CHAPTER 607

STATE LIFE INSURANCE FUND

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Cross-reference: See definitions in ss. 600.03 and 628.02.

NOTE: Chapter 117, laws of 1973, which created this chapter, contains explanatory notes.

607.02 Scope of operation. (1) TYPES OF POLICIES PERMITTED. Subject to sub. (2), the life fund may issue to any resident of the state any kind of life insurance with any riders or endorsements thereto that would be filed with the commissioner for issuance by private insurers authorized to do a life insurance business in this state. Coverages may be combined and granted in the same policy by the life fund to the same extent as by a private life insurer.

(2) LIMITS ON POLICIES FROM FUND. No policies may be issued on any one risk exceeding $10,000 for residents of this state.

History: 1973 c. 117; 2007 a. 168.

607.03 Nature of fund. Unless expressly provided otherwise, the life fund is subject as an insurer to chs. 600 to 646, except for chs. 610 to 618, 645, and 646, and is subject to all other laws applicable to insurers issuing life insurance, specifically including of the soldiers' and sailors' civil relief act of 1940, P.L. 76-861, and amendments thereto or reenactments thereof. Any policy entitled to benefits under that act shall be deemed amended to conform thereto. This section shall remain in force concurrently with that act of congress and amendments thereto or reenactments thereof.

History: 1973 c. 117; 1979 c. 89 s. 543; 2001 a. 38.

607.04 Solicitation. The life fund may not employ agents or solicitors and may not pay commissions for the procuring of insurance applications.

History: 1973 c. 117.

607.07 Examination and underwriting. (1) MEDICAL EXAMINATIONS. No medical examination need be required on an application for a policy. The manager may require a medical examination or other medical information in accordance with usual practices in the life insurance business. An application for a policy shall be reviewed after all required medical information is provided to the manager.

(2) UNDERWRITING APPROVAL. The manager or the manager's designee shall pass upon all applications for insurance. If the application is accepted, the premium shall be paid into the life fund and a policy shall be issued, signed by the manager, promising payment out of the life fund without further liability on the part of the state.

History: 1973 c. 117; 1975 c. 39 s. 732 (2); 1979 c. 102 s. 236 (19); 1987 a. 247.

607.15 Surplus distribution. The net profits of the life fund shall be distributed annually among the policyholders, except that so far as is practicably possible, the ratio of surplus to assets shall be kept between 7 percent and 10 percent.

History: 1973 c. 117.

607.21 Payments from life fund. In addition to the payments under s. 604.04 (3), and the payments which become due under its policies, the life fund shall pay:

(1) A fee, to be determined by the manager, to the medical examiner for each medical examination made under s. 607.07 (1);

(2) The actual expense of inspection reports;

(3) The actual expense of adjustment of any loss or the defense or prosecution of any action; and

(4) A fee equal to 2 percent of net premiums collected to the department of administration for general services rendered by state administrative and legislative agencies which are not otherwise charged to the fund.

History: 1973 c. 117.

607.22 Policy loans. (1) GENERAL. Loans may be made on a policy to an aggregate amount which, together with accumulated interest at rates to be fixed from time to time by the commissioner, and applicable to all policies then in force, does not exceed the cash surrender value on the next policy anniversary on the basis of the premiums then paid. Any premium not paid when due shall be charged as a policy loan. When the unpaid loan and interest equals the cash surrender value, the policy shall terminate, but before that time the whole or any part of a loan may be repaid.

(2) EXISTING POLICIES. The interest on loans on policies issued before April 1, 1977, shall be set under sub. (1) but may not exceed 6 percent. The interest on loans on policies issued on or after April 1, 1977, shall be set under sub. (1) but may not exceed 8 percent.

History: 1973 c. 117; 1987 a. 247.