

1999 DRAFTING REQUEST

Bill

Received: 10/7/98

Received By: kahlepj

Wanted: Soon

Identical to LRB:

For: Administration-Budget 7-9546

By/Representing: Jablonsky

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Alt. Drafters:

Subject: Insurance - miscellaneous

Extra Copies:

Topic:

DOA:.....Jablonsky - Authorize commissioner to exempt classes of insurance policies by rule from the requirement of prior filing and approval

Instructions:

See Attached

Drafting History:

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
|--------------|--------------------|--------------------|-------------------|----------------|-------------------------|-----------------|-----------------|
| /? | kahlepj 10/7/98 | gilfokm 10/8/98 | | _____ | | | State |
| /P1 | | | ismith 10/8/98 | _____ | lrb_docadmin 10/8/98 | | |

FE Sent For:

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| 1? | kahlepj | 10-10-8 King | IS 10/8 | IS/JF 10/8 | | | |

Do not submit p's

FE Sent For:

<END>



STATE OF WISCONSIN

Department of Administration
Division of State Executive Budget and Planning
101 S. Webster, 7th Floor
P.O. Box 7864
Madison, WI 53707

DATE: 9/30/98

TO: Steve Miller LRB

FROM: Susan Jablonsky DOA
7-9546

Attached are 3 statutory
language changes from
the Insurance Commission

pam

Form Review

Change in Statutory Language Related to Policy Form Review:

631.20 Filing and approval of forms. (1) Filing. No form subject to s. 631.01 (1), except as excepted under s.631.01 (2) to (5), may be used unless it has been filed with and approved by the commissioner and unless the insurer certifies that the form complies with chs. 600 to 655 and rules promulgated under chs. 600 to 655. It is deemed approved if it is not disapproved within 30 days after filing, or within a 30 -day extension of that period ordered by the commissioner prior to the expiration of the first 30 days. ***The commissioner may exempt certain classes of policy forms from prior filing and approval by administrative rule.***

Intent of the Statutory Language Change:

Modify 631.20, Stat., to permit the Commissioner to exempt certain classes of policy forms from the prior filing and approval requirement by rule. If this is deemed too broad, it could limit the exemption to certain classes of commercial insurance policy forms, still requiring approval for medical malpractice forms and filings by rate service organizations, for example. These forms currently comprise over a third of all filings received each year. They are currently not reviewed by an examiner but are processed and "deemed approved" by a program assistant.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0503

PJK
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DOA:.....Jablonsky – Authorize commissioner to exempt classes of insurance policies by rule from the requirement of prior filing and approval

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

SOON
(10-7)

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get cut

D-NOTE

1 AN ACT .; relating to: exempting classes of insurance policy forms from prior
2 filing and approval.

Analysis by the Legislative Reference Bureau
INSURANCE

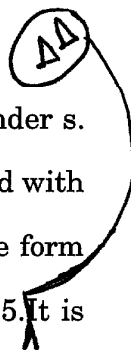
(OCI)

Under current law, policy forms for all types of insurance not exempted from the requirement by statute must be filed with the office of the commissioner of insurance and approved prior to use. The bill allows the commissioner of insurance to exempt by rule from the requirement for prior filing and approval other classes of insurance policy forms.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

3 SECTION 1. 631.20 (1) of the statutes is renumbered 631.20 (1) (a) and amended
4 to read:



1 631.20 (1) (a) No form subject to s. 631.01 (1), except as exempted under s.
2 631.01 (2) to (5) or by rule under par. (b), may be used unless it has been filed with
3 and approved by the commissioner and unless the insurer certifies that the form
4 complies with chs. 600 to 655 and rules promulgated under chs. 600 to 655. It is
5 deemed approved if it is not disapproved within 30 days after filing, or within a
6 30-day extension of that period ordered by the commissioner prior to the expiration
7 of the first 30 days.

History: 1975 c. 375, 421; 1979 c. 218; 1987 a. 247.

8 **SECTION 2.** 631.20 (1) (b) of the statutes is created to read:

9 631.20 (1) (b) Subject to s. 655.24 (1), the commissioner may by rule exempt
10 certain classes of policy forms from prior filing and approval.

11 **SECTION 3.** 631.20 (3) of the statutes is amended to read:

12 631.20 (3) **SUBSEQUENT DISAPPROVAL.** Whenever the commissioner finds, after
13 a hearing, that a form approved or deemed to be approved under sub. (1) (a) would
14 be disapproved under sub. (2) if newly filed, the commissioner may order that on or
15 before a date not less than 30 nor more than 90 days after the order the use of the
16 form shall be discontinued or appropriate changes shall be made.

History: 1975 c. 375, 421; 1979 c. 218; 1987 a. 247.

