

**2001 DRAFTING REQUEST**

**Bill**

Received: **08/13/2001**

Received By: **kahlepj**

Wanted: **As time permits**

Identical to LRB:

For: **Insurance 6-7843**

By/Representing: **Eileen Mallow**

This file may be shown to any legislator: **NO**

Drafter: **kahlepj**

May Contact:

Addl. Drafters:

Subject: **Insurance - miscellaneous**

Extra Copies:

Submit via email: **NO**

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Miscellaneous changes to insurance statutes

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**Instructions:**

See Attached

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**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>
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/P1			pgreensl 09/27/2001	_____	lrb_docadmin 09/27/2001		
/1	kahlepj 11/02/2001	rschluet 12/04/2001	pgreensl 12/04/2001	_____	lrb_docadmin 12/04/2001		
/2	kahlepj 01/02/2002	gilfokm 01/02/2002	pgreensl 01/03/2002	_____	lrb_docadmin 01/03/2002	lrb_docadmin 01/07/2002	lrb_docadmin

Vers.    Drafted    Reviewed    Typed    Proofed    Submitted    Jacketed    Required

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01/07/2002

FE Sent For: none needed

~~Att intro.~~

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*Please  
Jacket for Senate*

No specific pre topic given

*& send to*

**Topic:**

*Sen.  
Breska*

Miscellaneous changes to insurance statutes

**Instructions:**

See Attached

*Thanks!*

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/?	kahlepj 09/11/2001	wjackson 09/27/2001		
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/2	kahlepj 01/02/2002	gilfokm 01/02/2002	pgreensl 01/03/2002	lrb_docadmin 01/03/2002

FE Sent For:

**<END>**

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May Contact:

Addl. Drafters:

Subject: Insurance - miscellaneous

Extra Copies:

Submit via email: NO

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/P1			pgreensl 09/27/2001		lrb_docadmin 09/27/2001		

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/?	kahlepj	<i>res</i> <i>9-17-1</i>	<i>9/27</i>	<i>9/27</i> <i>SELF</i>			
FE Sent For:		<i>1/1 Wlj 9/27</i>	<i>PJ</i>	<i>&lt;END&gt;</i>			



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott McCallum, Governor
Connie L. O'Connell, Commissioner

Wisconsin.gov

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Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: information@oci.state.wi.us
http://badger.state.wi.us/agencies/oci/oci\_home.htm

DATE: August 9, 2001
TO: Pam Kahler
Legislative Reference Bureau
FROM: Eileen Mallow
Assistant Deputy Commissioner
SUBJECT: Legislation Changes

The Office of the Commissioner of Insurance (OCI) has prepared a list of technical or minor statutory changes. A summary of each of the changes is below along with suggested statutory language. Please draft statutory language needed to implement the changes.

1. Town Mutuels. When OCI recently revised Ins 13.09, regarding town mutual stop-loss reinsurance, the Legislative Clearinghouse pointed out that, under the proposed Ins 13.09, Wis. Adm. Code, the reinsurer is required to provide unlimited stop-loss reinsurance. However, s. 612.33(2)(a), Wis. Stat., requires a town mutual to obtain stop-loss reinsurance "to an extent reasonably adequate to cover the risk of catastrophic losses". The Clearinghouse questioned whether the rule exceeded statutory authority in establishing a requirement for unlimited reinsurance coverage when the statute talked about reasonably adequate coverage. The Insurance Committee chairs decided not to block the rule change, but asked that OCI address the language in the statute at an early opportunity.

The proposed change is to amend s. 612.33(2)(a) to permit OCI to specify the amount of reinsurance required by rule.

2. Definition of Extraordinary Dividend. s. 600.03(19)(b), defining extraordinary dividends for life insurers contains a technical error that should be corrected.

This section should read, "With respect to a life insurer, the total net income gain from operations of the insurer for the calendar year preceding the date of the dividend or distribution, minus realized capital gains for that calendar year".

This problem arose several years ago when the National Association of Insurance Commissioners (NAIC), modified the annual statement form calculation of net income. As currently written, the definition requires a calculation using a number that does not exist. OCI is currently interpreting the statute to obtain the intended result.

3. Viatical Settlement Brokers. Under current statute, each viatical settlement broker has a different renewal date, based on the date of original issue. Administratively, this is burdensome,

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and the agency would like to amend s. 632.68 (2)(e) and (4)(c), Wis. Stat., to create a uniform renewal date of July 1 of each year.

**4. Temporary Licenses.** The changes requested will follow temporary license practice used by other states, and will make the administration of these licenses much simpler. It will also expand the authority to include the line of Life. Current law only allows temporary licensing in the lines of Accident & Health, Property and Casualty. Temporary licenses are issued by the Commissioner on a case-by-case basis to resolve a specific issue, such as the death of an agent.

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

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

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

✓ **5. Surplus Lines Segregated Tax Account.** In order to comply with reciprocity under the Gramm Leach Bliley Act (GLBA) and the NAIC model producer act, OCI needs to eliminate the separate account requirement for surplus lines taxes. As a precaution, this should be done. OCI has not had a problem in the past with the payment of surplus lines taxes. The proposed change in 618.43(7) is as follows:

**618.43. Taxation of insurance written by unauthorized insurers.**

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

*Bols* ✓ **6. Patients Compensation Fund Statute of Limitations.** Recent court rulings have inconsistently recognized the statute of limitations for filing medical malpractice actions that name the Patients Compensation Fund. The recommended change would clarify the tolling period for naming the Fund in an action.

s. 655.27 (5), Wis. Stat., should be amended as follows:

*and does 2. need to be amended?*

s. 655.27(5). CLAIMS PROCEDURES. (a)1. Any person may file a claims 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 brought within the limitations in s. 893.55.

✓ 7. **Seider Law.** The language from LRB-0995/P2, amending the valued policy law, should be included in the technical bill.

