

# 2020 Wisconsin Insurance Report

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**Strength. Resilience. Innovation.**



# Welcome

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# Commissioners of Insurance

## Secretaries of State\*

### Ex Officio Commissioners of Insurance

Name	Residence	Term Start	Term End
Llewelyn Breese	Prairie du Chien	January 3, 1870	January 5, 1874
Peter Doyle	Prairie du Chien	January 5, 1874	January 7, 1878

## Commissioners of Insurance

Hans B. Warner	Ellsworth	January 7, 1878	April 1, 1878
Philip L. Spooner	Madison	April 1, 1878	January 3, 1887
Philip Cheek, Jr.	Baraboo	January 3, 1887	January 5, 1891
Wilbur M. Root	Sheboygan	January 5, 1891	January 7, 1895
William A. Fricke	Milwaukee	January 7, 1895	October 15, 1898
Emil Giljohann	Milwaukee	October 15, 1898	January 5, 1903
Zeno M. Host	Milwaukee	January 5, 1903	January 1, 1907
George E. Beedle	Embarrass	January 7, 1907	January 2, 1911
Herman L. Ekern	Whitehall	January 2, 1911	July 1, 1915
M. J. Cleary	Blanchardville	July 1, 1915	April 10, 1919
Plat Whitman	Highland	April 10, 1919	July 17, 1923
W. Stanley Smith	Ashland	July 17, 1923	June 2, 1926
Olaf H. Johnson	Gratiot	June 2, 1926	January 10, 1927
M. A. Freedy	Wauwatosa	January 10, 1927	July 1, 1931
H. J. Mortensen	New Lisbon	July 1, 1931	October 1, 1939
Morvin Duel	Fond du Lac	October 1, 1939	August 8, 1948
J. L. Sonderegger	Madison	October 1, 1948	December 1, 1948
John R. Lange	Madison	December 1, 1948	July 15, 1955
Alfred Van DeZande	Campbellsport	July 15, 1955	November 1, 1955
Paul J. Rogan	Ladysmith	November 1, 1955	July 2, 1959
Charles Manson	Wausau	July 2, 1959	September 15, 1965
Robert D. Haase	Marinette	September 15, 1965	September 7, 1969
S. C. DuRose	Madison	October 1, 1969	April 8, 1975
Harold R. Wilde	Madison	April 8, 1975	March 18, 1979
Susan M. Mitchell	Madison	March 19, 1979	July 31, 1982
Ann J. Haney	Madison	August 1, 1982	February 28, 1983
Thomas P. Fox	Madison	March 1, 1983	April 27, 1987
Robert D. Haase	Marinette	April 28, 1987	December 31, 1992
Josephine W. Musser	Madison	March 8, 1993	January 2, 1998
Randy Blumer	Madison	January 6, 1998	January 2, 1999
Connie L. O'Connell	Sun Prairie	January 4, 1999	January 6, 2003
Jorge Gomez	Milwaukee	February 17, 2003	December 18, 2006
Sean Dilweg	Madison	January 1, 2007	January 3, 2011
Theodore K. Nickel	Merrill	January 3, 2011	January 20, 2019
Mark Afable	Sun Prairie	January 22, 2019	

\*By chapter 56, section 32, General Laws of 1870, the Secretary of State was Commissioner of Insurance ex officio until 1878. The Commissioner of Insurance was made elective in 1881. In 1911 the Commissioner of Insurance was made appointive instead of elective.

# Letter to the Governor



Wisconsin Office of the  
**COMMISSIONER**  
OF **INSURANCE**

Tony Evers, Governor of Wisconsin  
Mark Afable, Commissioner of Insurance

Dear Governor Evers:

As Wisconsin's Commissioner of Insurance, I am pleased to submit the 2020 Wisconsin Insurance Report as required by 601.46(3) of the Wisconsin Statutes.

The report describes the work of the Wisconsin Office of the Commissioner of Insurance (OCI) over the course of this challenging year. Throughout 2020, OCI carried out our mission to protect and educate Wisconsin consumers in the face of the COVID-19 pandemic while maintaining a strong and competitive insurance industry.

We furthered our mission by working to expand access to health care coverage, improve communication with constituents and insurers, empower consumers with information and resources related to COVID-19, and provide informative materials to insurers on the changing regulatory and economic landscape.

This report provides a snapshot of the Wisconsin insurance market for 2020. I hope you find the report useful.

Respectfully submitted,

A handwritten signature in black ink that reads "Mark V. Afable".

Mark V. Afable  
Commissioner of Insurance

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p: 608-266-3585 | p: 1-800-236-8517 | f: 608-266-9935  
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# About OCI

In 2020, OCI updated its mission statement to better reflect the current goals and vision of the office:

**Mission:** to **protect** and **educate Wisconsin consumers** by **maintaining** and **promoting** a **strong insurance industry.**



“OCI’s mission to protect and educate consumers by maintaining and promoting a strong insurance industry drives everything we do at the agency; our team members are dedicated to fulfilling this mission.”

- Mark Afable  
Commissioner of Insurance

Above: Commissioner Afable at Cedar View Dairy Farm in Cambridge, Wisconsin in January 2020. Mark met with the Hebbes to talk about the challenges that farmers face, including access to and the cost of health insurance.

OCI was created by the legislature in 1870 and continues its work today making sure that the insurance industry meets the insurance needs of Wisconsin citizens.

## **1,991** insurance companies in the Wisconsin marketplace

In 2020, there were 1,991 insurance companies in the Wisconsin marketplace, with over 330 of those domiciled in Wisconsin. These companies have assets of more than \$567 billion.

They include over 429 stock and mutual life and health insurance companies, more than 488 property and casualty insurance companies, and about 40 health insurers and managed care organizations.

OCI remitted **\$72,887 in forfeitures** to Wisconsin's Common School Fund administered by the Board of Commissioners of Public Lands. Earnings from the Fund are distributed to all public K-12 schools in the state and are used to purchase materials such as books, newspapers, and computers.

## over **176k** licensed agents

Insurance plays an important role in our state's economy. There are over 176,000 agents licensed to do business in Wisconsin – over 36,500 of those are Wisconsin residents.

## over **12k** inquiries handled

We ensure that insurance companies follow Wisconsin's laws and regulations, that policyholders get the coverage they have paid for, and that consumers are protected. In 2020, OCI investigated and resolved 2,980 written consumer complaints and inquiries and answered over 10,000 telephone inquiries.

## over **\$4.5m** recovered

The office assisted complainants in recovering just over \$4.5 million from insurers.



Wisconsin Office of the  
**COMMISSIONER**  
OF **INSURANCE**

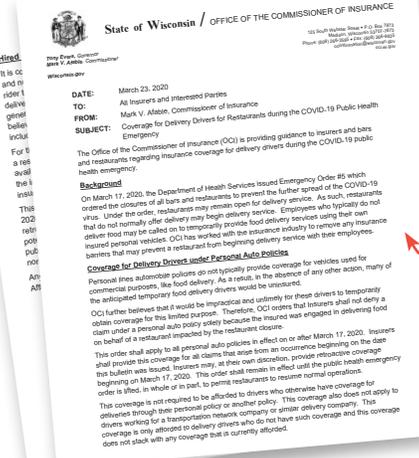
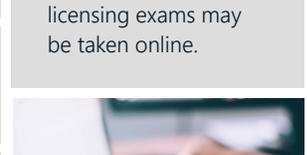
In 2020, OCI had just over 134 full-time equivalent employees.

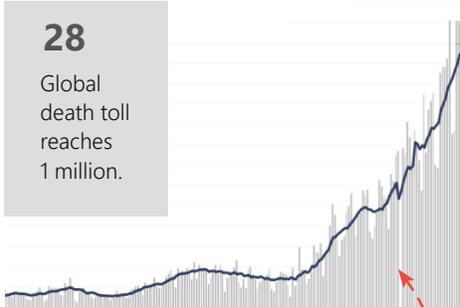
 In 2020, OCI collected **\$217 million in premium taxes** from insurance companies. In 2019, we collected **\$194 million in premium taxes**. All revenue from premium taxes is remitted to the State of Wisconsin General Purpose Revenue Fund. In 2020, we collected **\$24 million in Fire Department Dues** which are remitted to Wisconsin fire departments.

## NAIC

OCI is a member of the National Association of Insurance Commissioners (NAIC), which is the national regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia, and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight.

# An Unprecedented Year

January	February	March	April
<p><b>21</b> United States confirms first case of COVID-19 in Washington state.</p>		<p><b>06</b> Second case of COVID-19 confirmed in Wisconsin.</p>	<p><b>02</b> Confirmed cases of COVID-19 top 1 million worldwide.</p>
<p><b>30</b> World Health Organization (WHO) declares a public health emergency of international concern.</p>	<p><b>05</b> First case of COVID-19 confirmed in Wisconsin.</p>	<p><b>09</b> Governor Evers and Insurance Commissioner Afable ask health plan issuers to help Wisconsinites access testing, treatment for COVID-19.</p>	<p><b>09</b> Wisconsinites who lose health insurance during COVID-19 may be able to enroll on HealthCare.gov or in BadgerCare</p>
		<p><b>11</b> Global pandemic declared by WHO.</p>	<p><b>15</b> Governor Evers signed into law 2019 Act 185.</p>
		<p><b>13</b> Governor Evers declares a public health emergency to direct all resources needed to respond to and contain COVID-19 in Wisconsin.</p>	
		<p><b>18</b> Families First Coronavirus Response Act (FFCRA) enacted.</p>	<p><b>16</b> Safer at Home order extended.</p>
		<p><b>20</b> Governor Evers and Insurance Commissioner Afable ask insurers to offer flexibility to Wisconsinites facing economic hardship during COVID-19.</p>	<p><b>22</b> Insurance Commissioner announces agent licensing exams may be taken online.</p>
		<p><b>23</b> Governor Evers and Insurance Commissioner Afable order insurers to assist restaurants offering delivery during COVID-19 public health crisis.</p>	
		<p><b>25</b> Governor Evers issues Safer at Home – an order for Wisconsinites to stay at home or at their place of residence.</p>	
		<p><b>26</b> Gov. Evers and Insurance Commissioner Afable urge insurers to allow small employers to keep furloughed employees on health insurance. Evers administration issues guidance for businesses during COVID-19 emergency.</p>	
		<p><b>27</b> Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted.</p>	
		<p><b>31</b> Gov. Evers and Insurance Commissioner Afable ask malpractice insurers to cover telemedicine and out-of-state providers.</p>	

May	June	July	August	September	October	November	December
 <p><b>19</b> COVID-19 testing, including office visits, must be covered by most private health insurance, says Insurance Commissioner</p>	<p><b>18</b> Insurance Commissioner Afable urges restaurants, delivery drivers to touch base with insurers about delivery coverage.</p>		<p><b>28</b> Global death toll reaches 1 million.</p> 	<p><b>Fall</b> COVID-19 cases surge in Wisconsin.</p>		<p><b>11</b> Pfizer's vaccine becomes first COVID-19 vaccine to receive Emergency Use Authorization in the U.S.</p>	
	<p><b>27</b> Governor Evers, Commissioner Afable announce new online resource to help Wisconsinites get health insurance.</p> 					<p><b>22</b> Insurance Commissioner Afable confirms COVID-19 vaccine will be covered for all.</p>	
		<p><b>30</b> Statewide face covering requirement issued.</p> 			<p><b>29</b> DHS launches COVID-19 vaccine data page and begins early stages of the Wisconsin COVID-19 Vaccine Program.</p>		



# COVID-19

There is no question that 2020 was a trying and difficult year. The COVID-19 health emergency tested communities, organizations, and individuals throughout Wisconsin. It also revealed the ability of the State and OCI to adapt quickly and continue to fulfill our mission.

OCI transitioned all the tasks that could be done virtually to remote operations and leveraged the available technology. Financial examinations were performed virtually and OCI transitioned to remote-proctored agent licensing exams.

OCI issued 22 Bulletins to aid consumers, insurers, and agents – providing information and clarity regarding the insurance issues impacted by the health emergency. With OCI's guidance, many Wisconsin insurers offered consumer relief including monthly premium discounts or credits, a one-time premium refund, home delivery of prescription costs waived, COVID-19 diagnostic testing cost-sharing waived, treatment cost-sharing waived for out-of-network providers, telemedicine cost-sharing waived, insurers to cover the vaccination at no shared-cost, and reimbursement for additional expenses such as personal protective equipment.

# Administration of the Office

## Organizational Structure

In February 2020, OCI went through an organizational restructuring.

The reorganization moved the Injured Patients and Families Compensation Fund and the State Life Insurance fund under the newly created Office of Administrative Services. The Division of Regulation and Enforcement was split into the Division of Market Regulation and Enforcement and the Division of Financial Regulation. The duties of the former Bureau of Financial Analysis and Examinations transferred to the new Division of Financial Regulation. Through the reorganization, the former Shared Services Information Systems bureau was transferred to the new Office of Operational Management.

The reorganization allows OCI to more efficiently and effectively provide regulatory oversight to the insurance industry and stakeholders. By separating the larger Division of Regulation and Enforcement into two divisions, OCI can better provide customer service, focus on the regulation of the insurance industry in the state, and meet the specific needs of the duties assigned to each division.

OCI is currently organized into two divisions, two offices, and two units: Division of Financial Regulation and the Division of Market Regulation and Enforcement; Office of Administrative Services and the Office of Operational Management; and Public Affairs and the Legal Unit.

### Division of Financial Regulation

The Division of Financial Regulation (DFR) is responsible for monitoring the financial solvency of insurers licensed to do business in Wisconsin. DFR conducts onsite financial examinations of domestic insurer's operations, administers insurer rehabilitations and liquidations, audits and collects insurer premium taxes and fees, licenses insurance companies, reviews holding company transactions, reviews change of control transactions, and collects funds from insurers under the fire department dues program. Along with the Division of Market Regulation and Enforcement, this division has a major role in the agency's participation in the National Association of Insurance Commissioners (NAIC).

### Division of Market Regulation and Enforcement

The Division of Market Regulation and Enforcement (DMR) performs market conduct examinations and market analysis

of licensed insurers, determines compliance with applicable laws and rules, handles consumer contacts and consumer complaints about licensees, initiates administrative actions against licensees who violate Wisconsin's insurance laws, staffs several risk-sharing plans, investigates agent activities, and administers the insurance licensing and continuing education program. DMR also processes, reviews, and, when applicable, approves all rate and form filings, and processes Vehicle Protect Plans and Warranties. OCI's managed care specialist assigned to this division investigates complex managed care complaints that OCI receives, educates consumers on their rights under managed care plans, and administers the state's independent review program.

The Division of Market Regulation and Enforcement is also responsible for establishing and enforcing rate filing requirements, reviewing comprehensive individual and small group rate filings, and monitoring trends in the Wisconsin comprehensive health insurance marketplace. Along with the Division of Financial Regulation, this division plays a major role in the agency's participation in NAIC.

**“ OCI employees pitched in to support OCI and the entire State of Wisconsin throughout the pandemic. I'm especially proud of the OCI staff members who took on additional work so that others could stay at home, slowing the spread of the virus, and those who shifted duties to support the Department of Workforce Development. ”**

- Kristina Thole, Director of the Office of Administrative Services

### The Office of Administrative Services

The Office of Administrative Services is responsible for administrative functions within OCI including records management, support services, and serving as a liaison between the agency and the Department of Administration for staff development and human resource services. This Office also has managerial oversight of the Injured Patients and Families Compensation Fund and the State Life

Insurance Fund.

