



## 2005 SENATE BILL 486

December 27, 2005 - Introduced by LAW REVISION COMMITTEE. Referred to Committee on Agriculture and Insurance.

1     **AN ACT to create** 40.61 (5) of the statutes; **relating to:** income continuation  
2           insurance errors (suggested as remedial legislation by the Department of  
3           Employee Trust Funds).

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### *Analysis by the Legislative Reference Bureau*

The bill provides that, if an eligible employee has failed to meet the criteria for coverage under the Income Continuation Coverage program, administered by the Department of Employee Trust Funds (DETF), because of employer error, the employee may subsequently receive income continuation coverage by submitting an application within 30 days after the employee receives from the employer written notice of the error.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the department of employee trust funds and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

**SENATE BILL 486****SECTION 1**

1           **SECTION 1.** 40.61 (5) of the statutes is created to read:

2           40.61 (5) If, as a result of employer error, an eligible employee has not filed an  
3 application with the department as required under sub. (2) or (3) or made premium  
4 contributions as required under s. 40.05 (5) within 60 days after becoming eligible  
5 for income continuation insurance coverage, the employee is considered not to be  
6 insured for that coverage. The employee may become insured by filing a new  
7 application under sub. (2) or (3) within 30 days after the employee receives from the  
8 employer written notice of the error. An employee is not required to furnish evidence  
9 of insurability to become insured under this subsection. An employee becomes  
10 insured under this subsection on the first day of the first month beginning after the  
11 date on which the employer receives the employee's new application under sub. (2)  
12 or (3) and upon approval by the department.

NOTE: Creates a provision allowing an employee to obtain income continuation coverage when the employee has failed to meet the criteria for coverage because of employer error. Mirrors a current provision regarding failure of an employee to file for life insurance coverage due to employer error (see. s. 40.70 (7m), stats.).

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(END)