

2003 DRAFTING REQUEST

Bill

Received: 09/03/2003

Received By: pkahler

Wanted: As time permits

Identical to LRB:

For: Charles Chvala (608) 266-9170

By/Representing: Maribeth Witzel-Behl

This file may be shown to any legislator: NO

Drafter: pkahler

May Contact:

Addl. Drafters:

Subject: Insurance - miscellaneous

Extra Copies: CMH

Submit via email: YES

Requester's email: Sen.Chvala@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Prohibit insurers from denying one type of coverage if applicant does not also carry another type of coverage with the insurer

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 09/29/2003	jdye 10/28/2003		_____			
/1			rschluet 10/28/2003	_____	sbasford 10/28/2003	lemery 10/29/2003	

FE Sent For:

*None
needed*

<END>

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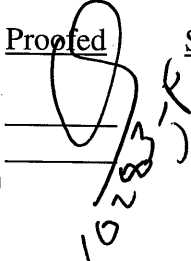
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/?	pkahler	1/10/03 jld					
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FE Sent For:

<END>

Bill Request Form

Legislative Reference Bureau
100 N. Hamilton Street
Legal Section 266-3561

You may use this form or talk directly with the LRB attorney who will draft the bill.

Date 8-27-03

Legislator, agency, or other person requesting this draft Senator Chvala

Person submitting request (name and phone number) Maribeth Witzel-Behl 266-9170

Persons to contact for questions about this draft (names and phone numbers) Maribeth Witzel-Behl 266-9170

Describe the problem, including any helpful examples. How do you want to solve the problem?
Insurance companies currently can require consumers with a Homeowners policy to also carry auto insurance with that insurance company. Senator Chvala would like legislation drafted that would prohibit insurance companies from mandating this.

Please attach a copy of any correspondence or other material that may help us. If you know of any statute sections that might be affected, list them or provide a marked-up copy.

You may attach a marked-up copy of any LRB draft or provide its number (e.g., 2001 LRB-2345/1 or 1999AB-67).

Requests are confidential unless stated otherwise. May we tell others that we are working on this for you? YES NO

If yes: Anyone who asks? YES NO
Any legislator? YES NO

Only the following persons _____

Do you consider this request urgent? YES NO If yes, please indicate why _____

Should we give this request priority over any pending request of this legislator, agency, or person?

YES NO

OFFICE OF STATE SENATOR CHUCK CHVALA

PO Box 7882, Madison, WI 53707-7882

DATE IN: 6/25/03

CONSTITUENT: Mary Scholidon

DATE OUT: 7-11-03

ADDRESS: 1920 Wisconsin Ave.

STAFF: _____

50n Prairie 53590

1 2 3

PHONE: _____

IDENTIFY ISSUE BY CATEGORY:

business	county/local govts.	environment	labor	personal rights
social service	taxes	judiciary	consumer	morally indignant
transportation	schools	elderly	no issue	
other (specify): _____				

PROBLEM: _____

79 yr. old widow has been insured for 37 yrs. w/ West Bend Mutual. Just received notice they are dropping her because she does not have an auto policy (doesn't even own a car). Found out from Ins. Comm. office insurance companies are allowed to require policyholders to buy all their

ACTION TAKEN: insurance through them. Figures there is no advocate now in Ins. Comm. office + Gov. Doyle can eliminate Commissioner position.

COMMENTS: _____



State Senator
Chuck Chvala

July 3, 2003

Mary Scholidon
1920 Wisconsin Avenue
Sun Prairie, WI 53590

Dear Mary,

Thank you for calling my office to express your frustration with your insurance company and the Office of the Commissioner of Insurance.

I was outraged to learn that West Bend Mutual dropped the homeowners insurance policy you have held for 37 years simply because you do not have a car to insure through them. The treatment you have received from West Bend Mutual and from the Office of the Commissioner of Insurance is unacceptable.

Please be assured that I will work to address this injustice and to improve consumer protection in this area. If you would like me to contact West Bend Mutual on your behalf, please call my office at 266-9170.

If you have any additional questions or concerns regarding this issue or any other matter, please do not hesitate to contact me again.

Sincerely,

CHUCK CHVALA
State Senator
16th Senate District

CJC/mlw

Mrs. M. S. Scholdon
1920 Wisconsin Ave.
Sun Prairie, WI 53590-1735

July 14, 2003

Dear Senator Ohvala,

Thank you so much for your letter, and your interest in my problem that just arose concerning my homeowners insurance policy. I was upset because they did not contact me first before telling me by letter that my coverage would be discontinued, because I did not have car insurance with them. Had they phoned or written me they would have ascertained that I did not drive & had no car. I thought their action was very discriminatory & high handed.

2

I decided I wanted to hear their explanation from an executive officer so I called my agent & asked her for the phone number of the C. E. O. of West Bend Mutual, telling her that I had called the Commissioner of Insurance, & also your office to express my dismay over what had happened. She said she would call on my behalf, telling them who I had contacted.