✓ 8. **Privacy-state life and property fund.** Recently enacted privacy regulations do not apply to the State Life Fund or the Local Government Property Insurance Fund as they are not licensees of OCI. However, legislation should be enacted to address the privacy concerns of each fund's policyholders. We suggest the following language be created in s. 604.04 (8), Wis. Stats.:

JTK  
604.04 (8) CONFIDENTIAL PERSONAL INFORMATION. The manager may refuse to disclose, and may prevent any other person from disclosing, any information concerning an individual that is personally identifiable information and that is obtained by the manager in the course of operating a fund under chs. 605 to 607, Wis. Stats.

Thank you for your assistance. Please let me know if you have any questions. I can be reached at 6-7843 or by e-mail at eileen.mallow@oci.state.wi.us.

cc: Connie O'Connell  
Fred Nepple

for OCI to be clean-up bills:

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A. 227.21(2)

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**Kahler, Pam**

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**From:** Mallow, Eileen  
**Sent:** Wednesday, August 15, 2001 2:10 PM  
**To:** Kahler, Pam  
**Cc:** O'Connell, Connie; Nepple, Fred  
**Subject:** OCI Technical Legislation

Hi Pam - I hope you had a good vacation.

We have an addition to our technical bill (in addition to the one you've received from Sen. Breske's office). The enrolled budget bill has an amendment to s. 628.46 (sec 3755g), that we have reached agreement with the Wisc Ins. Alliance and Wisc Chiro Assn. to change and include in our technical legislation. The agreed to change is:

628.46 (2m) Notwithstanding subs. (1) and (2), a claim for payment for chiropractic services is overdue if not paid within 30 days after the insurer receives clinical documentation from the chiropractor that the services were provided unless, within those 30 days, the insurer provides to the insured and to the chiropractor the written statement under s. 632.875 (2). This subsection does not apply to worker's compensation insurance or any line of property and casualty insurance except disability insurance. In this subsection, "disability insurance" does not include uninsured motorist coverage, underinsured motorist coverage or medical payment coverage.

Please let me know if you have any questions. Thanks.

Eileen Mallow  
Assistant Deputy Commissioner  
608/266-7843  
608/261-8579 FAX  
email: eileen.mallow@oci.state.wi.us

**Kahler, Pam**

**From:** Mallow, Eileen  
**Sent:** Wednesday, September 05, 2001 10:41 AM  
**To:** Kahler, Pam  
**Subject:** FW: OCI technical changes bill

Pam - I think this answers your questions. I have a copy of the brief that Julie mentions in her response to me. Let me know if you need it or any other info. Thanks.

-----Original Message-----

**From:** Walsh, Julie  
**Sent:** Wednesday, September 05, 2001 10:21 AM  
**To:** Mallow, Eileen  
**Subject:** RE: OCI technical changes bill

Eileen:

You are correct, it is a request that the Fund be named a party within the amount of time in which an action must be commenced under 893.55, Stats. Cases -- the Court of Appeals District IV is the most recent decision on this issue in the matter of *Anderson v. Sauk Prairie Memorial Hospital et al.* 2000 WI App 108, 235 Wis. 2d 249. However, this ruling conflicts with prior rulings regarding the Fund and with ss. 893.55(1) and 655.27 (5)(a)2., Stats. The following string cite of cases are ones *Anderson* include: ~~*Jelenc v. St. Paul Fire & Cas. Ins. Co.*, 182 Wis. 2d 1 (1994), *Biggart v. Barstad*, 182 Wis. Ed 421 (Ct. App. 1993), *Kujawa v. American indemnity Co.*, 245 Wis. 361 (194), and *Groom v. Professionals Ins. Co.*, 179 Wis. 2d 241 (Ct. App. 1993).~~  
1944

The issue is how the Fund is characterized. The Court in *Anderson* determined that the Fund is just like any other excess carrier and therefore the statute of limitations for medical malpractice claims did not apply to a claim against the Fund where the action had been timely commenced against the underlying health care provider and the Fund had suffered no prejudice because of the delay. The problem is that the Fund is NOT a typical excess carrier -- instead the Fund has unlimited liability above the provider's limits which in some cases is still only \$400,000 on 10 million claims. If actions that would otherwise be barred by the statute of limitations can be commenced against the Fund, it will necessarily result in more litigation, greater losses to the Fund and higher assessments against health care providers.

The Fund, prior to *Anderson*, was very successful in having motions to dismiss granted by circuit courts on the basis of the statute of limitations having run. Those rulings are not published, but we could get copies of the orders granting the Fund's dismissal from the suits if needed. I have the *Anderson* brief in support of this point if you'd like it.

-----Original Message-----

**From:** Mallow, Eileen  
**Sent:** Wednesday, September 05, 2001 8:37 AM  
**To:** Walsh, Julie  
**Subject:** FW: OCI technical changes bill

I believe what we are requesting is the latter, namely that the Fund be named timely. Right?

-----Original Message-----

**From:** Kahler, Pam  
**Sent:** Tuesday, September 04, 2001 5:03 PM  
**To:** Mallow, Eileen  
**Cc:** Nelson, Robert P.  
**Subject:** OCI technical changes bill

Hi, Eileen:

I asked Bob Nelson to take a look at one of the items in the bill request for miscellaneous insurance changes - the one on patients compensation fund statute of limitations. He understood your request to be something different from what I understood it to be so I wanted to be sure we were clear on the intention. Is the proposed language change intended to ensure that the statute of limitation under s. 893.55 is used in every case in which the fund is a party, or is the change intended to require that the fund be named a party within the amount of time in which an action must be commenced under s. 893.55? Give me a call if you're not clear on what I mean.

Do you have citations for any of the cases you mentioned that came to inconsistent conclusions on the statute of limitations issue?

