



MARY FELZKOWSKI

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Testimony on AB 305
Assembly Committee on Insurance
Rep. Mary Felzkowski
35th Assembly District
October 1, 2019

Chairman Petersen and Committee Members,

Thank you for hearing testimony on AB 305, legislation that would change the 60 day notice requirement for “Renewal with Altered Term” policies to 45 days.

Currently, when an insurer sends a renewal notification that includes less favorable terms or higher premiums – also known as a “Renewal with Altered Terms,” they are required to send that notice 60 days prior to the renewal date. These are similar to the renewal notices you receive from your car insurance provider every year – laying out your new terms and pricing.

The current 60 day notice requirement predates the industry’s speed of transactions in the marketplace, and the closer the policy holder gets to their renewal date, the more accurate the provider can be with underwriting and rating decisions.

AB 305 would lower the 60 day notice requirement to 45 days for “Renewal with Altered Terms” policies - creating more efficient and accurate industry practices for personal lines property and casualty coverage.

Data obtained from the Insurance Journal in 2015 indicates that 28 states have a 30 day notice requirement or less, 11 states have a 45 day notice requirement, and only 5 states have a 60 day notice requirement.

This legislation would simply modernize current language.

Thank you for hearing my testimony. I would be more than happy to answer any questions you have.



DAVID CRAIG

STATE SENATOR

Assembly Committee on Insurance
Public Hearing, October 1, 2019
Assembly Bill 305
Senator David Craig, 28th Senate District

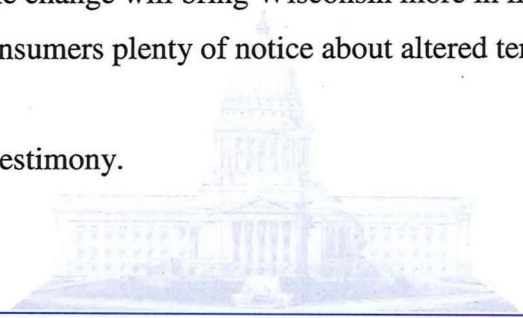
Chairman Petersen and members of the Committee, thank you for taking the time to hear my testimony on Assembly Bill 305.

Under current law, when an insurer sends a renewal notification that includes less favorable terms or higher premiums, also known as a “Renewal with Altered Terms”, they are required to send that notice 60 days prior to the policy’s renewal date. This legislation simply changes the 60 day requirement to 45 day for personal lines property and casualty coverages.

Modern technology makes the process of comparing and purchasing insurance quicker than ever before. As technology continues to advance it makes sense to update statutes to reflect the instantaneous nature of technology today’s competitive market and bring Wisconsin more in line with other states.

Twenty-Eight other states have notice requirements of 30 days or less. Eleven other states use the 45 day notice requirement that Wisconsin would switch to under this legislation. Only five states have the 60 day requirement currently used in Wisconsin. Bringing Wisconsin into greater uniformity with other states will ease the administrative burden on insurers who operate in multiple states. This sensible change will bring Wisconsin more in line with other states on this policy, while still giving consumers plenty of notice about altered terms.

Thank you for hearing my testimony.





State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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Date: October 1, 2019

To: Representative Kevin Petersen, Chair
Representative Cindi Duchow, Vice Chair
Members of the Assembly Committee on Insurance

From: Nathan Houdek, Deputy Commissioner
Office of the Commissioner of Insurance

Subject: Assembly Bills 357 and 305

The Office of the Commissioner of Insurance (OCI) submits the following comments for your consideration regarding Assembly Bill 357 relating to the regulation of public adjusters and Assembly Bill 305 relating to notice of changes in terms or premium for insurance policy renewal.

Assembly Bill 357

OCI supports this effort to require registration and impose consumer protection requirements on public adjusters. Public adjusters can provide valuable services to consumers in helping navigate the insurance claim process. However, unscrupulous individuals can take advantage of consumers who have suffered a loss by providing poor advice and taking proceeds more properly paid to the consumer.

OCI was afforded the opportunity to comment on the bill prior to its introduction and OCI has no concerns with the bill as drafted. The bill will allow OCI to reasonably regulate individuals who work as public adjusters through the registration process. OCI also supports the consumer protections that are included in the bill as these statutory changes will give the agency the necessary tools to take action against bad actors in the state.

Assembly Bill 305

OCI was given the opportunity to comment on the bill prior to its introduction and OCI has no concerns with bill as drafted. Given modern sales and underwriting practices, OCI does not have any concerns with reducing the notice period from 60 days to 45 days.

Thank you for your consideration of OCI's comments.

RENEWAL ALTERED TERMS STATE COMPARISON

10 day

North Dakota

15 day

Missouri (Auto only)

20 day

Alaska (Personal Insurance)

Washington

30 day

Arizona	Mississippi
Arkansas	Nevada
California (Rate 30/Reduction in Limits 45)	New Jersey
Connecticut	New Mexico
Delaware	Ohio
Idaho	Oklahoma (Personal Insurance)
Indiana	Pennsylvania
Kansas	Rhode Island (Personal Insurance)
Kentucky (Prem increase >25% 75 days/does not apply to auto)	South Carolina
Louisiana	Texas
Maine	Utah
Minnesota (Homeowners 60)	West Virginia (Property)

45 day

Colorado	New York
Florida	North Carolina
Georgia	Oregon
Iowa	Vermont
Maryland	Virginia
Montana	

60 day

Illinois
New Hampshire
Tennessee (>25% Premium)
Wisconsin (>25% Premium)
Wyoming

120 day

Alabama

N/A for the following states

Hawaii
Massachusetts
Michigan
Nebraska
DC