- The Injured Patients and Families Compensation Fund provides medical malpractice protection to health care providers for claims above \$1 million per claim or \$3 million annual aggregate for each policy year.
- The State Life Insurance Fund offers life insurance to Wisconsin residents in amounts not exceeding \$10,000 per person.

**The Office of Operational Management**

The Office of Operational Management is responsible for operational functions of the agency including project management, budget, accounting, facilities management, and serving as a liaison between the agency and the Department of Administration, Division of Enterprise Technology for Information Technology services and support.

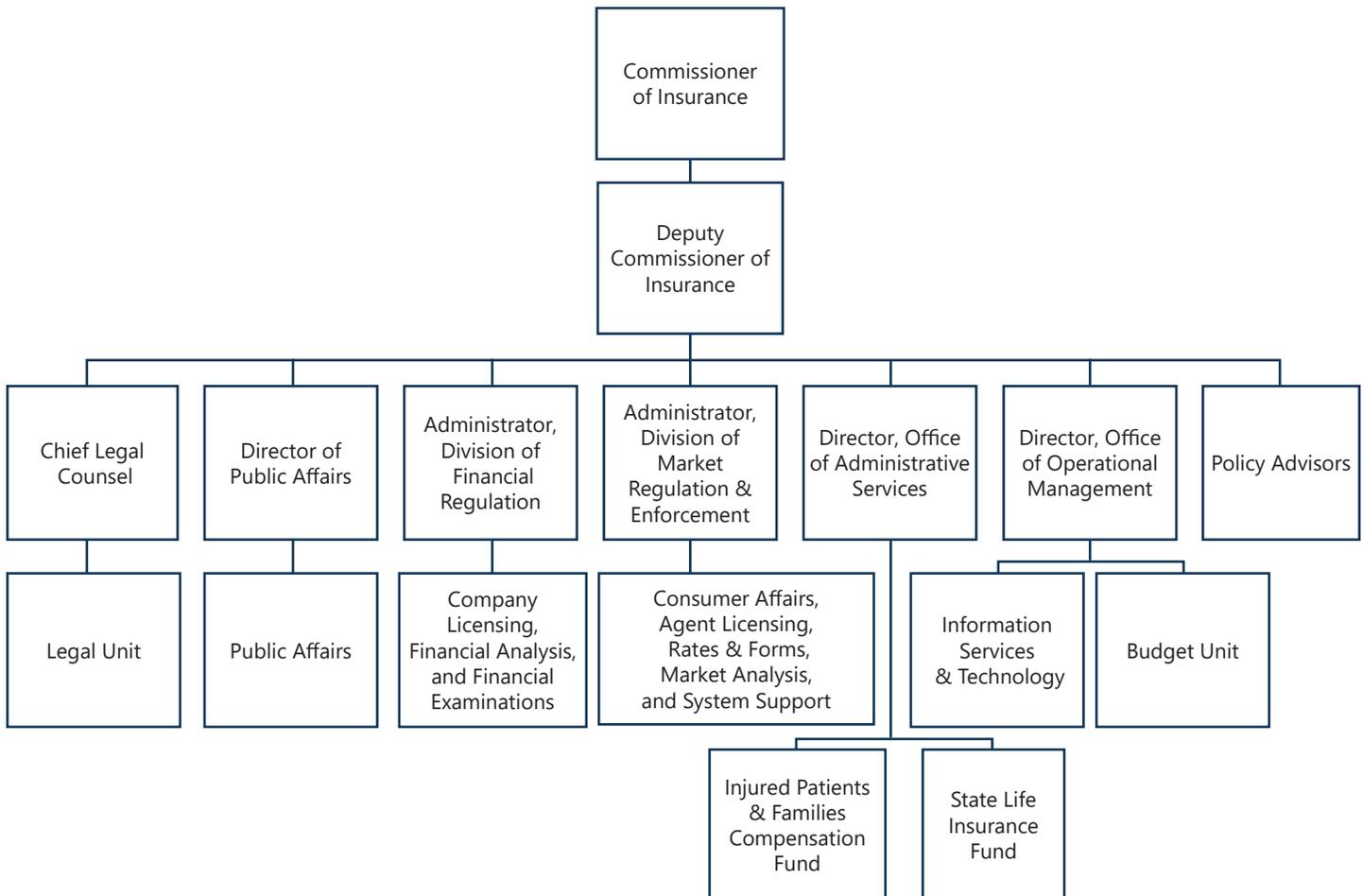
**Legal Unit**

The Legal Unit represents the agency in administrative procedures, provides legal advice to staff, represents or supervises representation of the agency in litigation and insurance company receiverships, and develops legislative proposals and administrative rules. It provides legal services for the Injured Patients and Families Compensation Fund, Wisconsin Health Care Liability Insurance Plan, and State Life Insurance Fund.

**Public Affairs Unit**

The Public Affairs Unit provides advice on executive matters affecting the agency's goals and initiatives including directing the agency's legislative initiatives and communications activities. This unit uses a variety of communication tools to engage and educate consumers on insurance issues.

# Organizational Chart



# Management Staff



**Mark V. Afable**  
Governor Tony Evers appointed Mark V. Afable as **Commissioner of Insurance** for the State of Wisconsin in January 2019. In addition to serving as the state's chief regulator of insurance, Commissioner Afable oversees the agency's 134 employees and supervises the Injured Patients and Families Compensation Fund and the State Life Insurance Fund.

A graduate of Marquette University Law School, Commissioner Afable has many years of experience in the insurance industry. Prior to his appointment, he served as the chief legal officer for American Family Insurance, overseeing corporate legal, government affairs, compliance, litigation, and protective services. With extensive experience working with state and federal legislators, state insurance regulators, and the National Association of Insurance Commissioners (NAIC), he advised senior leadership and the board of directors on legal matters involving corporate governance, compliance issues, and regulatory actions.

Before joining American Family in 1994, Commissioner Afable directed legislative and regulatory efforts in several states for Allstate Insurance Company, where he first became involved with NAIC. Earlier in his career, the Commissioner focused his efforts on insurance policy and legislative issues as counsel for the National Association of Independent Insurers (NAII) in Des Plaines, Illinois.

Commissioner Afable previously served on the Board of Directors for Sunshine Place, a resource facility for charitable organizations providing food, clothing, and social services to residents of Sun Prairie. He also served on the American Family Children's Hospital Advisory Board and the Edgewood High School Board of Trustees.

## Nathan Houdek

Commissioner Afable appointed Nathan Houdek as **Deputy Commissioner of Insurance** for the State of Wisconsin in January 2019.

Deputy Commissioner Houdek serves as the chief operating officer for the Office of the Commissioner of Insurance. In that role, he has managerial oversight across all aspects of the agency's operations, including financial and market regulation, communications, legal, legislative relations, and

administrative functions, subject to the general direction of the Commissioner. He also serves as vice chair of the state Group Insurance Board and as chair of the Governor's Task Force on Reducing Prescription Drug Prices.

Mr. Houdek brings almost two decades of experience working in and around Wisconsin state government. He has worked on health insurance policy and regulatory issues in a variety of roles in the public and private sectors. He previously served as chief of staff to the minority leader in the Wisconsin State Senate and as a principal at one of Wisconsin's largest public affairs consulting firms.

Deputy Commissioner Houdek grew up in northern Wisconsin and earned his BA and MBA degrees from the University of Wisconsin-Madison. Mr. Houdek is actively involved with the Madison Public Library Foundation.



*Above, right (speaking): Deputy Commissioner Houdek discusses his work with the Governor's Task Force on Reducing Prescription Drug Prices, the Group Insurance Board, and more during a Wisconsin Health Newsmaker event in February 2020.*

## Amy Malm

Amy Malm is the **Administrator for the Division of Financial Regulation** at OCI. Since 2017, Amy has served as the bureau director of financial regulation. She is responsible for overseeing company licensing, financial analysis and examinations, and the solvency of insurers licensed to do business in Wisconsin. Amy started at OCI in 2001 as a financial examiner.

Before joining OCI, Amy was a revenue agent with the Wisconsin Department of Revenue in the Delinquent Tax Unit assisting taxpayers in resolving past-due taxes. Amy also has experience working in the private sector as an accounting assistant for a home health agency while obtaining her degree.

Amy has a Bachelor of Science degree in Accounting from Upper Iowa University. She is also a Certified Public Accountant, Certified Financial Examiner through the Society of Financial Examiners, and an Associate in Risk Management – Enterprise-wide Risk Management. Amy serves as a member of several committees of the National Association of Insurance Commissioners. In 2020, Amy earned the designation of Associate Professional in Insurance Regulation from NAIC.

### **Rebecca Rebholz**

Rebecca Rebholz is the **Administrator for the Division of Market Regulation & Enforcement** at OCI. Rebecca is responsible for the day-to-day administration of the Division of Market Regulation and Enforcement. This includes market analysis, industry and consumer issues, rate and forms filings, as well as the agent testing and licensing process. Before her current role, she served as the OCI bureau director of market regulation since August 2016. Rebecca worked as an examiner and a senior examiner in the Property and Casualty Section of Regulation of Enforcement at OCI for 17 years.

Rebecca is also active at the National Association of Insurance Commissioners (NAIC). She is particularly interested in innovation and technology in the insurance sphere.

Rebecca holds an associate degree in Computer Programming/System Analysis from Madison College, a Bachelor of Arts degree in Political Science and a law degree from the University of Wisconsin-Madison.

### **Sarah Smith**

Sarah Smith is the **Director of Public Affairs** at OCI. Sarah started at OCI in December of 2020 and is responsible for overseeing communications, public outreach, and legislative affairs.

Before joining OCI, Sarah was the Communications Director for Senator Patty Schachtner and has previously served as the Chief of Staff to State Treasurer Sarah Godlewski.

Sarah also serves on the Dane County Board and the Sustainability Committee for the City of Monona.

Sarah has a Bachelor of Arts degree in History as well as a Master of Science degree in Educational Policy from the University of Wisconsin-Madison.

### **Kristina Thole**

Kristina Thole is the **Director of the Office of Administrative Services**. Kristina is the key contact for

all OCI employees as their human resources liaison. She is responsible for all personnel management and human resources processes, policies, and procedures. In close coordination with the fund managers, she supervises and administers the direction of the State Life Insurance Fund and the Injured Patients and Families Compensation Fund. She is responsible for the administrative support staff and other administrative functions.

Prior to joining OCI, Kristina worked at the Department of Administration in the Division of Personnel Management (and its predecessor the Office of State Employment Relations), for over nine years. She has significant experience with HR policy interpretation, development, and implementation as well as in recruitment and selection activities. Before joining the State of Wisconsin, she worked in HR in the private sector in the insurance and health care industries.

Kristina holds the Senior Professional in Human Resources (SPHR) designation. She earned a Bachelor of Arts degree in Communication with a minor in English from the University of Wisconsin-Milwaukee.

### **Richard Wicka**

Richard Wicka was appointed **Chief Legal Counsel** at OCI in January 2019, after serving as the deputy chief counsel since January 2012. Richard is responsible for the supervision of OCI's Legal Unit, providing general legal advice to the commissioner and his staff, and serving as the lead attorney for major enforcement actions and financial matters.

Before joining OCI, Richard was an attorney in the area of insurance defense where he worked on cases involving automobile, commercial general liability, and property insurance. He also served as coverage counsel for international and domestic insurers for claims stemming from federal securities class action lawsuits and other federal cases. In that position, Richard settled coverage issues involving directors and officers liability, errors and omissions, and employment practices liability insurance. Immediately prior to joining OCI, Richard worked as a staff attorney for the United States Court of Appeals for the Eleventh Circuit assisting the judges of the Circuit in resolving federal appeals.

Richard has a Bachelor of Science degree in History and a law degree from the University of Wisconsin-Madison and is a member of the Order of the Coif.

# Office Finances

## General Fund—Supervision of the Insurance Industry Fiscal Year 2020 (Amounts in \$000s)

	Total Revenue	Retained by Office of the Commissioner of Insurance	Transferred to State's General Purpose & Other Revenue Funds <sup>1</sup>
Premium Taxes	\$217,381	\$	\$217,381
Fire Department Dues	24,133		24,133
Forfeitures	73		73
Insurance Company Examination Charges	7,512	7,512	-
Resident/Nonresident Appt Billings and Renewals	27,667	27,667	-
Agent Continuing Education Fees	18	18	-
Resident/Nonresident Producer License Issuance	1,096	1,096	-
Resident/Nonresident Biennial License Renewals	6,938	6,938	-
Reinstatements	1	1	-
Other Licensing Fees	120	120	-
Company Licenses, Admissions, and Renewals	138	138	-
Miscellaneous <sup>2</sup>	<u>32</u>	<u>32</u>	<u>-</u>
<b>Total Revenue</b>	<b><u>\$285,109</u></b>	<b>43,522</b>	<b><u>\$241,587</u></b>
Less Total Operating Expenditures		<u>18,267</u>	
Net Operating Revenue / (Loss)		25,255	
Cash Lapse to State's General Fund (Transfer Out)		<u>(25,148)</u>	
<b>Net Change in Fund Equity</b>		<b><u>\$ 107</u></b>	

<sup>1</sup> The Office of the Commissioner of Insurance retains all revenue from licenses, services, and various other items. Taxes are remitted to the State of Wisconsin General Purpose Revenue Fund. Fire Department Dues are remitted to Wisconsin Fire Departments. Forfeitures are remitted to the Common School Fund.

<sup>2</sup> Miscellaneous collections include 1) Photocopying, 2) Service of process, and 3) Publications.

## Segregated Funds Fiscal Year 2020 (Amounts in \$000s)

	Total Revenue	Operating Expenses	Net Revenue
Injured Patients & Family Compensation Fund	\$(11,386)	\$(70,571)	\$59,185 <sup>3</sup>
State Life Insurance Fund	1,362	7,956	(6,594) <sup>4</sup>

<sup>3</sup> Due to Loss Adjustment Expenses in the IBNR incurred but not reported.

<sup>4</sup> Decrease in total revenue from prior fiscal year is due to decrease in premiums.

# Executive Initiatives

## Regulatory Developments and Trends

### Industry Changes

In 2020, the insurance industry experienced quickly changing regulatory requirements related to the COVID-19 pandemic. OCI worked to educate both insurers and consumers about many of these changes such as new health care coverage requirements. The industry experienced new challenges due to an increase in civil commotion. OCI produced informative materials on topics such as business interruption insurance for consumers and insurers impacted by the unrest.

### Insurance Cybersecurity

The protection of sensitive, personal data is paramount to the continued success of Wisconsin's industry, so OCI has worked with stakeholders to develop cybersecurity legislation that is based on model legislation from the NAIC. The bill requires a licensee to develop, implement, and maintain a written information security program that contains safeguards for the protection of information systems and non-public information. This bill was considered during the 2019-2021 legislative session, though due to the COVID-19 pandemic the session was cut short. It was reintroduced in early 2021 and has subsequently passed.

### LGBTQ Coverage

In 2020, the United States Supreme Court found in *Bostock v. Clayton County, GA* that discrimination based on sexual orientation or gender identity is unlawful under the Civil Rights Act of 1964. This decision supported previous circuit court decisions and agency positions regarding nondiscrimination. Therefore, OCI reaffirmed the agency's commitment to preventing discrimination based on sexual orientation or gender identity. OCI will require insurers and self-funded non-federal governmental plans to fully comply with state insurance laws as related to nondiscrimination. The agency also will not accept form filings that contain exclusions or limitations on benefits that are based on a person's sexual orientation or gender identity.

