

THE STATE OF WISCONSIN

Group Insurance Board
Room 411 North
State Capitol
Madison 2, Wisconsin

ORDER OF THE GROUP INSURANCE BOARD
ADOPTING, AMENDING AND REPEALING RULES

Pursuant to authority vested in the Group Insurance Board by section 66.919 (3) (a) Wis. Stats. the board hereby adopts and amends rules as follows:

The following sections of the WISCONSIN ADMINISTRATIVE CODE are adopted:

CHAPTER GRP 1

DEFINITIONS

Grp 1.05 Chapters 2 to 6 inclusive shall be applicable to group life insurance for state personnel. Chapters 10 to 14 inclusive shall be applicable to group life insurance provided pursuant to section 66.919 (15) of the Wis. Stats.

CHAPTER GRP 10

COVERAGE

Grp 10.01 Effective date. The group life insurance program provided by section 66.919 (15) of the Wis. Stats., shall be effective as of the ensuing January 1 if the resolution is filed with the director pursuant to section 66.919 (15) (c) of the Wis. Stats., prior to November 30. If filed during December it shall not be effective during the ensuing calendar year but shall be effective on January 1 of the following year.

Grp 10.02 Waiver of coverage. (1) Each employe and officer of the municipality who is eligible to be covered by insurance shall be insured unless a waiver on the form provided by the director is received by the municipal representative specified in rule Grp 14.02:

- (a) On or before December 10 preceeding the January 1 specified in rule 10.01.
 - (b) At least 30 days before qualifying as an employe pursuant to section 66.919 (4) (a), Wis. Stats., for the first time for insurance that would otherwise be effective on the date of such qualification.
 - (c) Within 5 days after return to active employment following a leave or layoff without earnings for persons immediately eligible by reason of previous qualifying employment.
 - (d) Within 5 days after resumption of employment for insurance that is effective upon reemployment after a previous termination of employment, or after initial employment where the person is immediately eligible for insurance by reason of previous qualifying employment.
 - (e) Prior to the end of the ensuing calendar month following the effective date of enactment, repeal, amendment or interpretation of any statute or rule, making any employe initially eligible for group life insurance. Coverage in such instances shall be effective as of the beginning of the next calendar month commencing after such waiver deadline.
- (2) Any waiver may be withdrawn before becoming effective.
 - (3) If an employe who is rehired or resumes active employment had a waiver of insurance in effect when his previous employment by that municipality terminated, or when he became inactive, such waiver shall apply to the new period of employment. Such persons may obtain coverage pursuant to section 66.919 (5) (b), Wis. Stats.

Grp 10.03 Coverage requirement. The clerk of the municipality shall certify to the director the total number of persons eligible for group life insurance coverage in that municipality on the effective date together with the number of waivers filed pursuant to

Grp 10.02 (a). Such certification must be received by the director not later than December 15 preceding the effective date specified in rule Grp 10.01.

Grp 10.20 Amount of insurance. (1) Except as provided under (2) the total salary or wages paid to an employe by that municipality during the previous calendar year pursuant to section 66.919 (4) (e), Wis. Stats., shall be the total amount reported by that municipality for federal income tax purposes.

(2) For persons covered initially who have not been municipal employes for the full previous calendar year the earnings shall be a projection on an annual basis of the compensation at the time of coverage, which shall continue until there is coverage for a full calendar year. Whenever an eligible employe previously covered in that municipality who did not receive compensation ~~during~~ ^{for a time} the entire preceding calendar year resumes service in that municipality or returns to active service after an interruption without pay extending 3 consecutive months or more, then the municipal representative designated by rule shall estimate the compensation to be received during the ensuing 12 months and such shall be the annual basis of compensation for purposes of coverage until coverage has continued for a full calendar year, provided that for regular seasonal employes the projection shall not continue after such status has continued for a full calendar year. JUR 11/30/5

(3) Changes in amount of insurance, except as provided by section 66.919 (6) (b), (c) and (d), Wis. Stats., shall be made on January 1 in each calendar year if the amount is increased, or on March 1 if the amount is decreased.

Grp 10.21 Coverage during employment gaps. (1) Any insured employe may continue to be insured during any period of not to exceed 2 years while such employe receives no earnings from that municipality, including layoffs not due to the misconduct of the employe.

(2) An employe may continue his insurance coverage during such period of interruption of earnings specified in Grp 10.21 (1) if he ^{has} authorized a payroll deduction in an amount sufficient to pay his contribution for the lesser of, (a) 6 months, or (b) the entire period of interruption of earnings. Such employe may also continue his insurance coverage if he remits to his municipality within 30 days after the beginning of such period of interruption of earnings an amount sufficient to pay his contribution for the lesser of, (a) 6 months, or (b) the entire period of interruption of earnings.

