

BILL HISTORY FOR SENATE BILL 375 (LRB -3610)

An Act to repeal 628.097 (1) (title) and 628.097 (2); to renumber 601.41 (3), 628.097 (1) (a) and 628.097 (1) (b); to renumber and amend 628.46 (2m); to amend 227.21 (2) (a), 227.21 (2) (b), 600.03 (19) (b) 1., 612.33 (2) (a), 612.33 (2) (b), 618.43 (7), 628.09 (1), 628.09 (4), 628.09 (5), 628.097 (title), 632.05 (2), 632.68 (2) (e), 632.68 (4) (c), 655.27 (5) (a) 1. and 655.27 (5) (a) 2.; and to create 601.41 (3) (b), 604.04 (8), 618.39 (3) and 628.46 (2m) (b) of the statutes; relating to: miscellaneous changes to the insurance laws related to the confidentiality of personal information obtained in the course of administering a state insurance fund, the statute of limitations for bringing an action against the patients compensation fund, the applicability of a timeliness requirement for the payment of insurance claims for chiropractic services, an exception from a requirement to obtain consent to incorporate certain publications by reference in administrative rules, the type of property for which the loss amount is the insurance limits, the renewal date for viatical settlement brokers' licenses, eliminating the requirement to keep a separate account for surplus lines taxes, issuance of temporary licenses for intermediaries, specifying by rule the amount of stop-loss reinsurance that a town mutual must obtain, standards related to assisting unauthorized insurers, and defining extraordinary dividends for life insurers; and granting rule-making authority.

2002

01-11.	S.	Introduced by Senator Breske ; cosponsored by Representative Montgomery .	
01-11.	S.	Read first time and referred to committee on Insurance, Tourism, and Transportation	499
02-15.	S.	Executive action taken.	
02-20.	S.	Report introduction and adoption of Senate amendment 1 recommended by committee on Insurance, Tourism, and Transportation, Ayes 5, Noes 0 (LRB a1245)	573
02-20.	S.	Report introduction and adoption of Senate amendment 2 recommended by committee on Insurance, Tourism, and Transportation, Ayes 5, Noes 0 (LRB a1279)	573
02-20.	S.	Report passage as amended recommended by committee on Insurance, Tourism, and Transportation, Ayes 5, Noes 0	573
02-20.	S.	Available for scheduling.	
03-06.	S.	Placed on calendar 3-7-2002 pursuant to Senate Rule 18(1).	
03-07.	S.	Read a second time	621
03-07.	S.	Senate amendment 1 adopted	621
03-07.	S.	Senate amendment 2 laid on table	621
03-07.	S.	Senate amendment 3 offered by Senator Breske (LRB a1466)	621
03-07.	S.	Senate amendment 3 adopted	621
03-07.	S.	Senate amendment 4 offered by Senators Breske and Moen (LRB a1528)	621
03-07.	S.	Senate amendment 4 adopted	621
03-07.	S.	Ordered to a third reading	621
03-07.	S.	Rules suspended	621
03-07.	S.	Read a third time and passed	621
03-07.	S.	Ordered immediately messaged	624
03-07.	A.	Received from Senate.	
03-07.	A.	Read first time.	
03-07.	A.	Rules suspended and taken up.	
03-07.	A.	Laid on the table.	
03-07.	A.	Taken from the table.	
03-07.	A.	Ordered to a third reading.	
03-07.	A.	Rules suspended.	
03-07.	A.	Read a third time and concurred in .	
03-07.	A.	Ordered immediately messaged.	
03-08.	S.	Received from Assembly concurred in	628

**2001
ENROLLED BILL**

01en S B- 375

ADOPTED DOCUMENTS:

Orig Engr SubAmdt

01 3/10/02

Amendments to above (if none, write "NONE"): SA1, SA3, SA4

Corrections - show date (if none, write "NONE"): none

Topic Miscellaneous changes to the insurance law

3/10/02 [Signature]
Date Enrolling Drafter

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2001 SENATE BILL 375

January 11, 2002 - Introduced by Senator BRESKE, cosponsored by Representative MONTGOMERY. Referred to Committee on Insurance, Tourism, and Transportation.

