

2009 DRAFTING REQUEST

Assembly Amendment (AA-SB513)

Received: **04/12/2010**

Received By: **tdodge**

Wanted: **Today**

Companion to LRB: **a2133**

For: **Louis Molepske Jr (608) 267-9649**

By/Representing: **Kathy Farnsworth**

May Contact:

Drafter: **tdodge**

Subject: **Insurance - other insurance**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Molepske@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Adding informed consumer disclosure requirements

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>
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FE Sent For:

<END>

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/?	tdodge	/ cjs	4/12/10 tdodge	_____	_____		
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FE Sent For:

<END>

Dodge, Tamara

From: Farnsworth, Kathy
Sent: Sunday, April 11, 2010 11:24 AM
To: Dodge, Tamara
Cc: 'Jason Johns'; 'Susie Schooff'; Rep.Molepske; 'molepskelaw@gmail.com'
Subject: RE: Drafting request

Importance: High

I've just received the following email from the Asm Insurance Committee Clerk:

"I wanted to let you know that if there are amendments being drafted to the life settlements legislation (STOLI bill) please have them drafted to Senate Bill 513. The Committee on Insurance will be taking up that bill on Tuesday in lieu of Assembly Bill 758.

Also, a notice will be forthcoming to all committee members regarding Representative Cullen's plans for an Executive Session on Tuesday, April 13th, immediately upon adjournment of Assembly session. Thanks."

Given that new information, will you please also draft an assembly amendment to SB 513 per the information shared with you on Friday. Sorry to not have known this earlier.

Kathy Farnsworth
Office of Representative Louis J. Molepske, Jr.
Chair-Committee on Jobs, the Economy and Small Business
State Capitol
P. O. Box 8953
Madison, WI 53708-8953
608.267.9649
888.534.0071
kathy.farnsworth@legis.wisconsin.gov

From: Rep.Molepske
Sent: Friday, April 09, 2010 3:01 PM
To: Dodge, Tamara
Cc: Farnsworth, Kathy; 'Jason Johns'; Susie Schooff
Subject: Drafting request
Importance: High

Please draft an amendment to AB 758 per the attached information. If you have questions about this please feel free to contact either Jason Johns (608) 255-5522 or Susie Schoof (608.256.7701

The deadline for needing this is Monday mid-day as the Executive Session to consider this bill and amendments is scheduled for TU, 4/13 upon completion of session.

Thank you Tammy for your help on other bills, and thank you in advance for your assistance with this one too.

<< File: drafting instructions for Informed Consumer Disclosure Language.doc >>

Louis J. Molepske, Jr.
Chair-Committee on Jobs, the Economy and Small Business
State Capitol
P. O. Box 8953
Madison, WI 53708-8953
608.267.9649
888.534.0071

Staff contact:
kathy.farnsworth@legis.wisconsin.gov

(9m) p37 ins. after In 14

Informed Consumer Disclosure Language:

Disclosures by insurer to owner

(1) The commissioner shall develop a notice, promulgated by rule, to appraise the owner of a policy of life insurance in this state of his or her rights as an owner of a life insurance policy. The document shall be made available at no cost to insurance companies and life insurance producers and written in lay terms.

(2) The document shall advise the consumer:

(A) That life insurance is a critical part of a broader financial plan;

(B) That alternatives to lapse or surrender of the policy exist;

(C) A general description of life settlements and the life settlement transaction in this state; and

(D) A general description of other common products and services that may be available to owners of life insurance prior to the time of the lapse or surrender of a policy.

(E) A statement that advises recipients of such notice that life insurance, life settlements or any of the products or services described in the notice may or may not be available depending on a number of circumstances, including the age and health status of the insured or the terms of a life insurance policy and that owners of life insurance are encouraged to contact their financial advisor, agent or broker to seek further advice and assistance.

(2) With respect to each policy issued by an insurance company, the insurance company shall provide the notice developed pursuant to (1) of this subsection to an owner of an individual life insurance policy, when the insured person under such policy is age sixty or older, or terminally ill or chronically ill, at the time of each of the following:

(A) When a life insurance company receives from such an owner a request to surrender, in whole or in part, an individual policy;

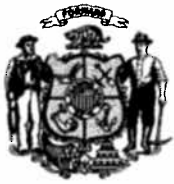
(B) When a life insurance company receives from such an owner a request to receive an accelerated death benefit under an individual policy;

(C) When a life insurance company sends to such an owner all notices of lapse of an individual policy; or

(D) At any other time that the commissioner may be prescribed by rule.

(3) In addition to the conditions set forth in subsection (2) of this section establishing the circumstances under which the notice to be provided pursuant to this section shall be made, the commissioner may, pursuant to rule, establish that such notice be made only with respect to policies with a net death benefit that is \$100,000 or greater, provided, further, that the commissioner finds that such additional condition is in the best interest of the citizens of the Commonwealth and does not discriminate against owners of life insurance based on such

factors including, but not limited to, race, religion, color, national origin, age, disability, sexual orientation, familial/marital status or economic means.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRBa2136(?)
TJD:J:....

In: 4/12/10 *Dw Today*
11:45am

js RMNR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

ASSEMBLY AMENDMENT,
TO 2009 SENATE BILL 513

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

2 1. Page 37, line 14: after that line insert:

3 **"(9m) DISCLOSURES BY INSURER TO OWNER.** (a) The ^mcommissioner shall develop,
4 by rule, a notice to inform an owner, in writing and in language understandable to
5 an average owner, of his or her rights as an owner of a policy. The commissioner shall
6 make the notice available at no cost to insurers and insurance intermediaries.

7 (b) The notice under par. (a) shall contain all of the following:

8 1. Advice to the owner that life insurance is a critical part of a broader financial
9 plan.

10 2. Advice that alternatives to lapse or surrender of the policy exist.

11 3. A general description of life settlements and the life settlement transaction
12 in this state.

