

Ins 3

Filed May 28, 1974
9:00 am
CLP

STATE OF WISCONSIN
DEPARTMENT OF STATE
RECEIVED AND FILED

STATE OF WISCONSIN
OFFICE OF THE COMMISSIONER OF INSURANCE) ss.

MAY 29 1974

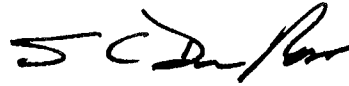
ROBERT C. ZIMMERMAN
SECRETARY OF STATE

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, S. C. DuRose, Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order adopting a rule relating to replacement of accident and sickness insurance was issued by this office on May 28, 1974.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto
subscribed my name in the City of
Madison, State of Wisconsin,
this 28th day of May, 1974.



S. C. DuRose
Commissioner of Insurance

MAY 29 1974

ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

Adopting Rules

ROBERT C. ZIMMERMAN
SECRETARY OF STATE

Pursuant to authority vested in the Commissioner of Insurance by section 601.41 (3), Wis. Stats., the Commissioner of Insurance hereby adopts a rule as follows:

Section Ins 3.29 of the Wisconsin Administrative Code is adopted to read:

Ins 3.29 Replacement of Accident and Sickness Insurance.

(1) **PURPOSE.** The purpose of this rule is to safeguard the interests of persons covered under accident and sickness insurance who consider the replacement of their insurance by making available to them information regarding replacement and thereby reducing the opportunity for misrepresentation and other unfair practices and methods of competition in the business of insurance. This rule implements and interprets sections 201.53 (13), 207.04 (1) (a), and 601.01 (3) (b), Wis. Stats.

(2) **SCOPE.** This rule shall apply to the solicitation of accident and sickness insurance covering residents of this state and issued by insurance corporations, fraternal benefit societies or non-profit service plans in accordance with sections 201.04 (4), 208.01 or 200.26, Wis. Stats.

(3) EXEMPT INSURANCE. This rule shall not apply to the solicitation of the following accident and sickness insurance:

- (a) group, blanket or group type,
- (b) accident only,
- (c) single premium nonrenewable,
- (d) nonprofit dental care,
- (e) nonprofit prepaid optometric service,
- (f) a limited policy conforming to Wisconsin Administrative Code section Ins 3.13 (2) (b),
- (g) under which dental expenses only, prescription expenses only, vision care expenses only or blood service expenses only are covered,
- (h) conversion to another individual or family policy in the same insurer with continuous coverage,
- (i) conversion to an individual or family policy to replace group, blanket or group type coverage in the same insurer,
- (j) change to a Medicare supplement policy which covers pre-existing conditions, without any limitation, to replace a basic hospital expense, basic medical expense, basic surgical expense, or major-medical expense policy.

(4) DEFINITIONS. For the purposes of this rule:

(6) NOTICE TO BE FURNISHED. (a) An agent soliciting the sale of insurance shall, upon determining that the sale would involve replacement, furnish to the applicant, at the time of taking the application, the notice described in subsection (7) to be signed by the applicant.

(b) An insurer soliciting direct response insurance shall, upon determining that the sale would involve replacement, furnish to the applicant, before the policy is issued, the notice described in subsection (7) to be signed by the applicant.

(c) A copy of such notice shall be left with or retained by the applicant and a signed copy shall be retained by the insurer.

(7) NOTICE TO APPLICANT. The notice required by subsection (6) shall provide, in substantially the following form:

NOTICE TO APPLICANT

REGARDING REPLACEMENT OF ACCIDENT AND SICKNESS INSURANCE

According to (your application) (the information furnished by you), you intend to lapse or otherwise terminate your present policy and replace it with a policy to be issued by _____ Insurance Company. For your own information and protection, certain facts should be pointed out to you which should be considered before you make this change.

1. Health conditions which you may presently have may not be covered under the new policy. This could result in a claim for benefits being denied which may have been payable under your present policy.
2. Even though some of your present health conditions may be covered under the new policy, these conditions may be subject to certain waiting periods under the new policy before coverage is effective.
3. Questions in the application for the new policy must be answered truthfully and completely; otherwise, the validity of the policy and the payment of any benefits thereunder may be voided.
4. The new policy will be issued at a higher age than that used for issuance of your present policy; therefore, the cost of the new policy, depending upon the benefits, may be higher than you are paying for your present policy.
5. The renewal provisions of the new policy should be reviewed so as to make sure of your rights to periodically renew the policy.
6. It may be to your advantage to secure the advice of your present insurer or its agent regarding the proposed replacement of your present policy. You should be certain that you understand all the relevant factors involved in replacing your present coverage.

The above "Notice to Applicant" was delivered to me on (Date) .

Applicant

(8) VIOLATION. A violation of this rule shall be considered to be a misrepresentation for the purpose of inducing a person to purchase insurance. A person guilty of such violation shall be subject to section 601.64, Wis. State.

(9) SEPARABILITY. If any provision of this rule shall be held invalid, the remainder of the rule shall not be affected by such invalidity.

(10) EFFECTIVE DATE. This rule shall become effective September 1, 1974.

Dated May 28, 1974.



S. C. Dukoss
Commissioner of Insurance