1-10

SA3 ✓

1 **AN ACT to repeal** 628.097 (1) (title) and 628.097 (2); **to renumber** 601.41 (3),
2 628.097 (1) (a) and 628.097 (1) (b); **to renumber and amend** 628.46 (2m); **to**
3 **amend** 227.21 (2) (a), 227.21 (2) (b), 600.03 (19) (b) 1., 612.33 (2) (a), 612.33 (2)
4 (b), 618.43 (7), 628.09 (1), 628.09 (4), 628.09 (5), 628.097 (title), 632.05 (2),
5 632.68 (2) (c), 632.68 (4) (c), 655.27 (5) (a) 1. and 655.27 (5) (a) 2.; and **to create**
6 601.41 (3) (b), 604.04 (8), 618.39 (3) and 628.46 (2m) (b) of the statutes; **relating**
7 **to:** miscellaneous changes to the insurance laws related to the confidentiality
8 of personal information obtained in the course of administering a state
9 insurance fund, the statute of limitations for bringing an action against the
10 patients compensation fund, the applicability of a timeliness requirement for
11 the payment of insurance claims for chiropractic services, an exception from a
12 requirement to obtain consent to incorporate certain publications by reference
13 in administrative rules, the type of property for which the loss amount is the
14 insurance limits, the renewal date for viatical settlement brokers' licenses,

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1 eliminating the requirement to keep a separate account for surplus lines taxes,
2 issuance of temporary licenses for intermediaries, specifying by rule the
3 amount of stop-loss reinsurance that a town mutual must obtain, standards
4 related to assisting unauthorized insurers, and defining extraordinary
5 dividends for life insurers; and granting rule-making authority.

Analysis by the Legislative Reference Bureau

This bill makes a variety of minor and technical changes in the insurance statutes, including the following:

1. Under current law, a person with a claim against a health care provider may recover from the patient's compensation fund only if the health care provider has coverage under the fund and the fund is named as a party in the action. The bill provides that, in addition, the fund must be named as a party in the action within the time limit that applies to naming the health care provider in the action.

2. Current law provides that, if real property that is owned and occupied as a dwelling is wholly destroyed, the amount of the loss, for insurance purposes, is the limits of any policy covering the property. A Wisconsin administrative rule provides that, if property owned and occupied as a dwelling is also used for commercial purposes, except on an incidental basis, the statute regarding the amount of loss in case of destruction does not apply to the property. The Wisconsin supreme court, in *Seider v. O'Connell*, 236 Wis. 2d 211, 612 N.W. 2d 659 (2000), determined that the administrative rule is invalid because it exceeds the statutory authority of the office of the commissioner of insurance (OCI), which promulgated the rule. The bill limits the applicability of the statute to real property that is owned and occupied *primarily* as a dwelling.

3. Under current law, the commissioner of insurance (commissioner) may issue a temporary license to a person to act as an insurance agent, other than a life insurance agent, in various specified situations, such as when an agent dies or enters active duty in the armed services. A temporary license may be issued for up to three months, with extensions of up to three months each, not exceeding 12 months in all. The bill authorizes a temporary license to be issued for life insurance agents also, and changes the period for which any temporary agent's license may be issued to no more than 12 months, with no extensions.

4. Under current law, the annual license renewal for viatical settlement providers and viatical settlement brokers occurs on the anniversary date of the original issuance of each individual license. To simplify administration, the bill changes the annual renewal date of both types of licenses to July 1.

5. The bill authorizes the commissioner, as manager of the state life insurance fund and the local government property insurance fund, to keep confidential

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personally identifiable information obtained by the commissioner in the course of operating such a fund.

