

1983 Senate Bill 119

Date of enactment: April 20, 1984
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1983 Wisconsin Act 215

AN ACT to repeal 601.32 (2) (b), 610.41 to 610.53 and 645.41 (11); to renumber and amend 619.12 (2) (e); to consolidate, renumber and amend 601.32 (2) (intro.) and (a); to amend 601.32 (1), 612.01 (2), 614.12 (1) (a), 628.39 and 632.475 (2) (a) and (3); to repeal and recreate 632.475 (7); and to create 100.18 (12), 133.05 (5), 133.06 (4), 610.40, 611.76 (4) (bm), 619.12 (3) (b) and (c) and 632.475 (3) (a) of the statutes, relating to miscellaneous changes affecting insurers and granting rule-making authority.

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

SECTION 1. 100.18 (12) of the statutes is created to read:

100.18 (12) This section does not apply to the insurance business.

SECTION 2. 133.05 (5) of the statutes is created to read:

133.05 (5) This section does not apply to the insurance business.

SECTION 3. 133.06 (4) of the statutes is created to read:

133.06 (4) This section does not apply to the insurance business.

SECTION 4. 601.32 (1) of the statutes is amended to read:

601.32 (1) If the moneys credited to s. 20.145 (1) (g) under other sections of the statutes prove inadequate for the office's supervision of insurance industry program, the commissioner may ~~on or after January 1, 1968,~~ increase any or all of the fees imposed by s. 601.31, or may ~~annually on June 1, beginning June 1, 1968,~~ in any year levy a special assessment on all domestic insurers, or both, for the general operation of that program.

SECTION 5. 601.32 (2) (intro.) and (a) of the statutes are consolidated, renumbered 601.32 (2) and amended to read:

601.32 (2) Any special assessment shall be in addition to all other taxes, fees, dues and charges and shall not exceed for any such company a maximum of 25 cents per \$1,000 of gross premiums received by it during the preceding calendar year on direct insurance in this state, ~~less: (a) Returned returned premiums and cancellations; and~~

SECTION 6. 601.32 (2) (b) of the statutes is repealed.

SECTION 8. 610.40 of the statutes is created to read:

610.40 Continued effect of transitional provisions. Sections 610.41 to 610.53, 1981 stats., continue to apply to insurers affected by those sections before the effective date of this section (1983).

SECTION 9. 610.41 to 610.53 of the statutes are repealed.

SECTION 10. 611.76 (4) (bm) of the statutes is created to read:

611.76 (4) (bm) Notwithstanding par. (b), that the equitable share of a policyholder of a mutual life insurance company shall be based on a formula which fairly reflects the policyholder's interest in the company and the policies and contracts issued by the company to the policyholder, and which takes into account premiums paid, cash surrender values, policy loans, reserves, surplus, benefits payable and other relevant factors;

SECTION 11. 612.01 (2) of the statutes is amended to read:

612.01 (2) SCOPE. Except as otherwise provided, this chapter applies to all corporations organized under this chapter ~~or operating under it pursuant to s. 610.43.~~

SECTION 12. 614.12 (1) (a) of the statutes is amended to read:

614.12 (1) (a) The name of the corporation, which shall include the word "fraternal" or words of equivalent meaning if the corporation was organized after June 19, 1976.

SECTION 12d. 619.12 (2) (e) of the statutes, as created by 1983 Wisconsin Act 27, is renumbered 619.12 (3) (a) and amended to read:

619.12 (3) (a) ~~No~~ Except as provided in pars. (b) and (c), no person is eligible for coverage under the plan for whom a premium, deductible or coinsurance amount is paid or reimbursed by a federal, state, county or municipal government or agency as of the first day of any term for which a premium amount is paid or reimbursed and as of the day after the last day of any term during which a deductible or coinsurance amount is paid or reimbursed.

SECTION 12h. 619.12 (3) (b) and (c) of the statutes are created to read:

619.12 (3) (b) Persons for whom deductible or coinsurance amounts are paid or reimbursed under ch. 47 for vocational rehabilitation, under s. 49.48 for renal disease, under s. 49.485 (8) for hemophilia, under s. 49.483 for cystic fibrosis, or under s. 115.77 for special education, are not ineligible for coverage under the plan by reason of such payments or reimbursements.

(c) The commissioner, in consultation with the board, may promulgate rules specifying other deductible or coinsurance amounts that, if paid or reimbursed for persons, will not make the persons ineligible for coverage under the plan.

SECTION 12m. 628.39 of the statutes is amended to read:

628.39 Extension of credit on premiums. The extension of credit to the insured upon a premium without interest for not exceeding 60 days from the effective date of the policy, or after that time with interest at not less than the legal rate nor more than ~~12%~~ 18% per year on the unpaid balance, is permissible. The payment of premiums on policies issued under a mass marketing program on an instalment basis through payroll deductions is not an extension of credit.

SECTION 13. 632.475 (2) (a) and (3) of the statutes are amended to read:

632.475 (2) (a) A provision permitting an adjustable maximum rate ~~under sub. (3)~~ established from time to time by the insurer.

(3) ADJUSTABLE MAXIMUM RATE. The rate of interest charged on a policy loan under sub. (2) (a) shall not exceed the higher of the following:

(b) Moody's corporate bond yield average (monthly average corporates), as published by Moody's investors service, inc., or its successor, for the month ending 2 months before the rate is applied. If such monthly average is no longer published, a comparable average shall be substituted by the commissioner by rule.

SECTION 14. 632.475 (3) (a) of the statutes is created to read:

632.475 (3) (a) The rate used to compute the cash surrender values under the policy during the applicable period plus 1% per year.

SECTION 15. 632.475 (7) of the statutes is repealed and recreated to read:

632.475 (7) **COVERAGE CONTINUATION.** No policy may terminate in a policy year as the sole result of a change in the loan interest rate during that policy year. The insurer shall maintain coverage until it would have terminated if there had been no change.

SECTION 16. 645.41 (11) of the statutes is repealed.

SECTION 16m. Nonstatutory provisions; health risk sharing plan. The board of governors shall notify all persons covered by the health risk sharing plan under subchapter II of chapter 619 of the statutes of the provisions of section 619.12 (3) of the statutes, as affected by this act, within 60 days after the effective date of this act.

SECTION 17. Cross-reference changes. In the sections of the statutes listed in Column A, the cross-references shown in Column B are changed to the cross-references shown in Column C:

A	B	C
Statute Sections	Old Cross-References	New Cross-References
133.04 (4)	ch. 628	chs. 611, 613 and 628
613.03 (3)	610.01, 610.11, 610.21, 610.23, 610.24 and 610.46	610.01, 610.11, 610.21, 610.23 and 610.24