(3) Seasonal employes who are not entitled to earnings on the date specified under Grp 10.01, but who are otherwise eligible to be insured, shall be insured as of that date if within 30 days thereafter the municipality receives a remittance in full payment for the employe contribution for the entire period of absence from the payroll after that date.

(4) Employes who are not entitled to earnings on the effective date specified in rule Grp 10.01 shall be entitled to become insured upon return to active service in accordance with Grp 11.01.

(5) If any absence from the payroll is extended beyond the original period contemplated, or if payment has not been made for the full period, the employe's contribution for such additional period shall be paid within 30 days after the end of the period for which the previous contribution had been paid.

(6) Coverage may not be continued for more than 60 days during leave to serve in the military forces of any nation at war, declared or undeclared. The fact of war shall be determined by the board. The right to convert the insurance to insurance under an individual policy shall exist during the 31 days following the end of the 60 day leave.

(7) The amount of insurance and of employe contributions during a period of interruption of earnings shall be the same as in effect immediately preceding the interruption.

Grp 10.22 Suspension of insurance. If an employe discontinues contributions for insurance while receiving no municipal earnings, the insurance shall terminate on the date to which the contributions are paid. The insurance shall automatically be effective again on the date the employe resumes active employment with that municipality. If insurance is terminated as provided herein and the employe does not resume active municipal employment he may not convert the insurance to an individual policy without evidence of insurability.

Grp 10.23 Coverage during disability. If an insured employe is totally disabled before age 65 as a result of bodily injury or disease so as to be wholly prevented from performing any work or engaging in any occupation for remuneration or profit, and it appears to the municipal representative that such employe is likely to remain so disabled for an indefinite period of time, the employe and municipal contributions for the insurance may be discontinued for 9 months, or until any earlier time that the employe is able to return to work. The insurance shall remain in force while such contributions are discontinued. After contributions have been discontinued for 9 months, upon request of the company proof of disability shall be submitted to the insurance company. If the proof is approved, the insurance will remain in force as long as the disability continues, subject to new proof of disability being submitted each year if required by the insurance company. The amount of insurance will reduce at attainment of age 65 according to the schedule in section 66.919 (6) (b), Wis. Stats.

Grp 10.30 Coverage of annuitants. Any annuitant under age 65 eligible to be insured shall continue to be insured only if within 30 days after the filing of the application for such annuity the retirement system receives from such person a completed form, as prescribed by the director of the Group Insurance Board, authorizing the retirement system to deduct premiums for group life insurance. Such form shall be filed in duplicate and one copy shall be transmitted forthwith to the director. The employing municipality shall file with the retirement system and the director immediately following the termination of employment of any such person a form, as prescribed by the director, certifying the data pertaining to insurance coverage.

CHAPTER GRP 11

CONTRIBUTIONS

Grp 11.01 Employee contributions. (1) The employee contributions for each \$1,000 of insurance shall be 50 cents per month until the March 1 that next follows attainment of age 40, and 60 cents per month from such date until attainment of age 65.

(2) Changes in employee contributions relating to an increase or decrease in the amount of insurance shall be made commencing with any pay covering services performed in February of each year.

(3) When a person becomes eligible for insurance either a double deduction shall be made from the pay check covering services for the first month he is eligible, one-half paying for insurance during such month and one-half paying in advance for insurance during the second month of eligibility, or the initial contribution shall be deducted from the pay check paid for services in the pay period immediately preceding the first month in which the person is eligible for the insurance.

(4) If a person resumes employment or active service for the municipality after a termination of employment for that municipality or a leave of absence for at least 3 consecutive months, and is then eligible for insurance, the first employee contribution shall be deducted from the first pay check due such employee. The insurance coverage shall begin as of the date of re-employment.

Grp 11.02 Adjustments. Whenever the proper employee contribution is not made by any insured employee in any month, any deficiency shall be deducted by the municipality upon the ensuing payroll after discovery thereof. If an excess deduction of employee contributions has been made for any employee such shall be adjusted by reducing subsequent contributions for that employee, or if there be no later payroll payment then a refund check shall be issued to the person making the overpayment.

CHAPTER GRP 12
TRANSMISSION OF PREMIUMS

Grp 12.01 Transmission of premiums. Each municipality shall not later than the twenty-third day of each calendar month transmit, pursuant to instructions received from the director, all premiums required pursuant to section 66.919 Wis. Stats., accompanied by any report required by the director.

Grp 12.10 Remittance of annuitant's premiums. Each retirement system shall remit the premiums for annuitants together with all other required data and forms, within the time limit and in the manner provided by instructions received from the director.