6. Under current law, if a town mutual provides coverage against windstorm or hail or other perils with a similar potential for catastrophic losses, the town mutual is required to obtain stop-loss reinsurance to an extent reasonably adequate to cover the risk of loss. If a town mutual provides nonproperty insurance, the town mutual must obtain reinsurance of at least a 90% proportional share of each risk. An administrative rule, however, requires unlimited aggregate excess of loss reinsurance for all risks covered by either property or nonproperty insurance. The bill brings the rule and statute into conformity by requiring a town mutual that covers potentially catastrophic losses to obtain stop-loss reinsurance to an extent or in an amount specified by the commissioner by rule, and by authorizing the commissioner to require, by rule, other reinsurance than that specified for risks covered by nonproperty insurance provided by a town mutual.

7. Under current law, an agency may, with the consent of the revisor of statutes and the attorney general, adopt standards established by technical societies and organizations of recognized national standing through incorporation of the standards by reference in an administrative rule of the agency. The bill authorizes OCI to adopt standards of the National Association of Insurance Commissioners through incorporation of the standards by reference in an administrative rule of OCI without having to obtain the consent of the revisor or the attorney general.

8. Current law provides that a person may not do an insurance business in this state if the person knows or should know that the result is or might be the illegal placement of insurance with an unauthorized insurer or the subsequent servicing of an insurance policy illegally placed with an unauthorized insurer. The bill provides that OCI may by rule promulgate standards for establishing that a person should have known that the result of the insurance business is or might be the illegal placement of insurance with an unauthorized insurer or the subsequent servicing of an insurance policy illegally placed with an unauthorized insurer and standards for imposing sanctions or remedial measures for a violation of the provision.

9. Current law requires that insurance claims be promptly paid and imposes interest at the rate of 12% per year on overdue payments. Under current law, a claim for payment for chiropractic services is overdue if not paid within 30 days after the insurer receives clinical documentation that the services were provided. The bill provides that this provision regarding when payment of a claim for chiropractic services is overdue does not apply to worker's compensation insurance or any line of property and casualty insurance except disability insurance, which specifically does not include uninsured or underinsured motorist coverage or medical payment coverage.

10. The bill eliminates a requirement that premium taxes collected by an agent or broker or by an insurer in trust for the state must be kept in a separate account.

11. Under current law, the definition of "extraordinary dividend," with respect to a distribution of cash or other property by an insurer, contains an error in the formula in that it requires calculation of a life insurer's net gain from operations, which applies to certain kinds of insurance other than life insurance. The bill

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corrects the formula by substituting “net income” for “net gain from operations,” with respect to a life insurer.

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

1 **SECTION 1.** 227.21 (2) (a) of the statutes is amended to read:

2 227.21 (2) (a) ~~To~~ Except as provided in s. 601.41 (3) (b), to avoid unnecessary
3 expense, an agency may, with the consent of the revisor and the attorney general,
4 adopt standards established by technical societies and organizations of recognized
5 national standing by incorporating the standards in its rules by reference to the
6 specific issue or issues of the publication in which they appear, without reproducing
7 the standards in full.

8 **SECTION 2.** 227.21 (2) (b) of the statutes is amended to read:

9 227.21 (2) (b) The revisor and the attorney general shall consent to
10 incorporation by reference only in a rule of limited public interest and in a case where
11 the incorporated standards are readily available in published form. Each rule
12 containing an incorporation by reference shall state how the material incorporated
13 may be obtained and, except as provided in s. 601.41 (3) (b), that the standards are
14 on file at the offices of the agency, the secretary of state, and the revisor.

15 **SECTION 3.** 600.03 (19) (b) 1. of the statutes is amended to read:

16 600.03 (19) (b) 1. With respect to a life insurer, the total net ~~gain from~~
17 ~~operations~~ income of the insurer for the calendar year preceding the date of the
18 dividend or distribution, minus realized capital gains for that calendar year.

19 **SECTION 4.** 601.41 (3) of the statutes is renumbered 601.41 (3) (a).