She called me later that day to let me know, that due to my special circumstances they would continue with my policy. The Commissioner's office told me that the legislature had passed the bill that allowed Wisconsin companies to do this, so perhaps an addendum should be added to say if a homeowner has no car & therefore does not drive, they cannot cancel the homeowners policy. Many thanks again to you & the nice lady in your office that I talked to. Sincerely, Mary Schalide



State Senator
Chuck Chvala
SENATE MAJORITY LEADER

Chuck -
I found out from OCI
that insurance companies
are now requiring their
clients to carry "package
deals" of homeowners and
auto insurance to "cover"
the insurance company's
losses on homeowners
policies. They can't require
life insurance because that!

State Capitol, Post Office Box 7882, Madison, WI 53707-7882 ■ Phone: (608) 266-9170 ■ Fax: (608) 266-5087

Legislative Hotline (Toll-Free) 1-800-362-WISC (9472) ■ E-Mail: chuck.chvala@legis.state.wi.us

WWW: <http://www.legis.state.wi.us/senate/sen16/senate16.html>



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State Senator
Chuck Chvala
SENATE MAJORITY LEADER

2

not a related type of risk.
There's nothing in the statute
to protect homeowners who
do not drive or own cars.

Do you want to introduce
legislation that would make
an exception for non-drivers,
or legislation ~~that~~ would
prohibit the package deal
requirement completely? — than

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State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-3195/1

PJK: a:...

Mon
11/1

Jld

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

gen cat

1 AN ACT *gen cat*; relating to: prohibiting an insurer from canceling or refusing to issue
2 or renew an insurance policy on the basis that the applicant or insured is not
3 insured under another policy issued by the insurer. ✓

Analysis by the Legislative Reference Bureau

Under current law, an insurer generally may not cancel an insurance policy before the end of the term except for nonpayment of premiums or on grounds provided in the policy and permitted by statute, including material misrepresentation, a substantial change in the risk assumed, substantial breaches of contractual duties, or attainment of the terminal age for coverage. Also under current law, an insurer generally must renew an insurance policy at the end of the term unless the insurer provides 60 days' written notice that the policy will not be renewed. Current law contains further restrictions on nonrenewal if the policy is a health insurance policy or if the reason for nonrenewal is the termination of an insurance marketing intermediary's contract with the insurer. Current law also contains some prohibitions against what an insurer may consider for purposes of issuing an insurance policy. For example, in determining whether to issue or renew insurance, an insurer, except for insurers writing certain types of insurance, may not consider whether a person has obtained a genetic test or a test for the presence of a strain of human immunodeficiency virus (HIV) or what the results of any such test were.

Some insurance companies will sell an insurance policy to a person only if the person carries more than one type of insurance with the insurer, such as a

✓
homeowner's insurance policy and an automobile insurance policy. This bill prohibits an insurer from refusing to issue or renew an insurance policy to a person and from canceling an insurance policy issued to a person on the basis that the person is not insured under or applying for ~~insurance~~ coverage under another policy issued by the insurer.

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

1 SECTION 1. 631.16[✓] of the statutes is created to read:

2 **631.16 Requirement to carry other insurance prohibited.** An insurer
3 may not, solely on the basis that a person is not insured under or applying for
4 insurance coverage under another policy of insurance issued by the insurer, do any
5 of the following:

- 6 (1) Refuse to issue an insurance policy to the person.
- 7 (2) Notwithstanding s. 631.36 (4) (a),[✓] refuse to renew an insurance policy to the
8 person.
- 9 (3) Notwithstanding s. 631.36 (2) (c) and (3),[✓] cancel an insurance policy issued
10 to the person before the expiration of the agreed term.

11 **SECTION 2. Initial applicability.**

12 (1) The treatment of section 631.16 (1)[✓] of the statutes first applies to insurance
13 policies for which application is made on the effective date of this subsection.[✓]

14 (2) ~~The~~ treatment of section 631.16 (2)[✓] of the statutes first applies to insurance
15 policies that are renewed on the effective date of this subsection.

16 (3) If an insurance policy that is in effect on the effective date of this subsection
17 contains a provision that is inconsistent with the treatment of section 631.16[✓] (3) of

✓
(2) or

Except as provided in subsection[✓] (3), the
↑
auto ref

(2) or ✓
↑

1 the statutes, the treatment of section 631.16(3) of the statutes first applies to that
2 insurance policy on the date ✓ on which it is renewed.

3 (END)

↓
, whichever is applicable,

Kahler, Pam

From: Witzel-Behl, Maribeth
Sent: Wednesday, October 29, 2003 11:47 AM
To: Kahler, Pam
Subject: bill jacket request

Senator Chvala would like to have LRB 3195/1 (insurance policy packaging) jacketed for introduction.
Thank you!

- Maribeth
Senator Chvala's Office