



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-3339/1  
CMH:ahe

## 2019 SENATE BILL 289

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.

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*Analysis by the Legislative Reference Bureau*

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*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:  
7           631.36 **(5)** (a) 1. Subject to pars. (b) and (d), for any policy other than a policy  
8           described in subd. 2., if the insurer offers or purports to renew the policy but on less  
9           favorable terms or at higher premiums, the new terms or premiums take effect on  
10          the renewal date if the insurer sent by 1st class mail or delivered to the policyholder

**SENATE BILL 289****SECTION 1**

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

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

14 631.36 (5) (a) 2. Subject to pars. (b) and (d), for personal lines property and  
15 casualty policies, if the insurer offers or purports to renew the policy but on less  
16 favorable terms or at higher premiums, the new terms or premiums take effect on  
17 the renewal date if the insurer sent by 1st class mail or delivered to the policyholder  
18 notice of the new terms or premiums at least 45 days prior to the renewal date. If  
19 the insurer notifies the policyholder within 45 days prior to the renewal date, the new  
20 terms or premiums do not take effect until 45 days after the notice is mailed or  
21 delivered, in which case the policyholder may elect to cancel the renewal policy at any  
22 time during the 45-day period. The notice shall include a statement of the  
23 policyholder's right to cancel. If the policyholder elects to cancel the renewal policy  
24 during the 45-day period, return premiums or additional premium charges shall be  
25 calculated proportionately on the basis of the old premiums. If the insurer does not

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1 notify the policyholder of the new premiums or terms as required by this subsection  
2 prior to the renewal date, the insurer shall continue the policy for an additional  
3 period of time equivalent to the expiring term and at the same premiums and terms  
4 of the expiring policy, except as permitted under sub. (2) or (3).

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

7 631.36 (5) (c) 1. Subject to par. (d), for any policy other than a policy described  
8 in subd. 2., an insurer may alter the terms or premium of a policy issued for a term  
9 longer than one year or for an indefinite term on the anniversary date only if notice  
10 of less favorable terms or premiums is sent by 1st class mail or delivered to the  
11 policyholder at least 60 days prior to the anniversary date. If the insurer notifies the  
12 policyholder within 60 days prior to the anniversary date, the new terms or  
13 premiums do not take effect until 60 days after the notice is mailed or delivered, in  
14 which case the policyholder may elect to cancel the policy at any time during the  
15 60-day period. The notice shall include a statement of the policyholder's right to  
16 cancel. If the policyholder elects to cancel the policy during the 60-day period, return  
17 premiums or additional premium charges shall be calculated proportionately on the  
18 basis of the old premiums. If the insurer does not notify the policyholder of the new  
19 premiums or terms as required by this subsection prior to the anniversary date, the  
20 insurer shall continue the policy until the next anniversary date or the renewal date,  
21 whichever is earlier, at the same premiums and terms as for the previous period,  
22 except as permitted under sub. (2) or (3).

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

24 631.36 (5) (c) 2. Subject to par. (d), for personal lines property and casualty  
25 policies, an insurer may alter the terms or premium of a policy issued for a term

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

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

16 631.36 (5) (d) *Estimate*. An insurer may give notice under par. (a) or (c) of a new  
17 premium by stating the actual amount or percentage increase to be charged. If the  
18 insurer cannot reasonably determine the actual amount or percentage increase 45  
19 days prior to the renewal or anniversary date for a policy subject to par. (a) 2. or (c)  
20 2., or 60 days prior to the renewal or anniversary date for any other policy, the notice  
21 shall include a good faith estimate of the increase based on information that the  
22 insurer can reasonably obtain. If an estimate is stated, the insurer shall renew or  
23 continue the policy at a premium that does not exceed the increase stated in the  
24 notice except as permitted under ~~sub. (5)~~ par. (b).

25 **SECTION 6. Initial applicability.**

