

2019 DRAFTING REQUEST**Bill**

For: **Mary Felzkowski (608) 266-7694** Drafter: **elunder**
 By: **Collin** Secondary Drafters:
 Date: **2/20/2019** May Contact:
 Same as LRB: **-3339**

Submit via email: **YES**
 Requester's email: **Rep.Felzkowski@legis.wisconsin.gov**
 Carbon copy (CC) to: **erika.lunder@legis.wisconsin.gov**
tamara.dodge@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Notice of new insurance premium

Instructions:

Change deadline in s. 631.36(5)(d) to 45 days

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	elunder 3/22/2019	csicilia 3/26/2019			
/P1	elunder 4/4/2019	csicilia 4/5/2019	dwalker 3/26/2019		
/P2	elunder 4/22/2019	csicilia 4/25/2019	mbarman 4/5/2019		
/P3	elunder 5/6/2019	csicilia 5/8/2019	mbarman 4/25/2019		
/P4			dwalker		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1			dwalker 5/8/2019	dwalker 5/30/2019	

FE Sent For:

2
none
needed

<END>



Collin - Rep. Felzkowski

- change 30 day deadline in s. 631.36(5)(d)
to 45 days

LRB-2167 3/1

- confirmed that 60 day deadline is to be changed
- asked @ other provisions in s. 631.36(5)(a) + (c)

* 3/11 - change other deadlines that (5)(d) is referencing

s. 631.36(5)(a) + (c)

- only change the notice deadlines in (5)(a) + (5)(c)



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-21670
EKL:...

(PI)
gs

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

IN: 3/22
DUE: 3/24

SAC
x ref
stat comp

Gen Cat

1 AN ACT ...; relating to: notice of change in terms or premium amount for
2 insurance policy renewal.

Analysis by the Legislative Reference Bureau

Under current law, an insurer who offers to renew an insurance policy on less favorable terms or with a premium increase of at least 25 percent generally must notify the policyholder about the new terms or the increased premium at least 60 days prior to the renewal date. If the insurer is unable to determine the actual amount of the premium increase at that time, the insurer may provide the policyholder with a good faith estimate of the amount. This bill reduces the 60/day deadline to 45 days.

*

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

3 SECTION 1. 631.36 (5) ^{(a), (c) and (d)} of the statutes ^{is} amended to read: ^{are}
4 631.36 (5) **RENEWAL WITH ALTERED TERMS.** (a) *General.* Subject to pars. (b) and
5 (d), if the insurer offers or purports to renew the policy but on less favorable terms
6 or at higher premiums, the new terms or premiums take effect on the renewal date
7 if the insurer sent by 1st class mail or delivered to the policyholder notice of the new

1 terms or premiums at least ~~60~~ 45 days prior to the renewal date. If the insurer
2 notifies the policyholder within ~~60~~ 45 days prior to the renewal date, the new terms
3 or premiums do not take effect until 60 days after the notice is mailed or delivered,
4 in which case the policyholder may elect to cancel the renewal policy at any time
5 during the 60-day period. The notice shall include a statement of the policyholder's
6 right to cancel. If the policyholder elects to cancel the renewal policy during the
7 60-day period, return premiums or additional premium charges shall be calculated
8 proportionately on the basis of the old premiums. If the insurer does not notify the
9 policyholder of the new premiums or terms as required by this subsection prior to the
10 renewal date, the insurer shall continue the policy for an additional period of time
11 equivalent to the expiring term and at the same premiums and terms of the expiring
12 policy, except as permitted under sub. (2) or (3).

13 (c) *Anniversary alteration.* Subject to par. (d), an insurer may alter the terms
14 or premium of a policy issued for a term longer than one year or for an indefinite term
15 on the anniversary date only if notice of less favorable terms or premiums is sent by
16 1st class mail or delivered to the policyholder at least ~~60~~ 45 days prior to the
17 anniversary date. If the insurer notifies the policyholder within ~~60~~ 45 days prior to
18 the anniversary date, the new terms or premiums do not take effect until 60 days
19 after the notice is mailed or delivered, in which case the policyholder may elect to
20 cancel the policy at any time during the 60-day period. The notice shall include a
21 statement of the policyholder's right to cancel. If the policyholder elects to cancel the
22 policy during the 60-day period, return premiums or additional premium charges
23 shall be calculated proportionately on the basis of the old premiums. If the insurer
24 does not notify the policyholder of the new premiums or terms as required by this
25 subsection prior to the anniversary date, the insurer shall continue the policy until

1 the next anniversary date or the renewal date, whichever is earlier, at the same
2 premiums and terms as for the previous period, except as permitted under sub. (2)
3 or (3).

4 (d) *Estimate*. An insurer may give notice under par. (a) or (c) of a new premium
5 by stating the actual amount or percentage increase to be charged. If the insurer
6 cannot reasonably determine the actual amount or percentage increase 60 45 days
7 prior to the renewal or anniversary date, the notice shall include a good faith
8 estimate of the increase based on information that the insurer can reasonably obtain.
9 If an estimate is stated, the insurer shall renew or continue the policy at a premium
10 that does not exceed the increase stated in the notice except as permitted under sub.

