

**Kahler, Pam**

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**From:** Guidry, Jim R - OCI  
**Sent:** Wednesday, February 21, 2007 11:55 AM  
**To:** Kahler, Pam  
**Subject:** OCI legislative package  
**Attachments:** OCI Legislative Package-Grouped.doc

Pam,

After briefing Commissioner Dilweg on the OCI technical draft sent to you last November, he has decided that he would like to break the bill down into three separate pieces of legislation. Attached you will find the breakdown as requested by the Commissioner.

Additionally, the Commissioner has stated that his preference is that Group 1 - Policy and Form Package have priority over the other two pieces.

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

Jim Guidry  
Legislative Liaison  
Office of the Commissioner of Insurance  
125 South Webster Street  
PO Box 7873  
Madison, WI 53707-7873

Work: (608) 264-6239  
Cell: (608) 209-6309



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor  
Sean Dilweg, Commissioner

Wisconsin.gov

125 South Webster Street • P.O. Box 7873  
Madison, Wisconsin 53707-7873  
Phone: (608) 266-3585 • Fax: (608) 266-9935  
E-Mail: [information@oci.state.wi.us](mailto:information@oci.state.wi.us)  
Web Address: [oci.wi.gov](http://oci.wi.gov)

Office of the Commissioner of Insurance  
Legislative Package  
January 30, 2007

**Group 1 – Policy and Form Package**

**Interstate Insurance Product Regulation Compact.** Enabling legislation to permit Wisconsin's participation in the Interstate Insurance Product Regulation Compact. The Compact applies to product form approval for life, annuity, disability income, and long term care products, and long term care advertisements.

**Policy form review.** Amends 631.20, Wis. Stats. to establish a file and use process for most policy form filings. Under current law most policy forms must be approved by OCI before an insurer may use the form. Under the proposal, most policy forms would be filed 30 days' prior to use. OCI approval would not be required before the insurer could use the form.

**Suitability of Annuity Sales.** Amend 628.347 to make section applicable to all consumers and not restricted to senior consumers.

## 631.20 Filing and approval of forms.

### (1) Filing.

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

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

(c) A form first filed with the commissioner on or after the effective date of this act (2008) is exempt from par. (a) except any of the following forms:

1. A form subject to s. 655.24 (1).
2. A form for a workers compensation policy.
3. A form for a Medicare replacement policy or a Medicare supplement policy.
4. A form for a long term care policy, including a form for a nursing home or home health care policy.
5. A form filed under ch. 149.
6. A form issued by an insurer ordered by the commissioner under s. 601.41 (4) to file forms under sub. (1) (a). The commissioner may require an insurer to file forms under this subsection to secure compliance with the law, including if the commissioner determines the insurer violated sub. (1m).
7. A form that includes an appraisal or arbitration provision not specifically authorized by rule. The entire form, including the appraisal or arbitration provision, is subject to sub. (1) (a).
8. A form that contains a clause subject to s. 631.21 but only as to the clause.
9. A form required to be filed under sub. (1) (a) by a rule promulgated by the commissioner.

(1g) A form for a product that is approved by or self-certified to, and not disapproved by, the interstate insurance product regulation commission, unless otherwise provided by rule promulgated by the commissioner under s. 601.58, is exempt from subs. (1) (a) and (1m) (a).

*conform rules under 601.58 or new commission?*

(1m) (a) Except as exempted under sub. (1g), s. 631.01 (2) to (5), or by rule promulgated by the commissioner, an insurer may not use a form exempt under sub. (1) (c) from sub. (1) (a) on or after the effective date of this Act (2008) unless the insurer does all of the following:

1. The insurer files the form with the commissioner 30 days prior to its use.

2. The insurer files the form in the manner and format, and with the attachments, prescribed by the commissioner.
  3. The insurer certifies as required under par. (b) that the form complies with chs. 600 to 655 and rules promulgated under chs. 600 to 655. The commissioner may require an insurer to include specific compliance certifications.
- (b) An insurer shall provide the certification required under par. (a) in the form prescribed by the commissioner. The certification shall be executed by the insurer's senior officer responsible for policy form development. No insurer may file, and no officer of an insurer may execute, a false certification.

**(2) Grounds for disapproval.** The commissioner may disapprove a form under sub. (1) (a) or sub. (3) upon a finding:

(a) That it is inequitable, unfairly discriminatory, misleading, deceptive, obscure or encourages misrepresentation, including cases where the form:

1. Is misleading because its benefits are too restricted to achieve the purposes for which the policy is sold;
2. Contains provisions whose natural consequence is to obscure or lessen competition;
3. Is unnecessarily verbose or complex in language; or
4. Is misleading, deceptive or obscure because of such physical aspects as format, typography, style, color, material or organization;

(b) That it provides benefits or contains other provisions that endanger the solidity of the insurer;

(c) That in the case of the policy, though not of riders and endorsements, it fails to provide the exact name of the insurer and the full address of its home office; or

(d) That it violates a statute or a rule promulgated by the commissioner, or is otherwise contrary to law.

(e) That its use would violate s. 631.22 .

(f) In the case of a policy form under ch. 149 , that any of the following applies:

1. The benefit design is not comparable to a typical comprehensive individual health insurance policy offered in the private sector market in this state.
2. The benefit levels are not generally reflective of and commensurate with comprehensive health insurance coverage offered in the private individual market in the state.
3. The copayments, deductibles, and coinsurance are not actuarially equivalent to comprehensive individual plans and would create undue financial hardship.
4. It is inconsistent with the purpose of providing health care coverage to those unable to obtain coverage in the private market.

**(3) Subsequent disapproval.** Whenever the commissioner finds, after a hearing, that a form approved or deemed to be approved under sub. (1) (a), a form filed under sub. (1m), or a form subject to subsequent disapproval under s. 601.58 (14), ~~would be~~ should be disapproved under sub. (2) if newly filed, the commissioner may order that on or before a date not less than 30 nor more than 90 days after the order the use of the form shall be discontinued or appropriate changes shall be made.

**(4) Contents of order of disapproval.** The commissioner's disapproval must be in writing and constitutes an order. It must state the reasons for disapproval sufficiently explicitly that the insurer is provided reasonable guidance in reformulating its proposals.

**(5) Explicit approval of certain clauses.** General approval of a form under this section, or failure to disapprove, does not constitute approval of clauses specified in s. 631.21 .