### Wisconsin COVID-19 Law

On April 15, 2020, Governor Tony Evers signed into law 2019 Wisconsin Act 185. This law was drafted in response to the recent emergence of the COVID-19 pandemic. To ensure that every Wisconsinite could access the health care they may need related to COVID-19, the law required health plans to cover services, treatment, or supplies provided by an out-of-network provider without charging the insured more than they would have charged for in-network services. The law also required coverage of testing for COVID-19 without

copayment or coinsurance if the plan or policy includes coverage for testing of infectious diseases.

Act 185 prohibited insurers from establishing rules for eligibility that are based upon a suspected, current, or past diagnosis of COVID-19. Coverage may not be canceled, a rate filing may not be modified, nor may a grace period be refused on the basis that an insured is suspected of having, or has a current or past diagnosis of, COVID-19.

Additionally, during the public health emergency, the law prohibited policies or health plans from requiring prior authorization for early refills of a prescription drug or restricting the period of time in which a prescription drug may be refilled. It also prohibited imposing a limit on the quantity of prescription drugs that may be obtained if the quantity is no more than a 90-day supply.

### Federal COVID-19 Laws

Two federal laws were enacted in 2020 in response to the COVID-19 pandemic. The Families First Coronavirus Response Act (FFCRA) was enacted on March 18, 2020, and Coronavirus Aid, Relief, and Economic Security Act (CARES) on March 27, 2020.

FFCRA, among other changes, requires coverage of diagnostic tests for the detection of COVID-19, and related items and services provided to an individual during an office visit, urgent care visits, and emergency room visits when the items or services are related to diagnostic testing for COVID-19. Diagnostic testing must be covered by insurers without any cost-sharing, prior authorization, or other medical management requirements. This requirement is in place through the end of the public health emergency.

The CARES Act amended FFCRA to include a broader range of items and services. The CARES Act added a requirement that insurers cover, without cost-sharing, any qualifying coronavirus preventive service, item, or immunization that is intended to prevent or mitigate the COVID-19 disease. This section does not expire with the public health emergency.

### Race and Insurance

In 2020, Insurance Commissioner Mark Afable participated with the NAIC Special Committee on Race and Insurance. Commissioner Afable co-chaired a workstream focused on examining and determining which practices or barriers exist in the insurance sector that could disadvantage people of color and historically underrepresented groups. That work

is particularly focused on the life insurance and annuities lines of business. The Special Committee will incorporate the recommendations of this workstream and others to ensure that the industry is equitable in employment, plan issuing, rating, and more. Evaluating and supporting diversity and inclusion is an important part of ensuring the strength and security of the insurance industry in Wisconsin. Commissioner Afable is committed to continuing this work with the NAIC and other stakeholders so that Wisconsin's insurers can be competitive in the 21st-century market and meet the expectations of Wisconsin consumers.

### **Regulation Best Interest**

Since 2003, state insurance regulators have overseen the sale of annuities to ensure that products sold to consumers are suitable for them, based on a review of their needs. Certain annuity products are considered securities and may only be sold by individuals who hold a broker-dealer and an insurance intermediary license.

Regulation Best Interest imposes a new standard of conduct for broker-dealers that enhances the broker-dealer standard of conduct beyond existing suitability obligations. The standard of conduct draws from key fiduciary principles and cannot be satisfied through disclosure alone. It provides specific requirements to address certain aspects of the relationships between broker-dealers and their retail customers, including conflicts related to compensation.

When making a recommendation of a securities transaction or an investment strategy involving securities, a broker-dealer must act in the retail customer's best interest and cannot place its own interests ahead of the customer's interests.

Beginning June 30, 2020, registered broker-dealers were required to comply with Regulation Best Interest. OCI is working to implement a best interest standard for annuity sales in Wisconsin based on the NAIC best interest model law and was a member of the NAIC committee that developed the model law.

# Continuous Process Improvement Initiatives

In late 2018, OCI started a large project that not only had a significant impact on what is now the Division of Financial Regulation but also impacted Mail, Central Files, and the area that was later reorganized into the Division of Market Regulation and Enforcement. This project became fully operational in the fall of 2020, amid the upheaval and workplace changes caused by the COVID-19 pandemic.

The goal of the Continuous Process Improvement Initiative is to improve the efficiency, retrieval, and processing of content and to accept electronic documents from the insurance industry – moving away from paper submissions.

In 2019, OCI developed the requirements and in 2020 began the testing and implementation phases of the project. Before the pandemic, OCI received all required filings, except for a small number, in paper format with a typical annual filing containing several reports – some over an inch thick. When the pandemic shifted employees to remote work in March 2020, we were in the testing phase of the project and still receiving filings via paper. We instructed insurers to begin emailing their filing to OCI, then we would have staff forward the email to the appropriate employee.

In the fall of 2020, OCI made the new process fully operational, and now Wisconsin's more than 230 domestic insurers submit over 20 different filings electronically. The filings are automatically routed to the correct person for review saving staff from opening the mail, routing it for review, and then filing it in Central Files. Popular filings are available to the public much sooner instead of having to wait for the entire agency routing process – this makes fulfilling open records requests easier and more efficient. It used to take two OCI employees at least two full weeks to get the filings to technical staff for review, and now the information is available at the time of the filing.

“ This project automated the review process, increased efficiency, and has enabled OCI to better serve and regulate the insurance industry. ”

- Amy Malm, Administrator for the Division of Financial Regulation



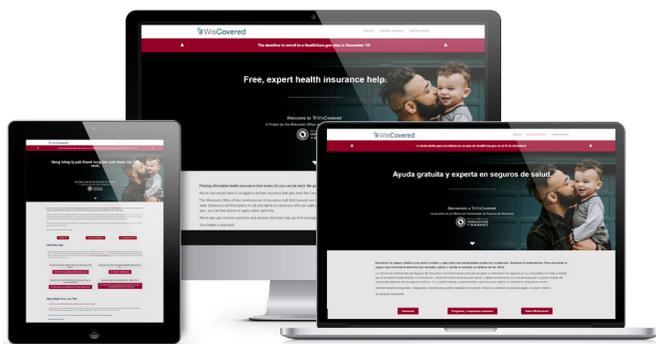
# Advisory Boards, Committees, and Councils

Wisconsin law, s. 15.04, Wis. Stat., provides that heads of independent agencies may create and appoint such councils and committees as the operation of the agency requires. Insurance law, s. 601.20, Wis. Stat., authorizes the commissioner to create advisory councils and committees to assist in dealing with regulatory issues.

The commissioner is to provide, by rule, for the creation, governance, duties, and termination of any council or committee that is established. The expert advice provided to the commissioner through these councils results in more efficient regulation of the insurance industry to the benefit of insurance consumers and insurers.

The commissioner and staff members also serve on various councils and boards, thus aiding Wisconsin residents by providing advice and suggestions on matters related to insurance regulation.

OCI is involved with the following boards, committees, and councils:



## OCI-DHS Health Care Coverage Partnership Advisory Council

In June 2019, Governor Tony Evers announced the formation of the Health Care Coverage Partnership, directing the Office of the Commissioner of Insurance and the Department of Health Services (DHS) to develop strategies aimed at enrolling more Wisconsinites in high-quality, affordable health insurance coverage. The Advisory Council efforts focus on targeting populations eligible for, but not enrolled in, Medicaid and heavily subsidized plans available through the exchange. The partnership launched WisCovered.com in July 2020, a mobile-first website aimed at connecting Wisconsinites with free, expert health insurance assistance.

## Governor's Task Force on Reducing Prescription Drug Prices

The first meeting of the Governor's Task Force on Reducing Prescription Drug Prices was held on November 20, 2019. The task force was created through Executive Order #39 and is charged with making recommendations for reducing prescription drug prices in Wisconsin. OCI is charged with leading the work of the task force and Deputy Commissioner Houdek serves as the task force chair.

Throughout 2020, the task force held a series of meetings and analyzed information relating to the development, pricing, distribution, and purchasing of prescription drugs; reviewed actions taken by Wisconsin and other states to reduce prescription drug prices; and identified opportunities to coordinate with other states and the federal government. The final report, including recommendations for strategies and policies to help lower prescription drug costs for consumers, was submitted to Governor Evers in the fall of 2020. More information, including the final report, can be found at [rxdrugtaskforce.wi.gov](http://rxdrugtaskforce.wi.gov).

## Birth to 3 Program Interagency Coordinating Council

The Wisconsin Birth to 3 Program Interagency Coordinating

Council (ICC) was established by the Governor of Wisconsin to advise and assist the Department of Health Services (DHS) in the performance of the responsibilities established under Part C of the Individuals with Disabilities Education Act. ICC's mission is to advise, review, analyze, and monitor the implementation of the state's early intervention system, maintain a forum for communication relative to early intervention, and make recommendations to DHS regarding the effective implementation of the early intervention system.

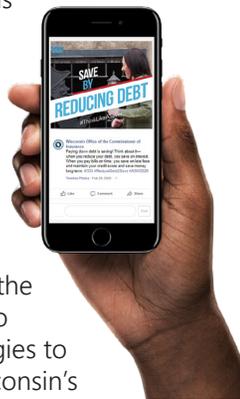
### Governor's Committee for People with Disabilities

In 1948, a Governor's committee was established with one goal: to improve employment opportunities for people with disabilities. The group's mission was broadened in 1976 to cover many aspects of disability in Wisconsin, and the group became the Governor's Committee for People with Disabilities (GCPD) which is dedicated to enhancing the health and general well-being of disabled citizens in Wisconsin. The committee consists of the Lt. Governor and not more than 20 other members, including six members appointed from specific statutory councils: the Council on Blindness, the Council for the Deaf and Hard of Hearing, the Council on Developmental Disabilities, the Council on Mental Health, the Council on Alcohol and Other Drug Abuse, and the Council on Physical Disabilities. The majority of members are people with disabilities.

### Governor's Council on Financial Literacy

This council was created in Executive Order #92, March 30, 2005, and continued in Executive Order #24, April 6, 2011. The council consists of 25 members or less, with a chairperson and two vice-chairpersons selected from within the group. The council is directed to collaborate with OCI and other government agencies, private entities, and non-profit organizations, consider and implement research and policy initiatives, and serve as a sounding board for the Office of the Governor and the Office of Financial Literacy in the Department of Financial Institutions to provide guidance and develop strategies to improve financial literacy among Wisconsin's citizens.

The council also promotes the statewide financial literacy awareness and education campaign: Money Smart Week® Wisconsin.



### Group Insurance Board

Section 15.165 (2), Wis. Stat., created an 11-member Group Insurance Board in the Department of Employee Trust Funds. The Commissioner or designee is a member of the board. The Group Insurance Board is authorized to enter into contracts with insurers to provide group insurance plans or to provide the benefits on a self-insured basis. It also provides general administrative policy for the group insurance programs for health care, income disability benefits, and life insurance authorized for state and other public employees under ch. 40, Wis. Stat. The specific powers of the board are enumerated under s. 40.03 (6), Wis. Stat. Deputy Commissioner Houdek serves as the OCI representative and vice chair of the Group Insurance Board.

### Health and Life Insurance Advisory Council

The Health and Life Insurance Advisory Council advises the Commissioner on regulatory matters in the area of health and life insurance. The council meets on an as-needed basis. The members are appointed by the Commissioner and include six members representing insurers, three members representing insurance agents, one representing small businesses, and one consumer advocate.



### Injured Patients and Families Compensation Fund Board

The board is created by s. 619.04 (3), Wis. Stat. The Fund is governed by a 13-member Board of Governors which is chaired by the Commissioner of Insurance. The board is comprised of four public members appointed by the Governor, three insurance industry representatives, a member named by the Wisconsin Association for Justice, a member named by the State Bar of Wisconsin, two members named by the Wisconsin Medical Society, and a member named by the Wisconsin Hospital Association. The 2020 Board of Governors:

- Mark V. Afable, Commissioner of Insurance (Board Chair)
- Jeffery Bingham, Public Member
- Carla Borda, Public Member
- Greg Schroeder, Public Member
- Sridhar Vasudevan, M.D., Public Member (term expired May 2020)
- Vacant, Public Member
- David Maurer, Industry Representative
- David Nelson, Industry Representative
- Linda Syth, Industry Representative
- Kevin R. Martin, Wisconsin Association for Justice
- Jerome Hierseman, State Bar of Wisconsin
- Bud Chumbley, M.D., Wisconsin Medical Society
- Timothy Crummy, M.D., Wisconsin Medical Society
- Ralph Topinka, Wisconsin Hospital Association



### Insurance Security Fund Board

This board administers the Insurance Security Fund established by ch. 646, Wis. Stat., to provide a mechanism for protecting insureds in the event of liquidation of insurers and to assess the cost of such protection among insurers. The Commissioner, along with the Attorney General and the State Treasurer, are members of this board and serve with representatives of insurers appointed by the Commissioner upon consideration of the recommendation of insurance organizations.

### Joint Survey Committee on Retirement Systems

This committee performs duties mandated under s. 13.50, Wis. Stat. The committee is comprised of two majority party senators, one minority party senator, two majority party representatives to the Assembly, one minority party representative to the Assembly, an assistant attorney general, a member of the public selected by the Governor, the Commissioner, or a designated experienced actuary in OCI, and the Secretary of the Department of Employee Trust Funds.

This committee evaluates all legislative proposals that would create or modify any system of retirement for public officers or employees. No such legislative proposal (bill) may be acted upon by the legislature until it has been referred to this committee for the preparation of a written report. The report must indicate the probable cost involved, the effect of the proposal upon the actuarial soundness of existing retirement systems, and the desirability of the proposal as a matter of public policy.

### Property and Casualty Advisory Council

This council, created by s. Ins 6.79, Wis. Adm. Code, advises the Commissioner on regulatory matters in the areas of property and casualty insurance. The council consists of four insurance company members, three agent members, and one public member.

### Retirement Research Committee

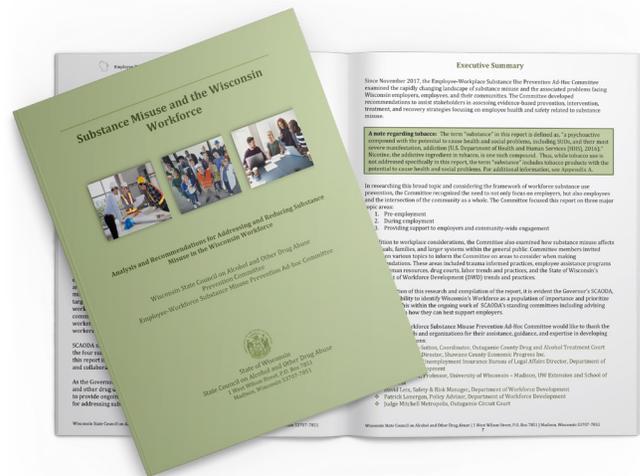
This committee performs duties mandated under s. 13.51, Wis. Stat. Its membership represents employee and employer groups having vested interests in various state retirement programs. The committee has investigatory powers overall state retirement systems for public employees. In addition, it may require any public pension or retirement system to furnish it with periodic financial reports and records. The committee conducts a continuous review of retirement benefits afforded to public employees under the existing state system. It maintains a current reference library of all public employee pension and retirement plans throughout the United States and makes its findings and recommendations available to the Governor and legislature.