11 ~~(5)~~ (b). par.

History: 1975 c. 375, 421; 1977 c. 444 s. 11; 1979 c. 102; 1979 c. 110 s. 60 (11); 1981 c. 83; 1985 a. 335; 1989 a. 187, 332, 359; 1991 a. 315; 1995 a. 259; 1997 a. 27; 1999 a. 9; 2007 a. 168; 2013 a. 20; 2017 a. 241.

Cross-reference: See also s. Ins 6.77, Wis. adm. code.

12 SECTION 2. Initial applicability.

13 (1) For policies containing provisions inconsistent with this act, this act first
14 applies to policies newly issued, extended, modified, or renewed (beginning) on the
15 effective date of this subsection.

16 SECTION 3. Effective date.

17 (1) This act takes effect on the first day of the 4th month beginning after
18 publication.

19 (END)



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2167/P1

EKL:cjs

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT to amend** 631.36 (5) (a), (c) and (d) of the statutes; **relating to:** notice
2 of change in terms or premium amount for insurance policy renewal.

Analysis by the Legislative Reference Bureau

Under current law, an insurer who offers to renew an insurance policy on less favorable terms or with a premium increase of at least 25 percent generally must notify the policyholder about the new terms or the increased premium at least 60 days prior to the renewal date. If the insurer is unable to determine the actual amount of the premium increase at that time, the insurer may provide the policyholder with a good faith estimate of the amount. This bill reduces the 60-day deadline to 45 days.

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

3 **SECTION 1.** 631.36 (5) (a), (c) and (d) of the statutes are amended to read:
4 631.36 (5) (a) *General.* Subject to pars. (b) and (d), if the insurer offers or
5 purports to renew the policy but on less favorable terms or at higher premiums, the
6 new terms or premiums take effect on the renewal date if the insurer sent by 1st class
7 mail or delivered to the policyholder notice of the new terms or premiums at least 60

1 45 days prior to the renewal date. If the insurer notifies the policyholder within ~~60~~
2 45 days prior to the renewal date, the new terms or premiums do not take effect until
3 60 days after the notice is mailed or delivered, in which case the policyholder may
4 elect to cancel the renewal policy at any time during the 60-day period. The notice
5 shall include a statement of the policyholder's right to cancel. If the policyholder
6 elects to cancel the renewal policy during the 60-day period, return premiums or
7 additional premium charges shall be calculated proportionately on the basis of the
8 old premiums. If the insurer does not notify the policyholder of the new premiums
9 or terms as required by this subsection prior to the renewal date, the insurer shall
10 continue the policy for an additional period of time equivalent to the expiring term
11 and at the same premiums and terms of the expiring policy, except as permitted
12 under sub. (2) or (3).

13 (c) *Anniversary alteration.* Subject to par. (d), an insurer may alter the terms
14 or premium of a policy issued for a term longer than one year or for an indefinite term
15 on the anniversary date only if notice of less favorable terms or premiums is sent by
16 1st class mail or delivered to the policyholder at least ~~60~~ 45 days prior to the
17 anniversary date. If the insurer notifies the policyholder within ~~60~~ 45 days prior to
18 the anniversary date, the new terms or premiums do not take effect until 60 days
19 after the notice is mailed or delivered, in which case the policyholder may elect to
20 cancel the policy at any time during the 60-day period. The notice shall include a
21 statement of the policyholder's right to cancel. If the policyholder elects to cancel the
22 policy during the 60-day period, return premiums or additional premium charges
23 shall be calculated proportionately on the basis of the old premiums. If the insurer
24 does not notify the policyholder of the new premiums or terms as required by this
25 subsection prior to the anniversary date, the insurer shall continue the policy until

1 the next anniversary date or the renewal date, whichever is earlier, at the same
2 premiums and terms as for the previous period, except as permitted under sub. (2)
3 or (3).

4 (d) *Estimate*. An insurer may give notice under par. (a) or (c) of a new premium
5 by stating the actual amount or percentage increase to be charged. If the insurer
6 cannot reasonably determine the actual amount or percentage increase ~~60~~ 45 days
7 prior to the renewal or anniversary date, the notice shall include a good faith
8 estimate of the increase based on information that the insurer can reasonably obtain.
9 If an estimate is stated, the insurer shall renew or continue the policy at a premium
10 that does not exceed the increase stated in the notice except as permitted under sub.
11 ~~(5)~~ par. (b).

12 **SECTION 2. Initial applicability.**

13 (1) For policies containing provisions inconsistent with this act, this act first
14 applies to policies newly issued, extended, modified, or renewed on the effective date
15 of this subsection.

16 **SECTION 3. Effective date.**

17 (1) This act takes effect on the first day of the 4th month beginning after
18 publication.

