

1993 Senate Bill 19

Date of enactment: **April 6, 1994**  
Date of publication\*: **April 20, 1994**

# 1993 WISCONSIN ACT 207

AN ACT to create 632.825 of the statutes, relating to: midterm cancellation of long-term care insurance policies.

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

**SECTION 1.** 632.825 of the statutes is created to read:  
**632.825 Midterm termination of long-term care insurance policy by insured.** (1) PERMITTED CANCELLATION AND REFUND. (a) No insurer that provides coverage under a long-term care insurance policy may prohibit the insured under the policy from canceling the policy before the expiration of the agreed term.

(b) If an insured under a long-term care insurance policy cancels the policy before the expiration of the agreed term, the insurer shall issue a prorated premium refund to the insured.

(c) If an insured under a long-term care insurance policy dies during the term of the policy, the insurer shall issue a prorated premium refund to the insured's estate.

(2) POLICY PROVISION. Every long-term care insurance policy shall contain a provision that apprises the insured of the insured's right to cancel and the insurer's premium refund responsibilities under sub. (1).

**SECTION 2. Initial applicability.** (1) The treatment of section 632.825 (2) of the statutes first applies to long-

term care insurance policies that are issued or renewed on the first day of the 4th month beginning after publication.

(2) If a long-term care insurance policy in existence on the effective date of this subsection contains a provision that prohibits the insured from canceling the policy before the expiration of the agreed term, the treatment of section 632.825 (1) (a) and (b) of the statutes first applies to that policy at renewal.

(3) If a long-term care insurance policy in existence on the effective date of this subsection provides for the disposition of unearned premium in the event of cancellation of the policy that is different from the disposition of unearned premium under section 632.825 (1) (b) of the statutes, as created by this act, the treatment of section 632.825 (1) (b) of the statutes first applies to that policy at renewal.

(4) If a long-term care insurance policy in existence on the effective date of this subsection provides for the disposition of unearned premium in the event of the death of the insured that is different from the disposition of unearned premium under section 632.825 (1) (c) of the statutes, as created by this act, the treatment of section 632.825 (1) (c) of the statutes first applies to that policy at renewal.

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