### Wisconsin Insurance Plan Governing Committee

The Wisconsin Insurance Plan is a risk-sharing plan for property insurance companies created by s. Ins 4.10, Wis. Adm. Code. The purpose of the plan is to help qualified property owners obtain insurance coverage if they are unable to find adequate coverage in the private market. The plan is overseen by a Governing Committee subject to the supervision of the Commissioner of Insurance. The Governing Committee consists of insurer representatives, insurance agents, and public members. The Commissioner of Insurance appoints the agents and the public members and selects a liaison to attend meetings. Six of the insurer representatives are selected by trade associations. One is elected by insurers who are not members of these trade associations.

### Wisconsin Retirement Board

The nine-member board is created in the Department of Employee Trust Funds by s. 15.165 (3) (b), Wis. Stat. Six members represent employers or employees who participate in the Wisconsin retirement system, one is a participating state employee, one is a public member, and one is the Commissioner or an experienced actuary in OCI. The board studies and recommends alternative administrative policies, authorizes and terminates disability annuity payments, and considers administrative rules that relate to participants in the retirement system other than teachers.



### Wisconsin State Council on Alcohol and Other Drug Abuse

The council was created in the Office of the Governor in August 1970 to provide leadership and coordination regarding alcohol and other drug abuse (AODA) issues confronting the state. Wisconsin Act 210 was enacted on April 6, 1994, merging the Citizens Council on Alcohol and Other Drug Abuse with the state council. The bill expanded the duties and the membership of the state council.

The State Council on Alcohol and Other Drug Abuse recommends, coordinates, and reviews the efforts of state agencies to control and prevent alcohol and drug abuse. It evaluates program effectiveness, recommends improved programming, issues reports that educate people about the dangers of drug abuse, and allocates responsibility for various alcohol and drug abuse programs among state agencies.

The 22-member council consists of the Governor, the Attorney General, the Superintendent of the Department of Public Instruction, the Secretary of the Department of Health Services, the Commissioner of Insurance, the Secretary of the Department of Corrections, the Secretary of the Department of Transportation, and the chairperson of the Pharmacy Examining Board, or their designees; a representative of the controlled substances board; a representative of any Governor's committee or commission created under subch. I of ch. 14 to study law enforcement issues; six members (one of whom is a consumer representing the public at large) with demonstrated professional, research, or personal interest in alcohol and other drug abuse problems, appointed for four-year terms; a representative of an organization or agency which is a direct provider of services to alcoholics and other drug abusers; a member of the Wisconsin County Human Service Association, Inc., who is nominated by that association; and two members of each house of the legislature, representing the majority party and the minority party in each house.

and to make meaningful interstate comparisons. The CompScope™ program is funded by employers, insurers, state funds, state governments, rating organizations, and a labor organization seeking to help achieve a more stable and equitable worker's compensation system. OCI is a member of the advisory committee.



### Worker's Compensation Research Institute (WCRI) CompScope™ Benchmark Study Advisory Committee for Wisconsin

The CompScope™ WCRI's multistate benchmarking program measures and benchmarks the performance of a growing number of state worker's compensation systems. This program provides annually the opportunity both to examine the changes in the performance of individual state systems

# National Association of Insurance Commissioners Activities

OCI actively participates in the National Association of Insurance Commissioners (NAIC). Throughout 2020, Commissioner Mark Afable and his representatives were members of the following NAIC committees, task forces, working groups, and subgroups. Find more information about NAIC committees and committee structure, at [naic.org/documents/committees\\_cmtelist.pdf](https://naic.org/documents/committees_cmtelist.pdf).

## Executive (EX) Committee

- Climate and Resiliency (EX) Task Force
- Innovation and Technology (EX) Task Force
- Big Data and Artificial Intelligence (EX) Working Group (Co-Vice Chair)
- Speed to Market (EX) Working Group
- Long-Term Care Insurance (EX) Task Force
- Long-Term Care Insurance Financial Solvency (EX) Subgroup
- Special (EX) Committee on Race and Insurance

## Life Insurance and Annuities (A) Committee

- Accelerated Underwriting (A) Working Group (Chair)
- Annuity Suitability (A) Working Group
- Life Insurance Illustration Issues (A) Working Group (Chair)

## Health Insurance and Managed Care (B) Committee

- Consumer Information (B) Subgroup
- Health Actuarial (B) Task Force
- Long-Term Care Valuation (B) Subgroup
- Health Innovations (B) Working Group
- Regulatory Framework (B) Task Force
- Accident and Sickness Insurance Minimum Standards (B) Subgroup
- Employee Retirement Income Security Act (ERISA) (B) Working Group
- Mental Health Parity and Addiction Equity Act (MHPAEA) (B) Working Group
- Pharmacy Benefit Manager Regulatory Issues (B) Subgroup
- Senior Issues (B) Task Force

## Market Regulation and Consumer Affairs (D) Committee

- Market Analysis Procedures Working Group (Vice Chair)
- Market Conduct Annual Statement Blanks (D) Working Group (Chair)
- Market Conduct Examination Guidelines (D) Working Group
- Market Information Systems (D) Task Force
- Market Information Systems Research and Development (D) Working Group
- Producer Licensing (D) Task Force
- Producer Licensing Uniformity (D) Working Group

## NAIC/Consumer Liaison Committee

“As a co-vice chair of the NAIC Big Data and AI Working Group, we continue to learn how insurers are leveraging technology and machine learning. We want to foster innovation while safeguarding consumers and ensuring that no communities are left behind or discriminated against.”

- Mark Afable, Commissioner of Insurance

## Financial Condition (E) Committee

- Accounting Practices and Procedures (E) Task Force
- Blanks (E) Working Group
- Statutory Accounting Principles (E) Working Group
- Capital Adequacy (E) Task Force
- Property and Casualty Risk-Based Capital (E) Working Group
- Catastrophe Risk (E) Subgroup
- Examination Oversight (E) Task Force
- Electronic Workpaper (E) Working Group
- Financial Analysis Solvency Tools (E) Working Group
- Financial Examiners Coordination (E) Working Group
- Financial Examiners Handbook (E) Technical Group (Vice Chair)
- Information Technology (IT) Examination (E) Working Group
- Financial Analysis (E) Working Group
- Group Capital Calculation (E) Working Group
- Group Solvency Issues (E) Working Group
- Own Risk and Solvency Assessment (ORSA) Implementation (E) Subgroup
- Mortgage Guaranty Insurance (E) Working Group
- National Treatment and Coordination (E) Working Group
- Reinsurance (E) Task Force
- Reinsurance Financial Analysis (E) Working Group (Vice Chair)
- Restructuring Mechanisms (E) Working Group
- Long-Term Care Insurance Restructuring (E) Subgroup
- Restructuring Mechanisms (E) Subgroup
- Risk-Focused Surveillance (E) Working Group (Vice Chair)
- Valuation Analysis (E) Working Group
- Valuation of Securities (E) Task Force

## Financial Regulation Standards And Accreditation (F) Committee

OCI was Vice Chair for meeting in 2020

**“ Market Regulation staff participate in the MHPAEA (B) Working Group at NAIC. That Working Group is charged with monitoring, reporting on, and analyzing developments related to the Mental Health Parity and Addiction Equity Act of 2008. The mental health issues associated with COVID-19 make OCI’s participation in this national group all the more relevant and important. ”**

- Rebecca Rebholz, Administrator for the Division  
of Market Regulation and Enforcement

# Bulletins to Insurers

OCI publishes bulletins to provide information or interpretations about insurance regulations. The bulletins are issued to explain new regulations or discuss interpretations enforced by OCI. Due mostly to the COVID-19 pandemic, OCI issued 22 bulletins to insurers in 2020; in contrast, in 2019, OCI issued five bulletins.

March 6, 2020

### [Coronavirus \(COVID-19\) Coverage Request](#)

To protect the public health, insurers, self-funded plans, pharmacy benefit managers, and cooperative health plans (collectively, Health Plan Issuers) are requested to identify and remove barriers to testing and treatment for COVID-19. OCI requests Health Plan Issuers that offer health care plans to Wisconsin residents take the following immediate measures related to the potential impact of COVID-19. Preparedness, information access, testing for COVID-19, telehealth delivery of services, network adequacy and access to out-of-network services, prior authorization requests, immunizations, access to prescription drugs, and information sharing.

March 15, 2020

### [Regulatory Flexibility Regarding COVID-19](#)

OCI provided guidance to insurers regarding managing corporate governance issues and filing deadlines in the wake of the COVID-19 pandemic.

March 20, 2020

### [Complying with Regulatory Requirements during the Public Health Emergency](#)

OCI provided guidance to insurers regarding compliance with regulatory requirements during the COVID-19 public health emergency concerning policy flexibility. Insurers are encouraged to offer flexibility to insureds who are incurring economic hardship. This flexibility can include offering non-cancellation periods, deferred premium payments, premium

holidays, and acceleration or waiver of underwriting requirements. OCI will not view any accommodations made to insureds incurring economic hardship during the COVID-19 public health emergency as violating insurance laws such as unfair inducement prohibitions. Accommodations should not be applied in an unfairly discriminatory manner.

March 23, 2020

### [Coverage for Delivery Drivers for Restaurants during the COVID-19 Public Health Emergency](#)

On March 17, 2020, the Department of Health Services issued Emergency Order #5 which ordered the closures of all bars and restaurants to prevent the further spread of the COVID-19 virus. Under the order, restaurants may remain open for delivery service. As such, restaurants that do not normally offer delivery may begin delivery service. Employees who typically do not deliver food may be called on to temporarily provide food delivery services using their own insured personal vehicles. OCI has worked with the insurance industry to remove any insurance barriers that may prevent a restaurant from beginning delivery service with their employees.

March 26, 2020

### [Small Employer Coverage](#)

OCI provided guidance to insurers regarding small employer coverage requirements and Wisconsin's continuation law during the COVID-19 public health emergency.

March 26, 2020

### **[Extension of Transitional Health Insurance Plans Through December 31, 2021](#)**

On January 31, 2020, the Centers for Medicare and Medicaid Services (CMS) released a bulletin allowing states to permit insurers to renew transitional policies as long as such policies come into compliance with certain specified market reforms by January 1, 2022. Specifically, the new guidance on transitional plans extends the use of transitional plans through December 31, 2021. In light of this new federal guidance, OCI is issuing this bulletin to allow for the extension of these plans as outlined by CMS.

April 2, 2020

### **[Corporate Governance Annual Disclosure](#)**

OCI promulgated a rule on the annual Corporate Governance Disclosure (CGAD), which will be published on April 27, 2020, with an effective date of May 1, 2020. Wisconsin adopted the 2014 changes to the National Association of Insurance Commissioners model law and regulation related to the CGAD. These changes are needed for Wisconsin to maintain its NAIC accreditation.

April 21, 2020

### **[Special COVID-19 Session Law 2019 Wisconsin Act 185](#)**

On April 15, 2020, Governor Tony Evers signed into law 2019 Wisconsin Act 185 (COVID-19 law). The new law affects several agencies in the State's response to the public health emergency. This bulletin provides a summary of the provisions OCI will be implementing. The summary is intended as information only, and not an interpretation of the law by OCI.

April 22, 2020

### **[Remotely Proctored Exams are Available for Agent Candidates](#)**

Effective Friday, April 17, 2020, OCI made remotely proctored insurance agent licensing exams available using a remote testing application called ProProctor™ by Prometric. ProProctor allows for fully proctored remote testing for candidates by providing a secure, online testing option in the location of the candidate's choosing. This allows candidates to complete agent licensing exams remotely during the Safer at Home order and allows for individuals with mobility or transportation restrictions to complete exams at a time and location that best meets their needs. Each proposed test location will be individually vetted and approved by ProProctor as part of the testing process.

May 29, 2020

### **[Proctoring of Online Courses – Personal Attestation Form](#)**

In response to COVID-19, OCI made temporary changes to Wisconsin requirements for delivering online courses and online course proctoring. OCI will allow providers to deliver currently approved classroom courses via webinar without

having to re-file those courses with OCI. Providers will not be required to submit separate course applications for these webinar courses before delivering these courses to students. However, providers are required to provide OCI with a list of classroom courses that will be conducted via webinar and submit a written statement as to your process in determining participation of students. OCI encourages providers to submit these lists as soon as possible.

June 1, 2020

### **[New Agent Licensing Vendor](#)**

Effective July 1, PSI Services LLC (PSI) will be handling the licensing examination and administration of the continuing education/prelicensing program on behalf OCI. PSI is taking over from our prior vendor, Prometric.

June 18, 2020

### **[Updated Coverage for Delivery Drivers for Restaurants during the COVID-19 Public Health Emergency](#)**

The requirements outlined in this bulletin expired when the public health emergency was lifted on May 13, 2020. To minimize the effect to insureds, OCI is asking insurers to give written notice of at least 10 days to consumers if their hired and non-owned auto coverage will expire. OCI is also requesting that insurers notify consumers if their personal auto delivery coverage will expire using the same method the insurer used to notify consumers the coverage was available, if they notified consumers when coverage was extended. OCI is also asking insurers to work with their insureds to make sure they have the coverage they need. If possible, OCI requests that insurers transition insureds to permanent coverage for deliveries, for an additional cost if normally required, if the insureds still require coverage for restaurant deliveries.

June 29, 2020

### **[Nondiscrimination regarding Coverage for Insureds Who are Transgender or Gender Dysphoric](#)**

This bulletin outlines the legal requirements regarding nondiscrimination in health insurance coverage for therapeutic interventions, medical and surgical procedures, and prescription medications as they apply to gender identity, including persons who are transgender or diagnosed with gender dysphoria. It is unlawfully discriminatory to exclude, limit, or deny benefits to an insured on the basis of the insured's gender identity.

July 1, 2020

### **[Public Adjuster Law, Wisconsin Act 129](#)**

Wisconsin Act 129 becomes effective as of July 1, 2020. This Act creates a new chapter governing public adjusters in Wisconsin. First, the Act makes registration mandatory for non-resident public adjusters and optional for resident public adjusters. The Act also creates several provisions addressing consumer protection that apply to any

individual engaging in public adjusting services regardless of registration status including contract and form filing requirements, requirements mandating disclosure of compensation, a bonding requirement, and reporting requirements for administrative and criminal actions. The full requirements under Act 129 can be found in Chapter 629, Wisconsin Statutes.

October 13, 2020

### **[Change in Filings to the Division of Financial Regulation](#)**

OCI has implemented a Financial Filing Portal for companies licensed as domestic and non-domestic insurers to make financial related filings electronically with the Division of Financial Regulation. Use of the Financial Filing Portal is optional but highly encouraged.

October 13, 2020

### **[Telemedicine Coverage Request Related to COVID-19](#)**

On October 1, 2020, Governor Tony Evers and Department of Health Services Secretary-designee Andrea Palm issued Emergency Order #2 regarding aid to healthcare facilities providing treatment for COVID-19. OCI was directed to "continue working with health insurers to minimize out-of-network barriers for insured patients seeking telemedicine services." OCI is issuing this Bulletin in compliance with that directive. Health Plan Issuers are once again strongly encouraged to remove any barriers to their insureds utilizing telemedicine services. Health Plan Issuers are reminded to review provisions in current policies regarding the delivery of health care services via telemedicine and ensure their telemedicine programs with participating providers are robust and will be able to meet any increased demand.