19 (END)

Lunder, Erika

From: Driscoll, Collin
Sent: Tuesday, April 2, 2019 10:46 AM
To: Lunder, Erika
Subject: RE: Notice of new insurance premium - LRB 2167

Hey Erika,

Thanks for checking! Those are all going to stay at 60 days.

Collin

From: Lunder, Erika <Erika.Lunder@legis.wisconsin.gov>
Sent: Monday, April 01, 2019 3:59 PM
To: Driscoll, Collin <Collin.Driscoll@legis.wisconsin.gov>
Subject: RE: Notice of new insurance premium - LRB 2167

Hi Collin,

Here are the other mentions to 60 days in the statute. Do you want all of them changed?

1. An insurer who decides not to renew a policy must notify the insured at least 60 days before the policy's expiration date. An insurer who fails to do so must continue the coverage under the old policy's terms and premium for the lesser of one year or the policy's term.
2. An insurer who want to cancel a policy that allows cancellation on any of the policy's anniversary date must notify the insured at least 60 days prior to the anniversary date or else must wait until the next anniversary date.
3. When a policy first becomes effective, the insurer may cancel the policy any time before the first 60 days without providing the insured a reason.

Thanks!
Erika
608-504-5819

From: Driscoll, Collin <Collin.Driscoll@legis.wisconsin.gov>
Sent: Wednesday, March 27, 2019 9:45 AM
To: Lunder, Erika <Erika.Lunder@legis.wisconsin.gov>
Subject: Notice of new insurance premium - LRB 2167

Hey Erika,

Attached is P1 for LRB-2167. Could you change all of the 60 day mentions to 45 (highlighted)? As well as anywhere else they may be found in statute? Thanks!

Collin

*Collin Driscoll
Office of Rep. Mary Felzkowski
309 North – State Capitol
(608)266-7694*



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2167/P1
EKL:cjs
Stays
P2

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

IN: 4/4

DUE: 4/5

Gen Cat

1 AN ACT to amend 631.36 (5) (a), (c) and (d) of the statutes; relating to: notice
2 of change in terms or premium amount for insurance policy renewal.

Analysis by the Legislative Reference Bureau

Under current law, an insurer who offers to renew an insurance policy on less favorable terms or with a premium increase of at least 25 percent generally must notify the policyholder about the new terms or the increased premium at least 60 days prior to the renewal date. If the insurer is unable to determine the actual amount of the premium increase at that time, the insurer may provide the policyholder with a good faith estimate of the amount. This bill reduces the 60-day deadline to 45 days.

INS-A

time frames

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

3 SECTION 1. 631.36 (5) (a), (c) and (d) of the statutes are amended to read:
4 631.36 (5) (a) *General*. Subject to pars. (b) and (d), if the insurer offers or
5 purports to renew the policy but on less favorable terms or at higher premiums, the
6 new terms or premiums take effect on the renewal date if the insurer sent by 1st class
7 mail or delivered to the policyholder notice of the new terms or premiums at least 60

like this
~~60 day~~ 45-day

1 45 days prior to the renewal date. If the insurer notifies the policyholder within 60
 2 45 days prior to the renewal date, the new terms or premiums do not take effect until
 3 60 days after the notice is mailed or delivered, in which case the policyholder may
 4 45 elect to cancel the renewal policy at any time during the 60-day period. The notice
 5 shall include a statement of the policyholder's right to cancel. If the policyholder
 6 elects to cancel the renewal policy during the 60-day period, return premiums or
 7 additional premium charges shall be calculated proportionately on the basis of the
 8 old premiums. If the insurer does not notify the policyholder of the new premiums
 9 or terms as required by this subsection prior to the renewal date, the insurer shall
 10 continue the policy for an additional period of time equivalent to the expiring term
 11 and at the same premiums and terms of the expiring policy, except as permitted
 12 under sub. (2) or (3).

13 (c) *Anniversary alteration.* Subject to par. (d), an insurer may alter the terms
 14 or premium of a policy issued for a term longer than one year or for an indefinite term
 15 on the anniversary date only if notice of less favorable terms or premiums is sent by
 16 1st class mail or delivered to the policyholder at least ~~60~~ 45 days prior to the
 17 anniversary date. If the insurer notifies the policyholder within ~~60~~ 45 days prior to
 18 the anniversary date, the new terms or premiums do not take effect until 60 days
 19 after the notice is mailed or delivered, in which case the policyholder may elect to
 20 cancel the policy at any time during the 60-day period. The notice shall include a
 21 statement of the policyholder's right to cancel. If the policyholder elects to cancel the
 22 policy during the 60-day period, return premiums or additional premium charges
 23 shall be calculated proportionately on the basis of the old premiums. If the insurer
 24 does not notify the policyholder of the new premiums or terms as required by this
 25 subsection prior to the anniversary date, the insurer shall continue the policy until

45

1 the next anniversary date or the renewal date, whichever is earlier, at the same
2 premiums and terms as for the previous period, except as permitted under sub. (2)
3 or (3).