Thanks!



for  
analysis

## SENATE BILL 201

June 5, 2001 - Introduced by Senators BRESKE and ROSENZWEIG, cosponsored by Representatives MONTGOMERY, TOWNSEND, SUDER, RYBA, LA FAVE, RHOADES, ALBERS and VRAKAS. Referred to Committee on Insurance, Tourism, and Transportation.

1 **AN ACT to amend 632.05 (2) of the statutes; relating to:** limiting to property that  
2 is primarily residential the type of property for which the amount of loss is the  
3 insurance policy limits.

---

### *Analysis by the Legislative Reference Bureau*

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, which promulgated the rule. Thus, if a property that is used for both commercial and residential purposes, such as a business over which the business owner lives, is wholly destroyed, the amount of the loss is the policy limits of any insurance policy covering the property. This bill provides that the statute requiring the policy limits to be the loss amount for wholly destroyed property applies only to property that is owned and occupied primarily as a dwelling.

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



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-3610/8

PJK.....

as

EWJ

P1

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

*D-note*  
*Thurs - 9-27,*  
*please*

*gen cat*

1 AN ACT *relating to*; relating to: miscellaneous changes to the insurance laws related to  
2 the confidentiality of personal information obtained in the course of  
3 administering a state insurance fund, the statute of limitations for bringing an  
4 action against the patients compensation fund, the applicability of a timeliness  
5 requirement for the payment of insurance claims for chiropractic services, an  
6 exception from a requirement to obtain consent to incorporate certain  
7 publications by reference in administrative rules, the type of property for which  
8 the loss amount is the insurance limits, the renewal date for viatical settlement  
9 brokers' licenses, eliminating the requirement to keep a separate account for  
10 surplus lines taxes, issuance of temporary licenses for intermediaries,  
11 specifying by rule the amount of stop-loss reinsurance that a town mutual must

1 obtain, and defining extraordinary dividends for life insurers; and granting  
2 rule-making authority.

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*Analysis by the Legislative Reference Bureau*

This is a preliminary draft. An analysis will be provided in a later version.

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

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

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

History: 1985 a. 182, 1987 a. 403.

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

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

History: 1985 a. 182, 1987 a. 403.

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



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

History: 1971 s. 260; 1973 c. 22; Sup. Ct. Order, 67 Wis. 2d 585, 776 (1975); 1975 c. 223, 371, 374, 375, 421; 1977 c. 339; 1979 c. 89 ss. 383, 543; 1979 c. 162 ss. 49 to 53, 236 (22); 1979 c. 177; 1981 c. 38, 82; 1983 a. 120, 189, 274, 358; 1985 a. 29; 1987 a. 167, 247; 1989 a. 23, 31; 1989 a. 187 s. 29; 1993 a. 201; 1995 a. 225; 1999 a. 36.

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

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

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

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

16          604.04 (8) NONDISCLOSURE OF PERSONAL INFORMATION. The manager may refuse  
17          to disclose, and may prevent any other person from disclosing, any personally  
18          identifiable information, as defined in s. 19.62 (5), that is obtained by the manager  
19          in the course of administering a fund under chs. 605 to 607.

20          **SECTION 7.** 611.54 (3) of the statutes is amended to read:

21          611.54 (3) REMOVAL BY COMMISSIONER. If the commissioner finds, after a  
22          hearing, that a director or officer has a conflict of interest, is incompetent, or  
23          untrustworthy, or has wilfully violated chs. 600 to 646, a rule promulgated under s.  
24          601.41 (3) (a), or an order issued under s. 601.41 (4), and that the conflict of interest,

1 incompetence, or the violation endangers the interests of insureds or of the public,  
2 the commissioner may order that the director or officer be removed.

3 ~~History: 1971 c. 260; 1979 c. 89, 102; 1989 a. 303; 1997 a. 79.~~

**SECTION 8.** 612.15 (3) of the statutes is amended to read:

4 612.15 (3) REMOVAL BY COMMISSIONER. If the commissioner finds, after a  
5 hearing, that a director or officer is for any reason unqualified to serve, is  
6 incompetent or untrustworthy, or has wilfully violated chs. 600 to 646, a rule  
7 promulgated under s. 601.41 (3) (a), or an order issued under s. 601.41 (4), and that  
8 thereby the interests of members or of the public are endangered, the commissioner  
9 shall by order remove the director or officer.

10 ~~History: 1973 c. 22; 1979 c. 89; 1979 c. 102 s. 236 (13); 1991 a. 316.~~

**SECTION 9.** 612.33 (2) (a) of the statutes is amended to read:

11 612.33 (2) (a) *Windstorm and hail insurance.* If a town mutual provides  
12 coverage against windstorm or hail, or other perils involving a similar potential for  
13 catastrophic losses, which are designated by the commissioner by rule, it shall obtain  
14 reinsurance for each such risk or else stop-loss reinsurance with an insurer  
15 authorized to do such business in this state, to an extent ~~reasonably adequate to~~  
16 cover the risk of catastrophic losses or in an amount specified by the commissioner  
17 by rule. The commissioner may prescribe detailed requirements for such  
18 reinsurance by rule or by order.

19 ~~History: 1973 c. 22; 1979 c. 102 ss. 121, 236 (3), (19); 1979 c. 110 s. 60 (11); 1985 a. 189.~~

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

20 618.43 (7) TAXES AS TRUST FUNDS. All premium taxes collected under this section  
21 by an agent or broker or by an insurer are the property of this state. ~~They shall be~~  
22 ~~kept in a separate account and may not be commingled with funds belonging to~~  
23 anyone else, to be held in trust for the state.

