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STATE OF WISCONSIN
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DOUGLAS LA FOLLETTE
SECRETARY OF STATE

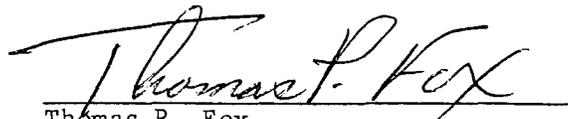
STATE OF WISCONSIN)
OFFICE OF THE COMMISSIONER OF INSURANCE)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Thomas P. Fox, Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order amending rules relating to accident and sickness insurance was issued by this office on August 11, 1986.

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 11th day of August, 1986.



Thomas P. Fox
Commissioner of Insurance

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ORDER OF THE COMMISSIONER OF INSURANCE DOUGLAS LA FOLLETTE
SECRETARY OF STATE

To amend Ins 3.13 (1), Ins 3.14 (1), (5) (a), (6) (Intro.) and (b),
Ins 3.15 (1), Ins 3.17 (3) (Intro.) (a) 4 and 5, (4) (Intro.), (5) (Intro.)
and (6) (Intro.) relating to individual accident and sickness insurance, group
accident and sickness insurance, blanket accident and sickness insurance, and
reserves for accident and sickness policies.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

These rules interpret Ch. 601, Ch. 623 and s. 631.20, Stats. The
rules are being amended to correct incorrect statutory references.

Pursuant to the authority vested in the Office of the Commissioner of
Insurance by s. 601.41 (3), Stats., the Office of the Commissioner of
Insurance hereby amends rules interpreting Ch. 601 and 623 and s. 631.20,
Stats., as follows:

SECTION. 1. Ins 3.13 (1) is amended to read:

Ins 3.13 INDIVIDUAL ACCIDENT AND SICKNESS INSURANCE. (1) PURPOSE.

This ~~rule~~ section implements and interprets applicable statutes for the
purpose of establishing procedures and requirements to expedite the review and
approval of individual accident and sickness policies permitted by s. Ins 6.75
(1) (c) or (2) (c), and franchise-type accident and sickness policies
permitted by s. 600.03 ~~(34m)-(d)~~ (22), Stats. and s. Ins 6.75 (1) (c) or (2)
(c). The requirements in subs. (2), (3), (4), (5) and (6) are to be followed
in substance, and wording other than that described may be used provided it is
not less favorable to the insured or beneficiary.

SECTION 2. Ins 3.14 (1) is amended to read:

Ins 3.14 GROUP ACCIDENT AND SICKNESS INSURANCE. (1) PURPOSE. This rule implements and interprets applicable statutes for the purpose of establishing procedures and requirements to expedite the review and approval of group accident and sickness policies permitted by s. 600.03 ~~(34m)-(b)~~ (23) and s. Ins 6.75 (1) (c) or (2) (c).

SECTION 3. Ins 3.14 (5) (a), (6) (Intro.) and (b) are amended to read:

(5) COVERAGE REQUIREMENTS. (a) Policies issued in accordance with s. 600.03 ~~(34m)-(b)~~ (23), Stats., shall offer to insure all eligible members of the group or association except any as to whom evidence of insurability is not satisfactory to the insurer. Cancellation of coverage of individual members of the group or association who have not withdrawn participation nor received maximum benefits is not permitted except that the insurer may terminate or refuse renewal of an individual member who attains a specified age, retires or who ceases to actively engage in the duties of his profession or occupation on a full-time basis or ceases to be an active member of the association or labor union or an employe of the employer, or otherwise ceases to be an eligible member.

(6) ELIGIBLE GROUPS. In accordance with s. 600.03 ~~(34m)-(b)~~ (23), Stats.:

(b) The individual members of member organizations of an association, as defined in s. 600.03 ~~(34m)-(b)~~ (23), Stats., are eligible to be covered under a group accident or sickness policy issued to such association insuring employes of such association and employes of member organizations of such association, and

SECTION 4. Ins 3.15 (1) is amended to read:

Ins 3.15 BLANKET ACCIDENT AND SICKNESS INSURANCE. (1) PURPOSE. This rule implements and interprets applicable statutes for the purpose of establishing procedures and requirements to expedite the review and approval of blanket accident and sickness policies permitted by s. 600.03 ~~(34m)-(e)~~ (4), Stats., and s. Ins. 6.75 (1) (c) or (2) (c).

SECTION 5. Ins 3.17 (3) (Intro.), (a) 4 and 5, (4) (Intro.), (5) (Intro.) and (6) (Intro.) are amended to read:

Ins 3.17 (3) ACTIVE LIFE RESERVES, INDIVIDUAL AND FRANCHISE POLICIES. Active life reserves are required for all in force policies issued subject to s. Ins 6.75 (1) (c) or (2) (c), ss. 600.03 ~~(34m)-(d)~~ (22), and ~~632-94~~ 632.93, Stats.

(a) 4. Franchise policies as defined in s. 600.03 ~~(34m)-(d)~~ (22), Stats., issued under or subject to an agreement that except for stated reasons, the insurer will not cancel or refuse to renew the coverage of individual insureds prior to a specified age unless all coverage under the same franchise group is terminated and which are based on the level premium principle.

5. All other franchise policies as defined in s. 600.03 ~~(34m)-(d)~~ (22), Stats.

(4) ACTIVE LIFE RESERVES, GROUP AND BLANKET POLICIES. Active life reserves are required for all in force policies issued subject to s. 600.03 ~~(34m)-(b)~~ (4) and ~~(e)~~ (23), Stats.

(5) CLAIM LIABILITY RESERVES, INDIVIDUAL AND FRANCHISE. Claim liability reserves to represent the value of amounts not yet due on claims are required for all policies issued subject to s. Ins 6.75 (1) (c) or (2) (c), s. 600.03 ~~(34m)-(d)~~ (22), or s. ~~632-94~~ 632.93, Stats.

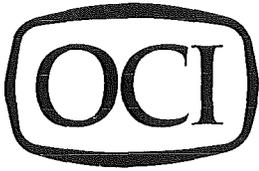
(6) CLAIM LIABILITY RESERVES, GROUP AND BLANKET POLICIES. Claim liability reserves to represent the value of amounts not yet due on claims are required for all policies issued subject to s. 600.03 ~~(34)~~-(b) (4) or (c) (23), Stats.

EFFECTIVE DATE. This rule shall take effect as provided in s. 227.22 (2) (Intro.), Stats.

Dated at Madison, Wisconsin, this 11th day of August, 1986.


Thomas P. Fox
Commisisoner of Insurance

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The State of Wisconsin
Office of the Commissioner of Insurance

Thomas P. Fox
Commissioner
(608) 266-3585

DATE: August 11, 1986
TO: Gary Poulson
FROM: M. E. Van Cleave
Assistant Deputy Commissioner of Insurance
SUBJECT: Rules Ins 3.13, 3.14, 3.15 and 3.17, Clearinghouse No. 86-104

Enclosed are two copies of an Order of the Commissioner of Insurance amending rules Ins 3.13, 3.14, 3.15 and 3.17, Clearinghouse No. 86-104, relating to accident and sickness insurance.

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Enclosure
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