17 **SECTION 4.** 631.20 (6) (a) of the statutes is amended to read:

18 631.20 (6) (a) The penalties under s. 601.64 (3) to (5) may not be imposed
19 against an insurer for using a form that does not comply with a statute or rule if the
20 statute or rule was in effect on the date the form was approved or deemed to be
21 approved under sub. (1) (a).

History: 1975 c. 375, 421; 1979 c. 218; 1987 a. 247.

22 **SECTION 5.** 631.20 (6) (b) of the statutes is amended to read:

23 631.20 (6) (b) Use of a form that does not comply with a statute or rule which
24 takes effect after the date the form was approved or deemed to be approved under

1 sub. (1) (a) is a violation of the statute or rule, and the penalties under s. 601.64 may
2 be imposed against the insurer using the form.

3 History: 1975 c. 375, 421; 1979 c. 218; 1987 a. 247.

3 **SECTION 6. 631.36 (1) (a)** of the statutes is amended to read:

4 **631.36 (1) (a) General.** Except as otherwise provided in this section or in other
5 statutes or by rule under par. (c), this section applies to all contracts of insurance
6 based on forms which are subject to filing and approval under s. 631.20 (1) (a).

7 History: 1975 c. 375, 421; 1977 c. 444 s. 11; 1979 c. 102; 1979 c. 110 s. 60 (11); 1981 c. 83; 1985 a. 335; 1989 a. 187, 332, 359; 1991 a. 315; 1995 a. 259; 1997 a. 27.

7 **SECTION 7. 655.24 (1)** of the statutes is amended to read:

8 **655.24 (1)** No insurer may enter into or issue any policy of health care liability
9 insurance until its policy form has been submitted to and approved by the
10 commissioner under s. 631.20 (1) (a). The filing of a policy form by any insurer with
11 the commissioner for approval shall constitute, on the part of the insurer, a
12 conclusive and unqualified acceptance of all provisions of this chapter, and an
13 agreement by it to be bound hereby as to any policy issued by it to any health care
14 provider.

15 History: 1975 c. 37; 1977 c. 131; 1985 a. 340; 1989 a. 187; 1991 a. 214.

(END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0503/Tdn ^{PI}

PJK...
Amey

Notice that under this bill, as drafted, any policy exempted by rule would also be exempt from the application of s. 631.36. Is this okay?

Pamela J. Kahler
Senior Legislative Attorney
266-2682

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0503/P1dn
PJK:kmg:ijs

October 8, 1998

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Pamela J. Kahler
Senior Legislative Attorney
266-2682



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0503/P1

PJK:kmg:ijs

DOA:.....Jablonsky – Authorize commissioner to exempt classes of insurance policies by rule from the requirement of prior filing and approval

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** exempting classes of insurance policy forms from prior
2 filing and approval.

Analysis by the Legislative Reference Bureau

INSURANCE

Under current law, policy forms for all types of insurance not exempted from the requirement by statute must be filed with the office of the commissioner of insurance (OCI) and approved prior to use. The bill allows the commissioner of insurance to exempt by rule from the requirement for prior filing and approval other classes of insurance policy forms.

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2 631.01 (2) to (5) or by rule under par. (b), may be used unless it has been filed with
3 and approved by the commissioner and unless the insurer certifies that the form
4 complies with chs. 600 to 655 and rules promulgated under chs. 600 to 655. It is
5 deemed approved if it is not disapproved within 30 days after filing, or within a
6 30-day extension of that period ordered by the commissioner prior to the expiration
7 of the first 30 days.

8 **SECTION 2.** 631.20 (1) (b) of the statutes is created to read:

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14 be disapproved under sub. (2) if newly filed, the commissioner may order that on or
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21 approved under sub. (1) (a).

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2 be imposed against the insurer using the form.

3 **SECTION 6.** 631.36 (1) (a) of the statutes is amended to read:

4 631.36 (1) (a) *General.* Except as otherwise provided in this section or in other
5 statutes or by rule under par. (c), this section applies to all contracts of insurance
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8 655.24 (1) No insurer may enter into or issue any policy of health care liability
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10 commissioner under s. 631.20 (1) (a). The filing of a policy form by any insurer with
11 the commissioner for approval shall constitute, on the part of the insurer, a
12 conclusive and unqualified acceptance of all provisions of this chapter, and an
13 agreement by it to be bound hereby as to any policy issued by it to any health care
14 provider.

15

(END)

NOTE TO DRAFTING FILE for LRB-0503:

Per the drafter, this draft has been redrafted to a “/1” as no problems remain in the draft that require resolution before introduction of the budget bill. There are no changes between the “/PX” and the “/1.”

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15 (END)