~~History: 1971 c. 260; 1975 c. 371 s. 50; 1979 c. 102 ss. 148, 237; 1987 a. 247.~~

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.~~

History: ~~1975 c. 371, 421; 1981 c. 38; 1997 a. 191.~~

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 temporary license may be extended beyond the initial~~  
15 ~~period specified under sub. (1), for additional periods of not more than 3 months each,~~  
16 ~~with the total period not to exceed 12 months in the aggregate.~~ A temporary license  
17 may not continue after the owner or the personal representative disposes of the  
18 business or be extended beyond the end of the initial period specified in sub. (1),  
19 whichever occurs first.

History: ~~1975 c. 371, 421; 1981 c. 38; 1997 a. 191.~~

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

21           628.09 (5) FEES. The fees for a temporary license are the same as for a  
22 permanent license. ~~No additional fee may be charged for extensions under sub. (4),~~

1 ~~nor for the issuance of a subsequent license under s. 628.04 if that license is issued~~  
2 ~~while the temporary license remains in effect.~~

History: 1975 c. 371, 421; 1981 c. 38; 1997 a. 191

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

4 **628.097 (title) Refusal to issue license; failure to pay support or to**  
5 **comply with subpocna or warrant; tax delinquency.**

History: 1997 a. 191, 237

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

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

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

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

10 SECTION 19. 628.46 (2m) of the statutes, as created by 2001 Wisconsin Act 16,  
11 is amended to read:

12 628.46 (2m) Notwithstanding subs. (1) and (2), a claim for payment for  
13 chiropractic services is overdue if not paid within 30 days after the insurer receives  
14 clinical documentation from the chiropractor that the services were provided unless,  
15 within those 30 days, the insurer provides to the insured and to the chiropractor the  
16 written statement under s. 632.875 (2). This subsection applies only to a claim made  
17 under a disability insurance policy, as defined in s. 632.895 (1) (a).

History: 2001 a. 16

18 SECTION 20. 628.46 (3) of the statutes is amended to read:

19 628.46 (3) This Except as provided in sub. (2m), this section applies only to the  
20 classes of claims enumerated in s. 646.31 (2).

History: 1975 c. 375; 1979 c. 109 s. 16; 1979 c. 110 s. 60 (13); 1981 a. 38 s. 24; Stats. 1981 s. 628.46

21 SECTION 21. 632.68 (2) (e) of the statutes is amended to read:

22 632.68 (2) (e) Except as provided in sub. (3), a license issued under this  
23 subsection shall be renewed annually on the anniversary date July 1 upon payment

Insert 6-20

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

History: 1995 a. 371; 1997 a. 35, 191, 237, 1999 a. 9.

10 **SECTION 22.** 632.68 (4) (c) of the statutes is amended to read:

11 632.68 (4) (c) Except as provided in sub. (5), a license issued under this  
12 subsection shall be renewed annually on ~~the anniversary date~~ July 1 upon payment  
13 of the fee specified in s. 601.31 (1) (ms) and upon providing the licensee's social  
14 security number, unless the licensee does not have a social security number, or  
15 federal employer identification number, as applicable, if not previously provided on  
16 the application for the license or at a previous renewal of the license. If the licensee  
17 is a natural person who does not have a social security number, the license shall be  
18 renewed annually, except as provided in sub. (5), on ~~the anniversary date~~ July 1 upon  
19 payment of the fee specified in s. 601.31 (1) (ms) and upon providing to the  
20 commissioner a statement made or subscribed under oath or affirmation, on a form  
21 prescribed by the department of workforce development, that the licensee does not  
22 have a social security number.

History: 1995 a. 371; 1997 a. 35, 191, 237, 1999 a. 9.

23 **SECTION 23.** 655.27 (5) (a) 1. of the statutes is amended to read:

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

History: 1975 c. 87, 79, 199; 1977 c. 29, 131; 1979 c. 34, 194; 1981 c. 20; 1983 a. 27, 158; 1985 a. 340; 1987 a. 27, 186, 247, 399; 1989 a. 102, 187, 332; 1991 a. 214, 315; 1993 a. 473; 1995 a. 10.

10           **SECTION 24.** 655.27 (5) (a) 2. of the statutes is amended to read:

11           655.27 (5) (a) 2. Any person may file an action for damages arising out of the  
12 rendering of medical care or services or participation in peer review activities under  
13 s. 146.37 outside this state against a health care provider or an employee of a health  
14 care provider. A person filing an action may recover from the fund only if the health  
15 care provider or the employee of the health care provider has coverage under the fund  
16 and, the fund is named as a party in the action, and the action against the fund is  
17 commenced within the time limitation under s. 893.55 within which the action  
18 against the health care provider or employee of the health care provider must be  
19 commenced or as otherwise provided by the rules of procedure of the jurisdiction in  
20 which the action is brought. If the rules of procedure of the jurisdiction in which the  
21 action is brought do not permit naming the fund as a party, the person filing the  
22 action may recover from the fund only if the health care provider or the employee of  
23 the health care provider has coverage under the fund and the fund is notified of the  
24 action within 60 days of service of process on the health care provider or the employee

1 of the health care provider. The board of governors may extend this time limit if it  
2 finds that enforcement of the time limit would be prejudicial to the purposes of the  
3 fund and would benefit neither insureds nor claimants.

~~History: 1975 c. 37, 79, 199: 1977 c. 29, 131, 1979 c. 34, 194; 1981 c. 20; 1983 a. 27, 158; 1985 a. 340; 1987 a. 27, 186, 247, 399; 1989 a. 102, 187, 332; 1991 a. 214, 315; 1993 a. 473; 1995 a. 10.~~

4 **SECTION 25. Initial applicability.**

5 (1) RENEWAL OF VIATICAL SETTLEMENT PROVIDER AND BROKER LICENSES. The  
6 treatment of section 632.68 (2) (e) and (4) (c) of the statutes first applies to licenses  
7 renewed in 2003.

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

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

14 (END)

*D-note*





DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-3610/dn

PJK:.....

