

Chapter Ins 6

GENERAL

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Ins 6.01 Foreign company to operate 2 years before admission. Experience has demonstrated that until a company has engaged in the business of insurance for at least 2 years there is not a sufficient basis upon which to form a judgment as to whether its methods and practices in the conduct of its business are such as to safeguard the interests of its policyholders and the people of this state. Therefore, no application of a foreign insurance company or mutual benefit society for a license to transact business in Wisconsin will be considered until it has continu-

ously transacted the business of insurance for at least 2 years immediately prior to the making of such application for license.

Ins 6.02 Company to transact a kind of insurance 2 years before admission. (1) Experience has demonstrated that until a company has engaged in a kind of insurance or in another kind of insurance of the same class for at least 2 years, there is not a sufficient basis upon which to form a judgment as to whether its methods and practices in the conduct of its business in such kind of insurance or another kind in the same class of insurance, are such as to safeguard the interests of its policyholders and the people of this state. Therefore, no application of a foreign insurance company or mutual benefit society for a license to transact a kind of insurance business in Wisconsin will be considered until it has continuously transacted that kind of insurance, or another kind of insurance in the same class of insurance as that for which it makes such application; for at least 2 years immediately prior to making such application. For the purposes hereof, insurance is divided into kinds of insurance according to the provisions of section Ins 6.75 each subsection setting forth a separate kind, and into classes of insurance upon the basis of and including the said kinds as follows:

(a) Fire insurance includes the kinds in section Ins 6.75 (2) (a).

(b) Life insurance includes the kinds in section Ins 6.75 (1) (a) and (b) but excluding all insurance on the health of persons other than that authorized in s. 627.06, Stats., and section 6.70, Wis. Adm. Code.

(c) Casualty insurance includes the kinds in section Ins 6.75 (2) (c) through (n).

(2) Provided, however, that nothing herein shall preclude consideration of an application to transact the kind of insurance in Ins 6.75 (1) (e) or (2) (c) if the applicant company has transacted any of the kinds of insurance in Ins 6.75 (1) (a) and (b) or (2) (d), (e), (k) and (n) continuously for 2 years immediately prior to the making of application for license to transact the kind of insurance in Ins 6.75 (1) (e) or (2) (c).

History: 1-2-56; emerg. am. eff. 6-22-76; am. Register, September, 1976, No. 249, eff. 10-1-76; am. Register, March, 1979, No. 279, eff. 4-1-79.

Ins 6.05 Filing of property and casualty insurance forms. (1) **PURPOSE.** This rule is intended to implement and interpret s. 631.20, Stats., for the purpose of establishing filing procedures for certain property and casualty insurance policy forms.

(2) **SCOPE.** The requirements of this rule shall apply to insurance forms as defined in s. 600.03 (21) to be used to provide any of the lines or classes of insurance listed in Ins 6.75 (2) (a), (d), (e), (f), (g), (h), (i), (j), (l), (m) and (n).

(3) **DEFINITIONS.** In this rule, unless the context otherwise requires, the following words and terms shall have the following meanings:

(a) "Filing" shall mean:

1. Any matter submitted under this rule.
2. The act of filing such matter.

(b) "Basic policy forms" shall mean the basic insurance contracts used by any insurer including coverage parts or forms necessary to complete the contracts, amendatory endorsements needed to effect statutory compliance, and applications which become a part of an insurance contract.

(c) "Standard basic policy forms" shall mean any basic policy forms filed by a rate service organization licensed under s. 625.32, Stats.

(d) "Endorsement" shall mean any form or rider attached to a basic policy form which is not necessary to complete the basic contract nor effect statutory compliance, but is attached to either define, extend, limit, exclude, condition or otherwise alter coverage under the form.

(e) "Standard endorsements" shall mean any endorsements filed by a rate service organization licensed under s. 625.32, Stats.

(f) "Affiliated insurer" means an insurer who is a member or subscriber to a rate service organization licensed under s. 625.32, Stats., and who has authorized a rate service organization to make form filings on its behalf.

(4) **FILINGS REQUIRED.** (a) From a licensed rate service organization - A licensed rate service organization shall file all basic policy forms and endorsements intended for use in Wisconsin by any affiliated insurers for the commissioner's prior approval. In the absence of any other filing made under paragraph (b), such filings will automatically apply to all affiliated insurers. Such filing shall be accomplished by a *duplicate* transmittal letter which sets forth the following:

1. A listing, by form number and title and edition date, of each basic policy form and/or endorsement included in the filing.

2. A listing, by form number, title, edition date and effective date, of each basic policy form and/or endorsement to be superseded by the filing.

3. The proposed effective date of the filing. Such effective date shall be not less than 30 days following the date of receipt of the filing by the commissioner.