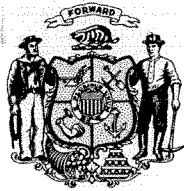
**(6) ~~Approved form~~ Form which violates statute or rule.**

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

(b) Use of a form that does not comply with a statute or rule which takes effect after the date the form was approved or deemed to be approved under sub. (1) (a) is a violation of the statute or rule, and the penalties under s. 601.64 may be imposed against the insurer using the form.

(c) Except as otherwise provided by the interstate insurance product regulatory commission an insurer's use of a form or advertisement in violation of s. 601.58 or the rules, uniform standards and other requirements of the interstate insurance product regulation commission applicable to the content, approval or certification of a product is a violation of an insurance statute subject to the penalties and remedial orders provided under chs. 600 to 655, including ss. 601.41 (4) and 601.64.

(d) Except as provided in par. (a), or by the interstate insurance product regulatory commission, an insurer's use of a form, including use of a form filed under sub. (1m) and not subsequently disapproved under sub. (3) or s. 601.58, that violates chs. 600 to 655 or rules promulgated under chs. 600 to 655 is a violation of the statute or rule and subject to the penalties and remedial orders provided under chs. 600 to 655, including ss. 601.41 (4) and 601.64.



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-0843/E1

PJK:jld:jf

*r m is run*

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

*(in 2-23)  
D-note*

*regenerate ↓*

- 1 AN ACT *to create* 14.82 and 601.58 of the statutes; **relating to:** the Interstate
- 2 Insurance Product Regulation Compact, the Interstate Insurance Product
- 3 Regulation Commission, and granting rule-making authority.

***Analysis by the Legislative Reference Bureau***

This bill enacts the Interstate Insurance Product Regulation Compact (compact). The stated purposes of the compact include promoting and protecting the interests of consumers of annuity, life insurance, disability income, and long-term care insurance products (insurance products); developing uniform standards for insurance products; establishing a central clearinghouse for review of insurance products, and advertisements related to insurance products, that are filed with the Interstate Insurance Product Regulation Commission (commission); and giving regulatory approval to insurance products and related advertisements filed with the commission. The compact accomplishes its purposes through the commission, which is created in the bill. Each compacting state has one member on the commission, with one vote. Under the bill, the commissioner of insurance, or his or her designee, is the commission member from this state.

The commission is a body politic and corporate. The bill specifies, among other things, all of the following related to the commission: its organization, including required management and legislative committees; its powers, including rule making; meeting, voting, and notice requirements; requirements related to record keeping and confidentiality of its records; liability, and immunity from liability, of its members; monitoring and enforcement of compliance by the compacting states with its rules, standards, bylaws, and operating procedures; the financing of its

*(This analysis addresses only the compact.)*

operations, including the imposition of fees; auditing requirements; and reporting requirements.

One of the most important functions of the commission is establishing uniform standards for insurance products, which have the force and effect of law in the states that enact the compact for products filed with the commission. The uniform standards relate to the form of a policy or contract, including an application and evidence of coverage, for an insurance product and are intended to prohibit the use of inconsistent, misleading, or ambiguous provisions in insurance products. Before adopting a uniform standard, the commission must give written notice to the legislative committees of the compacting states with jurisdiction over insurance matters. A uniform standard becomes effective 90 days after it is promulgated by the commission, or at a later date determined by the commission. However, a compacting state may opt out of a uniform standard, by legislation or administrative rule, in accordance with procedures outlined in the bill. In addition, when enacting the compact a compacting state may prospectively opt out of all uniform standards established by the commission relating to long-term care insurance products; under this bill, however, Wisconsin does not prospectively opt out of those uniform standards.

Under current law, except for certain very limited types of insurance, all insurance forms must be filed with and approved by the commissioner of insurance before they may be used in this state. Under the bill, an important function of the commission is receiving and reviewing insurance products, rate filings for disability income and long-term care insurance products, and advertisements relating to long-term care insurance products for which the commission has developed uniform standards, which are voluntarily filed with the commission by insurers seeking the approval of the commission. The commission may approve those insurance products, rate filings, and advertisements that satisfy applicable uniform standards adopted by the commission. The approval has the force and effect of law in the compacting states, and any insurance product that is approved by the commission may be sold in any of the compacting states. In addition, if the commission determines that the advertisement of an insurance product, other than a long-term care insurance product, could have the capacity or tendency to mislead the public, the commission may require an insurer to submit its advertisement for that insurance product for the commission's review or approval before the advertisement may be used. The commission may also designate products and advertisement that may be self-certified without prior approval by the commission.

The bill provides that the compact becomes effective and binding when two states enact it, except that the commission becomes effective for purposes of adopting uniform standards and reviewing and approving insurance products only after 26 states, or states representing greater than 40 percent of the premium volume for insurance products, become compacting states. In general, only states that enact the compact are subject to its provisions and the authority of the commission. The bill provides that a state may withdraw from the compact by repealing its enacting statute. A compacting state may be terminated from the compact if it defaults in the performance of any of its obligations or responsibilities under the compact.



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

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

1           **SECTION 1.** 14.82 of the statutes is created to read:

2           **14.82 Interstate insurance product regulation commission.** There is  
3           created an interstate insurance product regulation commission as specified in s.  
4           601.58 (3). The member of the commission representing this state shall be the  
5           commissioner of insurance or his or her designated representative. The commission  
6           member shall serve without compensation but shall be reimbursed from the  
7           appropriation under s. 20.145 (1) (g) for actual and necessary expenses incurred in  
8           the performance of his or her duties. The commission has the powers and duties  
9           granted and imposed under s. 601.58.

10          **SECTION 2.** 601.58 of the statutes is created to read:

11          **601.58 Interstate insurance product regulation compact.** The interstate  
12          insurance product regulation compact is hereby enacted into law and entered into  
13          by this state with all other jurisdictions legally joining therein, in substantially the  
14          following form:

15               **(1) ARTICLE I - PURPOSES.** Through means of joint and cooperative action among  
16          the compacting states, the purposes of this compact include all of the following:

17               (a) To promote and protect the interest of consumers of individual and group  
18          annuity, life insurance, disability income, and long-term care insurance products.

19               (b) To develop uniform standards for insurance products covered under the  
20          compact.



1 (c) To establish a central clearinghouse to receive and provide prompt review  
2 of insurance products covered under the compact and, in certain cases,  
3 advertisements related thereto, submitted by insurers authorized to do business in  
4 one or more compacting states.

5 (d) To give appropriate regulatory approval to those product filings and  
6 advertisements satisfying the applicable uniform standard.

7 (e) To improve coordination of regulatory resources and expertise between state  
8 insurance departments regarding the setting of uniform standards and review of  
9 insurance products covered under the compact.