4 (d) *Estimate*. An insurer may give notice under par. (a) or (c) of a new premium
5 by stating the actual amount or percentage increase to be charged. If the insurer
6 cannot reasonably determine the actual amount or percentage increase ~~60~~ 45 days
7 prior to the renewal or anniversary date, the notice shall include a good faith
8 estimate of the increase based on information that the insurer can reasonably obtain.
9 If an estimate is stated, the insurer shall renew or continue the policy at a premium
10 that does not exceed the increase stated in the notice except as permitted under sub.
11 ~~(5)~~ par. (b).

12 **SECTION 2. Initial applicability.**

13 (1) For policies containing provisions inconsistent with this act, this act first
14 applies to policies newly issued, extended, modified, or renewed on the effective date
15 of this subsection.

16 **SECTION 3. Effective date.**

17 (1) This act takes effect on the first day of the 4th month beginning after
18 publication.

19 (END)

**2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2167/P1ins
EKL:cjs

1

INS-A

If the insurer fails to provide notice before the 60-day deadline, the new terms or premiums do not take effect until 60 days after the notice is mailed or delivered to the policyholder and the policyholder may cancel the policy at any time during those 60 days.

Lunder, Erika

From: Driscoll, Collin
Sent: Thursday, April 11, 2019 10:24 AM
To: Lunder, Erika
Subject: LRB-2167 P2

Good morning Erika,

I've received some feedback on the language, as follows: "there is one other issue that should be clarified in the draft which is to apply the change of 45 days to Personal Lines property and casualty only (i.e. homeowners and personal auto) and that the changes do not apply to Commercial Lines. As I read the draft, it doesn't seem to distinguish that." Could you please make sure that is clarified?

Thanks so much!

Collin

*Collin Driscoll
Office of Rep. Mary Felzkowski
309 North – State Capitol
(608)266-7694*



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2167/P2
EKL:cjs

(P3)

stays

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

IN: 4/22
DUE: 4/25

over
SAB

Conlat

1 **AN ACT to amend 631.36 (5) (a), (c) and (d) of the statutes; relating to:** notice
2 of change in terms or premium amount for insurance policy renewal.

Analysis by the Legislative Reference Bureau

Under current law, an insurer who offers to renew an insurance policy on less favorable terms or with a premium increase of at least 25 percent generally must notify the policyholder about the new terms or the increased premium at least 60 days prior to the renewal date. If the insurer is unable to determine the actual amount of the premium increase at that time, the insurer may provide the policyholder with a good faith estimate of the amount. If the insurer fails to provide notice before the 60-day deadline, the new terms or premiums do not take effect until 60 days after the notice is mailed or delivered to the policyholder, and the policyholder may cancel the policy at any time during those 60 days. This bill reduces the 60-day time frames to 45 days.

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

3 **SECTION 1.** 631.36 (5) (a), (c) and (d) of the statutes are amended to read:
4 631.36 (5) (a) *General.* Subject to pars. (b) and (d), if the insurer offers or
5 purports to renew the policy but on less favorable terms or at higher premiums, the

for policies other than commercial line policies

1 new terms or premiums take effect on the renewal date if the insurer sent by 1st class
2 mail or delivered to the policyholder notice of the new terms or premiums at least 60
3 45 days prior to the renewal date. If the insurer notifies the policyholder within 60
4 45 days prior to the renewal date, the new terms or premiums do not take effect until
5 ~~60~~ 45 days after the notice is mailed or delivered, in which case the policyholder may
6 elect to cancel the renewal policy at any time during the ~~60-day~~ 45-day period. The
7 notice shall include a statement of the policyholder's right to cancel. If the
8 policyholder elects to cancel the renewal policy during the ~~60-day~~ 45-day period,
9 return premiums or additional premium charges shall be calculated proportionately
10 on the basis of the old premiums. If the insurer does not notify the policyholder of
11 the new premiums or terms as required by this subsection prior to the renewal date,
12 the insurer shall continue the policy for an additional period of time equivalent to the
13 expiring term and at the same premiums and terms of the expiring policy, except as
14 permitted under sub. (2) or (3).

15 (c) *Anniversary alteration.* Subject to par. (d), an insurer may alter the terms
16 or premium of a policy issued for a term longer than one year or for an indefinite term
17 on the anniversary date only if notice of less favorable terms or premiums is sent by
18 1st class mail or delivered to the policyholder at least ~~60~~ 45 days prior to the
19 anniversary date. If the insurer notifies the policyholder within ~~60~~ 45 days prior to
20 the anniversary date, the new terms or premiums do not take effect until ~~60~~ 45 days
21 after the notice is mailed or delivered, in which case the policyholder may elect to
22 cancel the policy at any time during the ~~60-day~~ 45-day period. The notice shall
23 include a statement of the policyholder's right to cancel. If the policyholder elects to
24 cancel the policy during the ~~60-day~~ 45-day period, return premiums or additional
25 premium charges shall be calculated proportionately on the basis of the old

1 premiums. If the insurer does not notify the policyholder of the new premiums or
 2 terms as required by this subsection prior to the anniversary date, the insurer shall
 3 continue the policy until the next anniversary date or the renewal date, whichever
 4 is earlier, at the same premiums and terms as for the previous period, except as
 5 permitted under sub. (2) or (3).