RS

Date

applicability of s. 628.46 (2m)

1. I did not amend s. 628.46 (2m) in the way suggested. The problem I had with the suggested way is that many of the terms are undefined in the statutes. Although "property and casualty insurance" is used a few times in the statutes, and "disability insurance" is used a number of times, they are not used consistently. According to Ballentine's law dictionary, "casualty insurance" literally means every type of insurance except life insurance.

Does limiting the ~~application~~ to claims made under disability insurance policies work? I'm assuming that the definition of disability insurance policy in s. 632.895 (1) (a) does not include worker's compensation insurance or any type of coverage under an automobile insurance policy. Do you interpret the definition differently?

2. I don't know that it makes any substantive difference, but should the "total" before "net income" in s. 600.03 (19) (b) 1. be stricken for consistency with s. 600.03 (19) (b) 2.?

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: pam.kahler@legis.state.wi.us

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

LRB-3610/P1dn  
PJK:rs:pg

September 27, 2001

1. I did not amend s. 628.46 (2m) in the way suggested. The problem I had with the suggested way is that many of the terms are undefined in the statutes. Although "property and casualty insurance" is used a few times in the statutes, and "disability insurance" is used a number of times, they are not used consistently. According to Ballentine's law dictionary, "casualty insurance" literally means every type of insurance except life insurance.

Does limiting the applicability of s. 628.46 (2m) to claims made under disability insurance policies work? I'm assuming that the definition of disability insurance policy in s. 632.895 (1) (a) does not include worker's compensation insurance or any type of coverage under an automobile insurance policy. Do you interpret the definition differently?

2. I don't know that it makes any substantive difference, but should the "total" before "net income" in s. 600.03 (19) (b) 1. be stricken for consistency with s. 600.03 (19) (b) 2.?

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: pam.kahler@legis.state.wi.us

Alice Schumann Johnson re 655 part

take out "or as otherwise  
provided . . . ."

in A. 655.27 (5)(a) 2.

## Kahler, Pam

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**From:** Mallow, Eileen  
**Sent:** Friday, October 26, 2001 2:34 PM  
**To:** Kahler, Pam  
**Subject:** LRB 3610/P1dn

Thanks for all the work you've done on this draft. We do have a couple of changes:

- ✓ We would like to go back to the language that was originally proposed for s. 628.46 (chiro claims). It was language negotiated among the parties and we are not comfortable with using anything else. Let me know if you need another copy.
  - ✓ Section 25. Strike the language on line 19 beginning at "...or as otherwise..." through the end of the sentence. I believe Alice Shuman-Johnson talked with you about the change
  - ✓ Section 26. Is it possible to change the effective date to 2002 rather than 2003?
  - We would like to add one final piece to create s. 618.39(1)(b) "The office may by rule establish any of the following:
    1. Standards to establish that a person should know that the result of 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.
    2. Standards to establish the sanctions or remedial measures under sub. (2), s. 601.42, 601.64 or 628.04, or any other penalty or remedial provision of ch. 600 to 646, that are required for a violation of this section.
- (c) The office is not required to adopt rules under par. (b) to establish a violation of this section."

Please let me know if there are any questions. Thanks!

Eileen Mallow  
Assistant Deputy Commissioner  
608/266-7843  
608/261-8579 FAX  
email: eileen.mallow@oci.state.wi.us



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-3610/1

PJK:rs&wlj/pg

v/m is r  
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eking

9/11/02

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

note

016  
Due  
12/5

regenerate

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 amend* 227.21 (2) (a), 227.21 (2) (b), 600.03  
3 (19) (b) 1., 611.54 (3), 612.15 (3), 612.33 (2) (a), 618.43 (7), 628.09 (1), 628.09 (4),  
4 628.09 (5), 628.097 (title), 628.46 (2m), 628.46 (3), 632.05 (2), 632.68 (2) (e),  
5 632.68 (4) (c), 655.27 (5) (a) 1. and 655.27 (5) (a) 2.; and *to create* 601.41 (3) (b)  
6 and 604.04 (8) of the statutes; **relating to:** miscellaneous changes to the  
7 insurance laws related to the confidentiality of personal information obtained  
8 in the course of administering a state insurance fund, the statute of limitations  
9 for bringing an action against the patients compensation fund, the applicability  
10 of a timeliness requirement for the payment of insurance claims for chiropractic  
11 services, an exception from a requirement to obtain consent to incorporate  
12 certain publications by reference in administrative rules, the type of property  
13 for which the loss amount is the insurance limits, the renewal date for viatical  
14 settlement brokers' licenses, eliminating the requirement to keep a separate  
15 account for surplus lines taxes, issuance of temporary licenses for

1 intermediaries, specifying by rule the amount of stop-loss reinsurance that a  
 2 town mutual must obtain, and defining extraordinary dividends for life  
 3 insurers; and granting rule-making authority.

*Analysis by the Legislative Reference Bureau*

~~This is a preliminary draft. An analysis will be provided in a later version.~~

Insert A

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

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

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

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

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

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

Standards related to existing manufacturing insurance

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

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

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

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

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

16          604.04 (8) NONDISCLOSURE OF PERSONAL INFORMATION. The manager may refuse  
17      to disclose, and may prevent any other person from disclosing, any personally  
18      identifiable information, as defined in s. 19.62 (5), that is obtained by the manager  
19      in the course of administering a fund under chs. 605 to 607.

20          **SECTION 7.** 611.54 (3) of the statutes is amended to read:

21          611.54 (3) REMOVAL BY COMMISSIONER. If the commissioner finds, after a  
22      hearing, that a director or officer has a conflict of interest, is incompetent, or  
23      untrustworthy, or has wilfully violated chs. 600 to 646, a rule promulgated under s.  
24      601.41 (3) (a), or an order issued under s. 601.41 (4), and that the conflict of interest,

1 incompetence, or the violation endangers the interests of insureds or of the public,  
2 the commissioner may order that the director or officer be removed.

