

Ins 3

Filed February 26, 1975
11:10 am GSP

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

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 amending a rule relating to credit life insurance and credit accident and sickness insurance was issued by this office on February 25, 1975.

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 25th day of February, 1975.



S. C. DuRose
Commissioner of Insurance

STATE OF WISCONSIN
DEPARTMENT OF STATE
RECEIVED AND FILED

FEB 26 1975

DOUGLAS LAFOLLETTE
SECRETARY OF STATE

STATE OF WISCONSIN
DEPARTMENT OF STATE
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ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

Amending A Rule

DOUGLAS LAFOLLETTE
SECRETARY OF STATE

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

The following parts of section Ins 3.25 of the Wisconsin Administrative Code are amended to read:

(4) (a) The amount of credit life insurance on the life of any debtor shall at no time exceed the amount owed by him which is repayable in installments to the creditor, or \$10,000, whichever is less. Except for a consumer credit transaction primarily for an agricultural purpose (section 421.301 (4), Wis. Stats.), where the indebtedness is repayable in one sum to the creditor, the insurance on the life of any debtor shall in no instance be in effect for a period in excess of 18 months except that such insurance may be continued for an additional period not exceeding 6 months in the case of default, extension or recasting of the loan. The amount of insurance on the life of any debtor shall at no time exceed the amount of unpaid indebtedness, or \$10,000, whichever is less.

(5) (fifth sentence) In any renewal or refinancing of the indebtedness the effective date of the coverage as respects any policy provision shall be deemed to be the first date on which the debtor became insured under the policy covering the indebtedness which was renewed or refinanced, but this does not apply to an amount of indebtedness, exclusive of refinancing charges, in excess of the original indebtedness outstanding at the time of refinancing.

(6) (d) 6. Set forth the amount, term and a brief description of the coverage provided including all exclusions and exceptions.

(6) (h) Conspicuous notice of the debtor's right to return the policy, certificate of insurance or notice of proposed insurance within 10 days of incurring the indebtedness and to receive a refund of any premium paid if he is not satisfied with the insurance for any reason, as required by section 424.203 (4), Wis. Stats., shall be furnished with or in the policy, certificate or notice of proposed insurance.

(6) (i) Charges or premiums for credit life insurance or credit accident and sickness insurance may only be collected from debtors if the disclosure and authorization requirements of section 422.202 (1) (b), Wis. Stats., are met. If two debtors are to be insured for credit life insurance each must receive the disclosure information and each must request credit life insurance coverage.

(8) (f) (second sentence) The sum of the refunds due on all credit life insurance or credit accident and sickness insurance policies being terminated in connection with the indebtedness and all other credits due to the customer under Chapters 421 to 428, Wis. Stats., shall be used to determine if a refund is due.

(12) (g) 2. No age restrictions, or only age restrictions making ineligible for coverage:

- a. Debtors less than age 18 at the time the indebtedness is incurred, or
- b. Debtors age 65 or over at the time the indebtedness is incurred, or
- c. Debtors who will have attained age 66 or over on the maturity date of the indebtedness.

(13) (c) 3. No age restrictions, or only age restrictions making ineligible for coverage:

- a. Debtors less than age 18 at the time the indebtedness is incurred, or
- b. Debtors age 65 or over at the time the indebtedness is incurred, or
- c. Debtors who will have attained age 66 or over on the maturity date of the indebtedness.

(13) (c) 5. Provides for benefits to be payable in the event of disability resulting from bodily injury or sickness, which disability commences while the debtor is insured hereunder and prevents the insured debtor from engaging in any gainful occupation for which he is reasonably qualified by reason of education, training or experience, except that during the initial twelve months of disability the inability of the insured to engage in his own occupation shall be the only test.

(14) (c) If the adjusted case ratio for credit accident and sickness insurance is less than 1.00, but greater than the limits specified in the following table, the case rates are the product of the deviation factor g , and the prima facie rates in subsection (13), where

$$g = [1 - \text{adjusted case ratio} \times 1.25 \times \text{Basic Permissible Loss Ratio}]$$

Plan of Benefit	Limit
14 days Retroactive Elimination Period	.55
14 days Non-Retroactive Elimination Period	.59
30 days Retroactive Elimination Period	.67
30 days Non-Retroactive Elimination Period	.89
	<u>.5 (1 - 1.25 X Basic Permissible Loss Ratio)</u>
Limit =	<u>Basic Permissible Loss Ratio (1 - .5 X 1.25)</u>

(Rounded down)

(14) (d) If the adjusted case ratio for credit accident and sickness insurance is less than 1.00, and less than or equal to the limit specified in the above table, the case rates are the product of the deviation factor h, and the prima facie rate in subsection (13), where

$h = (\text{Adjusted Case Ratio} \times \text{Basic Permissible Loss Ratio} \times 2)$

Dated at Madison, Wisconsin, this 25th day of February, 1975.



S. C. DuRose
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Commissioner of Insurance

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DOUGLAS LAFOLLETTE
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