

**2019 Senate Bill 289 (LRB -3339)**

An Act to renumber and amend 631.36 (5) (a) and 631.36 (5) (c); to amend 631.36 (5) (d); and to create 631.36 (5) (a) 2. and 631.36 (5) (c) 2. of the statutes; relating to: notice of change in terms or premium amount for insurance policy renewal.

**2019**

06-21.	S.	Introduced by Senators <b>Craig, Bewley, LeMahieu, Schachtner</b> and <b>Stroebel</b> ; cosponsored by Representatives <b>Felzkowski, Doyle, Kulp, Petryk, Ramthun, Thiesfeldt</b> and <b>Skowronski</b> .	269
06-21.	S.	Read first time and referred to Committee on Insurance, Financial Services, Government Oversight and Courts	269
07-16.	S.	Public hearing held	
09-19.	S.	Executive action taken	
09-19.	S.	Report passage recommended by Committee on Insurance, Financial Services, Government Oversight and Courts, Ayes 5, Noes 0	386
09-19.	S.	Available for scheduling	
10-04.	S.	Placed on calendar 10-8-2019 pursuant to Senate Rule 18(1)	419
10-08.	S.	Read a second time	428
10-08.	S.	Ordered to a third reading	428
10-08.	S.	Rules suspended	428
10-08.	S.	Read a third time and <b>passed</b>	428
10-08.	S.	Ordered immediately messaged	430
10-08.	A.	Received from Senate	311
10-16.	A.	Read first time and referred to committee on Insurance	330
10-17.	A.	Executive action taken	

**2020**

02-18.	A.	Report concurrence recommended by Committee on Insurance, Ayes 11, Noes 0	601
02-18.	A.	Referred to committee on Rules	601
02-18.	A.	Made a special order of business at 11:34 AM on 2-20-2020 pursuant to Assembly Resolution 21	625
02-20.	A.	Read a second time	
02-20.	A.	Ordered to a third reading	
02-20.	A.	Rules suspended	
02-20.	A.	Read a third time and <b>concurred in</b>	
02-20.	A.	Ordered immediately messaged	
02-21.	S.	Received from Assembly concurred in	



19en S B-289

**ENROLLED BILL**

**Adopted Documents**

Original

Engrossed

Substitute Amdt

19 333<sup>09</sup>, 1

Amendments:  None or  Listed below.

Corrections:  None or  Listed by date below.

Topic:  Same as relating clause or  Indicated below.

2/21/20

*Cash*

Date

Enrolling Drafter



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-3339/1  
EKL:cjs

## 2019 SENATE BILL 289

June 21, 2019 - Introduced by Senators CRAIG, BEWLEY, LEMAHIEU, SCHACHTNER and STROEBEL, cosponsored by Representatives FELZKOWSKI, DOYLE, KULP, PETRYK, RAMTHUN, THIESFELDT and SKOWRONSKI. Referred to Committee on Insurance, Financial Services, Government Oversight and Courts.

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***

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.

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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:

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

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

**SENATE BILL 289**

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:

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

**SENATE BILL 289****SECTION 3**

1       whichever is earlier, at the same premiums and terms as for the previous period,  
2       except as permitted under sub. (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 personal lines property and casualty  
5       policies, an insurer may alter the terms or premium of a policy issued for a term  
6       longer than one year or for an indefinite term on the anniversary date only if notice  
7       of less favorable terms or premiums is sent by 1st class mail or delivered to the  
8       policyholder at least 45 days prior to the anniversary date. If the insurer notifies the  
9       policyholder within 45 days prior to the anniversary date, the new terms or  
10      premiums do not take effect until 45 days after the notice is mailed or delivered, in  
11      which case the policyholder may elect to cancel the policy at any time during the  
12      45-day period. The notice shall include a statement of the policyholder's right to  
13      cancel. If the policyholder elects to cancel the policy during the 45-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 anniversary date, the  
17      insurer 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 45  
24      days prior to the renewal or anniversary date for a policy subject to par. (a) 2. or (c)  
25      2., or 60 days prior to the renewal or anniversary date for any other policy, the notice

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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).

**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.

**SECTION 7. Effective date.**

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

12 (END)