that, if the insurance is written in connection with an open-end credit plan, it may provide for the cessation of the insurance or a reduction in the amount of insurance upon attainment of not less than age 65. This bill raises the age for eligibility restrictions on the basis of age and for cessation of insurance or reduction in amount of insurance in open-end credit plans to 70.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 424.21 of the statutes is created to read:
4 **424.21 Limits on age restrictions.** (1) Notwithstanding any administrative
5 rule relating to coverage or eligibility restrictions on the basis of age, coverage under
6 a credit life insurance policy or group certificate may not be denied on the basis of
7 any age under 70.
8 (2) Notwithstanding any administrative rule relating to coverage or eligibility
9 restrictions on the basis of age, credit life insurance coverage that is written in

1 connection with an open-end credit plan may not be denied on the basis of any age
2 under 70, and a policy or group certificate of such insurance may not provide for the
3 cessation of the insurance or a reduction in the amount of insurance before
4 attainment of age 70.

5 **SECTION 2. Initial applicability.**

6 (1) This act first applies to credit life insurance policies or certificates that are
7 issued on the effective date of this subsection.

8 (END)