October 15, 2020

### **[Revised Prima Facie Credit Life and Credit Accident and Sickness Insurance Rates](#)**

Section Ins 3.25 (13) (c), Wis. Adm. Code, provides that on or before October 1, 1990, and each three years after that the Commissioner shall give written notice to all authorized insurers specifying the prima facie rates to be effective for the three-year period beginning on the next January 1. The periodic adjustment of the credit life rates is based only on differences in claim costs. The result is a new basic loss ratio that fulfills the presumption that benefits are reasonable to the premiums charged, as required by s. 424.209 (1), Wis. Stat. This bulletin was a written notice of the new basic loss ratio of 40% for credit life insurance and the new prima facie rates for credit life insurance and credit accident and sickness insurance to become effective for the three-year period beginning on January 1, 2021.

October 21, 2020

### **[Update for Agent Licensing Remote Testing Process](#)**

It has been just over three months since OCI transitioned

to our new agent licensing vendor: PSI, Inc. Switching to a new vendor and then tasking that vendor to provide testing for all lines of insurance both in-person and on a remote platform has been quite a shift. Both OCI and PSI are aware that some candidates have been dealing with issues in the testing process. We are actively working together to identify and solve those problems. Through the ongoing partnership between OCI and PSI, our goal is to ensure a seamless testing process – whether it be in-person or using the remote testing platform. To head off potential problems, we would like to share some troubleshooting tips for candidates.

October 26, 2020

### **[Town Mutual Insurers Revised Investment Rules](#)**

OCI has promulgated Wis. Admin. Code § Ins 6.20 (6), regulating investment rules for town mutual insurers. This bulletin highlights the most significant changes to the investment rules for town mutual insurers.

November 3, 2020

### **[Wisconsin Agent Appointment Renewal Invoices for 2020](#)**

OCI will process all company appointments electronically through the National Insurance Producer Registry (NIPR). The appointment renewal invoice will include all resident/nonresident appointment renewals. All agents will appear on the renewal list unless the agent was terminated by 11:59 p.m. CST on December 31, 2020.

November 25, 2020

### **[Moving to Electronic License/Registration Renewal Notifications - February 1, 2021](#)**

Beginning February 1, 2021, OCI will send license renewal notifications only by email, rather than the current practice of sending renewal notifications via email and U.S. Mail. OCI currently sends renewal notifications to all licensees/registrants via U.S. Mail and email using the business email address on file within 60 days of a licensee's expiration date. Beginning in February, OCI will only be sending notices to your business email address.

December 22, 2020

### **[COVID-19 Immunization Coverage](#)**

OCI is issuing this Bulletin to inform consumers regarding the coverage available for COVID-19 vaccinations and to provide guidance to agents, insurers, and self-funded plans regarding the coverage requirements for the COVID-19 vaccine. The Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Public Health Service Act, and the Interim Final Rule issued on October 28, 2020, require coverage without cost-sharing of COVID-19 vaccination administration costs by health insurance issuers offering group and individual health insurance. COVID-19 vaccination coverage without cost-sharing applies to small-group and large-group health plans, fully insured and self-insured plans.

# Legislation

In 2020, Governor Evers signed legislation affecting the business of insurance in Wisconsin. Legislative materials may be found online at [legis.wisconsin.gov](https://legis.wisconsin.gov) and may also be obtained from the Wisconsin Legislative Council at [lc.legis.wisconsin.gov](https://lc.legis.wisconsin.gov) or by calling (608) 266-1307.

## 2019 Wisconsin Act 121

### The prescription drug monitoring program

*Amend 961.385 (2) (cs) 1., 961.385 (5) (b) and 961.385 (6) (a), Wis. Stat.*

2019 Wisconsin Act 121 extends the expiration of the requirement that a patient's records under the PDMP be reviewed before a practitioner issues a prescription order for the patient from April 1, 2020, to April 1, 2025.

The act also extends the expiration of the requirement that the board conducts a quarterly review of the PDMP to evaluate the actual outcomes of the PDMP compared with projected outcomes from October 30, 2020, to October 30, 2025.<sup>1</sup>

Effective March 5, 2020

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<sup>1</sup>McCarthy, S. (2020, April 3). Wisconsin Legislative Council Act Memo, 2020 Wisconsin Act 121. <https://docs.legis.wisconsin.gov/2019/related/lcactmemo/act121.pdf>

## 2019 Wisconsin Act 129

### Regulation of public adjusters

*Amend 45.44 (1) (a) 18., 601.43 (1) (a) and 601.43 (1) (d); and to create 601.31 (1) (z), 601.31 (1) (zb), 601.31 (1) (zc) and chapter 629, Wis. Stat.*

2019 Wisconsin Act 129 creates a credentialing process for public adjusters operating in Wisconsin. The act defines a "public adjuster" as an individual who acts on behalf of a policyholder, for compensation, in filing and negotiating a property insurance claim.

The act creates two types of registration for public adjusters: an optional registration for public adjusters who are Wisconsin residents; and a mandatory registration for nonresident public adjusters. OCI is responsible for maintaining the registry and overseeing all public adjusters.

A single registration process is used for both a nonresident who is required to register and for a resident who chooses to register. In both cases, the registration process requires completion of an application form, passage of a written examination, and payment of \$50 for the initial licensing fee.

Once registered, a public adjuster must complete a minimum of 15 credits of continuing education, including three ethics credits, every two years. The biennial renewal fee is \$50.

The registration provisions do not apply to an attorney, an insurance agent or broker, an individual who settles subrogation claims between insurers, or persons providing technical assistance to a public adjuster, such as a photographer, engineer, or estimator.<sup>2</sup>

Effective July 1, 2020

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<sup>2</sup>Kelley, M. (2020, March 27). Wisconsin Legislative Council Act Memo, 2019 Wisconsin Act 129. <https://docs.legis.wisconsin.gov/2019/related/lcactmemo/act066.pdf>

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## 2019 Wisconsin Act 155

### Notice of change in terms or premium amount for insurance policy renewal

*Renumber and amend 631.36 (5) (a) and 631.36 (5) (c); to amend 631.36 (5) (d); and to create 631.36 (5) (a) 2. and 631.36 (5) (c) 2., Wis. Stat.*

2019 Wisconsin Act 155 modifies the required notice to a current property and casualty policy holder from 60-day to 45 days before renewing an insurance policy with less favorable terms or a premium increase of greater than 25 percent.

Effective July 1, 2020

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## 2019 Wisconsin Act 167

### Including crop insurance proceeds in the manufacturing and agricultural tax credit

*Renumber and amend 71.07 (5n) (a) 6. and 71.28 (5n) (a) 6.; and to create 71.07 (5n) (a) 6. a. and b. and 71.28 (5n) (a) 6. a. and b., Wis. Stat.*

The act permits a person to include insurance proceeds in gross production income for purposes of the manufacturing and agricultural tax credit. Under the act, a person may include insurance proceeds in gross production income, to the extent they are included in federal taxable income for the tax year if the proceeds are received as a result of the destruction of, or damage to, crops.<sup>3</sup>

Effective March 5, 2020

<sup>3</sup>Schmidt, D. (2020, April 3). Wisconsin Legislative Council Act Memo, 2019 Wisconsin Act 167. <https://docs.legis.wisconsin.gov/2019/related/lcactmemo/act167.pdf>

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## 2019 Wisconsin Act 185

### State government response to the COVID-19 pandemic

*Amend 609.83, 625.12 (2), 628.34 (3) (a); and to create 609.205, 609.846, 609.885, 632.729, 632.895 (14g), 632.895 (16v), Wis. Stat.*

2019 Wisconsin Act 185 makes numerous changes to state law in response to the COVID-19 outbreak.

- Provides civil liability exemptions for manufacturers, distributors, and sellers of emergency medical supplies and for certain health care professionals and providers, subject to specified requirements.
- Prohibits insurers from providing different eligibility requirements, rates, or terms based on a COVID-19 diagnosis.
- Requires insurers to provide coverage for COVID-19 testing without copayments or coinsurance, and, in some circumstances, to provide in-network rates for diagnoses and treatment.
- Prohibits insurers from imposing certain restrictions on filling prescriptions.
- Eases requirements for fulfilling state practice liability insurance requirements for visiting physicians and nurse anesthetists.<sup>4</sup>

Effective April 17, 2020

<sup>4</sup>Legislative Council Staff (2020, April 21). Wisconsin Legislative Council Act Memo, 2019 Wisconsin Act 185. <https://docs.legis.wisconsin.gov/2019/related/lcactmemo/act185.pdf>

# Administrative Rules

## In 2020, OCI promulgated the following changes in the Wisconsin Administrative Code.

***Ins 2.02, 2.04, and 6.20, Wis. Adm. Code—Relating to the repeal of restrictions relating to the allocation of dividends to participating life insurance policies issued by a stock company, rating practices for exceeding filed rates for substandard risks, and revisions to the definition of investment terms, limitations on the investments of a town mutual insurer and the permissible scope of foreign investments and affecting small business.***

The rule repeals two sections that were superseded by law, s. Ins 2.02 related to allocation of dividends, and s. Ins 2.04 that permitted life insurers to exceed the maximum premium rate for coverage of a person that is classified as a substandard risk or is engaged in a hazardous occupation.

The rule modified s. Ins 6.20 to modernize permissible investments that could be counted toward compulsory and security surplus. The changes added a general definition for derivative instruments and aligned Wisconsin's requirements with the NAIC Derivative Instrument Model Regulation. The revisions to s. Ins 6.20 (6), apply to town mutual insurers and are intended to provide regulatory relief through reduction in costs and improvements to the basis for investment regulation. Town mutual insurers will have the option to hold a diversified portfolio of mutual funds instead of individual bonds and stocks. Moreover, once a town mutual insurer has achieved a specified threshold of low-risk assets, there will be no further limits on the town mutual insurer's equity holdings. Finally, the use of Morningstar ratings on mutual funds, which were intended to stand in for qualitative measures, are removed in favor of maximum expense ratios that have been set at reasonable levels while allowing for active investment strategies.

Effective September 1, 2020

***Ins 3.17, Wis. Adm. Code—Relating reserve standards for accident and sickness insurance and affecting small business.***

The rule addresses an unintended consequence of the 2015 revisions to s. 623.06, Wis. Stats., for companies writing disability insurance resulting in a gap between the newest disability valuation tables and the prior tables. To bridge the accounting gap, the rule permits insurers writing accident and sickness insurance with policies issued prior to January 1, 2017, to select one of two options. Affected insurers may either calculate claim and contract reserves for

health insurance policies by complying with the minimum requirements in the NAIC Accounting Practices and Procedures Manual Appendix A-010 or complying with the existing requirements in ss. Ins 3.17 (6) (b) or (8) (b). This approach provides flexibility to insurers in accounting for claim reserves on a consistent basis without differentiation based upon the issue date of the underlying policy. The rule as modified promotes consistency with NAIC standards and other states' regulations and laws.

Effective August 1, 2020

***Ins 4.10, Wis. Adm. Code—Relating to the Wisconsin Insurance Plan ("WIP").***

The WIP is a residual property insurer that was created to provide basic property insurance on certain properties rejected by other insurers for coverage. This rule eliminated two obsolete coverage categories as the standard market provided effective and available coverage: builders risk, and stand-alone theft/burglary coverage. Coverage is still available for theft/burglary within a comprehensive policy, just not as a stand-alone product. In addition, the rule revised the number of positions from 15 to 11 on the governing board to allow WIP to operate more effectively and efficiently. Finally, the rule increased basic property insurance limits to \$350,000, increased the maximum coverage limits for personal property from \$175,000 under s. Ins 4.10 (4) (b) and (d).

Effective September 1, 2020

***Ins 6.57 to 6.59, 6.595, 6.61, 6.63, 6.92, 6.93, 26.03 to 26.07, 26.09, 28.01, and 28.03 to 28.08, Wis. Adm. Code—Relating to agent licensing process.***

The OCI switched to the NAIC State Based System (SBS), which is a comprehensive web-based application that was developed to assist state regulators with services relating to the agent licensing process. One of the key changes with the switch to SBS was the change to electronic communications and consolidated services rather than a paper-intensive process using the U.S. Postal Service first-class mailing. To allow the shift to the electronic format the rules were modified to reflect the web-based process for applications, appointments, notices, and intermediary licenses and shift to use of electronic communications including email rather than paper communications. The rule also incorporated the NAIC Uniform Applications to ensure uniformity with other states.

The rule modifications distinguished among the different causes for license revocation as governed by s. 628.10, Wis. Stat. Licenses that were revoked for failing to comply with continuing education requirements or failing to pay regulatory fees are now referred to as “terminations,” while revocations for delinquent taxes and unemployment contributions continue to be referred to as “revocations.” While not a substantive distinction, the modification more accurately reflects how the different revocations are treated and viewed.

In addition to general changes, the rule also revised numerous sections to clarify, simplify and or remove existing requirements that are confusing or outdated. The changes sought to streamline various aspects of the agent licensing process by removing unnecessary language and requirements to create greater uniformity with other states.

Effective September 1, 2020

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***Ins 17.28 (3) (c), and (4) (f), Wis. Adm. Code—Relating to the Injured Patients and Families Compensation Fund refund procedures and ISO code modifications.***

This rule for the Injured Patients and Families Compensation Fund (Fund) reflects changes made to the Insurance Services Office (ISO) code listing to address corrections to several medical professional’s classifications of specialties and also includes new ISO codes for certain specialties. The ISO codes are the numerical designation for a health care provider’s specialty and are used to classify the provider for Fund assessment purposes. Periodically, the codes are updated, corrected, or modified to reflect change in practice including the addition of two codes for Doctor of Osteopathy that had previously only been used for Doctor of Medicine.

Additionally, the rule modifies the refund procedures of the Fund by no longer requiring the Fund to refund, with interest, the administrative fee charged for quarterly billing.

Effective August 1, 2020

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***Ins 40 and 53, Wis. Adm. Code—Relating holding company supervisions amendments and corporate governance disclosure requirements for NAIC accreditation and affecting small business.***

This rule improves the regulation of internationally active insurance groups that include at least one Wisconsin insurer and specifies filing procedures and the content of

corporate governance annual reports that are required to be filed under Wis. Stat. § 610.80. The changes bring Wisconsin into alignment with the NAIC model regulations. These regulations are required to remain a state insurance regulatory agency that is accredited by the NAIC. The changes are similar to those adopted or that will be adopted in other states and work to promote uniformity for insurance holding company systems operating across multiple states.

The rule implements Wis. Stat. § 610.80, by incorporating NAIC’s recently created Corporate Governance Annual Disclosure Model Act. This requires an annual filing that enables the commissioner to gain a better understanding of an insurer’s corporate governance framework. The rule sets forth the procedures for filing and the required contents of the corporate governance annual disclosure.

Effective May 1, 2020

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**In 2020, OCI had the following rules repealed through an expedited process.**

***Ins 5.03 (5) and 5.17 (1) (a) 2., Wis. Adm. Code—Relating to the Health Insurance Risk-Sharing Program.***

The rule repealed these sections that referenced the Wisconsin health insurance risk-sharing board that was dissolved by 2013 Wis Acts 20 and 116. OCI determined that these sections should be amended to remove references to the board.