6 (d) *Estimate*. An insurer may give notice under par. (a) or (c) of a new premium (5)(d)

7 by stating the actual amount or percentage increase to be charged. If the insurer
 8 cannot reasonably determine the actual amount or percentage increase ~~60~~ 45 days ^(Plain)
 9 prior to the renewal or anniversary date, the notice shall include a good faith
 10 estimate of the increase based on information that the insurer can reasonably obtain.
 11 If an estimate is stated, the insurer shall renew or continue the policy at a premium
 12 that does not exceed the increase stated in the notice except as permitted under sub.
 13 ~~(5)~~ par. (b).

14 SECTION 2. Initial applicability.

15 (1) For policies containing provisions inconsistent with this act, this act first
 16 applies to policies newly issued, extended, modified, or renewed on the effective date
 17 of this subsection.

18 SECTION 3. Effective date.

19 (1) This act takes effect on the first day of the 4th month beginning after
 20 publication.

21 (END)

For a commercial line policy, or 45 days prior to the renewal or anniversary date for any other policy.

2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2167/P2ins
EKL:cjs

1 INS 3-6

2 **SECTION 1.** 631.36 (5) (a) of the statutes is renumbered 631.36 (5) (a) 1. and
3 amended to read:

4 631.36 (5) (a) General. 1. Subject to pars. (b) and (d), for any commercial line
5 policy, if the insurer offers or purports to renew the policy but on less favorable terms
6 or at higher premiums, the new terms or premiums take effect on the renewal date
7 if the insurer sent by 1st class mail or delivered to the policyholder notice of the new
8 terms or premiums at least 60 days prior to the renewal date. If the insurer notifies
9 the policyholder within 60 days prior to the renewal date, the new terms or premiums
10 do not take effect until 60 days after the notice is mailed or delivered, in which case
11 the policyholder may elect to cancel the renewal policy at any time during the 60-day
12 period. The notice shall include a statement of the policyholder's right to cancel. If
13 the policyholder elects to cancel the renewal policy during the 60-day period, return
14 premiums or additional premium charges shall be calculated proportionately on the
15 basis of the old premiums. If the insurer does not notify the policyholder of the new
16 premiums or terms as required by this subsection prior to the renewal date, the
17 insurer shall continue the policy for an additional period of time equivalent to the
18 expiring term and at the same premiums and terms of the expiring policy, except as
19 permitted under sub. (2) or (3).

History: 1975 c. 375, 421; 1977 c. 444 s. 11; 1979 c. 102; 1979 c. 110 s. 60 (11); 1981 c. 83; 1985 a. 335; 1989 a. 187, 332, 359; 1991 a. 315; 1995 a. 259; 1997 a. 27; 1999 a. 9; 2007 a. 168; 2013 a. 20; 2017 a. 241.

Cross-reference: See also s. Ins 6.77, Wis. adm. code.

20 **SECTION 2.** 631.36 (5) (a) 2. of the statutes is created to read:

21 631.36 (5) (a) 2. Subject to pars. (b) and (d), for any policy other than a
22 commercial line policy, if the insurer offers or purports to renew the policy but on less

1 favorable terms or at higher premiums, the new terms or premiums take effect on
2 the renewal date if the insurer sent by 1st class mail or delivered to the policyholder
3 notice of the new terms or premiums at least 45 days prior to the renewal date. If
4 the insurer notifies the policyholder within 45 days prior to the renewal date, the new
5 terms or premiums do not take effect until 45 days after the notice is mailed or
6 delivered, in which case the policyholder may elect to cancel the renewal policy at any
7 time during the 45-day period. The notice shall include a statement of the
8 policyholder's right to cancel. If the policyholder elects to cancel the renewal policy
9 during the 45-day period, return premiums or additional premium charges shall be
10 calculated proportionately on the basis of the old premiums. If the insurer does not
11 notify the policyholder of the new premiums or terms as required by this subsection
12 prior to the renewal date, the insurer shall continue the policy for an additional
13 period of time equivalent to the expiring term and at the same premiums and terms
14 of the expiring policy, except as permitted under sub. (2) or (3).

