

**RELATIONSHIPS WITH OTHER INSURERS WHICH HAVE THE EFFECT OF LESSENING COMPETITION SUBSTANTIALLY OR IN WHICH THIS INSURER AND SUCH INSURERS HAVE MATERIAL ADVERSE INTERESTS:**

**OTHER: (2)**

- (1) In the case of a director who is not otherwise an employe ("outside director") so indicate under "TITLE AND FUNCTIONS" and show here the principal occupation.
- (2) Add any additional information, such as the use of aliases or a conviction of an officer for a felony or the naming of an officer, other than as a party plaintiff or complainant in any criminal action or in a civil action in which fraud was an issue.

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Signature of person reporting for the company

Dated	Title

**History:** Cr. Register, June, 1973, No. 210, eff. 7-1-73; emerg. r. (2) (a), eff. 6-22-76; r. (2) (a), Register, September, 1976, No. 249, eff. 10-1-76.

**Ins 6.53 Insurance consumers advisory council. (1) PURPOSE.** The purpose of this rule is to create an insurance consumers advisory council to be appointed by the commissioner pursuant to sections 15.04 (3), 227.018, and 601.20 (1), Wis. Stats.

(2) **MEMBERSHIP.** The council shall consist of the commissioner or a member of his staff designated by him and at least 6 but no more than 12 other citizen members. Members will be appointed with due consideration given to representation of all income levels, ethnic and racial groups and without discrimination as to sex. In addition, at least one, and no more than 3 members, shall be appointed who have expertise in the insurance business.

(3) **TERM.** Members of the council shall be appointed to serve for a term of 2 years except that one-half of the initial appointments under this rule shall be for a one-year term and the remaining members for a two-year term.

(4) **DUTIES.** It shall be the duty of the council to advise the commissioner on matters relating to:

- (a) Consumer education in insurance.
- (b) Insurance advertising, solicitation and deceptive practices.
- (c) Insurance availability, insurance policy exclusions, and other market problems.
- (d) Possible standardization and simplification of insurance contracts.

(5) **OFFICERS.** The council shall annually elect a chairman and a vice-chairman. The commissioner or his designee shall act as secretary and keep a record of all proceedings, transactions, communications, and other official acts of the council. The files and records of the council shall be maintained at the office of the commissioner.

(6) **MEETINGS.** The council shall meet at least twice a year when called by the commissioner and at such other times when requested by the commissioner or by 3 or more members.

(7) **EXPENSE REIMBURSEMENT.** Members of the council shall receive no salary or compensation for service on the council but shall be reimbursed for their actual and necessary expenses in attending meetings or while performing other duties as directed by the commissioner.

**History:** Cr. Register, June, 1975, No. 234, eff. 7-1-75; emerg. am. (1), eff. 6-22-76; am. (1), Register, September, 1976, No. 249, eff. 10-1-76.

**Ins 6.54 Prohibited classification of risks for rating purposes.**  
(1) **PURPOSE.** This rule interprets and implements sections 601.01 (3) (b), 625.02, 625.11, 625.12 (2), 625.13, and 625.21 (2), and chapter 628, Wis. Stats., for the purpose of prohibiting certain practices.

(2) **SCOPE.** This rule applies to all contracts issued, renewed or amended in Wisconsin affording automobile insurance coverage and all contracts issued, renewed or amended in Wisconsin affording coverage for loss or damage to real property used for residential purposes for not more than four living units or affording coverage for loss or damage to personal property used for residential purposes.

(3) **PROHIBITED PRACTICES.** (a) No insurance company shall refuse, cancel or deny insurance coverage to a class of risks solely on the basis of any of the following factors (taken individually or in combination), nor shall it place a risk in a rating classification on the basis of any of the following factors without credible information supporting such a classification and demonstrating that it equitably reflects differences in past or expected losses and expenses and unless such information is filed in accordance with sections 625.12, 625.13 and 625.21 (2), Wis. Stats.:

1. The applicant's or insured's past criminal record;
2. The applicant's or insured's physical condition or developmental disability as defined in section 51.01 (5), Wis. Stats.;
3. The applicant's or insured's past mental disability;
4. The applicant's or insured's age;
5. The applicant's or insured's marital status;
6. The applicant's or insured's sexual preference;
7. The applicant's or insured's "moral" character.

(b) Nothing in paragraph (a) shall be construed as including within the definition of prohibited practices any of the following:

1. Denying, cancelling or non-renewing the automobile or property insurance of a person convicted of an offense if the offense which resulted in the conviction is directly related to the risk to be insured;
2. Establishing a classification system merely for the purpose of developing statistical data;
3. Underwriting only the class of risks which are specified in the insurer's articles of incorporation;

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4. Establishing a rate based on the record of all drivers of an insured automobile;

5. Establishing a rate based on the number of people residing in a household.

(c) Nothing in paragraph (a) or (b) shall be interpreted in any way as limiting the prohibitions contained in sections 632.35 and 942.04 (1) (c), Wis. Stats.

