

1969 Senate Bill 498

February 3, 1970

CHAPTER 346, LAWS OF 1969

AN ACT to amend 201.05 (3) (c), 206.60 (7) and 206.64 (3); and to create 201.065 of the statutes, relating to limitations on amounts and assignments of rights under life and disability insurance policies.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 201.05 (3) (c) of the statutes is amended to read:

201.05 (3) (c) Policies under s. 201.04 (3) may contain any provision operating to safeguard the insurance against lapse, or giving a special surrender value or annuity ~~providing for payments not exceeding one per cent per month of the face amount of the policy during the lifetime of the insured, with or without reduction of the sum insured in the event that the insured becomes totally and permanently disabled for any cause as defined by the policy.~~

SECTION 2. 201.065 of the statutes is created to read:

201.065 ASSIGNABILITY. No provision of the statutes shall prohibit an insured under any policy of insurance of the kind described in s. 201.04 (3) or (4) or any other person who is the owner of any rights under such policy from making an assignment of all or any part of his rights and privileges under the policy, including any right to designate a beneficiary thereunder and any right to have an individual policy issued in accordance with s. 206.61 (8), (9) and (10) or 206.64 (5). Subject to the terms of the policy or any contract relating thereto, an assignment by an insured or by any other owner of rights under the policy, made either before, upon or after the effective date of this section (1969), is valid for the purpose of vesting in the assignee, in accordance with any provisions included therein as to the time at which it is to be effective, all rights and privileges so assigned, but without prejudice to the insurer on account of any payment it may make or individual policy it may issue in accordance with s. 206.61 (8), (9) and (10) or 206.64 (5) prior to receipt of notice of the assignment. This section acknowledges and declares the existing right of assignment of interests under such insurance policies.

SECTION 3. 206.60 (7) of the statutes is amended to read:

206.60 (7) No such policy of group life insurance may be issued to an employer, or labor union, or to the trustees of a fund established in whole or in part by an employer or a labor union, which provides term insurance on any person which, together with any other term insurance under any group life insurance policy ~~or policies~~ issued to the employer ~~or employers~~ of such person or to a labor union ~~or labor unions~~ of which such person is a member or to the trustee of a fund ~~or funds~~ established in whole or in part by such employer ~~or employers~~ or such labor union ~~or labor unions~~, exceeds ~~\$20,000~~ \$50,000, unless ~~150 per cent~~ 200% of the annual compensation of such person from his employer or employers exceeds ~~\$20,000~~ \$50,000, in which event all such term insurance shall not exceed ~~\$40,000~~ \$75,000 or ~~150 per cent~~ 200% of such annual compensation, whichever is the lesser. These limitations as to amount shall not apply to any such group policy existing on July 15, 1949, or to any amount thereafter written under the policy *or any amendments or substitution thereof.*

SECTION 4. 206.64 (3) of the statutes is amended to read:

206.64 (3) Any insurance company authorized to write life insurance in this state may issue franchise life insurance policies, but no such policy issued in connection with a franchise unit shall, together with any other franchise life insurance issued to a member in connection with such franchise unit, exceed ~~\$20,000~~ \$50,000 unless ~~150 per cent~~ 200% of the annual compensation of such members from a franchise unit specified in sub. (1) (b) 1 or 2 exceeds ~~\$20,000~~ \$50,000, in which event all such franchise life insurance shall not exceed ~~\$40,000~~ \$75,000, or ~~150 per cent~~ 200% of such annual compensation, whichever is the lesser.

Approved January 5, 1970.