15 **SECTION 3.** 631.36 (5) (c) of the statutes is renumbered 631.35 (5) (c) 1. and
16 amended to read:

17 631.35 (5) (c) Anniversary alteration. 1. Subject to par. (d), for any commercial
18 line policy, an insurer may alter the terms or premium of a policy issued for a term
19 longer than one year or for an indefinite term on the anniversary date only if notice
20 of less favorable terms or premiums is sent by 1st class mail or delivered to the
21 policyholder at least 60 days prior to the anniversary date. If the insurer notifies the
22 policyholder within 60 days prior to the anniversary date, the new terms or
23 premiums do not take effect until 60 days after the notice is mailed or delivered, in
24 which case the policyholder may elect to cancel the policy at any time during the
25 60-day period. The notice shall include a statement of the policyholder's right to

1 cancel. If the policyholder elects to cancel the policy during the 60-day period, return
 2 premiums or additional premium charges shall be calculated proportionately on the
 3 basis of the old premiums. If the insurer does not notify the policyholder of the new
 4 premiums or terms as required by this subsection prior to the anniversary date, the
 5 insurer shall continue the policy until the next anniversary date or the renewal date,
 6 whichever is earlier, at the same premiums and terms as for the previous period,
 7 except as permitted under sub. (2) or (3).

History: 1975 c. 375, 421; 1977 c. 444 s. 11; 1979 c. 102; 1979 c. 110 s. 60 (11); 1981 c. 83; 1985 a. 335; 1989 a. 187, 332, 359; 1991 a. 315; 1995 a. 259; 1997 a. 27; 1999 a. 9; 2007 a. 168; 2013 a. 20; 2017 a. 241.

Cross-reference: See also s. Ins 6.77, Wis. adm. code.

SECTION 4. 631.36 (5) (c) 2. of the statutes is created to read:

8 **631.35 (5) (c) 2.** Subject to par. (d), for any policy other than a commercial line
 9 policy, an insurer may alter the terms or premium of a policy issued for a term longer
 10 than one year or for an indefinite term on the anniversary date only if notice of less
 11 favorable terms or premiums is sent by 1st class mail or delivered to the policyholder
 12 at least 45 days prior to the anniversary date. If the insurer notifies the policyholder
 13 within 45 days prior to the anniversary date, the new terms or premiums do not take
 14 effect until 45 days after the notice is mailed or delivered, in which case the
 15 policyholder may elect to cancel the policy at any time during the 45-day period. The
 16 notice shall include a statement of the policyholder's right to cancel. If the
 17 policyholder elects to cancel the policy during the 45-day period, return premiums
 18 or additional premium charges shall be calculated proportionately on the basis of the
 19 old premiums. If the insurer does not notify the policyholder of the new premiums
 20 or terms as required by this subsection prior to the anniversary date, the insurer
 21 shall continue the policy until the next anniversary date or the renewal date,
 22

- 1 whichever is earlier, at the same premiums and terms as for the previous period,
- 2 except as permitted under sub. (2) or (3).



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2167/P3

EKL:cjs

slays

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

IN: 5/6

DVE: 5/8

Car Cat

✓
✓

1 AN ACT *to renumber and amend* 631.36 (5) (a) and 631.36 (5) (c); *to amend*
 2 631.36 (5) (d); and *to create* 631.36 (5) (a) 2. and 631.36 (5) (c) 2. of the statutes;
 3 **relating to:** notice of change in terms or premium amount for insurance policy
 4 renewal.

Analysis by the Legislative Reference Bureau

Under current law, an insurer who offers to renew an insurance policy on less favorable terms or with a premium increase of at least 25 percent generally must notify the policyholder about the new terms or the increased premium at least 60 days prior to the renewal date. If the insurer is unable to determine the actual amount of the premium increase at that time, the insurer may provide the policyholder with a good faith estimate of the amount. If the insurer fails to provide notice before the 60-day deadline, the new terms or premiums do not take effect until 60 days after the notice is mailed or delivered to the policyholder, and the policyholder may cancel the policy at any time during those 60 days. This bill reduces the 60-day time frames to 45 days for policies other than commercial line policies.

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

5 SECTION 1. 631.36 (5) (a) of the statutes is renumbered 631.36 (5) (a) 1. and
6 amended to read:

personal lines property and casualty

policy other than a policy described in subd. 2.

1 631.36 (5) (a) 1. Subject to pars. (b) and (d), for any commercial line policy if
2 the insurer offers or purports to renew the policy but on less favorable terms or at
3 higher premiums, the new terms or premiums take effect on the renewal date if the
4 insurer sent by 1st class mail or delivered to the policyholder notice of the new terms
5 or premiums at least 60 days prior to the renewal date. If the insurer notifies the
6 policyholder within 60 days prior to the renewal date, the new terms or premiums
7 do not take effect until 60 days after the notice is mailed or delivered, in which case
8 the policyholder may elect to cancel the renewal policy at any time during the 60-day
9 period. The notice shall include a statement of the policyholder's right to cancel. If
10 the policyholder elects to cancel the renewal policy during the 60-day period, return
11 premiums or additional premium charges shall be calculated proportionately on the
12 basis of the old premiums. If the insurer does not notify the policyholder of the new
13 premiums or terms as required by this subsection prior to the renewal date, the
14 insurer shall continue the policy for an additional period of time equivalent to the
15 expiring term and at the same premiums and terms of the expiring policy, except as
16 permitted under sub. (2) or (3).