10 (f) To create the interstate insurance product regulation commission.

11 (g) To perform these and such other related functions as may be consistent with  
12 the state regulation of the business of insurance.

13 **(2) ARTICLE II - DEFINITIONS. In this compact:**

14 (a) "Advertisement" means any material designed to create public interest in  
15 a product or to induce the public to purchase, increase, modify, reinstate, borrow on,  
16 surrender, replace, or retain a policy, as more specifically defined in the rules and  
17 operating procedures of the commission.

18 (b) "Bylaws" mean those bylaws established by the commission for its  
19 governance, or for directing or controlling the commission's actions or conduct.

20 (c) "Commission" means the interstate insurance product regulation  
21 commission established by this compact.

22 (d) "Commissioner" means the chief insurance regulatory official of a state,  
23 including, but not limited to, commissioner, superintendent, director, or  
24 administrator.

1 (e) "Compacting state" means any state that has enacted this compact  
2 legislation and that has not withdrawn under sub. (14) (a) or been terminated under  
3 sub. (14) (g).

4 (f) "Domiciliary state" means the state in which an insurer is incorporated or  
5 organized; or, in the case of an alien insurer, its state of entry.

6 (g) "Insurer" means any entity licensed by a state to issue contracts of  
7 insurance for any of the lines of insurance covered by this section.

8 (h) "Member" means the person chosen by a compacting state as its  
9 representative to the commission, or his or her designee.

10 (i) "Noncompacting state" means any state that is not at the time a compacting  
11 state.

12 (j) "Operating procedures" mean procedures promulgated by the commission  
13 implementing a rule, a uniform standard, or a provision of this compact.

14 (k) "Product" means the form of a policy or contract, including any application,  
15 endorsement, or related form that is attached to and made a part of the policy or  
16 contract, and any evidence of coverage or certificate, for an individual or group  
17 annuity, life insurance, disability income, or long-term care insurance product that  
18 an insurer is authorized to issue.

19 (L) To hire employees, professionals, or specialists, and elect or appoint officers,  
20 and to fix their compensation, define their duties and give them appropriate  
21 authority to carry out the purposes of the compact, and determine their  
22 qualifications; and to establish the commission's personnel policies and programs  
23 relating to, among other things, conflicts of interest, rates of compensation, and  
24 qualifications of personnel.

1 (m) "State" means any state, district, or territory of the United States of  
2 America.

3 (n) "Third-party filer" means an entity that submits a product filing to the  
4 commission on behalf of an insurer.

5 (o) "Uniform standard" means a standard adopted by the commission for a  
6 product line, pursuant to sub. (7), and shall include all of the product requirements  
7 in the aggregate; provided, that each uniform standard shall be construed, whether  
8 express or implied, to prohibit the use of any inconsistent, misleading, or ambiguous  
9 provisions in a product and the form of the product made available to the public shall  
10 not be unfair, inequitable, or against public policy as determined by the commission.

11 (3) ARTICLE III - ESTABLISHMENT OF THE COMMISSION AND VENUE. The compacting  
12 states hereby create the interstate insurance product regulation commission.  
13 Pursuant to sub. (4), the commission will have the power to develop uniform  
14 standards for product lines, receive and provide prompt review of products filed  
15 therewith, and give approval to those product filings satisfying applicable uniform  
16 standards; provided, that it is not intended for the commission to be the exclusive  
17 entity for receipt and review of insurance product filings. Nothing herein shall  
18 prohibit any insurer from filing its product in any state wherein the insurer is  
19 licensed to conduct the business of insurance, and any such filing shall be subject to  
20 the laws of the state where filed. The commission is a body corporate and politic, and  
21 an instrumentality of the compacting states. The commission is solely responsible  
22 for its liabilities except as otherwise specifically provided in this compact. Venue is  
23 proper and judicial proceedings by or against the commission shall be brought solely  
24 and exclusively in a court of competent jurisdiction where the principal office of the  
25 commission is located.

\*\*\*\*NOTE: This provision says that it is not intended for the commission to be the exclusive entity for receipt and review of insurance product filings and that any insurer may file its product in any state in which it conducts business. I assume an insurer would not file both with the commission and with a compacting state, but it would be helpful if it were explicit that an insurer would file with one or the other but not both. Will the changes to s. 631.20 in LRB-0840 take into account the provisions of this draft?

1           (4) ARTICLE IV - POWERS OF THE COMMISSION. The commission shall have all of  
2 the following powers:

3           (a) To promulgate rules, pursuant to sub. (7), which shall be binding in the  
4 compacting states to the extent and in the manner provided in this compact.

5           (b) To exercise its rule-making authority and establish reasonable uniform  
6 standards for products covered under the compact, and advertisement related  
7 thereto, which shall have the force and effect of law and shall be binding in the  
8 compacting states, but only for those products filed with the commission; provided,  
9 that a compacting state shall have the right to opt out of such uniform standard  
10 pursuant to sub. (7), to the extent and in the manner provided in this compact; and  
11 provided further, that any uniform standard established by the commission for  
12 long-term care insurance products may provide the same or greater protections for  
13 consumers as, but shall not provide less than, those protections set forth in the  
14 National Association of Insurance Commissioners' Long-Term Care Insurance  
15 Model Act and Long-Term Care Insurance Model Regulation, respectively, adopted  
16 as of 2001. The commission shall consider whether any subsequent amendments to  
17 the National Association of Insurance Commissioners' Long-Term Care Insurance  
18 Model Act or Long-Term Care Insurance Model Regulation adopted by the National  
19 Association of Insurance Commissioners require amending of the uniform standards  
20 established by the commission for long-term care insurance products.

21           (c) To receive and review in an expeditious manner products filed with the  
22 commission, and rate filings for disability income and long-term care insurance

1 products, and give approval of those products and rate filings that satisfy the  
2 applicable uniform standard, where such approval shall have the force and effect of  
3 law and be binding on the compacting states to the extent and in the manner  
4 provided in the compact.

5 (d) To receive and review in an expeditious manner advertisement relating to  
6 long-term care insurance products for which uniform standards have been adopted  
7 by the commission, and give approval to all advertisement that satisfies the  
8 applicable uniform standard. For any product covered under this compact, other  
9 than long-term care insurance products, the commission shall have the authority to  
10 require an insurer to submit all or any part of its advertisement with respect to that  
11 product for review or approval prior to use, if the commission determines that the  
12 nature of the product is such that an advertisement of the product could have the  
13 capacity or tendency to mislead the public. The actions of the commission as  
14 provided in this subsection shall have the force and effect of law and shall be binding  
15 in the compacting states to the extent and in the manner provided in the compact.