CHAPTER GRP 13

BENEFICIARY

Grp 13.01 Designation of a beneficiary. (1) Any person covered by insurance may designate a beneficiary or beneficiaries on a form to be provided by the director. Such designation properly completed pursuant to the instructions contained therein shall be filed with the municipal representative specified in rule Grp 14.02 who shall forthwith file the designation with the director.

(2) If an employe's insurance terminates the beneficiary designation will be nullified and will not be in effect if he should again obtain insurance.

Grp 13.02 Priority of designations. The designation last properly filed before the death of the insured shall be in effect.

Grp 13.03 Designation governs. No change or cancellation of a beneficiary in a last will and testament, or in any other document other than a designation properly filed pursuant to these rules, shall have any force or effect.

Grp 13.04 Change of beneficiary. A beneficiary may be changed at any time and without the knowledge or consent of the previous beneficiary, and this shall not be waived or restricted.

Grp 13.10 Standard beneficiaries. If there is no designated beneficiary living, any insurance will be payable to the first person or persons listed below who are alive on the date of the death of the insured:

(1) The widow or widower.

(2) If neither of the above, to the child or children (including legally adopted) in equal shares. The share of any deceased child shall be distributed to the surviving spouse of that child, or to the surviving children of that child if there is no spouse, otherwise to the other eligible beneficiaries.

(3) If none of the above, to the parents in equal shares or the entire amount to the surviving parent.

(4) If there be none of the above, to the duly appointed legal representative of the estate of the insured, or, if there be none, to the person or persons determined to be entitled thereto under the laws of the state.

CHAPTER GRP 14

ADMINISTRATION

Grp 14.01 Administration. The director shall prepare and issue instructions to municipalities, together with all forms needed for the operation of the group life insurance plan. He shall arrange to procure such information from any insured or beneficiary, or from any municipality, as shall be necessary for the proper administration of the plan.

Grp 14.02 Municipal representative. The person designated pursuant to section 66.901 (16), Wis. Stats., and Wis. Adm. Code SSF 1.02 (3) to be responsible in matters pertaining to the Wisconsin retirement fund and the public employes social security fund for each municipality shall be the individual through whom all transactions with the group ~~life~~ insurance board shall channel without any further designation or certification.

Grp 14.20 Certification for retired employes. Upon the request of the director the retirement system shall certify as to whether an applicant for an annuity has met the requirements specified in section 66.919 (12).

Grp 14.30 Administrative costs. Any dividends allocated to municipalities, under the terms of the contract with the insurance company, shall be reduced by (1) not to exceed $2\frac{1}{2}\%$ of the gross premium for coverage under section 66.919 (15) of the Wisconsin Statutes for administrative services for municipalities incurred by the insurance company on behalf of the Group Insurance Board, and (2) such portion of the total directly incurred administration expenses of the Group Insurance Board, as determined by the Director, which may be applicable to municipalities.

~~ADOPTION OF PERMANENT RULES~~

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Grp. 230 Coverage of annuitants. Any annuitant under age 65 eligible to be insured shall continue to be insured only if within 30 days after the filing of the application for such annuity the retirement system receives from such person a completed form, as prescribed by the director of the Group Insurance Board, authorizing the retirement system to deduct premiums for group life insurance. Such form shall be filed in duplicate and one copy shall be transmitted forthwith to the director. The employing department shall file with the retirement system and the director immediately following the termination of employment of any such person a form, as prescribed by the director, certifying the data pertaining to insurance coverage.

Grp. 4.10 Each retirement system shall remit the premiums for annuitants, together with all other required data and forms, within the time limit and in the manner provided by instructions received from the director.

Grp. 6.20 Certification for retired employes. Upon the request of the director the retirement system shall certify as to whether an applicant for an annuity has met the requirements specified in section 66.919 (12).

The following section of the WISCONSIN ADMINISTRATIVE CODE
is amended to read:

~~PROPOSED REVISION OF RULE 2.20 (2)~~

~~(previously numbered 2.11 (2))~~ J.U.R 10/30/59

2.20 (2) For persons covered initially who have not been state employes for the full previous calendar year the earnings shall be a projection on an annual basis of the compensation at the time of coverage, which shall continue until there is coverage for a full calendar year. Whenever an eligible employe previously covered who did not receive state compensation ^{J.U.R} during the entire preceding calendar year resumes state service or returns to active service after an interruption without pay extending 3 consecutive months or more, then the departmental representative designated by rule shall estimate the compensation to be received during the ensuing 12 months and such shall be the annual basis of compensation for purposes of coverage until coverage has continued for a full calendar year, provided that for regular seasonal employes the projection shall not continue after such status has continued for a full calendar year. - 10/30/59

The rules adopted and amended contained herein shall take effect pursuant to authority granted by section 227.026 (1) Wis. Stats.

GROUP INSURANCE BOARD

Dated: October 30th, 1959

John W. Reynolds
Secretary