20 **SECTION 5.** 601.41 (3) (b) of the statutes is created to read:

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5-6 (SAI)

1 601.41 (3) (b) The commissioner may, without the consent of the revisor or the
 2 attorney general as required under s. 227.21 (2), adopt standards of the National
 3 Association of Insurance Commissioners by incorporating by reference in rules
 4 promulgated by the commissioner any materials published, adopted, or approved by
 5 the National Association of Insurance Commissioners, without reproducing the
 6 standards in full. Any materials of the National Association of Insurance
 7 Commissioners that are incorporated by reference in rules promulgated by the
 8 commissioner shall be obtainable from, and are only required to be kept on file at,
 9 the office, which shall be stated in any rule containing such an incorporation by
 10 reference.

5-10 (SAI)

SECTION 6. 604.04 (8) of the statutes is created to read:

12 604.04 (8) NONDISCLOSURE OF PERSONAL INFORMATION. The manager may refuse
 13 to disclose, and may prevent any other person from disclosing, any personally
 14 identifiable information, as defined in s. 19.62 (5), that is obtained by the manager
 15 in the course of administering a fund under chs. 605 to 607.

SECTION 7. 612.33 (2) (a) of the statutes is amended to read:

17 612.33 (2) (a) *Windstorm and hail insurance.* If a town mutual provides
 18 coverage against windstorm or hail, or other perils involving a similar potential for
 19 catastrophic losses, which are designated by the commissioner by rule, it shall obtain
 20 reinsurance for each such risk or else stop-loss reinsurance with an insurer
 21 authorized to do such business in this state, to an extent ~~reasonably adequate to~~
 22 ~~cover the risk of catastrophic losses~~ or in an amount specified by the commissioner
 23 by rule. The commissioner may prescribe detailed requirements for such
 24 reinsurance by rule or by order.

SECTION 8. 612.33 (2) (b) of the statutes is amended to read:

25

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1 612.33 (2) (b) *Nonproperty insurance*. To the extent that a town mutual
2 provides insurance under s. 612.31 (3), it shall obtain reinsurance of at least a 90%
3 proportional share of each risk with an insurer authorized to do such business in this
4 state. The commissioner may permit a town mutual to retain a larger percentage if
5 he or she finds that the interests of the members will not be endangered thereby, or
6 may require it to reinsure a larger percentage if he or she finds that the interests of
7 the members make it advisable. The commissioner may by rule require other
8 reinsurance.

9 **SECTION 9.** 618.39 (3) of the statutes is created to read:

10 618.39 (3) STANDARDS BY RULE. (a) The office may by rule promulgate standards
11 for any of the following:

12 1. Establishing that a person should know that the result of insurance business
13 is or might be the illegal placement of insurance with an unauthorized insurer or the
14 subsequent servicing of an insurance policy illegally placed with an unauthorized
15 insurer.

16 2. Imposing requirements under s. 601.42 or 628.04 or sanctions or remedial
17 measures under sub. (2) or s. 601.64, or any other applicable penalty or remedial
18 provision of chs. 600 to 646, for a violation of this section.

19 (b) Notwithstanding par. (a) 1., it is not necessary for the office to promulgate
20 a rule under par. (a) 1. to establish that a person violated sub. (1).

21 **SECTION 10.** 618.43 (7) of the statutes is amended to read:

22 618.43 (7) TAXES AS TRUST FUNDS. All premium taxes collected under this section
23 by an agent or broker or by an insurer are the property of this state. ~~They shall be~~
24 ~~kept in a separate account and may not be commingled with funds belonging to~~
25 anyone else, to be held in trust for the state.

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1 **SECTION 11.** 628.09 (1) of the statutes is amended to read:

2 628.09 (1) **ISSUANCE OF LICENSE.** Except as provided in s. 628.095 or 628.097,
3 the commissioner may issue a temporary license as an intermediary for a period of
4 not more than ~~3~~ 12 months to the personal representative of a deceased or mentally
5 disabled intermediary, or to a person designated by an intermediary who is otherwise
6 disabled or has entered active duty in the U.S. armed forces, in order to give time for
7 more favorable sale of the goodwill of a business owned by the intermediary, for the
8 recovery or return of the intermediary, or for the orderly training and licensing of new
9 personnel for the intermediary's business. ~~This subsection does not apply to life~~
10 ~~insurance agents.~~