4. With respect to basic policy forms, a summary of all changes resulting from the filing by paragraph and clause.

5. With respect to each endorsement, a listing of the basic policy forms with which the endorsement may be used unless such information is specified on the endorsement itself.

(b) From an affiliated insurer - All standard basic policy forms and standard endorsements, as defined in subsections (2) (d) and (2) (f), that have been filed by a licensed rate service organization with which an insurer is affiliated, automatically apply to such affiliated insurer. For information purposes, each affiliated insurer shall submit a listing of such standard basic policy forms and standard endorsements that it intends to use in Wisconsin and shall update such lists, as needed, but in no event, less than once per year. Such filing is required from each individual insurer and filings by "insurer groups" are not permitted. Each affiliated insurer shall also file all basic policy forms and endorsements that it intends to use in lieu of or in addition to standard basic policy forms and standard endorsements for the commissioner's prior approval. Such filings shall take precedent over any standard basic policy forms and standard endorsements filed on behalf of the affiliated insurer, and shall be submitted in accordance with the requirements in paragraph (c).

(c) From an individual insurer not an affiliated insurer - Each insurer not an affiliated insurer shall file all basic policy forms, standard basic policy forms, endorsements and standard endorsements, as defined in this rule, for the commissioner's prior approval. Upon receipt of written notification and acceptance by the commissioner, such insurer may, in lieu of filing, adopt by reference, the standard basic policy forms and standard endorsements filed by any licensed rate service organization and approved by the commissioner, but such adoption shall not relieve the insurer of its obligation to file other basic policy forms and endorsements as defined in this rule. Each filing shall be accompanied by a *duplicate* transmittal letter which sets forth the same information as that required of rate service organizations in paragraph (a).

(5) **EFFECTIVE DATE.** The effective date of all form filings made by a rate service organization shall automatically apply to all affiliated insurers or non-affiliated insurers who have elected to adopt form filings of such organization.

(6) **PENALTY.** Any insurer violating the provisions of this rule by using a form which has not been approved by the commissioner shall be subject to the penalties set forth in s. 601.64, Stats. Each form issued to each policyholder contrary to the provisions of this rule shall constitute a separate violation of this rule.

History: Cr. Register, July, 1958, No. 31, eff. 8-1-58; am. (3), Register, May, 1975, No. 233, eff. 6-1-75; emerg. am. (1), eff. 6-22-76; am. (1), Register, September, 1976, No. 249, eff. 10-1-76; r. and recr. Register, November, 1977, No. 263, eff. 12-1-77.

Ins 6.09 Prohibited acts by captive agents of lending institutions and others. (1) **PURPOSE.** This rule implements and interprets applicable statutes, including but not limited to ch. 628, Stats., prohibiting concerted acts of boycott, coercion, or intimidation resulting in or tending to result in unreasonable restraint of the business of insurance as unfair methods of competition and as unfair or deceptive acts or practices in the business of insurance.

(2) **DEFINITIONS.** (a) *Agent.* A natural person, other than a captive agent, holding a valid and current certificate of registration as an insurance agent and one or more valid and current licenses to represent one or

provided, is received by this Company and ascertainment of the loss is made either by agreement between the insured and this Company expressed in writing or by the filing with this Company of an award as herein provided.

(p) *Suit*. No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within twelve months next after inception of the loss.

(q) *Subrogation*. This Company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this Company.

History: Cr. Register, November, 1977, No. 263, eff. 12-1-77; am. (3) (a), Register, November, 1978, No. 275, eff. 12-1-78.

Ins. 6.77 Exemption from midterm cancellation requirements.

(1) **PURPOSE.** This rule is intended to exempt certain classes of insurance contracts from s. 631.36 (2) (a), Stats., in accordance with the provisions of s. 631.36 (1) (c), Stats.

(2) **SCOPE.** This rule shall apply to all insurers authorized to write umbrella or excess liability insurance policies in Wisconsin.

(3) **DEFINITIONS.** (a) *Umbrella liability policy* means an insurance contract providing at least \$1,000,000 of liability coverage per person or per occurrence in excess of certain required underlying liability insurance coverage or a specified amount of self-insured retention.

(b) *Excess Liability policy* means an insurance contract providing at least \$1,000,000 of liability coverage per person or per occurrence in excess of certain required underlying liability insurance coverage.

(4) **EXEMPTION.** Any umbrella or excess liability insurance policy as defined in subsection (3) is exempt from the requirements of s. 631.36 (2) (a), Stats.

(5) **NOTICE.** An insurer cancelling any umbrella liability policy or excess liability policy shall notify the commissioner of the grounds for such cancellation not later than the time at which the insurer notifies the policyholder of such cancellation.

History: Emerg. cr. eff. 7-1-77; cr. Register, November, 1977, No. 263, eff. 12-1-77.