**1981 Senate Bill 93** Date published: **November 3, 1981**

# CHAPTER 39, Laws of 1981

AN ACT to repeal 632.78 (1) (title) and (4) (b), 632.89 (4) and 632.90; to renumber 632.78 (3) (title), (a), (c) 1 to 6 and (e) to (j) and (4) (title) and 632.91; to renumber and amend 632.78 (1), (2), (3) (b), (c) (intro.), (cm) and (d) and (4) (a); to amend 632.78 (title) and 632.895 (4) (a), (b) and (e), as renumbered; to repeal and recreate 632.89 (3); and to create 632.895 (title) and (1) (intro.) of the statutes, relating to mandatory coverage by disability insurance policies.

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

SECTION 1. 632.78 (title) of the statutes is amended to read:

**632.78** (title) **Required grace period for disability insurance policies.**

SECTION 2. 632.78 (1) (title) of the statutes is repealed.

SECTION 3. 632.78 (1) of the statutes is renumbered 632.78 and amended to read:

632.78 Every disability insurance policy shall contain clauses providing for a grace period of at least 7 days for weekly premium policies, 10 days for monthly premium policies and 31 days for all other policies, for each premium after the first, during which the policy shall continue in force. In group and blanket policies the policy must provide for a grace period of at least 31 days unless the policyholder gives written notice of discontinuance prior to the date of discontinuance and in accordance with the policy terms. In group or blanket policies, the policy may provide for payment of a proportional premium for the period the policy is in effect during the grace period under this ~~subsection~~ section.

SECTION 4. 632.78 (2) of the statutes is renumbered 632.895 (4) and amended to read:

632.895 (4) KIDNEY DISEASE TREATMENT. Every disability insurance policy which provides hospital treatment coverage on an expense incurred basis shall ~~contain a clause providing for~~ provide coverage for hospital inpatient and outpatient kidney disease treatment, which may be limited to dialysis, transplantation and donor-related services, in an amount not less than $30,000 annually, as defined by the department of health and social services under s. 632.89 (6). No insurer is required to duplicate coverage available under the federal medicare program, nor duplicate any other insurance coverage the insured may have. Coverage under this subsection may not be subject to exclusions or limitations,

including deductibles and coinsurance factors, which are not generally applicable to other conditions covered under the policy.

SECTION 5. 632.78 (3) (title) of the statutes is renumbered 632.895 (2) (title).

SECTION 6. 632.78 (3) (a) of the statutes is renumbered 632.895 (2) (a).

SECTION 7. 632.78 (3) (b) and (c) (intro.) of the statutes are renumbered 632.895 (1) (a) and (b) (intro.) and amended to read:

632.895 (1) (a) ~~In this subsection "disability insurance"~~ "Disability insurance policy" means surgical, medical, hospital, major medical ~~and~~ or other health service coverage but does not include hospital indemnity policies or ancillary coverages such as income continuation, loss of time or accident benefits.

(b) (intro.) ~~In this subsection "home care"~~ "Home care" means care and treatment of an insured under a plan of care established, approved in writing and reviewed at least every 2 months by the attending physician, unless the attending physician determines that a longer interval between reviews is sufficient, and consisting of one or more of the following:

SECTION 8. 632.78 (3) (c) 1 to 6 of the statutes are renumbered 632.895 (1) (b) 1 to 6.

SECTION 9. 632.78 (3) (cm) and (d) of the statutes are renumbered 632.895 (1) (c) and (d) and amended to read:

632.895 (1) (c) ~~In this subsection "hospital indemnity policies"~~ "Hospital indemnity policies" means policies which provide benefits in a stated amount for confinement in a hospital, regardless of the hospital expenses actually incurred by the insured, due to such confinement.

(d) ~~In this subsection "immediate family"~~ "Immediate family" means the spouse, children, parents, grandparents, brothers and sisters of the insured and their spouses.

SECTION 10. 632.78 (3) (e) to (j) of the statutes are renumbered 632.895 (2) (b) to (g).

SECTION 11. 632.78 (4) (title) of the statutes is renumbered 632.895 (3) (title).

SECTION 12. 632.78 (4) (a) of the statutes is renumbered 632.895 (3) and amended to read:

632.895 (3) ~~Except as provided in par. (b), every~~ Every disability insurance policy filed after November 29, 1979, which provides coverage for hospital care shall provide coverage for at least 30 days for skilled nursing care to patients who enter a licensed skilled nursing care facility within 24 hours after discharge from a general hospital. The daily rate payable under this subsection shall not exceed the maximum daily rate established for licensed skilled nursing care facilities by the department of health and social services. The coverage under this subsection shall apply only to skilled nursing care which is certified as medically necessary by the attending physician and is recertified as medically necessary every 7 days. The coverage under this subsection shall apply only to the continued treatment for the same medical or surgical condition for which the insured had been treated at the hospital prior to entry into the skilled nursing care facility. The coverage under this subsection shall not apply to care which is essentially domiciliary or custodial, or to care which is available to the insured without charge or under a governmental health care program, other than a program provided under s. 49.46 or 49.47.

SECTION 13. 632.78 (4) (b) of the statutes is repealed.

SECTION 14. 632.89 (3) of the statutes is repealed and recreated to read:

632.89 (3) ADDITIONAL REQUIRED COVERAGE FOR CORPORATIONS SUBJECT TO CH. 613. Any corporation subject ch. 613 is subject to sub. (2) and in addition its group disability policies, joint contracts or contracts which provide for hospital treatment or outpatient treatment shall provide outpatient hospital treatment of alcoholism.

SECTION 15. 632.89 (4) of the statutes is repealed.

SECTION 18. 632.895 (title) and (1) (intro.) of the statutes is created to read:

**632.895** (title) **Mandatory coverage.** (1) DEFINITIONS. (intro.) In this section:

SECTION 19. 632.90 of the statutes is repealed.

SECTION 20. 632.91 of the statutes is renumbered 632.895 (4), and 632.895 (4) (a), (b) and (e), as renumbered, are amended to read:

632.895 (4) (a) No ~~policy of~~ disability insurance ~~whether under subch. II of ch. 40, or otherwise,~~ policy which provides coverage for a member of the insured's family may be issued unless it provides that benefits applicable for children shall be payable with respect to a newly born child of the insured from the moment of birth.

(b) Coverage for newly born children required under this ~~section~~ subsection shall consider congenital defects and birth abnormalities as an injury or sickness under the policy and shall cover functional repair or restoration of any body part when necessary to achieve normal body functioning, but shall not cover cosmetic surgery performed only to improve appearance. Notification is not furnished.

(e) This ~~section~~ subsection applies to all policies issued or renewed after May 5, 1976, and to all policies in existence on June 1, 1976. All policies issued or renewed after June 1, 1976, shall be amended to comply with the requirements of this ~~section~~ subsection.

SECTION 22. **Cross-reference changes.** In the sections of the statutes listed in Column A, the cross-references shown in Column B are changed to the cross-references shown in Column C:

| A<br>Statute Sections | B<br>Old Cross-References | C<br>New Cross-References |
|---|---|---|
| 146.81 (5) | 632.78 (3)(d) | 632.895 (1)(d) |
| 185.981 (6) | 632.91 | 632.895 (4) |
| 185.983 (1)(intro.) | 632.91 | 632.895 (4) |
| 619.14 (3)(p) | 632.78 (4) | 632.895 (3) |
| 632.89 (6) | this section and s. 632.78 (2) | s. 632.895 (4) |