

CR 86-203

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STATE OF WISCONSIN
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MAR 09 1987

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, Randy Blumer, Deputy Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order amending, repealing, recreating and creating a rule relating to unfair discrimination in life and disability insurance based on physical or mental impairment was issued by this office on March 9, 1987.

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 9th day of March, 1987.



Randy Blumer
Deputy Commissioner of Insurance

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5-1-87

ORDER OF THE COMMISSIONER OF INSURANCE

MAR 09 1987

To amend Ins 6.67 (Intro.); to repeal and recreate Ins 6.67 (3); and
to create Ins 6.67 (4) and (5) relating to unfair discrimination
disability insurance based on physical or mental impairment.

JOUGLAS LA FOLLETTE
SECRETARY OF STATE

ANALYSIS PREPARED BY THE COMMISSIONER OF INSURANCE

This rule interprets s. 628.34 (3) (b), Stats.

The purpose of this rule is to indicate that insurers may not refuse to insure, to continue to insure, to limit coverage or charge a different rate solely because of blindness or partial blindness. This provision is similar to a provision adopted by the National Association of Insurance Commissioners because of concerns that insurers were unfairly discriminating against the blind solely on the basis of blindness or partial blindness.

This section is also being amended to correct statutory references and to clarify that in enforcement actions under this section the burden of proof will be on insurers.

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, repeals and recreates and creates a rule interpreting s. 628.34 (3) (b).

SECTION 1. Ins 6.67 (1) (Intro.) is amended to read:

Ins 6.67 (1) PURPOSE. The purpose of this rule is to identify specific acts or practices in life and disability insurance found to be unfairly discriminatory under s. 628.34 (3) (b), Stats.

SECTION 2. Ins 6.67 (3) is repealed and recreated to read:

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Ins 6.67 (3) SPECIFIC EXAMPLES. The following are specific examples of unfair discrimination under s. 628.34 (3) (b), Stats. (a) Refusing to insure, or refusing to continue to insure, or limiting the amount, extent or kind of coverage available to an individual or charging a different rate for the same coverage solely because of physical or mental impairment, other than blindness or partial blindness, except where the refusal, limitation or rate differential is based on sound actuarial principles or is related to actual or reasonably anticipated experience.

(b) Except as provided in par. 1. and 2., refusing to insure, or refusing to continue to insure, or limiting the amount, extent or kind of coverage available to an individual, or charging an individual a different rate for the same coverage solely because of blindness or partial blindness.

1. Individuals who are blind or partially blind may be subject to standards based on sound actuarial principles or actual or reasonably anticipated experience with respect to any other condition they may have, including a condition which is the cause of the blindness or partial blindness.

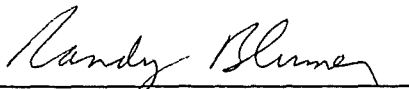
2. Refusal to insure under sub. (3) includes a denial of disability insurance on the basis that the policy presumes disability if the insured loses his or her eyesight. However, an insurer may exclude from coverage, or apply a waiting period, to coverage of treatment of blindness or partial blindness if that condition exists at the time the policy was issued.

SECTION 3. Ins 6.67 (5) is created to read:

Ins 6.67 (5) INSURER RESPONSIBILITY. An insurer has the burden of proof to show that an act, standard or practice of the insurer is based on sound actuarial principles or is related to actual or reasonably anticipated experience in any action to enforce s. 628.34 (3) (b), Stats. For the anticipated experience to be reasonable it must be based on medical or actuarial research on morbidity or mortality.

Effective Date. This rule will become effective as provided in
s. 227.22 (2) (intro.), Stats.

Dated at Madison, Wisconsin, this 9th day of March, 1987.



Randy Blumer
Deputy Commissioner of Insurance

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The State of Wisconsin
Office of the Commissioner of Insurance

Thomas P. Fox
Commissioner
(608) 266-3585

DATE: March 9, 1987
TO: Gary Poulson
FROM: Mary Grossman, Director
Office of Policy Analysis
SUBJECT: Ins 6.67, Clearinghouse Number 86-203

Enclosed are two copies of an Order of the Commissioner of Insurance amending, repealing, recreating and creating Ins 6.67, clearinghouse number 86-203, relating to unfair discrimination in life and disability insurance based on physical or mental impairment.

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Enclosure
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