Effective April 1, 2020

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***Ins 8.01 to 8.09, Wis. Adm. Code—Relating to employee welfare funds.***

The rule repealed these sections that contained definitions and various requirements for employee welfare plans. The authorizing statute for these sections was repealed by 2003 Wis. Act 261. Therefore, these sections were considered unauthorized rules pursuant to Wis. Stat. § 227.26 (4).

Effective April 1, 2020

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***Ins 11.01, Wis. Adm. Code—Relating to the insurance security board membership.***

The rule repealed this section that contained subcategories of insurers to be represented on the security fund board.

However, with the passage of 2007 Wis. Act 170, the Commissioner does not have specific rule-making authority regarding the security fund board membership. Therefore, these sections were considered unauthorized rules pursuant to Wis. Stat. § 227.26 (4).

Effective April 1, 2020

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**In 2020, OCI had the following emergency rule in effect.**

***Chapter Ins 19, Wis. Adm. Code—Relating to the Wisconsin Healthcare Stability Plan and affecting small business.***

The proposed emergency rule remains in effect and implements the requirements for the Wisconsin Healthcare Stability Plan, (WIHSP) a reinsurance program under a 1332 federal waiver that was created by 2017 Wis. Act 138. Chapter Ins 19, Wis. Adm. Code, is created to implement the two key components of the WIHSP: (1) to establish a process to annually set the payment parameters for the following benefit years; and (2) to establish the reporting requirements for eligible carriers with paid claims during a given benefit year that are eligible for reinsurance payment from WIHSP.

Consistent with the authorizing statute, the emergency rule clarifies OCI's requirements for insurers offering individual comprehensive health insurance on the federally facilitated marketplace and offered generally in the state. The benefits covered by compliant plans must provide coverage consistent with the Patient Protection and Affordable Care Act of 2010, as amended, (PL 111-148), including coverage of preexisting conditions, essential health benefits, and Wisconsin health insurance mandates, that are provided without discrimination or imposition of annual or lifetime limitations.

The emergency rule delineates the claim submission process by establishing claim reporting requirements, timing and content of quarterly and annual reports, and final reconciliation of claims data. The rule also identifies the review and audit process of submitted claims and establishes timelines for submission of data and other information required by OCI. The information gathered by OCI will be used in aggregate to complete required reporting to the federal government and notices to eligible carriers. Claims eligible for reinsurance during the benefit year may be submitted to OCI for reinsurance payment following the payment parameters for that benefit year. Reinsurance payments to eligible carriers are to be issued by August 15 of the subsequent benefit year.

Effective December 3, 2018

# Administrative Actions

The Office of the Commissioner of Insurance is responsible for administering and enforcing the insurance laws of Wisconsin. This includes monitoring the financial and marketing practices of individuals and companies. All complaints are investigated to determine if any Wisconsin laws have been violated. In cases of serious violations administrative actions are taken.

The following administrative actions were taken in 2020.

## Companies

Total Number of Actions	13
Forfeitures Demanded	\$6,000

## Agents

Licenses Denied	50
Licenses Revoked	97*
Licenses Surrendered	11
Licenses Suspended	2
Total Number of Actions	231
Forfeitures Demanded	\$111,870

\*Fewer license revocations for owing delinquent state taxes because Wisconsin Dept of Revenue suspended occupational license referrals during pandemic; in two cases, the amount of restitution was not determined at the time of the order; increased number of fines (but for smaller amounts) for reporting violations; "other" includes stipulated agreements related to temporary denials, conditional and restricted licenses.

**“ OCI is Wisconsin’s insurance watchdog. Our team works hard every day to make sure that every consumer has access to affordable, high quality insurance in our competitive marketplace. ”**

- Sarah Smith, Director of Public Affairs

Each month, OCI publishes the administrative actions it has taken against these entities. The actions are issued by OCI when licensing applicants or licensed individuals or companies have violated Wisconsin insurance statutes or regulations. In some cases, the individual or company denied the stated allegations but consented to the action taken.

OCI strives to ensure fair and honest business practices to protect Wisconsin insurance consumers through this type of transparency.

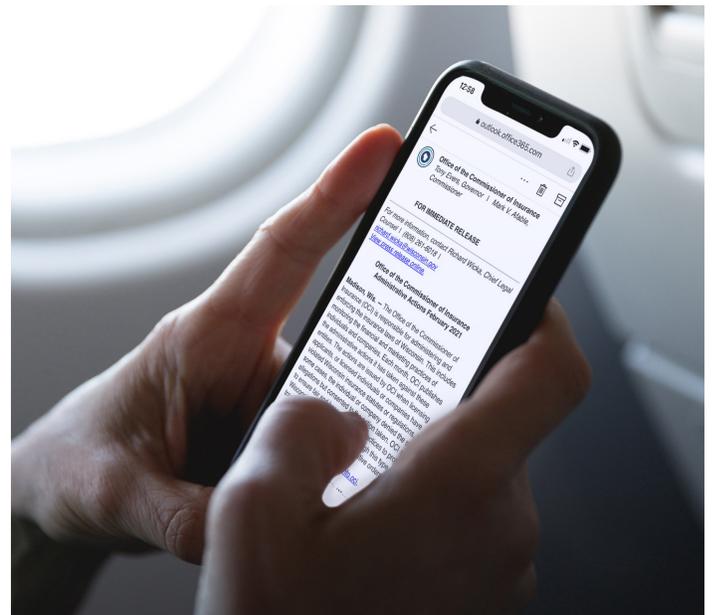
## Online Administrative Orders

Administrative orders may be viewed online at [ociaccess.oci.wi.gov/OrderInfo/OrdInfo.oci](https://ociaccess.oci.wi.gov/OrderInfo/OrdInfo.oci). You can search all Administrative Orders for 2020 or by other criteria.

Any forfeitures paid are deposited in Wisconsin’s Common School Fund administered by the Board of Commissioners of Public Lands. Earnings from the Fund are distributed to all public K-12 schools in the state and are used by school libraries to purchase materials such as books, newspapers, and computers.

OCI collected \$72,887 in forfeitures which are remitted to the Common School Fund.

You may also subscribe to OCI’s electronic mailing list to receive notices of monthly administrative actions at [oci.wi.gov/Pages/AboutOCI/ListServe.aspx](https://oci.wi.gov/Pages/AboutOCI/ListServe.aspx).



# Legislative Relations and Communications

## Public Affairs

It is the mission of OCI to improve the insurance industry through regulation and education so Wisconsinites can access the coverage they need to gain greater financial security and stability. OCI is here to regulate the industry, inform the public, and empower consumers. In support of this mission, Commissioner Afable created a Public Affairs unit within the Commissioner's Unit in 2019. This team oversees communications, outreach, marketing, and legislative affairs.

This unit is overseen by the Director of Public Affairs and includes a legislative policy advisor, an advanced communications specialist focusing on graphic design and marketing, a social media and outreach specialist, and a copy editor/content manager.

In 2020, OCI worked to effectively utilize new communication modes that were adopted in 2019 including social media platforms like Instagram. The communications specialist and social media specialist worked to create content related to the COVID-19 pandemic, the Healthcare.gov Open Enrollment period, and general information topics throughout the year.

The Public Affairs unit also maintains a website ([oci.wi.gov](http://oci.wi.gov)) for consumers, stakeholders, and the industry.



*Above: Commissioner Afable speaks with Angel and Chris Hebbe of Cedar View Dairy Farm in Cambridge in January 2020. Mark visited their farm to talk about some of the challenges that farmers can face, including access to and cost of health insurance.*

The website links to a number of consumer publications on a variety of topics related to COVID-19 to ensure that business owners, health insurance consumers, and others could access accurate, up-to-date information. The communications specialist also created new webpage content to share COVID-19 updates about the agency's operations and the industry's response to the pandemic and economic changes.

The Strategic Public Affairs Communication Plan is designed to increase awareness of OCI and insurance issues and build financial and health insurance literacy across the state. Key areas of focus include:

- Spreading Awareness about the work of OCI
- Increasing Financial Empowerment through Insurance Literacy
- Expanding Health Insurance Coverage
- Educating Wisconsinites about Life Insurance
- Increasing Flood Insurance Coverage
- Empowering Farmers with Insurance Information



*Above: Commissioner Afable at Madison College in March 2020. Commissioner Afable learned more about the campus and the opportunities for students in the college's Risk Management and Insurance program.*

## Prescription Drug Task Force

The Governor's Task Force on Reducing Prescription Drug Prices submitted the final report to Governor Evers in fall 2020. The public affairs team was instrumental in assisting with the external communications, social media promotion, and creation of the final report. The social media and outreach specialist conducted interviews with folks affected by high prescription drug prices and produced [videos](#) to keep the impact on consumers at the forefront of the discussion. The comprehensive report and supplemental materials are available on the [Rx Task Force website](#).



## Health Insurance Access

On June 23, 2020, we launched [WisCovered.com](#). Built with input from the OCI-DHS Health Care Coverage Partnership Marketing Workgroup, this mobile-first site connects Wisconsinites to expert health insurance advice. This is an important tool under normal circumstances but even more important throughout the pandemic. Public Affairs updated the site frequently to reflect the latest changes to open enrollment periods, Marketplace eligibility, and the provisions of the American Rescue Plan. The [Digital Media Toolkit](#) provided local governments and organizations with communication tools to reach their stakeholders and spread the word to as many Wisconsinites as possible.

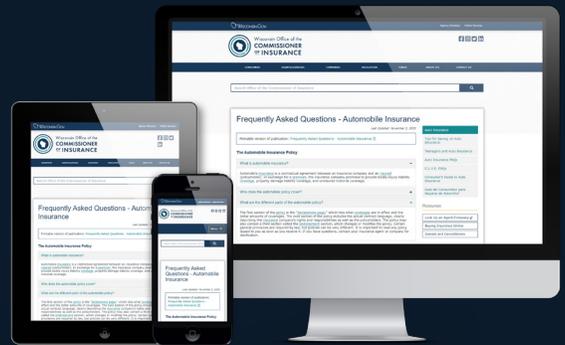


## Outreach and Awareness

Although COVID shut down in-person outreach, we did coordinate a few meetings early in 2020 with Commissioner Afile touring Cedar View Dairy Farm in January and Madison College in March.



We continue to grow our awareness on social media. We have expanded our presence to include [Instagram](#), [Twitter](#), and [LinkedIn](#). At the start of 2020, OCI had 262 [Facebook](#) followers and in December 2020 we had increased that to 923 total followers.



We have worked hard to create more approachable consumer publications by creating FAQs and Fact Sheets and adding important content directly to our webpages. Check out the remodeled Consumer section of [oci.wi.gov/consumers](#). A comprehensive list of OCI consumer publications can still be found at [oci.wi.gov/publications](#). Consumer publications can also be ordered online in hard copy format at [oci.wi.gov/Pages/Consumers/Order-a-Publication.aspx](#).

In 2020, we updated our mission statement and developed a new logo. These were crafted following discussions with OCI employees as well as consumer and industry input through online surveys. OCI's new logo combines the letters of OCI into a modern seal that still references the overall design of the Wisconsin state seal. The new logo along with a modern color pallet has been implemented throughout the agency to bring consistency to [oci.wi.gov](#), letterhead, and publications.



# Funds and the Office of Administrative Services

The Office of Administrative Services has managerial oversight of the Injured Patients and Families Compensation Fund and the State Life Insurance Fund.

## Injured Patients and Families Compensation



Injured Patients & Families Compensation Fund

The Injured Patients and Families Compensation Fund was created in 1975 to provide medical malpractice insurance for Wisconsin in excess of the primary limit established by statute, which is currently \$1 million per occurrence and \$3 million aggregate per year. Participation in the Fund is mandatory for health care providers as defined by Chapter 655, Wis. Stat.

The Office of the Commissioner of Insurance (OCI) provides administrative support for the Fund's operations. The Fund is governed by a 13-member Board of Governors which is chaired by the Commissioner of Insurance. The makeup of the board can be found in the Advisory Boards, Committees, and Councils section of this report on [page 19](#). The following committees and council support the Fund's governance and typically meet each quarter:

- Actuarial and Underwriting Committee
- Legal Committee
- Claims Committee
- Finance/Investment/Audit Committee
- Risk Management and Patient Safety Committee
- Peer Review Council

The Fund operates on a fiscal year basis: July 1 through June 30. Administrative costs, operating costs, and claim payments are funded through assessments on participating health care providers.

### Fund Participants

As of June 30, 2020, there were a total of 17,758 active Fund participants, comprised of:

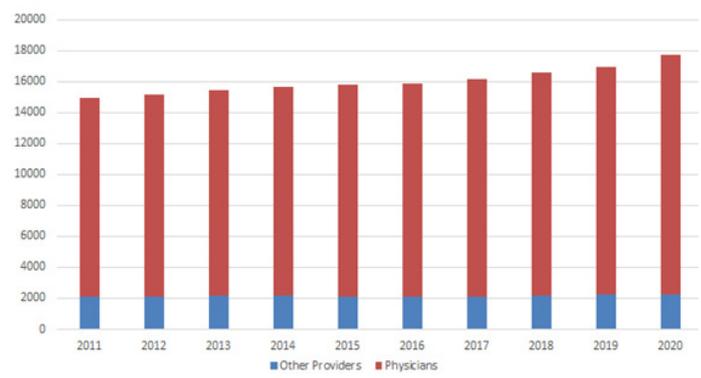
- 147 hospitals with 19 affiliated nursing homes
- 15,494 physicians

- 891 nurse anesthetists
- 20 hospital-owned or controlled entities
- 73 ambulatory surgery centers
- 1 cooperative, 12 partnerships, and 1,101 corporations

As of June 30, 2020, Fund participants consisted of

- 87% physicians
- 6% corporations
- 7% other participants

Injured Patients and Families Compensation Fund Participants  
2011-2020



### Claims Activity

From July 1, 1975, through June 30, 2020, the Fund was named in 6,297 claims filed. During this period, the Fund's total number of paid claims was 685, for total indemnity payments of \$876,573,159.84. Of the total number of claims in which the Fund has been named, 5,500 claims have been closed with no indemnity payment.

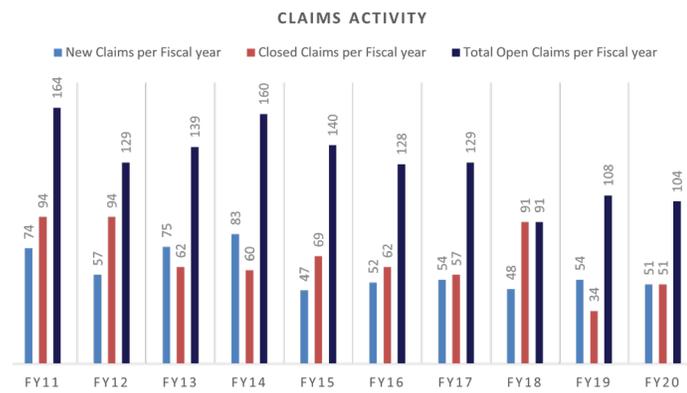
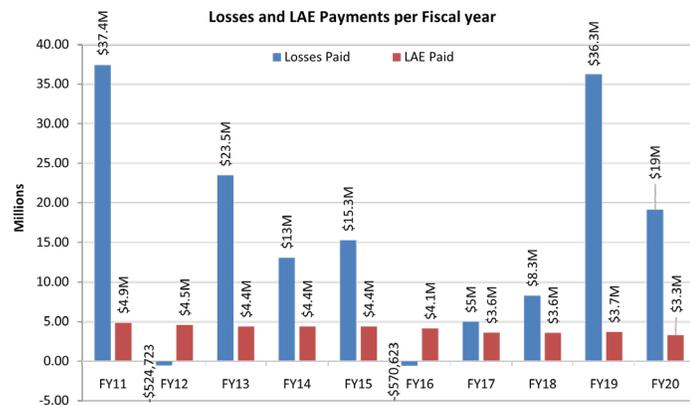
## Board Committees

### Actuarial and Underwriting Committee

The Actuarial and Underwriting Committee advises the board on actuarial and underwriting issues. The Actuarial and Underwriting Committee worked with Pinnacle Actuarial Resources to establish the IPFCF surplus caps. The committee set the IPFCF surplus caps at 500% of the Risk Based Capital. Additionally, the committee assisted in the approval of the Fiscal Year 2021 and 2022 IPFCF Premium Holiday. The committee agreed that the Premium Holiday would not jeopardize the solvency of the Fund and would provide aid to the medical systems and providers impacted by the COVID-19 pandemic.