17 **SECTION 2.** 631.36 (5) (a) 2. of the statutes is created to read:

18 631.36 (5) (a) 2. Subject to pars. (b) and (d), for any policy other than a
19 commercial line policy, if the insurer offers or purports to renew the policy but on less
20 favorable terms or at higher premiums, the new terms or premiums take effect on
21 the renewal date if the insurer sent by 1st class mail or delivered to the policyholder
22 notice of the new terms or premiums at least 45 days prior to the renewal date. If
23 the insurer notifies the policyholder within 45 days prior to the renewal date, the new
24 terms or premiums do not take effect until 45 days after the notice is mailed or
25 delivered, in which case the policyholder may elect to cancel the renewal policy at any

personal lines property and casualty policies

1 time during the 45-day period. The notice shall include a statement of the
2 policyholder's right to cancel. If the policyholder elects to cancel the renewal policy
3 during the 45-day period, return premiums or additional premium charges shall be
4 calculated proportionately on the basis of the old premiums. If the insurer does not
5 notify the policyholder of the new premiums or terms as required by this subsection
6 prior to the renewal date, the insurer shall continue the policy for an additional
7 period of time equivalent to the expiring term and at the same premiums and terms
8 of the expiring policy, except as permitted under sub. (2) or (3).

9 SECTION 3. 631.36 (5) (c) of the statutes is renumbered 631.36 (5) (c) 1. and
10 amended to read: *policy other than a policy described in subd. 2.*

11 631.36 (5) (c) 1. Subject to par. (d), for any commercial line policy, an insurer
12 may alter the terms or premium of a policy issued for a term longer than one year
13 or for an indefinite term on the anniversary date only if notice of less favorable terms
14 or premiums is sent by 1st class mail or delivered to the policyholder at least 60 days
15 prior to the anniversary date. If the insurer notifies the policyholder within 60 days
16 prior to the anniversary date, the new terms or premiums do not take effect until 60
17 days after the notice is mailed or delivered, in which case the policyholder may elect
18 to cancel the policy at any time during the 60-day period. The notice shall include
19 a statement of the policyholder's right to cancel. If the policyholder elects to cancel
20 the policy during the 60-day period, return premiums or additional premium
21 charges shall be calculated proportionately on the basis of the old premiums. If the
22 insurer does not notify the policyholder of the new premiums or terms as required
23 by this subsection prior to the anniversary date, the insurer shall continue the policy
24 until the next anniversary date or the renewal date, whichever is earlier, at the same

personal lines property and casualty policies

1 premiums and terms as for the previous period, except as permitted under sub. (2)
2 or (3).

3 **SECTION 4.** 631.36 (5) (c) 2. of the statutes is created to read:

4 631.36 (5) (c) 2. Subject to par. (d), for any policy other than a commercial line
5 policy, an insurer may alter the terms or premium of a policy issued for a term longer
6 than one year or for an indefinite term on the anniversary date only if notice of less
7 favorable terms or premiums is sent by 1st class mail or delivered to the policyholder
8 at least 45 days prior to the anniversary date. If the insurer notifies the policyholder
9 within 45 days prior to the anniversary date, the new terms or premiums do not take
10 effect until 45 days after the notice is mailed or delivered, in which case the
11 policyholder may elect to cancel the policy at any time during the 45-day period. The
12 notice shall include a statement of the policyholder's right to cancel. If the
13 policyholder elects to cancel the policy during the 45-day period, return premiums
14 or additional premium charges shall be calculated proportionately on the basis of the
15 old premiums. If the insurer does not notify the policyholder of the new premiums
16 or terms as required by this subsection prior to the anniversary date, the insurer
17 shall continue the policy until the next anniversary date or the renewal date,
18 whichever is earlier, at the same premiums and terms as for the previous period,
19 except as permitted under sub. (2) or (3).

20 **SECTION 5.** 631.36 (5) (d) of the statutes is amended to read:

21 631.36 (5) (d) *Estimate*. An insurer may give notice under par. (a) or (c) of a new
22 premium by stating the actual amount or percentage increase to be charged. If the
23 insurer cannot reasonably determine the actual amount or percentage increase 60
24 days prior to the renewal or anniversary date for a commercial line policy, or 45 days
25 prior to the renewal or anniversary date for any other policy, the notice shall include

1 a good faith estimate of the increase based on information that the insurer can
2 reasonably obtain. If an estimate is stated, the insurer shall renew or continue the
3 policy at a premium that does not exceed the increase stated in the notice except as
4 permitted under sub. (5) par. (b).

IMS 5-5 →
5 **SECTION 6. Initial applicability.**

6 (1) For policies containing provisions inconsistent with this act, this act first
7 applies to policies newly issued, extended, modified, or renewed on the effective date
8 of this subsection.

9 **SECTION 7. Effective date.**

10 (1) This act takes effect on the first day of the 4th month beginning after
11 publication.