16 (e) To exercise its rule-making authority and designate products and  
17 advertisement that may be subject to a self-certification process without the need  
18 for prior approval by the commission.

19 (f) To promulgate operating procedures, pursuant to sub. (7), that shall be  
20 binding in the compacting states to the extent and in the manner provided in this  
21 compact.

22 (g) To bring and prosecute legal proceedings or actions in its name as the  
23 commission; provided, that the standing of any state insurance department to sue  
24 or be sued under applicable law shall not be affected.

1 (h) To issue subpoenas requiring the attendance and testimony of witnesses  
2 and the production of evidence.

3 (i) To establish and maintain offices.

4 (j) To purchase and maintain insurance and bonds.

5 (k) To borrow, accept, or contract for services of personnel, including, but not  
6 limited to, employees of a compacting state.

7 (L) To hire employees, professionals, or specialists, and elect or appoint officers,  
8 and to fix their compensation, define their duties and give them appropriate  
9 authority to carry out the purposes of the compact, and determine their  
10 qualifications; and to establish the commission's personnel policies and programs  
11 relating to, among other things, conflicts of interest, rates of compensation, and  
12 qualifications of personnel.

13 (m) To accept any and all appropriate donations and grants of money,  
14 equipment, supplies, materials, and services, and to receive, utilize, and dispose of  
15 the same; provided, that at all times the commission shall strive to avoid any  
16 appearance of impropriety.

17 (n) To lease, purchase, accept appropriate gifts or donations of, or otherwise  
18 own, hold, improve, or use, any property, real, personal, or mixed; provided, that at  
19 all times the commission shall strive to avoid any appearance of impropriety.

20 (o) To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise  
21 dispose of any property, real, personal, or mixed.

22 (p) To remit filing fees to compacting states as may be set forth in the bylaws,  
23 rules, or operating procedures.

24 (q) To enforce compliance by compacting states with rules, uniform standards,  
25 operating procedures, and bylaws.

1 (r) To provide for dispute resolution among compacting states.

2 (s) To advise compacting states on issues relating to insurers domiciled or doing  
3 business in noncompacting jurisdictions, consistent with the purposes of this  
4 compact.

5 (t) To provide advice and training to those personnel in state insurance  
6 departments responsible for product review, and to be a resource for state insurance  
7 departments.

8 (u) To establish a budget and make expenditures.

9 (v) To borrow money.

10 (w) To appoint committees, including advisory committees comprising  
11 members, state insurance regulators, state legislators or their representatives,  
12 insurance industry and consumer representatives, and such other interested  
13 persons as may be designated in the bylaws.

14 (x) To provide and receive information from, and to cooperate with, law  
15 enforcement agencies.

16 (y) To adopt and use a corporate seal.

17 (z) To perform such other functions as may be necessary or appropriate to  
18 achieve the purposes of this compact consistent with the state regulation of the  
19 business of insurance.

20 **(5) ARTICLE V - ORGANIZATION OF THE COMMISSION.** (a) Each compacting state  
21 shall have one member. Each member shall be qualified to serve in such capacity  
22 under the applicable law of the compacting state. Any member may be removed or  
23 suspended from office as provided by the law of the state from which he or she shall  
24 be appointed. Any vacancy occurring in the commission shall be filled in accordance  
25 with the laws of the compacting state wherein the vacancy exists. Nothing herein



1 shall be construed to affect the manner in which a compacting state determines the  
2 election or appointment and qualification of its own commissioner.

3 (b) Each member shall be entitled to one vote and shall have an opportunity  
4 to participate in the governance of the commission in accordance with the bylaws.  
5 Notwithstanding any provision herein to the contrary, no action of the commission  
6 with respect to the promulgation of a uniform standard shall be effective unless  
7 two-thirds of the members vote in favor thereof.

8 (c) The commission shall, by a majority of the members, prescribe bylaws to  
9 govern its conduct as may be necessary or appropriate to carry out the purposes, and  
10 exercise the powers, of the compact, including, but not limited to:

11 1. Establishing the fiscal year of the commission.

12 2. Providing reasonable procedures for appointing and electing members, as  
13 well as holding meetings, of the management committee.

14 3. Providing reasonable standards and procedures for all of the following:

15 a. The establishment and meetings of other committees.

16 b. Governing any general or specific delegation of any authority or function of  
17 the commission.

18 4. Providing reasonable procedures for calling and conducting meetings of the  
19 commission that consist of a majority of commission members, ensuring reasonable  
20 advance notice of each such meeting, and providing for the right of citizens to attend  
21 each such meeting with enumerated exceptions designed to protect the public's  
22 interest, the privacy of individuals, and insurers' proprietary information, including  
23 trade secrets. The commission may meet in camera only after a majority of the entire  
24 membership votes to close a meeting en toto or in part. As soon as practicable, the  
25 commission must make public all of the following:

1 a. A copy of the vote to close the meeting revealing the vote of each member with  
2 no proxy votes allowed.

3 b. Votes taken during such meeting.

4 5. Establishing the titles, duties, and authority, and reasonable procedures for  
5 the election, of the officers of the commission.

6 6. Providing reasonable standards and procedures for the establishment of the  
7 personnel policies and programs of the commission. Notwithstanding any civil  
8 service or other similar laws of any compacting state, the bylaws shall exclusively  
9 govern the personnel policies and programs of the commission.

10 7. Promulgating a code of ethics to address permissible and prohibited  
11 activities of commission members and employees.

12 8. Providing a mechanism for winding up the operations of the commission and  
13 the equitable disposition of any surplus funds that may exist after the termination  
14 of the compact after the payment or reserving of all of its debts and obligations.

15 (d) The commission shall publish its bylaws in a convenient form and file a copy  
16 thereof and a copy of any amendment thereto, with the appropriate agency or officer  
17 in each of the compacting states.

18 (e) A management committee comprising no more than 14 members shall be  
19 established as follows:

20 1. One member from each of the 6 compacting states with the largest premium  
21 volume for individual and group annuities, life insurance, disability income, and  
22 long-term care insurance products, determined from the records of the National  
23 Association of Insurance Commissioners for the prior year.

24 2. Four members from those compacting states with at least 2 percent of the  
25 market based on the premium volume described in subd. 1., other than the 6

1 compacting states with the largest premium volume, selected on a rotating basis as  
2 provided in the bylaws.