### Claims Committee

The Claims Committee is responsible for establishing claims policies and procedures for the Fund and the Wisconsin Health Care Liability Insurance Plan (Plan) and approving claims settlements.



### Finance/Investment/Audit Committee

The Finance/Investment/Audit Committee's responsibilities include establishing, monitoring, and amending as necessary, the investment strategy for the Fund to ensure obligations are met. The committee periodically reviews investments for compliance with investment guidelines and evaluates cash flow liquidity needs. In addition, the

committee oversees the financial reporting process. Responsibilities include the review of financial position and results, as well as correspondence with auditors concerning audit scope, accounting issues, internal controls, and management recommendations.

### Legal Committee

The Legal Committee advises the board on legal issues, including retroactive coverage requests, appeals, proposed statutory changes, administrative rule changes, and other issues that affect eligibility or Fund participation.

During 2020, the committee reviewed 67 requests for retroactive coverage: 66 requests were approved and one was denied.

Under guidelines set for expedited approval by the board and Legal Committee, the Fund manager approved 127 requests for retroactive coverage and the WHCLIP manager approved one request for retroactive coverage.

### Peer Review Council

The Peer Review Council reviews physician claim records to determine whether a surcharge should be imposed against the Fund fee or Plan premium, if applicable. The surcharge is a percentage of a provider's Fund fee or Plan premium based on the number of closed medical liability claims reported and the aggregate amount paid for those claims.

During fiscal year July 1, 2019, through June 30, 2020, 91 claims paid reports were filed. These included 28 for physicians or nurse anesthetists, 55 for hospitals, nursing homes, corporations, or clinics, and eight for other types of providers. No providers were subject to a possible surcharge.

Since the inception of the Council in 1986, 67 providers have been subject to a possible surcharge.

### Risk Management and Patient Safety Committee

The purpose of the Risk Management and Patient Safety Committee is to reduce patient/claimant compensable injuries, reduce Fund losses and associated expenses, improve the general quality of medical care, and reduce the premiums of participating health care providers.

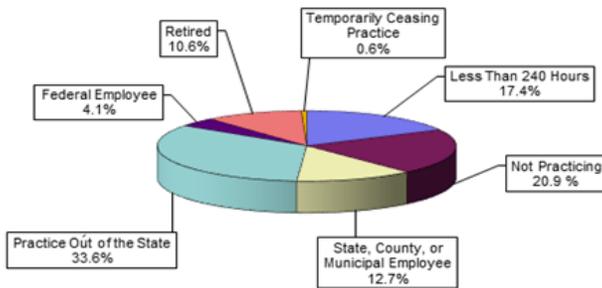
In 2019, committee meetings were temporarily suspended pending the implementation of an upgraded Fund claims and policy management system. It is expected that the system will allow the committee to analyze meaningful claims data to help focus communication and education efforts for insureds.

### Other Fund Activities

The Fund continually monitors and updates the exemption status for providers that held a license to practice in Wisconsin but for which a current exemption or certificate of insurance was not on file with the Fund. Providers that

remain in noncompliance are referred to their respective licensing boards for appropriate enforcement action.

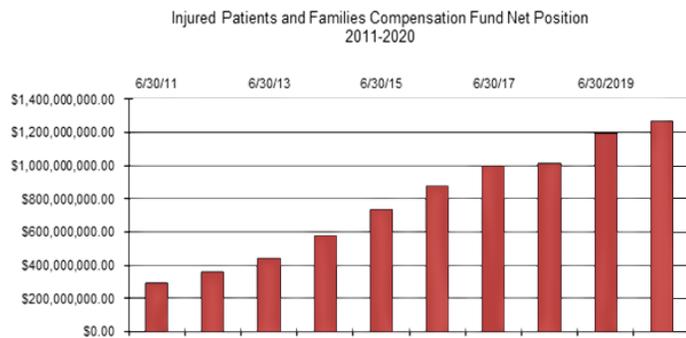
**Injured Patients and Families Compensation Fund Exemptions  
June 30, 2020**



### Financial Statistics

The Fund reports its financial operations on a July 1 to June 30, succeeding-year basis as a part of the State of Wisconsin Comprehensive Annual Financial Review. A copy of the Comprehensive Annual Financial Review can be found at: [doa.wi.gov/Pages/StateFinances/ComprehensiveAnnualFinancialReportCAFR.aspx](http://doa.wi.gov/Pages/StateFinances/ComprehensiveAnnualFinancialReportCAFR.aspx).

The Fund reported an unaudited net position of \$1,267,642,339 as of June 30, 2020.



The Fund's investments are managed by the State of Wisconsin Investment Board (SWIB). Their Annual Report can be found here: <https://www.swib.state.wi.us/list-of-investments>.

### Assessments and Panel Fees

The Board of Governors voted to grant a premium holiday for FY20, in light of the COVID-19 pandemic. Mediation panel fees for physicians (excluding physicians in a residency program) were set at \$8.75 per physician and \$2.00 per occupied hospital bed.

### Operations

The Fund has seven employees: Fund Manager, Fund

Accountant, Claims Manager, 2 Regulatory Specialists, Administrative Associate, and a Billing Specialist. The Fund contracts out for Actuarial services, Claims Adjusting services, Legal Counsel, Independent Auditing services, and IT support.

## Local Government Property Insurance Fund

The Local Government Property Insurance Fund (LGPIF) was established by ch. 605, Wis. Stat. The fund has been terminated. The fund began the process of closing in 2017.

The purpose of the fund was to make property insurance available for local government units. The Commissioner of Insurance, by law, was designated as the fund's manager. The fund had one state employee who supervised the day-to-day operations of LGPIF by contracting for specialized services. The 2017 Wisconsin Act 59 allowed for the closure of the Local Government Property Insurance Fund.

Please note the following dates:

- No coverage may be renewed after December 31, 2017.
- No coverage may terminate later than December 31, 2018.
- No claims may be filed with the property fund later than July 1, 2019.
- No claim filed after July 1, 2019, will be covered by the fund.
- *As of June 30, 2021, all claims against the LGPIF have been closed, and all outstanding liabilities satisfied.*

## State Life Insurance Fund

The State Life Insurance Fund is a segregated fund located within OCI. The State Life Insurance Fund offers a maximum of \$10,000 of life insurance to state residents. Operating as a mutual insurance company, the fund has a manager and is supervised by the Commissioner.

Section 607.15, Wis. Stat., requires the State Life Insurance Fund to distribute annually among the policyholders its net profits and to the extent practicably possible, maintain a ratio of surplus to assets between 7% and 10%. In 2020, a distribution of \$2.1 million was paid to policyholders in the form of dividends.

Wisconsin is the only state in the nation that offers a life insurance program to residents. All policies issued are participating and there is no marketing of the State Life Insurance Fund. The lapse rate on fund policies is a low 0.004%. As of December 31, 2020, there were 22,681 policies in force.

Following are financial statements – income statements and balance sheet – for the State Life Insurance Fund for the year ending December 31, 2020.

**State Life Insurance Fund  
Balance Sheet  
December 31, 2020**

**State Life Insurance Fund  
Income Statement  
December 31, 2020**

<b>Income</b>	
Premiums	\$1,050,988
Investment Income	4,264,845
Amortization of Interest	
Maintenance Reserve	978,654
Miscellaneous Income	<u>11,012</u>
<b>Total Income</b>	<b>\$6,305,499</b>
<b>Expenses</b>	
Death Benefits	\$1,680,791
Matured Endowments	358,000
Other Policy Benefits	1,337,037
Increase in Reserve	(82,477)
General Operating Expense	<u>507,604</u>
<b>Expenses before Dividends</b>	<b><u>3,800,955</u></b>
Net Gain before Dividends	<u>2,504,544</u>
Dividends to Policyholders	<u>2,103,583</u>
<b>Net Gain (Loss) from Operations</b>	<b><u>\$ 400,961</u></b>

<b>Assets</b>	
Bonds	\$103,354,697
Policy Loans	2,848,912
Cash and Bank Deposits	3,565,534
Premiums Deferred and Uncollected	46,593
Investment Income Due and Accrued	1,241,814
Other Invested Assets	<u>1,290,420</u>
<b>Total Assets</b>	<b><u>\$112,347,970</u></b>
<b>Liabilities and Surplus</b>	
Life Reserves	\$65,880,109
Interest Maintenance Reserve	6,724,414
Policy Claims	455,500
Dividends Due and Unpaid (2020)	11,619
Dividends - Provision for 2020	2,135,505
Deposit Type Contracts	26,864,941
Unclaimed Property	115,842
Taxes, Licenses, Fees Accrued	464
Suspense and Canceled Drafts	53,631
Expenses Due and Accrued	71,693
Back Up Withholding	1,914
Premiums Received in Advance	26,935
Asset Valuation Reserve	<u>376,531</u>
<b>Total Liabilities</b>	<b>\$102,719,098</b>
Surplus	<u>9,628,872</u>
<b>Total Liabilities and Surplus</b>	<b><u>\$112,347,970</u></b>

# Division of Financial Regulation

The Division of Financial Regulation in conjunction with OCI's Legal Unit is responsible for enforcing the state's insurance laws related to insurers' financial condition. In compliance with s. 601.01 (5), Wis. Stat., the division works with other state, federal, and international regulatory agencies in carrying out the intent of Wisconsin's insurance laws and the agency's mission.

Monitoring includes the examination of records and review of prospective risk impacting solvency of insurance companies organized under Wisconsin law and the analysis of financial statements of all insurers licensed to do business in the state of Wisconsin, the review of CPA audit reports, and updates to the company profile database. The division performs reviews

of holding company filings required by ch. Ins 40, Wis. Adm. Code, corporate governance disclosures, risk solvency assessments, administers insurer applications for admission to Wisconsin, and processes merger and acquisition plans. The division also collects and processes all premium taxes submitted by insurers.

## 2020 Major Accomplishments

- ✓ Maintained accreditation by the National Association of Insurance Commissioners
- ✓ Examined 28 domestic insurers
- ✓ Examined 1 care management organizations
- ✓ Analyzed the financial statements of over 2,003 insurers
- ✓ Placed 1 company in rehabilitation and performed oversight
- ✓ Continued oversight of 1 company in liquidation

### Domestic

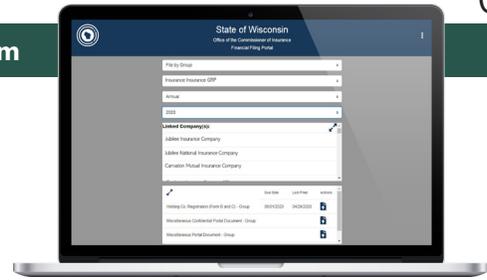
- ✓ Licensed 1 new domestic insurers
  - 5 property service contract providers
  - 2 vehicle protection product providers
- ✓ Approved 1 domestic insurer to dissolve
- ✓ Issued permits to 4 Care Management Organizations, under ch. 648, Wis. Stat.

### Nondomestic

- ✓ Licensed 30 nondomestic insurers
  - 22 property service contract providers
  - 1 life settlement provider
  - 4 vehicle protection product providers
- ✓ Permitted 4 licensed entities to withdraw from Wisconsin
- ✓ Reviewed and approved 3 mergers involving 2 domestic insurers
- ✓ Provided financial expertise to the Division of Market Regulation and Enforcement, Agent Licensing Section in licensing Employee Benefit Plan Administrators
- ✓ Reviewed and approved changes of control involving 8 domestic insurers, pursuant to holding company regulations
- ✓ Reviewed and approved 2 domestic insurers' holding company reorganization
- ✓ Performed 2 anti-trust reviews
- ✓ Redomiciled 3 licensed insurers into Wisconsin, and 6 licensed insurers out of Wisconsin

## Implemented Electronic Financial Filing Mechanism

- ✓ Worked with OCI IT in the development and implementation of a Financial Filings Portal for accepting required financial filings due annually, quarterly, and as required.
- ✓ Insurers can now see if filings have been made and when the filing was submitted.
- ✓ Created workflow to automatically route filings to staff versus routing paper or relying on email.
- ✓ Insurers can now file their application to be a domestic insurer in Wisconsin through the OCI website.
- ✓ Insurers can file for changes in control, mergers, redomestication, etc., through the OCI website.



## Implemented Electronic Company Applications

- ✓ Insurers can now file their application to be a domestic insurer in Wisconsin through the OCI website.
- ✓ Insurers can file for changes in control, mergers, redomestication, etc. through the OCI website.



## Implemented Workflow to Create Efficiencies

- ✓ Finished developing and implemented workflow for company licensing transactions.
- ✓ Finished developing and implemented workflow for the division's analysis function.
- ✓ Finished developing and implemented workflow for the division's examination report process.

## Active at the National Association of Insurance Commissioners (NAIC)

- ✓ Served on several NAIC task forces and working groups (complete list of NAIC groups listed on [page 22](#))
- ✓ Assisted in drafting COVID-19 national survey for solvency monitoring.



## COVID-19

### Operational Impact

- Staff transitioned to working remotely and performing analysis without our electronic workflow process implemented, as it was still in the testing phase.
- Performed all examinations virtually, including small insurers that do not tend to use technology in day-to-day operations.
- Participated in virtual Supervisory Colleges with other states and international counterparts.
- Lent 3 staff to the Department of Workforce Development to process unemployment claims during a period we were also experiencing turnover due to retirements, relocations, and staffing changing employment to the private sector.
- Increased the use of technology in meeting with insurers.

### Regulatory Oversight Impact

- Inquired with our domestic insurers to determine the impact of the pandemic on their operations and solvency.
- Assisted in drafting a national COVID-19 survey for solvency monitoring.
- Continue to have increased monitoring of those insurers that are more susceptible to the impact of the pandemic as it relates to the business they write.