11 **SECTION 12.** 628.09 (4) of the statutes is amended to read:

12 628.09 (4) **DURATION OF LICENSE.** The commissioner may by order revoke a
13 temporary license if the interests of insureds or the public are endangered. Except
14 as provided in s. ~~628.097~~, a A temporary license may not be extended beyond the
15 initial period specified under sub. (1), ~~for additional periods of not more than 3~~
16 ~~months each, with the total period not to exceed 12 months in the aggregate.~~ A
17 temporary license may not continue after the owner or the personal representative
18 disposes of the business.

19 **SECTION 13.** 628.09 (5) of the statutes is amended to read:

20 628.09 (5) **FEEES.** The fees for a temporary license are the same as for a
21 permanent license. ~~No additional fee may be charged for extensions under sub. (4),~~
22 ~~nor for the issuance of a subsequent license under s. 628.04 if that license is issued~~
23 ~~while the temporary license remains in effect.~~

24 **SECTION 14.** 628.097 (title) of the statutes is amended to read:

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1 **628.097 (title) Refusal to issue license; failure to pay support or to**
2 **comply with subpoena or warrant; tax delinquency.**

3 **SECTION 15.** 628.097 (1) (title) of the statutes is repealed.

4 **SECTION 16.** 628.097 (1) (a) of the statutes is renumbered 628.097 (1m).

5 **SECTION 17.** 628.097 (1) (b) of the statutes is renumbered 628.097 (2m).

6 **SECTION 18.** 628.097 (2) of the statutes is repealed.

7 **SECTION 19.** 628.46 (2m) of the statutes, as created by 2001 Wisconsin Act 16,
8 is renumbered 628.46 (2m) (a) and amended to read:

9 628.46 (2m) (a) Notwithstanding subs. (1) and (2) and except as provided in
10 par. (b), a claim for payment for chiropractic services is overdue if not paid within 30
11 days after the insurer receives clinical documentation from the chiropractor that the
12 services were provided unless, within those 30 days, the insurer provides to the
13 insured and to the chiropractor the written statement under s. 632.875 (2).

14 **SECTION 20.** 628.46 (2m) (b) of the statutes is created to read:

15 628.46 (2m) (b) Paragraph (a) does not apply to any of the following:

- 16 1. Worker's compensation insurance.
- 17 2. Any line of property and casualty insurance except disability insurance. In
18 this subdivision, "disability insurance" does not include uninsured motorist
19 coverage, underinsured motorist coverage, or medical payment coverage.

20 **SECTION 21.** 632.05 (2) of the statutes is amended to read:

21 632.05 (2) Whenever any policy insures real property ~~which~~ that is owned and
22 occupied by the insured primarily as a dwelling and the property is wholly destroyed,
23 without criminal fault on the part of the insured or the insured's assigns, the amount
24 of the loss shall be taken conclusively to be the policy limits of the policy insuring the
25 property.

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1 **SECTION 22.** 632.68 (2) (e) of the statutes is amended to read:

2 632.68 (2) (e) Except as provided in sub. (3), a license issued under this
3 subsection shall be renewed annually on ~~the anniversary date~~ July 1 upon payment
4 of the fee specified in s. 601.31 (1) (mp) and upon providing the licensee's social
5 security number, unless the licensee does not have a social security number, or
6 federal employer identification number, as applicable, if not previously provided on
7 the application for the license or at a previous renewal of the license. If the licensee
8 is a natural person who does not have a social security number, the license shall be
9 renewed annually on ~~the anniversary date~~ July 1 upon payment of the fee specified
10 in s. 601.31 (1) (mp) and upon providing to the commissioner a statement made or
11 subscribed under oath or affirmation, on a form prescribed by the department of
12 workforce development, that the licensee does not have a social security number.