3 SECTION 8. 612.15 (3) of the statutes is amended to read:

4 612.15 (3) REMOVAL BY COMMISSIONER. If the commissioner finds, after a  
5 hearing, that a director or officer is for any reason unqualified to serve, is  
6 incompetent or untrustworthy, or has wilfully violated chs. 600 to 646, a rule  
7 promulgated under s. 601.41 (3) (a), or an order issued under s. 601.41 (4), and that  
8 thereby the interests of members or of the public are endangered, the commissioner  
9 shall by order remove the director or officer.

10 SECTION 9. 612.33 (2) (a) of the statutes is amended to read:

11 612.33 (2) (a) *Windstorm and hail insurance.* If a town mutual provides  
12 coverage against windstorm or hail, or other perils involving a similar potential for  
13 catastrophic losses, which are designated by the commissioner by rule, it shall obtain  
14 reinsurance for each such risk or else stop-loss reinsurance with an insurer  
15 authorized to do such business in this state, to an extent reasonably adequate to  
16 cover the risk of catastrophic losses or in an amount specified by the commissioner  
17 by rule. The commissioner may prescribe detailed requirements for such  
18 reinsurance by rule or by order.

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

20 618.43 (7) TAXES AS TRUST FUNDS. All premium taxes collected under this section  
21 by an agent or broker or by an insurer are the property of this state. ~~They shall be~~  
22 ~~kept in a separate account and may not be commingled with funds belonging to~~  
23 anyone else, to be held in trust for the state.

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

Insert 4-18



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

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

Insert 5-18

11           628.09 (4) DURATION OF LICENSE. The commissioner may by order revoke a  
 12 temporary license if the interests of insureds or the public are endangered. ~~Except~~  
 13 ~~as provided in s. 628.097, a temporary license may be extended beyond the initial~~  
 14 ~~period specified under sub. (1), for additional periods of not more than 3 months each,~~  
 15 ~~with the total period not to exceed 12 months in the aggregate. A temporary license~~  
 16 ~~may not continue after the owner or the personal representative disposes of the~~  
 17 ~~business or be extended beyond the end of the initial period specified in sub. (1),~~  
 18 whichever occurs first.

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

20           628.09 (5) FEES. 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:

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 to~~ <sup>renumbered to</sup> 628.46 (2m) (a) and and except as provided in par. (b)

*fix  
complement*

9           628.46 (2m) (a) Notwithstanding subs. (1) and (2), a claim for payment for  
10 chiropractic services is overdue if not paid within 30 days after the insurer receives  
11 clinical documentation from the chiropractor that the services were provided unless,  
12 within those 30 days, the insurer provides to the insured and to the chiropractor the  
13 written statement under s. 632.875 (2). ~~This subsection applies only to a claim made~~  
14 ~~under a disability insurance policy, as defined in s. 632.895 (1) (a).~~

*Insert 6-14*

15           **SECTION 20.** 628.46 (3) of the statutes is amended to read:

16           628.46 (3) ~~This~~ Except as provided in sub. (2m), this section applies only to the  
17 classes of claims enumerated in s. 646.31 (2).

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

19           632.05 (2) Whenever any policy insures real property ~~which~~ that is owned and  
20 occupied by the insured primarily as a dwelling and the property is wholly destroyed,  
21 without criminal fault on the part of the insured or the insured's assigns, the amount  
22 of the loss shall be taken conclusively to be the policy limits of the policy insuring the  
23 property.

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

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

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

13           632.68 (4) (c) Except as provided in sub. (5), a license issued under this  
14 subsection shall be renewed annually on ~~the anniversary date~~ July 1 upon payment  
15 of the fee specified in s. 601.31 (1) (ms) and upon providing the licensee's social  
16 security number, unless the licensee does not have a social security number, or  
17 federal employer identification number, as applicable, if not previously provided on  
18 the application for the license or at a previous renewal of the license. If the licensee  
19 is a natural person who does not have a social security number, the license shall be  
20 renewed annually, except as provided in sub. (5), on ~~the anniversary date~~ July 1 upon  
21 payment of the fee specified in s. 601.31 (1) (ms) and upon providing to the  
22 commissioner a statement made or subscribed under oath or affirmation, on a form  
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24 have a social security number.

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

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

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

11           655.27 (5) (a) 2. Any person may file an action for damages arising out of the  
 12 rendering of medical care or services or participation in peer review activities under  
 13 s. 146.37 outside this state against a health care provider or an employee of a health  
 14 care provider. A person filing an action may recover from the fund only if the health  
 15 care provider or the employee of the health care provider has coverage under the fund  
 16 and, the fund is named as a party in the action, and the action against the fund is  
 17 commenced within the time limitation under s. 893.55 within which the action  
 18 against the health care provider or employee of the health care provider must be  
 19 commenced.

20 ~~which the action is brought.~~ If the rules of procedure of the jurisdiction in which the  
 21 action is brought do not permit naming the fund as a party, the person filing the  
 22 action may recover from the fund only if the health care provider or the employee of  
 23 the health care provider has coverage under the fund and the fund is notified of the  
 24 action within 60 days of service of process on the health care provider or the employee  
 25 of the health care provider. The board of governors may extend this time limit if it

1 finds that enforcement of the time limit would be prejudicial to the purposes of the  
2 fund and 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 ~~2000~~ → 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)

*D-note*

2001-2002 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-3610/lins  
PJK:rs&wlj:pg

INSERT A

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 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. An administrative rule, however, requires unlimited stop-loss reinsurance. 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.

the

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

(END OF INSERT A)

insurer's

INSERT 4-18 ✓

- 1           **SECTION 1.** 618.39 (3) of the statutes is created to read:
- 2           618.39 (3) **STANDARDS BY RULE.** (a) The office may by rule promulgate standards
- 3           for any of the following:

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

*requirements under A, 601.42 or 678.04 or*

5 2. Imposing sanctions or remedial measures under sub. (2) or s. ~~601.64~~ 601.64,  
6 ~~or 628.04~~ or any other penalty or remedial provision of chs. 600 to 646, for a violation  
7 of this section.