3 3. Four members from those compacting states with less than 2 percent of the  
4 market, based on the premium volume described in subd. 1., with one selected from  
5 each of the 4 zone regions of the National Association of Insurance Commissioners  
6 as provided in the bylaws.

7 (f) The management committee shall have such authority and duties as may  
8 be set forth in the bylaws, including, but not limited to, all of the following:

9 1. Managing the affairs of the commission in a manner consistent with the  
10 bylaws and purposes of the commission.

11 2. Establishing and overseeing an organizational structure within, and  
12 appropriate procedures for, the commission to provide for the creation of uniform  
13 standards and other rules, receipt and review of product filings, administrative and  
14 technical support functions, review of decisions regarding the disapproval of a  
15 product filing, and the review of elections made by a compacting state to opt out of  
16 a uniform standard; provided, that a uniform standard shall not be submitted to the  
17 compacting states for adoption unless approved by two-thirds of the members of the  
18 management committee.

19 3. Overseeing the offices of the commission.

20 4. Planning, implementing, and coordinating communications and activities  
21 with other state, federal, and local government organizations in order to advance the  
22 goals of the commission.

23 (g) The commission shall elect annually officers from the management  
24 committee, with each having such authority and duties as may be specified in the  
25 bylaws.

1 (h) The management committee may, subject to the approval of the commission,  
2 appoint or retain an executive director for such period, upon such terms and  
3 conditions, and for such compensation as the commission determines appropriate.  
4 The executive director shall serve as secretary to the commission, but may not be a  
5 member of the commission. The executive director shall hire and supervise such  
6 other staff as may be authorized by the commission.

7 (i) A legislative committee comprising state legislators or their designees shall  
8 be established to monitor the operations of, and make recommendations to, the  
9 commission, including the management committee; provided, that the manner of  
10 selection and term of any legislative committee member shall be as set forth in the  
11 bylaws. Prior to the adoption by the commission of any uniform standard, revision  
12 to the bylaws, annual budget, or other significant matter as may be provided in the  
13 bylaws, the management committee shall consult with and report to the legislative  
14 committee.

15 (j) The commission shall establish 2 advisory committees, one of which shall  
16 comprise consumer representatives independent of the insurance industry, and the  
17 other comprising insurance industry representatives.

18 (k) The commission may establish additional advisory committees as its bylaws  
19 may provide for the carrying out of its functions.

20 (L) The commission shall maintain its corporate books and records in  
21 accordance with the bylaws.

22 (m) The members, officers, executive director, employees, and representatives  
23 of the commission shall be immune from suit and liability, either personally or in  
24 their official capacity, for any claim for damage to or loss of property or personal  
25 injury or other civil liability caused by or arising out of or relating to any actual or

1 alleged act, error, or omission that occurred, or that the person against whom the  
2 claim is made had a reasonable basis for believing occurred, within the scope of  
3 commission employment, duties, or responsibilities; provided, that nothing in this  
4 paragraph shall be construed to protect any such person from suit or liability for any  
5 damage, loss, injury, or liability caused by the intentional or willful and wanton  
6 misconduct of that person.

7 (n) The commission shall defend any member, officer, executive director,  
8 employee, or representative of the commission in any civil action seeking to impose  
9 liability arising out of any actual or alleged act, error, or omission that occurred  
10 within the scope of commission employment, duties, or responsibilities, or that the  
11 person against whom the claim is made had a reasonable basis for believing occurred  
12 within the scope of commission employment, duties, or responsibilities; provided,  
13 that nothing herein shall be construed to prohibit that person from retaining his or  
14 her own counsel; and provided further, that the actual or alleged act, error, or  
15 omission did not result from that person's intentional or willful and wanton  
16 misconduct.

17 (o) The commission shall indemnify and hold harmless any member, officer,  
18 executive director, employee, or representative of the commission for the amount of  
19 any settlement or judgment obtained against that person arising out of any actual  
20 or alleged act, error, or omission that occurred within the scope of commission  
21 employment, duties, or responsibilities, or that such person had a reasonable basis  
22 for believing occurred within the scope of commission employment, duties, or  
23 responsibilities; provided, that the actual or alleged act, error, or omission did not  
24 result from the intentional or willful and wanton misconduct of that person.

1           **(6) ARTICLE VI - MEETINGS AND ACTS OF THE COMMISSION.** (a) The commission  
2 shall meet and take such actions as are consistent with the provisions of this compact  
3 and the bylaws.

4           (b) Each member of the commission shall have the right and power to cast a vote  
5 to which that compacting state is entitled and to participate in the business and  
6 affairs of the commission. A member shall vote in person or by such other means as  
7 provided in the bylaws. The bylaws may provide for members' participation in  
8 meetings by telephone or other means of communication.

9           (c) The commission shall meet at least once during each calendar year.  
10 Additional meetings shall be held as set forth in the bylaws.

11           **(7) ARTICLE VII - RULES AND OPERATING PROCEDURES; RULE-MAKING FUNCTIONS**  
12 **OF THE COMMISSION AND OPTING OUT OF UNIFORM STANDARDS.** (a) The commission shall  
13 promulgate reasonable rules, including uniform standards, and operating  
14 procedures in order to effectively and efficiently achieve the purposes of this  
15 compact. Notwithstanding the foregoing, in the event the commission exercises its  
16 rule-making authority in a manner that is beyond the scope of the purposes of this  
17 section, or the powers granted hereunder, then such an action by the commission  
18 shall be invalid and have no force and effect.

19           (b) Rules and operating procedures shall be made pursuant to a rule-making  
20 process that conforms to the Model State Administrative Procedure Act of 1981 as  
21 amended, as may be appropriate to the operations of the commission. Before the  
22 commission adopts a uniform standard, the commission shall give written notice to  
23 all relevant state legislative committees in each compacting state responsible for  
24 insurance issues of its intention to adopt the uniform standard. The commission in

1 adopting a uniform standard shall consider fully all submitted materials and issue  
2 a concise explanation of its decision.

3 (c) A uniform standard shall become effective 90 days after its promulgation  
4 by the commission or such later date as the commission may determine; provided,  
5 that a compacting state may opt out of a uniform standard as provided in this  
6 subsection. "Opt out" shall be defined as any action by a compacting state to decline  
7 to adopt or participate in a promulgated uniform standard. All other rules and  
8 operating procedures, and amendments thereto, shall become effective as of the date  
9 specified in each rule, operating procedure, or amendment.

