CHAPTER 627
UNDERWRITING RESTRICTIONS

627.05 Classifications of insurance. The commissioner may by rule define and delimit lines and classes of insurance for any purposes within the commissioner's regulatory power, including:

(1) To delimit the underwriting powers of insurers doing business in this state;

(2) To provide a basis for determining the financial needs of insurers under s. 611.19 or comparable provisions of other chapters;

(3) To provide instructions for reports and replies under s. 601.42;

(4) To restrict combinations of lines or classes of insurance; and

(5) To determine which rules under ch. 632 are applicable.

History: 1975 c. 372; 1979 c. 221.

Cross-reference: See also s. Ins 2.05, Wis. adm. code.

627.06 Combinations of policies. Subject to any other provisions in this chapter, the commissioner may by rule establish standards for the combination of different kinds of coverages in policies and may specify whether premiums must be separately stated for each.

History: 1975 c. 372; 1979 c. 221.

627.23 Reinsurance. (1) POWER TO ACCEPT REINSURANCE. Except as limited by s. 612.33 in the case of town mutuals, an authorized insurer may assume as a reinsurer any risks it may write directly. Subject to chs. 611 to 618 or to any limitation imposed on a nonresident insurer by law of its domicile, the commissioner may also authorize an insurer to accept as a reinsurer designated classes of risks it is not authorized to write directly.

(2) POWER TO Cede REINSURANCE. Subject to s. 611.78, any authorized insurer may cede to any insurer authorized to assume it under chs. 611 to 618 and sub. (1) any liability it has undertaken on risks lawfully written under its certificate of authority. It may also cede reinsurance to any authorized agency of the federal government or of this state. Subject to rules promulgated by the commissioner for calculation of its reserves and its surplus, and subject to sub. (3), an authorized insurer may also cede reinsurance to an unauthorized insurer.

(3) REINSURANCE IN UNSOUND REINSURER. No person may knowingly cede reinsurance or permit it to be ceded to any reinsurer not in sound financial condition. If the reinsurer is authorized to do business in this state or any other jurisdiction specified by the commissioner by rule, or is included on a list prepared by the commissioner or approved by the commissioner for that purpose, there is a rebuttable presumption that it is in sound financial condition.

(4) ASSUMPTION OF UNAUTHORIZED BUSINESS. Any authorized reinsurer knowingly assuming from an unauthorized insurer risks that may lawfully be written only by an authorized insurer shall immediately report the facts respecting the transaction to the commissioner. The assuming reinsurer is liable for the tax and penalties specified in s. 618.43 (1), but may take credit therefor in its settlement of accounts with the ceding insurer, unless its agreement with the unauthorized ceding insurer took such taxes into account.

(5) RETIREMENT FROM BUSINESS. Any authorized reinsurer proposing to withdraw from a class of its business in this state, except by nonrenewal of existing contracts at their expiration, shall give the commissioner 60 days' written notice of its intention and shall not withdraw until after lapse of that time. This subsection does not apply to transactions involving an insignificant market share of the class of business in this state.

History: 1975 c. 372; 421.