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

(END OF INSERT 4-18)

INSERT 5-18 ✓

10 628.09 (4) DURATION OF LICENSE. The commissioner may by order revoke a  
11 temporary license if the interests of insureds or the public are endangered. Except  
12 as provided in s. ~~628.097~~, a temporary license may not be extended beyond the  
13 initial period specified under sub. (1), ~~for additional periods of not more than 3~~  
14 ~~months each, with the total period not to exceed 12 months in the aggregate.~~ A  
15 temporary license may not continue after the owner or the personal representative  
16 disposes of the business.

(END OF INSERT 5-18)

INSERT 6-14 ✓

SEC. #. CR; 628.46(2m)(b)

17 628.46(2m)(b) Paragraph (a) does not apply to any of the following:

18 1. Worker's compensation insurance.



1           2. Any line of property and casualty insurance except disability insurance. In  
2 this subdivision, "disability insurance" does not include uninsured motorist  
3 coverage, underinsured motorist coverage, or medical payment coverage.

(END OF INSERT 6-14)

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

LRB-3610/1dn

PJK:rs&pg

Date

Young

King

*that*  
In addition to making the changes you requested and adding s. 618.39 (3), I removed from the draft the treatment of ss. 611.54 (3) and 612.15 (3) and changed the way in which s. 628.09 (4) is amended.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: pam.kahler@legis.state.wi.us

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

LRB-3610/1dn  
PJK:rs&kmg:pg

December 4, 2001

In addition to making the changes that you requested and adding s. 618.39 (3), I removed from the draft the treatment of ss. 611.54 (3) and 612.15 (3) and changed the way in which s. 628.09 (4) is amended.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.state.wi.us](mailto:pam.kahler@legis.state.wi.us)

## Basford, Sarah

---

**From:** Basford, Sarah  
**Sent:** Tuesday, December 04, 2001 1:14 PM  
**To:** Eileen Mallow  
**Subject:** LRB -3610/1 & dn



01-3610/1



.01-3610/1dn

### **Sarah Basford**

Program Assistant

State of Wisconsin

Legislative Reference Bureau

PH: (608) 266-3561/FAX: (608) 264-6948

[sarah.basford@legis.state.wi.us](mailto:sarah.basford@legis.state.wi.us) <<mailto:sarah.basford@legis.state.wi.us>>

1-2

changes made per Joyce Kiel - leg council

(based on discussions with OAI - Fred Happle  
& Vance at Broder's office)



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-3610/1  
PJK:rs/wlj/kmg:pg  
r m i s t e r  
stays

2001 BILL

needed by  
noon  
Thurs.

Regenerate ↓

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), 618.43 (7),  
4 628.09 (1), 628.09 (4), 628.09 (5), 628.097 (title), 628.46 (3), 632.05 (2), 632.68  
5 (2) (e), 632.68 (4) (c), 655.27 (5) (a) 1. and 655.27 (5) (a) 2.; and to create 601.41  
6 (3) (b), 604.04 (8), 618.39 (3) and 628.46 (2m) (b) of the statutes; relating to:  
7 miscellaneous changes to the insurance laws related to the confidentiality of  
8 personal information obtained in the course of administering a state insurance  
9 fund, the statute of limitations for bringing an action against the patients  
10 compensation fund, the applicability of a timeliness requirement for the  
11 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,

**BILL**

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

**BILL**

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. An administrative rule, however, requires unlimited ~~stop-loss reinsurance~~. 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. *Insert 3-C*

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

*Insert 3-A*

*Insert 3-B*





**BILL**

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) ~~The~~ 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:

**BILL**

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. Any materials of the  
 6 National Association of Insurance Commissioners that are incorporated by reference  
 7 in rules promulgated by the commissioner shall be obtainable from, and are only  
 8 required to be kept on file at, the office, which shall be stated in any rule containing  
 9 such an incorporation by reference.

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

11           604.04 (8) **NONDISCLOSURE OF PERSONAL INFORMATION.** The manager may refuse  
 12 to disclose, and may prevent any other person from disclosing, any personally  
 13 identifiable information, as defined in s. 19.62 (5), that is obtained by the manager  
 14 in the course of administering a fund under chs. 605 to 607.

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

16           612.33 (2) (a) *Windstorm and hail insurance.* If a town mutual provides  
 17 coverage against windstorm or hail, or other perils involving a similar potential for  
 18 catastrophic losses, which are designated by the commissioner by rule, it shall obtain  
 19 reinsurance for each such risk or else stop-loss reinsurance with an insurer  
 20 authorized to do such business in this state, to an extent ~~reasonably adequate to~~  
 21 ~~cover the risk of catastrophic losses or in an amount specified by the commissioner~~  
 22 by rule. The commissioner may prescribe detailed requirements for such  
 23 reinsurance by rule or by order.

24           **SECTION 8.** 618.39 (3) of the statutes is created to read:

without reproducing the standards in full

Insert 5-23

**BILL**

1           618.39 (3) STANDARDS BY RULE. (a) The office may by rule promulgate standards  
2 for any of the following:

3           1. Establishing that a person should know that the result of insurance business  
4 is or might be the illegal placement of insurance with an unauthorized insurer or the  
5 subsequent servicing of an insurance policy illegally placed with an unauthorized  
6 insurer.