10 (d) 1. A compacting state may opt out of a uniform standard either by legislation  
11 or regulation duly promulgated by the insurance department under the compacting  
12 state's administrative procedure act. If a compacting state elects to opt out of a  
13 uniform standard by regulation, it must give written notice to the commission no  
14 later than 10 business days after the uniform standard is promulgated, or at the time  
15 the state becomes a compacting state, and find that the uniform standard does not  
16 provide reasonable protections to the citizens of the state, given the conditions in the  
17 state. The commissioner shall make specific findings of fact and conclusions of law,  
18 based on a preponderance of the evidence, detailing the conditions in the state that  
19 warrant a departure from the uniform standard and determining that the uniform  
20 standard would not reasonably protect the citizens of the state. The commissioner  
21 must consider and balance all of the following factors and find that the conditions in  
22 the state and needs of the citizens of the state outweigh all of the following factors:

23 a. The intent of the legislature to participate in, and the benefits of, an  
24 interstate agreement to establish national uniform consumer protections for the  
25 products subject to this section.



1           b. The presumption that a uniform standard adopted by the commission  
2 provides reasonable protections to consumers of the relevant product.

3           2. Notwithstanding subd. 1., a compacting state may, at the time of its  
4 enactment of this compact, prospectively opt out of all uniform standards involving  
5 long-term care insurance products by expressly providing for such opt out in the  
6 enacted compact, and such an opt out may not be treated as a material variance in  
7 the offer or acceptance of any state to participate in this compact. Such an opt out  
8 shall be effective at the time of enactment of this compact by the compacting state  
9 and shall apply to all existing uniform standards involving long-term care insurance  
10 products and those subsequently promulgated.

11           (e) If a compacting state elects to opt out of a uniform standard, the uniform  
12 standard shall remain applicable in the compacting state electing to opt out until  
13 such time as the opt out legislation is enacted into law or the regulation opting out  
14 becomes effective. Once the opt out of a uniform standard by a compacting state  
15 becomes effective as provided under the laws of that state, the uniform standard  
16 shall have no further force or effect in that state unless and until the legislation or  
17 regulation implementing the opt out is repealed or otherwise becomes ineffective  
18 under the laws of the state. If a compacting state opts out of a uniform standard after  
19 the uniform standard has been made effective in that state, the opt out shall have  
20 the same prospective effect as provided under sub. (14) for withdrawals.

21           (f) If a compacting state has formally initiated the process of opting out of a  
22 uniform standard by regulation, and while the regulatory opt out is pending, the  
23 compacting state may petition the commission, at least 15 days before the effective  
24 date of the uniform standard, to stay the effectiveness of the uniform standard in that  
25 state. The commission may grant a stay if it determines the regulatory opt out is

1 being pursued in a reasonable manner and there is a likelihood of success. If a stay  
2 is granted or extended by the commission, the stay or extension thereof may postpone  
3 the effective date by up to 90 days, unless affirmatively extended by the commission;  
4 provided, that a stay may not be permitted to remain in effect for more than one year  
5 unless the compacting state can show extraordinary circumstances that warrant a  
6 continuance of the stay, including, but not limited to, the existence of a legal  
7 challenge that prevents the compacting state from opting out. A stay may be  
8 terminated by the commission upon notice that the rule-making process has been  
9 terminated.

10 (g) Not later than 30 days after a rule or operating procedure is promulgated,  
11 any person may file a petition for judicial review of the rule or operating procedure;  
12 provided, that the filing of such a petition may not stay or otherwise prevent the rule  
13 or operating procedure from becoming effective unless the court finds that the  
14 petitioner has a substantial likelihood of success. The court shall give deference to  
15 the actions of the commission consistent with applicable law and shall not find the  
16 rule or operating procedure to be unlawful if the rule or operating procedure  
17 represents a reasonable exercise of the commission's authority.

18 (8) ARTICLE VIII - COMMISSION RECORDS AND ENFORCEMENT. (a) The commission  
19 shall promulgate rules establishing conditions and procedures for public inspection  
20 and copying of its information and official records, except such information and  
21 records involving the privacy of individuals and insurers' trade secrets. The  
22 commission may promulgate additional rules under which it may make available to  
23 federal and state agencies, including law enforcement agencies, records and  
24 information otherwise exempt from disclosure, and may enter into agreements with

1 such agencies to receive or exchange information or records subject to nondisclosure  
2 and confidentiality provisions.

3 (b) Except as to privileged records, data, and information, the laws of any  
4 compacting state pertaining to confidentiality or nondisclosure may not relieve any  
5 compacting state commissioner of the duty to disclose any relevant records, data, or  
6 information to the commission; provided, that disclosure to the commission shall not  
7 be deemed to waive or otherwise affect any confidentiality requirement; and  
8 provided further, that, except as otherwise expressly provided in this section, the  
9 commission shall not be subject to the compacting state's laws pertaining to  
10 confidentiality and nondisclosure with respect to records, data, and information in  
11 its possession. Confidential information of the commission shall remain confidential  
12 after such information is provided to any commissioner.

13 (c) The commission shall monitor compacting states for compliance with duly  
14 adopted bylaws, rules, including uniform standards, and operating procedures. The  
15 commission shall notify any noncomplying compacting state in writing of its  
16 noncompliance with commission bylaws, rules, or operating procedures. If a  
17 noncomplying compacting state fails to remedy its noncompliance within the time  
18 specified in the notice of noncompliance, the compacting state shall be deemed to be  
19 in default under sub. (14).

20 (d) The commissioner of any state in which an insurer is authorized to do  
21 business, or is conducting the business of insurance, shall continue to exercise his or  
22 her authority to oversee the market regulation of the activities of the insurer in  
23 accordance with the provisions of the state's law. The commissioner's enforcement  
24 of compliance with the compact is governed by the following provisions:

1           1. With respect to the commissioner's market regulation of a product or  
2 advertisement that is approved by or certified to the commission, the content of the  
3 product or advertisement shall not constitute a violation of the provisions,  
4 standards, or requirements of the compact except upon a final order of the  
5 commission, issued at the request of a commissioner after prior notice to the insurer  
6 and an opportunity for hearing before the commission.

7           2. Before a commissioner may bring an action for violation of any provision,  
8 standard, or requirement of the compact relating to the content of an advertisement  
9 not approved by or certified to the commission, the commission, or an authorized  
10 commission officer or employee, must authorize the action. However, authorization  
11 pursuant to this subdivision does not require notice to the insurer, opportunity for  
12 hearing, or disclosure of requests for authorization or records of the commission's  
13 action on such requests.

