

CHAPTER 41 , Laws of 1981

AN ACT to amend 601.04 (4) and 632.897 (2) (d) of the statutes, relating to fees paid by town mutuals for certificates of authority and to notice of right to continue group insurance coverage (suggested as remedial legislation by the commissioner of insurance).

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the commissioner of insurance, and introduced by the law revision committee under s. 13.83 (1) (c) 4 of the statutes. After careful consideration of the various provisions of this bill, the law revision committee has determined that this bill makes remedial changes in the statutes, and that these changes are desirable to maintain the accuracy and usefulness of the statutes.

SECTION 1. 601.04 (4) of the statutes is amended to read:

601.04 (4) FEES. ~~Except town mutuals, every~~ Every insurer or plan obtaining or renewing its certificate shall pay the fee required by s. 601.31 (1) (b) or (c).

NOTE: This SECTION makes section 601.04 (4) of the statutes consistent with section 601.31 (2) of the statutes, as affected by chapters 102 and 261, laws of 1979.

SECTION 2. 632.897 (2) (d) of the statutes is amended to read:

632.897 (2) (d) If the employer is notified to terminate the coverage for any of the reasons provided under par. (b), the employer shall provide the terminated insured written notification of the right to continue group coverage or convert to individual coverage and the payment amounts required for either continued or converted coverage including the manner, place and time in which the payments shall be made. This notice shall be given not less more than 5 days after the employer receives notice to terminate coverage. The payment amount for continued group coverage may not exceed the group rate in effect for a group member, including an employer's contribution, if any, for a group policy as defined in sub. (1) (c) 1 or the equivalent value of the monthly contribution of a group member to a group policy as defined in sub. (1) (c) 2 or the equivalent value of the monthly premium for franchise insurance as defined in sub. (1) (c) 3. The premium for converted coverage shall be determined in accordance with the insurer's table of premium rates applicable to the age and class of risks of each person to be covered under that policy and to the type and amount of coverage provided. The notice may be sent to the terminated insured's home address as shown on the records of the employer.

NOTE: This SECTION corrects an apparent drafting error in s. 632.897 (2) (d). Requiring that notice be given "not less than five days after" an event would permit indefinite delay of notice. This bill requires that notice be given not more than five days after the employer receives its notice.