13 **SECTION 23.** 632.68 (4) (c) of the statutes is amended to read:

14 632.68 (4) (c) Except as provided in sub. (5), a license issued under this
15 subsection shall be renewed annually on ~~the anniversary date~~ July 1 upon payment
16 of the fee specified in s. 601.31 (1) (ms) and upon providing the licensee's social
17 security number, unless the licensee does not have a social security number, or
18 federal employer identification number, as applicable, if not previously provided on
19 the application for the license or at a previous renewal of the license. If the licensee
20 is a natural person who does not have a social security number, the license shall be
21 renewed annually, except as provided in sub. (5), on ~~the anniversary date~~ July 1 upon
22 payment of the fee specified in s. 601.31 (1) (ms) and upon providing to the
23 commissioner a statement made or subscribed under oath or affirmation, on a form
24 prescribed by the department of workforce development, that the licensee does not
25 have a social security number.

9 9-25 (SAY)

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(SAB)
same time limitation

SECTION 24. 655.27 (5) (a) 1. of the statutes is amended to read:

655.27 (5) (a) 1. Any person may file a claim for damages arising out of the rendering of medical care or services or participation in peer review activities under s. 146.37 within this state against a health care provider or an employee of a health care provider. A person filing a claim may recover from the fund only if the health care provider or the employee of the health care provider has coverage under the fund and, the fund is named as a party in the action, and the action against the fund is commenced within the time limitation under s. 893.55 within which the action against the health care provider or employee of the health care provider must be commenced.

SECTION 25. 655.27 (5) (a) 2. of the statutes is amended to read:

655.27 (5) (a) 2. Any person may file an action for damages arising out of the rendering of medical care or services or participation in peer review activities under s. 146.37 outside this state against a health care provider or an employee of a health care provider. A person filing an action may recover from the fund only if the health care provider or the employee of the health care provider has coverage under the fund and, the fund is named as a party in the action, and the action against the fund is commenced within the time limitation under s. 893.55 within which the action against the health care provider or employee of the health care provider must be commenced. If the rules of procedure of the jurisdiction in which the action is brought do not permit naming the fund as a party, the person filing the action may recover from the fund only if the health care provider or the employee of the health care provider has coverage under the fund and the fund is notified of the action within 60 days of service of process on the health care provider or the employee of the health care provider. The board of governors may extend this time limit if it finds that

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1 enforcement of the time limit would be prejudicial to the purposes of the fund and
2 would benefit neither insureds nor claimants.

3 **SECTION 26. Initial applicability.**

4 (1) RENEWAL OF VIATICAL SETTLEMENT PROVIDER AND BROKER LICENSES. The
5 treatment of section 632.68 (2) (e) and (4) (c) of the statutes first applies to licenses
6 renewed in 2002.

7 (2) ISSUANCE OF TEMPORARY INTERMEDIARY LICENSES. The treatment of sections
8 628.09 (1), (4), and (5) and 628.097 (title), (1) (title), (a), and (b), and (2) of the statutes
9 first applies to temporary licenses issued on the effective date of this subsection.

10 (3) PATIENTS COMPENSATION FUND STATUTE OF LIMITATIONS. The treatment of
11 section 655.27 (5) (a) 1. and 2. of the statutes first applies to claims arising out of
12 injuries occurring on the effective date of this subsection.

13 (END)

11-12 (SA4)

**SENATE AMENDMENT 1,
TO 2001 SENATE BILL 375**

February 20, 2002 - Offered by COMMITTEE ON INSURANCE, TOURISM, AND
TRANSPORTATION.

1 At the locations indicated, amend the bill as follows:

✓
5-6
2 1. Page 5, line 6: after "full." insert "The standards referred to in this
3 paragraph do not include any model act or model regulation proposed or adopted by
4 the National Association of Insurance Commissioners."

✓
5-19
5 2. Page 5, line 10: after "reference." insert "Nothing in this paragraph
6 prohibits the commissioner from adopting standards of the National Association of
7 Insurance Commissioners through incorporation by reference in rules in the manner
8 provided under s. 227.21 (2)."

9

(END)

**SENATE AMENDMENT 3,
TO 2001 SENATE BILL 375**

March 7, 2002 - Offered by Senator BRESKE.