(4) **PENALTY.** Violation of this rule may subject the insurer to the penalties set forth in section 601.64, Wis. Stats.

**History:** Cr. Register, March, 1976, No. 243, eff. 4-1-76; emerg. am. (1) and (3) (c), eff. 6-22-76; am. (1) and (3) (c), Register, September, 1976, No. 249, eff. 10-1-76; am. (3) (a) 2, Register, April, 1977, No. 266, eff. 5-1-77.

**Ins 6.55 Discrimination based on sex — unfair trade practice.**

(1) **PURPOSE.** The purpose of this rule is to eliminate the act of denying benefits or refusing coverage on the basis of sex, to eliminate unfair discrimination in underwriting criteria based on sex, and to eliminate any differences in rates based on sex which cannot be justified by credible supporting information. This rule interprets and implements section 601.01 (3) and chapter 628, Wis. Stats.

(2) **DEFINITIONS.** (a) Insurer has the meaning defined in section 600.03 (27), Wis. Stats., and in addition includes nonprofit service plans or service insurance corporations.

(b) Contract means any insurance policy, plan, certificate, subscriber agreement, statement of coverage, binder, rider or endorsement offered by an insurer subject to Wisconsin insurance law.

(3) **APPLICABILITY AND SCOPE.** (a) This rule shall apply to all contracts delivered in Wisconsin, or issued for delivery in Wisconsin on or after the effective date of this rule and to all existing group contracts subject to Wisconsin insurance law which are amended or renewed on or after the effective date of this rule.

(b) This rule shall not affect the right of fraternal benefit societies to determine eligibility requirements for membership.

(4) **AVAILABILITY REQUIREMENTS.** (a) It is an unfair trade practice for an insurer to:

1. Refuse or cancel coverage or deny benefits on the basis of the sex of the applicant or insured;

2. Restrict, modify, or reduce the benefits, term, or coverage on the basis of the sex of the applicant or insured.

(b) Examples of unfair trade practices defined by paragraph (a) and prohibited by this rule are:

1. Denying coverage to females gainfully employed at home, employed part-time, or employed by relatives when coverage is offered to males similarly employed;

2. Denying benefits offered by policy riders to females when the riders are available to males;

3. Denying, under group contracts, dependent coverage to husbands of female employees, when dependent coverage is available to wives of male employees;

4. Denying disability income coverage to employed women when coverage is offered to men similarly employed;

5. Treating complications of pregnancy differently from any other illness or sickness under a contract;

6. Restricting, reducing, modifying, or excluding benefits payable for treatment of the genital organs of only one sex;

7. Offering lower maximum monthly benefits to women than to men who are in the same underwriting, earnings or occupational classification under a disability income contract;

8. Offering more restrictive benefit periods and more restrictive definitions of disability to women than to men in the same underwriting, earnings or occupational classification under a disability income contract;

9. Establishing different conditions by sex under which the policyholder may exercise benefit options contained in the contract.

(5) **RATES.** When rates are differentiated on the basis of sex, the insurer must:

(a) File a brief letter of explanation along with a rate filing.

(b) Maintain written substantiation of such rate differentials in its home office.

(c) Justify in writing to the satisfaction of the commissioner the rate differential upon request.

(d) Base all such rates on sound actuarial principles or a valid classification system and actual experience statistics.

(6) **PENALTY.** Violation of this rule shall subject the insurer to the penalties set forth in section 601.64, Wis. Stats.

**History:** Cr. Register, May, 1976, No. 245, eff. 6-1-76; emerg. am. (1), eff. 6-22-76; am. (1), Register, September, 1976, No. 249, eff. 10-1-76.

**Ins 6.56 Interim continuance of authority to transact insurance business as an insurance agent.** (1) **PURPOSE.** Section 628.03 (2) (b), Wis. Stats., authorizes the exemption by rule of classes of persons from the requirement of obtaining a license under section 628.04, Wis. Stats., if other existing safeguards make regulation unnecessary. During the transition to regulation of insurance marketing activities under chapter 628, Wis. Stats., and pending the development of the new licensing standards and procedures which chapter 628, Wis. Stats., anticipates, interim continuance of authority of person to transact the business of insurance as outlined in the following subsections provides the minimal safeguards necessary for the short-term transition period until such time as licenses may be issued under section 628.04, Wis. Stats.

(2) **RESIDENT INSURANCE AGENT AUTHORITY.** Any Wisconsin resident insurance agent holding a valid certificate of registration issued in accordance with the procedures established pursuant to section 209.04

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