14           **(9) ARTICLE IX - DISPUTE RESOLUTION.** The commission shall attempt, upon the  
15 request of a member, to resolve any disputes or other issues that are subject to this  
16 compact and that may arise between 2 or more compacting states, or between  
17 compacting states and noncompacting states, and the commission shall promulgate  
18 an operating procedure providing for resolution of such disputes.

19           **(10) ARTICLE X - PRODUCT FILING AND APPROVAL.** (a) Insurers and 3rd-party  
20 filers seeking to have a product approved by the commission shall file the product  
21 with, and pay applicable filing fees to, the commission. Nothing in this section shall  
22 be construed to restrict or otherwise prevent an insurer from filing its product with  
23 the insurance department in any state wherein the insurer is licensed to conduct the  
24 business of insurance, and such filing shall be subject to the laws of the states where  
25 filed.

\*\*\*NOTE: See my NOTE following s. 601.58 (3).

1 (b) The commission shall establish appropriate filing and review processes and  
2 procedures pursuant to commission rules and operating procedures.  
3 Notwithstanding any provision herein to the contrary, the commission shall  
4 promulgate rules to establish conditions and procedures under which the  
5 commission will provide public access to product filing information. In establishing  
6 such rules, the commission shall consider the interests of the public in having access  
7 to such information, as well as protection of personal medical and financial  
8 information and trade secrets, that may be contained in a product filing or  
9 supporting information.

10 (c) Any product approved by the commission may be sold or otherwise issued  
11 in those compacting states for which the insurer is legally authorized to do business.

\*\*\*NOTE: Will the changes to s. 631.20 in LRB-0840 address filings with the  
commission so that a filing under s. 631.20 is not necessary if the product has been  
approved by the commission?

12 **(11) ARTICLE XI - REVIEW OF COMMISSION DECISIONS REGARDING FILINGS.** (a) Not  
13 later than 30 days after the commission has given notice of a disapproved product  
14 or advertisement filed with the commission, the insurer or 3rd-party filer whose  
15 filing was disapproved may appeal the determination to a review panel appointed by  
16 the commission. The commission shall promulgate rules to establish procedures for  
17 appointing such review panels and provide for notice and hearing. An allegation that  
18 the commission, in disapproving a product or advertisement filed with the  
19 commission, acted arbitrarily, capriciously, or in a manner that is an abuse of  
20 discretion or otherwise not in accordance with the law, is subject to judicial review  
21 in accordance with sub. (3).

1 (b) The commission shall have authority to monitor, review, and reconsider  
2 products and advertisement subsequent to their filing or approval upon a finding  
3 that the product does not meet the relevant uniform standard. Where appropriate,  
4 the commission may withdraw or modify its approval after proper notice and  
5 hearing, subject to the appeal process in par. (a).

6 (12) ARTICLE XII - FINANCE. (a) The commission shall pay or provide for the  
7 payment of the reasonable expenses of its establishment and organization. To fund  
8 the cost of its initial operations, the commission may accept contributions and other  
9 forms of funding from the National Association of Insurance Commissioners,  
10 compacting states, and other sources. Contributions and other forms of funding from  
11 other sources shall be of such a nature that the independence of the commission  
12 concerning the performance of its duties shall not be compromised.

13 (b) The commission shall collect a filing fee from each insurer and 3rd-party  
14 filer filing a product with the commission to cover the cost of the operations and  
15 activities of the commission and its staff in a total amount sufficient to cover the  
16 commission's annual budget.

17 (c) The commission's budget for a fiscal year may not be approved until it has  
18 been subject to notice and comment as set forth in sub. (7).

\*\*\*\*NOTE: Instead of cross-referencing sub. (7), should this refer to sub. (5) (i)?

19 (d) The commission shall be exempt from all taxation in and by the compacting  
20 states.

21 (e) The commission may not pledge the credit of any compacting state, except  
22 by and with the appropriate legal authority of that compacting state.

23 (f) The commission shall keep complete and accurate accounts of all its internal  
24 receipts, including grants and donations, and disbursements of all funds under its

1 control. The internal financial accounts of the commission shall be subject to the  
2 accounting procedures established under its bylaws. The financial accounts and  
3 reports including the system of internal controls and procedures of the commission  
4 shall be audited annually by an independent certified public accountant. Upon the  
5 determination of the commission, but no less frequently than every 3 years, the  
6 review of the independent auditor shall include a management and performance  
7 audit of the commission. The commission shall make an annual report to the  
8 governor and legislature of each of the compacting states, which shall include a  
9 report of the independent audit. The commission's internal accounts shall not be  
10 confidential and such materials may be shared with the commissioner of any  
11 compacting state upon request; provided, that any work papers related to any  
12 internal or independent audit and any information regarding the privacy of  
13 individuals and insurers' proprietary information, including trade secrets, shall  
14 remain confidential.

15 (g) No compacting state shall have any claim to or ownership of any property  
16 held by or vested in the commission or to any commission funds held pursuant to the  
17 provisions of this compact.

18 **(13) ARTICLE XIII - COMPACTING STATES, EFFECTIVE DATE, AND AMENDMENT.** (a)  
19 Any state is eligible to become a compacting state.

20 (b) The compact shall become effective and binding upon legislative enactment  
21 of the compact into law by 2 compacting states; provided, that the commission shall  
22 become effective for purposes of adopting uniform standards for, reviewing, and  
23 giving approval or disapproval of, products filed with the commission that satisfy  
24 applicable uniform standards only after 26 states are compacting states or,  
25 alternatively, only after states representing greater than 40 percent of the premium



1 volume for life insurance, annuity, disability income, and long-term care insurance  
2 products, based on records of the National Association of Insurance Commissioners  
3 for the prior year, are compacting states. Thereafter, it shall become effective and  
4 binding as to any other compacting state upon enactment of the compact into law by  
5 that state.

\*\*\*\*NOTE: Some rewording of par. (b) was necessary. Is the new language consistent with the intended meaning? How is the choice between the alternatives made? Is it whichever occurs first? Does the commission decide?

6 (c) Amendments to the compact may be proposed by the commission for  
7 enactment by the compacting states. No amendment shall become effective and  
8 binding upon the commission and the compacting states unless and until all  
9 compacting states enact the amendment into law.

10 (14) ARTICLE XIV - WITHDRAWAL, DEFAULT, AND TERMINATION. (a) Once effective,  
11 the compact shall continue in force and remain binding upon each and every  
12 compacting state; provided, that a compacting state may withdraw from the compact  
13 ("withdrawing state") by enacting a statute specifically repealing the statute that  
14 enacted the compact into law.