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

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

12           **SECTION 9.** 618.43 (7) of the statutes is amended to read:

13           618.43 (7) TAXES AS TRUST FUNDS. All premium taxes collected under this section  
14 by an agent or broker or by an insurer are the property of this state. ~~They shall be~~  
15 ~~kept in a separate account and may not be commingled with funds belonging to~~  
16 ~~anyone else, to be held in trust for the state.~~

17           **SECTION 10.** 628.09 (1) of the statutes is amended to read:

18           628.09 (1) ISSUANCE OF LICENSE. Except as provided in s. 628.095 or 628.097,  
19 the commissioner may issue a temporary license as an intermediary for a period of  
20 not more than 3 12 months to the personal representative of a deceased or mentally  
21 disabled intermediary, or to a person designated by an intermediary who is otherwise  
22 disabled or has entered active duty in the U.S. armed forces, in order to give time for  
23 more favorable sale of the goodwill of a business owned by the intermediary, for the  
24 recovery or return of the intermediary, or for the orderly training and licensing of new

*applicable*

**BILL**

1 personnel for the intermediary's business. ~~This subsection does not apply to life~~  
2 ~~insurance agents.~~

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

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

11 **SECTION 12.** 628.09 (5) of the statutes is amended to read:

12 628.09 (5) FEES. The fees for a temporary license are the same as for a  
13 permanent license. ~~No additional fee may be charged for extensions under sub. (4),~~  
14 ~~nor for the issuance of a subsequent license under s. 628.04 if that license is issued~~  
15 ~~while the temporary license remains in effect.~~

16 **SECTION 13.** 628.097 (title) of the statutes is amended to read:

17 **628.097 (title) Refusal to issue license; failure to pay support or to**  
18 **comply with subpoena or warrant; tax delinquency.**

19 **SECTION 14.** 628.097 (1) (title) of the statutes is repealed.

20 **SECTION 15.** 628.097 (1) (a) of the statutes is renumbered 628.097 (1m).

21 **SECTION 16.** 628.097 (1) (b) of the statutes is renumbered 628.097 (2m).

22 **SECTION 17.** 628.097 (2) of the statutes is repealed.

23 **SECTION 18.** 628.46 (2m) of the statutes, as created by 2001 Wisconsin Act 16,  
24 is renumbered 628.46 (2m) (a) and amended to read:

**BILL**

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

6           **SECTION 19.** 628.46 (2m) (b) of the statutes is created to read:

7           628.46 (2m) (b) Paragraph (a) does not apply to any of the following:

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

12           **SECTION 20.** 628.46 (3) of the statutes is amended to read:

13           628.46 (3) ~~This~~ Except as provided in sub. (2m), this section applies only to the  
14 classes of claims enumerated in s. 646.31 (2).

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

16           632.05 (2) Whenever any policy insures real property ~~which~~ that is owned and  
17 occupied by the insured primarily as a dwelling and the property is wholly destroyed,  
18 without criminal fault on the part of the insured or the insured's assigns, the amount  
19 of the loss shall be taken conclusively to be the policy limits of the policy insuring the  
20 property.

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

22           632.68 (2) (e) Except as provided in sub. (3), a license issued under this  
23 subsection shall be renewed annually on ~~the anniversary date~~ July 1 upon payment  
24 of the fee specified in s. 601.31 (1) (mp) and upon providing the licensee's social  
25 security number, unless the licensee does not have a social security number, or

**BILL**

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

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

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

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

22 655.27 (5) (a) 1. Any person may file a claim for damages arising out of the  
23 rendering of medical care or services or participation in peer review activities under  
24 s. 146.37 within this state against a health care provider or an employee of a health  
25 care provider. A person filing a claim may recover from the fund only if the health

**BILL**

1 care provider or the employee of the health care provider has coverage under the fund  
2 and, the fund is named as a party in the action, and the action against the fund is  
3 commenced within the time limitation under s. 893.55 within which the action  
4 against the health care provider or employee of the health care provider must be  
5 commenced.

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

7 655.27 (5) (a) 2. Any person may file an action for damages arising out of the  
8 rendering of medical care or services or participation in peer review activities under  
9 s. 146.37 outside this state against a health care provider or an employee of a health  
10 care provider. A person filing an action may recover from the fund only if the health  
11 care provider or the employee of the health care provider has coverage under the fund  
12 and, the fund is named as a party in the action, and the action against the fund is  
13 commenced within the time limitation under s. 893.55 within which the action  
14 against the health care provider or employee of the health care provider must be  
15 commenced. If the rules of procedure of the jurisdiction in which the action is brought  
16 do not permit naming the fund as a party, the person filing the action may recover  
17 from the fund only if the health care provider or the employee of the health care  
18 provider has coverage under the fund and the fund is notified of the action within 60  
19 days of service of process on the health care provider or the employee of the health  
20 care provider. The board of governors may extend this time limit if it finds that  
21 enforcement of the time limit would be prejudicial to the purposes of the fund and  
22 would benefit neither insureds nor claimants.

23 **SECTION 26. Initial applicability.**

**BILL**

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

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

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

10

**(END)**



2001-2002 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-3610/2ins  
PJK:rc/wlj/kmg:pg

INSERT 3-A ✓

no 4 If a town mutual provides nonproperty insurance, the town mutual must obtain reinsurance of at least a 90% proportional share of each risk.

(END OF INSERT 3-A)

INSERT 3-B ✓

no 4 aggregate excess of loss reinsurance for all risks covered by ~~both~~ <sup>either</sup> property ~~and~~ <sup>or</sup> nonproperty insurance

(END OF INSERT 3-B)

INSERT 3-C ✓

no 4 , and by authorizing the commissioner to require, by rule, other reinsurance <sup>than that specified</sup> for nonproperty insurance provided by <sup>a</sup> town mutuals

(END OF INSERT 3-C)

INSERT 5-23 ✓

risks covered by

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

History: 1973 c. 22; 1979 c. 102 ss. 121, 236 (5), (13); 1979 c. 110 s. 60 (11); 1985 a. 189.

(END OF INSERT 5-23)