12 (END)

2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2167/P3ins
EKL:cjs

1 INS 5-5

2 SECTION 1. 631.36 (5) (d) of the statutes is amended to read:

3 631.36 (5) (d) *Estimate*. An insurer may give notice under par. (a) or (c) of a new
4 premium by stating the actual amount or percentage increase to be charged. If the
5 insurer cannot reasonably determine the actual amount or percentage increase 45
6 days prior to the renewal or anniversary date for a policy subject to par. (a) 2. or (c)
7 2., or 60 days prior to the renewal or anniversary date for any other policy, the notice
8 shall include a good faith estimate of the increase based on information that the
9 insurer can reasonably obtain. If an estimate is stated, the insurer shall renew or
10 continue the policy at a premium that does not exceed the increase stated in the
11 notice except as permitted under sub. (5) par. (b).

History: 1975 c. 375, 421; 1977 c. 444 s. 11; 1979 c. 102; 1979 c. 110 s. 60 (11); 1981 c. 83; 1985 a. 335; 1989 a. 187, 332, 359; 1991 a. 315; 1995 a. 259; 1997 a. 27; 1999 a. 9; 2007 a. 168; 2013 a. 20; 2017 a. 241.

Cross-reference: See also s. Ins 6.77, Wis. adm. code.

PLAIN COMMENT ✓
✓
✓

Lunder, Erika

From: Driscoll, Collin
Sent: Tuesday, April 30, 2019 11:06 AM
To: Lunder, Erika
Subject: RE: LRB-2167

Hey Erika,

Yes, that is the intent. Thanks!

Collin

From: Lunder, Erika <Erika.Lunder@legis.wisconsin.gov>
Sent: Tuesday, April 30, 2019 9:47 AM
To: Driscoll, Collin <Collin.Driscoll@legis.wisconsin.gov>
Subject: RE: LRB-2167

Hello Collin,

Is the intent that the 45-day provision will apply only to property and casualty personal lines? And the 60-day provision will apply to all other personal lines and to all commercial lines?

Thanks!
Erika

From: Driscoll, Collin <Collin.Driscoll@legis.wisconsin.gov>
Sent: Tuesday, April 30, 2019 9:33 AM
To: Lunder, Erika <Erika.Lunder@legis.wisconsin.gov>
Subject: LRB-2167

Good morning Erika,

We have another clarifying question: does the bill reflect the distinction for Property and Casualty Personal Lines policies versus other personal lines policies? Thanks!

Collin

*Collin Driscoll
Office of Rep. Mary Felzkowski
309 North – State Capitol
(608)266-7694*

Lunder, Erika

From: Driscoll, Collin
Sent: Tuesday, May 21, 2019 11:29 AM
To: Lunder, Erika
Subject: LRB 2167 P4

Good morning Erika,

Could you please send us over a /1 as well as release the language to Sen. Craig's office for a senate companion? Thanks!

Collin

*Collin Driscoll
Office of Rep. Mary Felzkowski
309 North – State Capitol
(608)266-7694*



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2167/PA /1
EKL:cjs

No
changes

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT** *to renumber and amend* 631.36 (5) (a) and 631.36 (5) (c); *to amend*
2 631.36 (5) (d); and *to create* 631.36 (5) (a) 2. and 631.36 (5) (c) 2. of the statutes;
3 **relating to:** notice of change in terms or premium amount for insurance policy
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Under current law, an insurer who offers to renew an insurance policy on less favorable terms or with a premium increase of at least 25 percent generally must notify the policyholder about the new terms or the increased premium at least 60 days prior to the renewal date. If the insurer is unable to determine the actual amount of the premium increase at that time, the insurer may provide the policyholder with a good faith estimate of the amount. If the insurer fails to provide notice before the 60-day deadline, the new terms or premiums do not take effect until 60 days after the notice is mailed or delivered to the policyholder, and the policyholder may cancel the policy at any time during those 60 days. This bill reduces the 60-day time frames to 45 days for personal lines property and casualty policies.

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

5 **SECTION 1.** 631.36 (5) (a) of the statutes is renumbered 631.36 (5) (a) 1. and
6 amended to read:

1 shall include a good faith estimate of the increase based on information that the
2 insurer can reasonably obtain. If an estimate is stated, the insurer shall renew or
3 continue the policy at a premium that does not exceed the increase stated in the
4 notice except as permitted under sub. ~~(5)~~ par. (b).

5 **SECTION 6. Initial applicability.**

6 (1) For policies containing provisions inconsistent with this act, this act first
7 applies to policies newly issued, extended, modified, or renewed on the effective date
8 of this subsection.

9 **SECTION 7. Effective date.**

10 (1) This act takes effect on the first day of the 4th month beginning after
11 publication.

12

(END)

Walker, Dan

From: Driscoll, Collin
Sent: Thursday, May 30, 2019 11:09 AM
To: LRB.Legal
Subject: Draft Review: LRB -2167/1

Please Jacket LRB -2167/1 for the ASSEMBLY.