1 At the locations indicated, amend the bill as follows:

2 ✓ 1. Page 1, line 10: after "fund" insert "and providing notice of mediation to that
fund".

3 ✓ 2. Page 10, line 8: on lines 8 and 18, delete "time limitation under s. 893.55"
4 and substitute "same time limitation".

5 ✓ 3. Page 11, line 2: after that line insert:

6 "SECTION 25m. 655.455 of the statutes is amended to read:

7
8 **655.455 Notice to health care providers and fund.** The director of state
9 courts shall serve notice of a request for mediation upon all health care providers
10 named in the request, at the respective addresses provided in the request, and upon
11 the fund, by registered mail within 7 days after the director of state courts receives

11-2



11-2 cont

1 the request if delivered in person or within 10 days after the date of mailing of the
2 request to the director of state courts if sent by registered mail.

3

(END)

**SENATE AMENDMENT 4,
TO 2001 SENATE BILL 375**

March 7, 2002 - Offered by Senators BRESKE and MOEN.

1 At the locations indicated, amend the bill as follows:

2 ✓ 1. Page 2, line 4: after "insurers," insert "providing notice of the right to
3 independent review".

4 ✓ 2. Page 9, line 25: after that line insert:

5 SECTION 23c. 632.835 (2) (b) of the statutes, as created by 1999 Wisconsin Act

6 155, is amended to read:

7 632.835 (2) (b) Whenever if an adverse determination or an experimental
8 treatment determination is made, the insurer involved in the determination shall
9 provide notice to the insured of the insured's right to obtain the independent review
10 required under this section, how to request the review, and the time within which the
11 review must be requested. The notice shall include a current listing of independent
12 review organizations certified under sub. (4). An independent review under this

✓ 9-25 →

9-25 cent

1 section may be conducted only by an independent review organization certified
2 under sub. (4) and selected by the insured.


3 **SECTION 23d.** 632.835 (2) (bg) of the statutes is created to read:

4 632.835 (2) (bg) Notwithstanding par. (b), an insurer is not required to provide
5 the notice under par. (b) to an insured until the insurer sends notice of the disposition
6 of the internal grievance if all of the following apply:

7 1. The health benefit plan issued by the insurer contains a description of the
8 independent review procedure under this section, including an explanation of the
9 insured's rights under par. (d), how to request the review, the time within which the
10 review must be requested, and how to obtain a current listing of independent review
11 organizations certified under sub. (4).

12 2. The insurer includes on its explanation of benefits form a statement that the
13 insured may have a right to an independent review after the internal grievance
14 process and that an insured may be entitled to expedited independent review with
15 respect to an urgent matter. The statement shall also include a reference to the
16 section of the policy or certificate that contains the description of the independent
17 review procedure as required under subd. 1. The statement shall provide a toll-free
18 telephone number and website, if appropriate, where consumers may obtain
19 additional information regarding internal grievance and independent review
20 processes.

21 3. For any adverse determination or experimental treatment determination for
22 which an explanation of benefits is not provided to the insured, the insurer provides
23 a notice that the insured may have a right to an independent review after the
24 internal grievance process and that an insured may be entitled to expedited,
25 independent review with respect to an urgent matter. The notice shall also include



9-25 cent

1 a reference to the section of the policy or certificate that contains the description of
2 the independent review procedure as required under subd. 1. The notice shall
3 provide a toll-free telephone number and website, if appropriate, where consumers
4 may obtain additional information regarding internal grievance and independent
5 review processes.”

6 ✓ **3.** Page 11, line 12: after that line insert:

7 **SECTION 26m. Effective dates.** This act takes effect on the day after
8 publication, except as follows:

11-12 (1x) NOTICE OF INDEPENDENT REVIEW. The treatment of section 632.835 (2) (b)
10 and (bg) of the statutes takes effect on the date stated in the notice published by the
11 commissioner of insurance in the Wisconsin Administrative Register under section
12 632.835 (8) of the statutes.”

13 (END)