15 (b) The effective date of withdrawal is the effective date of the repealing statute.  
16 The withdrawal shall not apply to any product filings approved or self-certified, or  
17 any advertisement of such products, on the date the repealing statute becomes  
18 effective, except by mutual agreement of the commission and the withdrawing state,  
19 unless the approval is rescinded by the withdrawing state as provided in par. (e).

\*\*\*\*NOTE: Instead of "on the date the repealing statute becomes effective," should this say "before the date the repealing statute becomes effective"?

20 (c) The commissioner of the withdrawing state shall immediately notify the  
21 management committee in writing upon the introduction of legislation repealing this  
22 compact in the withdrawing state.

1 (d) The commission shall notify the other compacting states of the introduction  
2 of such legislation within 10 days after its receipt of notice thereof.

3 (e) The withdrawing state is responsible for all obligations, duties, and  
4 liabilities incurred through the effective date of withdrawal, including any  
5 obligations, the performance of which extend beyond the effective date of  
6 withdrawal, except to the extent those obligations may have been released or  
7 relinquished by mutual agreement of the commission and the withdrawing state.  
8 The commission's approval of products and advertisement prior to the effective date  
9 of withdrawal shall continue to be effective and be given full force and effect in the  
10 withdrawing state, unless formally rescinded by the withdrawing state in the same  
11 manner as provided by the laws of the withdrawing state for the prospective  
12 disapproval of products or advertisement previously approved under state law.

13 (f) Reinstatement following withdrawal of any compacting state shall occur  
14 upon the effective date of the withdrawing state reenacting the compact.

15 (g) If the commission determines that any compacting state has at any time  
16 defaulted ("defaulting state") in the performance of any of its obligations or  
17 responsibilities under this compact, the bylaws, or duly promulgated rules or  
18 operating procedures, then, after notice and hearing as set forth in the bylaws, all  
19 rights, privileges, and benefits conferred by this compact on the defaulting state  
20 shall be suspended from the effective date of default as fixed by the commission. The  
21 grounds for default include, but are not limited to, failure of a compacting state to  
22 perform its obligations or responsibilities and any other grounds designated in  
23 commission rules. The commission shall immediately notify the defaulting state in  
24 writing of the defaulting state's suspension pending a cure of the default. The  
25 commission shall stipulate the conditions and the time period within which the

1 defaulting state must cure its default. If the defaulting state fails to cure the default  
2 within the time period specified by the commission, the defaulting state shall be  
3 terminated from the compact and all rights, privileges, and benefits conferred by this  
4 compact shall be terminated from the effective date of termination.

5 (h) Product approvals by the commission or product self-certifications, or any  
6 advertisement in connection with such product, that are in force on the effective date  
7 of termination shall remain in force in the defaulting state in the same manner as  
8 if the defaulting state had withdrawn voluntarily under par. (a).

9 (i) Reinstatement following termination of any compacting state requires a  
10 reenactment of the compact.

11 (j) The compact dissolves effective upon the date of the withdrawal or default  
12 of the compacting state that reduces membership in the compact to one compacting  
13 state.

\*\*\*\*NOTE: Since a defaulting state has an opportunity to cure a default before it is  
terminated, should this say "the date of the withdrawal or *termination* of the compacting  
state" instead of "the date of the withdrawal or *default* of the compacting state"?

14 (k) Upon the dissolution of this compact, the compact becomes null and void and  
15 shall be of no further force or effect, and the business and affairs of the commission  
16 shall be wound up and any surplus funds shall be distributed in accordance with the  
17 bylaws.

18 (15) ARTICLE XV - SEVERABILITY AND CONSTRUCTION. (a) The provisions of this  
19 compact shall be severable; and if any phrase, clause, sentence, or provision is  
20 deemed unenforceable, the remaining provisions of the compact shall be enforceable.

21 (b) The provisions of this compact shall be liberally construed to effectuate its  
22 purposes.

1           **(16) ARTICLE XVI - BINDING EFFECT OF COMPACT AND OTHER LAWS.** (a) Nothing  
2 herein prevents the enforcement of any other law of a compacting state, except as  
3 provided in par. (b).

4           (b) For any product approved by or certified to the commission, the rules,  
5 uniform standards, and any other requirements of the commission shall constitute  
6 the exclusive provisions applicable to the content, approval, and certification of such  
7 products. For advertisement that is subject to the commission's authority, any rule,  
8 uniform standard, or other requirement of the commission that governs the content  
9 of the advertisement shall constitute the exclusive provision that a commissioner  
10 may apply to the content of the advertisement. Notwithstanding the foregoing, no  
11 action taken by the commission shall abrogate or restrict any of the following:

- 12           1. The access of any person to state courts.
- 13           2. Remedies available under state law related to breach of contract, tort, or  
14 other laws not specifically directed to the content of the product.
- 15           3. State law relating to the construction of insurance contracts.
- 16           4. The authority of the secretary of agriculture, trade and consumer protection  
17 or the attorney general of the state, including, but not limited to, maintaining any  
18 actions or proceedings, as authorized by law.

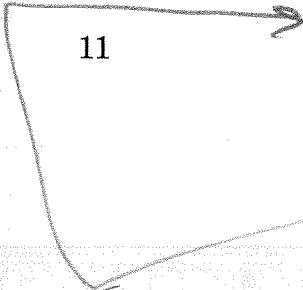
19           (c) All insurance products filed with individual states shall be subject to the  
20 laws of those states.

\*\*\*\*NOTE: See my NOTE following s. 601.58 (3) with respect to pars. (b) and (c) above.

21           (d) All lawful actions of the commission, including all rules and operating  
22 procedures promulgated by the commission, are binding upon the compacting states.  
23 All agreements between the commission and the compacting states are binding in  
24 accordance with their terms. Upon the request of a party to a conflict over the

1 meaning or interpretation of commission actions, and upon a majority vote of the  
2 compacting states, the commission may issue advisory opinions regarding the  
3 meaning or interpretation in dispute.

4 (e) In the event any provision of this compact exceeds the constitutional limits  
5 imposed on the legislature of any compacting state, the obligations, duties, powers,  
6 or jurisdiction sought to be conferred by that provision upon the commission shall be  
7 ineffective as to that compacting state, and such obligations, duties, powers, or  
8 jurisdiction shall remain in the compacting state and shall be exercised by the agency  
9 thereof to which such obligations, duties, powers, or jurisdiction are delegated by law  
10 in effect at the time this compact becomes effective.



11

(END)

Insert 29-10 ✓

D-note