### Companies Examined in 2020

ACUITY, A Mutual Insurance Company	National Mutual Benefit
Berry and Roxbury Mutual Insurance Company	Northeastern Mutual Insurance Company
Capitol Indemnity Corporation	Pacific Indemnity Company
Capitol Specialty Insurance Corporation	Policyholders Mutual Insurance Company
Care Improvement Plus Wisconsin Insurance Company	Preferred Insurance Affiliates, Inc.
Fidelity and Guaranty Insurance Underwriters, Inc.	Rural Mutual Insurance Company
Germantown Mutual Insurance Company	Seneca, Sigel Mutual Insurance Company
Glencar Insurance Company	SOCIETY INSURANCE, a mutual company
Green County Mutual Insurance Company	Spring Grove Mutual Insurance Company
Group Health Cooperative of South Central Wisconsin	Superior Vision Insurance Plan of Wisconsin, Inc.
Inclusa, Inc.	Thrivent Financial for Lutherans
Kenosha County Mutual Insurance Company	Transit Mutual Insurance Corporation of Wisconsin
McMillan-Warner Mutual Insurance Company	UCare Health, Inc.
Medical Associates Clinic Health Plan of Wisconsin, The	West Bend Mutual Insurance Company
Medina Mutual Insurance Company	

### Wisconsin Insurance Corporations Organized and Licensed

January 1, 2020 - December 21, 2020

Bowhead Insurance Company, Inc.	NEW YORK, NY
Gladiator Protection, LLC	LACROSSE, WI
Home Warranty Administrator of Wisconsin, Inc.	BEDMINSTER, NJ
Nationwide Warranty Company*	GLENDALE, WI
Nationwide Warranty Company**	GLENDALE, WI
THPWI, Inc.	EDISON, NJ
US Auto Protection Corp.*	MENASHA, WI
US Auto Protection Corp.**	MENASHA, WI
* Property Service Contract Provider	
** Vehicle Protection Product	

### Insurance Corporations Domiciled in Other States Admitted

January 1, 2020 - December 31, 2020

American Digital Title Insurance Company	BURLINGTON, VT
American Inter-Fidelity Exchange	MERRILLVILLE, IN
Arch Property Casualty Insurance Company	JERSEY CITY, NJ
Beazley America Insurance Company, Inc.	FARMINGTON, CT
Bright Health Insurance Company	MINNEAPOLIS, MN
Capital Processing Systems, Inc.	CHARLOTTE, NC
Chiron Insurance Company	ALGOMA, IA
CILAJET, LLC	GARDENA, CA
Continental Service Provider, Inc.	SCOTTSDALE, AZ
Dealer Admin. Services, Inc.	BLOOMINGTON, MN
Digital Edge Insurance Company	BURLINGTON, VT

## Insurance Corporations Domiciled in Other States Admitted

January 1, 2020 - December 31, 2020

Discount Tire Certificate, LLC	SCOTTSDALE, AZ
Endurance Assurance Corporation	PURCHASE, NY
Frontier Warranty Solutions Corporation	NEW ALBANY, IN
Generali Warranty Services, LLC	NEW YORK, NY
GlassParenity Products, Inc.*	LINDENHURST, NY
GlassParenity Products, Inc.**	LINDENHURST, NY
GPM Health and Life Insurance Company	SAN ANTONIO, TX
GWC Warranty Corporation	WILKES-BARRE, PA
HP Inc.	PALO ALTO, CA
Humana Insurance Company of Kentucky	LOUISVILLE, KY
Ironclad Home Services, LLC	ST PAUL, MN
Kubota Tractor Corporation	GRAPEVINE, TX
Lexington National Warranty Services, LLC	COCKEYSVILLE, MD
MEMIC Casualty Company	PORTLAND, ME
MGA Insurance Company, Inc.	DALLAS, TX
MICO Insurance Company	COLUMBUS, OH
Mobilitas General Insurance Company	OAKLAND, CA
Mulberry Shield, Inc.	NEW YORK, NY
National Auto Assurance II, Inc.	MINNETONKA, MN
Noblr Reciprocal Exchange	SAN FRANCISCO, CA
Ox Car Care, Inc.	IRVINE, CA
Pacific Guardian Life Insurance Company, Limited	HONOLULU, HI
Pekin Select Insurance Company	PEKIN, IL
Plateau Service Company	CROSSVILLE, TN
Protective Administrative Services, Inc.	ST LOUIS, MO
Risk Assurance Partners, LLC	DELRAY BEACH, FL
Rock Ridge Insurance Company	GUAYNABO, PR
RWS Home Service Contracts, LLC	CARMEL, IN
Scioto Administrators Corporation	DUBLIN, OH
Service Lloyds Insurance Company, a stock company	AUSTIN, TX
Settlement Group, Inc., The	ST MARYS, GA
Specialty Risk of America	SPRINGFIELD, IL
Strategic Dealership Solutions, Inc.	FORT WORTH, TX
Sunz Insurance Company	BRADENTON, FL
Surency Life & Health Insurance Company	WICHITA, KS
Trexis Insurance Corporation	FRANKLIN, TN
Trisura Insurance Company	OKLAHOMA CITY, OK
U.S. Insurance Company of America	SPRINGFIELD, IL
United National Life Insurance Company of America	GLENVIEW, IL
Warrantech Automotive, Inc.	BEDFORD, TX
Westfield Champion Insurance Company	WESTFIELD CENTER, OH

**Insurance Corporations Domiciled in Other States Admitted**

January 1, 2020 - December 31, 2020

Westfield Premier Insurance Company	WESTFIELD CENTER, OH
Westfield Superior Insurance Company	WESTFIELD CENTER, OH
Westfield Touchstone Insurance Company	WESTFIELD CENTER, OH
Wisconsin A.U.L., Inc.	NAPA, CA
* Property Service Contract Provider	
** Vehicle Protection Product	

**Organizations Licensed as Care Management Organizations**

January 1, 2020 - December 31, 2020

None

**Organizations Licensed as Service Contract Providers**

January 1, 2020 - December 31, 2020

Continental Service Provider, Inc.	SCOTTSDALE, AZ
Dealer Admin. Services, Inc.	BLOOMINGTON, MN
Discount Tire Certificate, LLC	SCOTTSDALE, AZ
Frontier Warranty Solutions Corporation	NEW ALBANY, IN
Generali Warranty Services, LLC	NEW YORK, NY
Gladiator Protection, LLC	LACROSSE, WI
GlassParency Products, Inc.	LINDENHURST, NY
GWC Warranty Corporation	WILKES-BARRE, PA
Home Warranty Administrator of Wisconsin, Inc.	BEDMINSTER, NJ
HP Inc.	PALO ALTO, CA
Ironclad Home Services, LLC	ST PAUL, MN
Kubota Tractor Corporation	GRAPEVINE, TX
Lexington National Warranty Services, LLC	COCKEYSVILLE, MD
Mulberry Shield, Inc.	NEW YORK, NY
National Auto Assurance II, Inc.	MINNETONKA, MN
Nationwide Warranty Company	GLENDALE, WI
Ox Car Care, Inc.	IRVINE, CA
Plateau Service Company	CROSSVILLE, TN
Risk Assurance Partners, LLC	DELRAY BEACH, FL
RWS Home Service Contracts, LLC	CARMEL, IN
Scioto Administrators Corporation	DUBLIN, OH
Strategic Dealership Solutions, Inc.	FORT WORTH, TX
THPWI, Inc.	EDISON, NJ
US Auto Protection Corp.	MENASHA, WI
Warrantech Automotive, Inc.	BEDFORD, TX
Wisconsin A.U.L., Inc.	NAPA, CA

**Changed Company Type**

<b>Company Name</b>	<b>New Company Type</b>	<b>Former Company Type</b>
Forward Mutual Insurance Company	Property and Casualty	Town Mutual

**Insurance Corporation Mergers, Dissolutions, Withdrawals,  
Rehabilitations, Liquidations, Revocations, or Redomestications**

January 1, 2020 - December 31, 2020

**Withdrawals**

Affinity Insurance Services, Inc.	4/2/2020
Automobile Protection Corporation-APCO	12/14/2020
Bonded Builders Service Corp.	11/16/2019*
CARS Warranty Plan, LLC	2/6/2020
GWG Life, LLC	7/1/2019*
New Leaf Service Contracts, LLC	8/24/2020

**Dissolutions**

Acceleration National Insurance Company	11/21/2012*
American Chambers Life Insurance Company	12/2/2013*
Vision Care Network Insurance Corporation	4/23/2020

**Rehabilitations**

Senior Health Insurance Company of Pennsylvania	1/29/2020
Time Insurance Company	5/18/2020

**Liquidations**

American Country Insurance Company	8/11/2020
Windhaven National Insurance Company	3/5/2020

**Revocations**

American Warranty Corporation	8/20/2020
ViaSource Funding Group, LLC	1/22/2020

**Mergers**

<b>Company Name</b>	<b>Merged Into</b>	<b>Date</b>
Care Wisconsin First, Inc.	My Choice Family Care - Care Wisconsin, Inc.	1/1/2020
CGB Insurance Company	American Agri-Business Insurance Company	12/28/2020
Employers' Fire Insurance Company, The	Bedivere Insurance Company	12/9/2020
Foresters Life Insurance and Annuity Company	Nassau Life Insurance Company	7/1/2020
Great-West Life Assurance Company, The	Canada Life Assurance Company, The	1/1/2020
Indemnity Company of California	Developers Surety and Indemnity Company	12/31/2020
Lamorak Insurance Company	Bedivere Insurance Company	12/9/2020
MGIC Reinsurance Corporation of Wisconsin	Mortgage Guaranty Insurance Corporation	9/1/2020
Middleton Insurance Company	Mt. Pleasant-Perry Middleton Mutual Insurance Company	1/1/2020
Nassau Life Insurance Company of Texas	Nassau Life & Annuity Company	12/31/2020
PACO Assurance Company, Inc.	ProAssurance Insurance Company of America	12/31/2019*
Transamerica Premier Life Insurance Company	Transamerica Life Insurance Company	10/1/2020
Trilogy Health Insurance, Inc.	Care Wisconsin Health Plan - Trilogy Health Insurance, Inc.	1/1/2020
Wilco Life Insurance Company	Wilcac Life Insurance Company	12/31/2020

\* Information not available in prior Wisconsin Insurance Report

## Insurance Corporations Which Changed Their Names

January 1, 2020 - December 31, 2020

### Previous Name

21st Century Assurance Company  
American Auto Guardian, Inc.  
AmTrust Insurance Company of Kansas, Inc.  
AXA Corporate Solutions Life Reinsurance Company  
AXA Equitable Life and Annuity Company  
AXA Equitable Life Insurance Company  
Capitol Life Insurance Company, The  
  
Care Wisconsin Health Plan, Inc.  
Catlin Indemnity Company  
Church Mutual Insurance Company  
Envision Insurance Company  
Equitable Life & Casualty Insurance Company  
  
Equitable Life Insurance Company of America  
Farmers Union Mutual Insurance Company  
Financial American Life Insurance Company  
Fletcher Reinsurance North America, Inc.  
Flyway Mutual Insurance Company  
General Fidelity Life Insurance Company  
Jewelers Mutual Insurance Company  
London Life Reinsurance Company  
Maiden Reinsurance North America, Inc.  
  
Mt. Pleasant-Perry Mutual Insurance Company  
My Choice Family Care, Inc.  
OHIC Insurance Company  
Philadelphia Reinsurance Corporation  
Service Insurance Company  
Southern Fire & Casualty Company  
  
Symphonix Health Insurance, Inc.  
Time Insurance Company II  
Unigard Insurance Company  
United Guaranty Credit Insurance Company

### New Name

Toggle Insurance Company  
American Auto Guardian, LLC  
AmTrust Insurance Company  
Corporate Solutions Life Reinsurance Company  
Equitable Financial Life and Annuity Company  
Equitable Financial Life Insurance Company  
Capitol Life Insurance Company  
Care Wisconsin Health Plan - Trilogy Health Insurance, Inc.  
Root Property & Casualty Insurance Company  
Church Mutual Insurance Company, S.I.  
Elixir Insurance Company  
SILAC Insurance Company  
Equitable Financial Life Insurance Company of America  
Agraria Insurance Company  
Arch Life Insurance Company of America  
Fletcher Reinsurance Company  
Central Wisconsin Mutual Insurance Company  
Coefficient Insurance Company  
Jewelers Mutual Insurance Company, SI  
Canada Life Reinsurance Company  
Fletcher Reinsurance Company  
Mt. Pleasant-Perry Middleton Mutual Insurance Company  
My Choice Family Care - Care Wisconsin, Inc.  
Obsidian Insurance Company  
Bondsman Insurance Company  
SafePort Insurance Company  
Point Insurance Company  
UnitedHealthcare Insurance Company of America  
Time Insurance Company  
Dairyland American Insurance Company  
Poseidon Credit Insurance Company

## Companies in Liquidation or Rehabilitation

### *Northwestern National Insurance Company of Milwaukee, Wisconsin, in Liquidation*

Northwestern National Insurance Company of Milwaukee, Wisconsin (NNIC) was placed in liquidation by Judge Richard G. Niess of the Dane County Circuit Court on May 2, 2019. The court-appointed Wisconsin Commissioner of Insurance, Mark V. Afable, and his successors in office or any of their delegees as Liquidator, and Amy J. Malm, as Special Deputy Liquidator. The Order of Liquidation established a bar date, the last date on which a claim may be filed, of November 2, 2019.

NNIC was incorporated as a Wisconsin domestic stock property and casualty insurance corporation on February 20, 1869. NNIC wrote both direct insurance and reinsurance. In 1986, the company began a runoff operation. Since that time, except for mandatory writings, including guaranteed renewable accident and health insurance policies, assignments, and retroactive adjustments and endorsements to prior year policies, NNIC has written no new business.

On March 8, 2007, NNIC was placed into rehabilitation upon recommendation of the Wisconsin Office of the Commissioner of Insurance (OCI) and upon approval of the Dane County Circuit Court. The Rehabilitation Order established a general account for its reinsurance and a segregated account for its direct insurance. The principal purpose of the rehabilitation was to crystalize the claims of each of its reinsurance claimants into a fixed dollar amount and to subordinate the reinsurance claims to the direct insurance claims. This objective having been completed, on January 20, 2012, NNIC exited from rehabilitation.

The financial condition of NNIC continued to deteriorate, such that liquidation became necessary. OCI worked with the National Conference of Insurance Guaranty Funds, Inc. and the National Organization of Life and Health Guaranty Associations to minimize disruption for claimants. In further preparation for liquidation, on March 14, 2019, by Stipulation and Order approved by the Commissioner of Insurance and agreed by NNIC's management, OCI was granted full custody and control of all of NNIC's assets.

On March 22, 2019, by Stipulation and Order approved by the Commissioner of Insurance and agreed by NNIC's management, the segregated and general account of NNIC was merged. The small amount of funds earmarked for the benefit of the reinsurance claimants in the general account continued to be accounted for and reserved for their benefit.

At the time of the liquidation on May 2, 2019, the only insurance policies written by NNIC that were still in force were accident and health policies that were guaranteed renewable by their terms. NNIC also wrote worker's compensation, general liability, product liability, and commercial automobile policies. All policies except the

guaranteed renewable A&H policies had long since expired, but some of the expired policies still have open claims.

At the time of its liquidation, NNIC was only licensed to do business in the following nine states: California, Connecticut, Delaware, Minnesota, New Hampshire, New Jersey, Pennsylvania, Texas, and Wisconsin. However, when the company was placed in runoff in January 1986, it was licensed to do business in all U.S. states, the District of Columbia, and Puerto Rico. Accordingly, guaranty fund coverage would apply to any policies written at the time the company was licensed, subject to limitations on coverage established by each state or other jurisdiction.

As of May 2, 2019, NNIC had reinsurance relationships with various captive reinsurers sponsored mainly by large, well-known industrial or hospitality firms. St. Marie Boll, LLC, as attorney for the Liquidator, has concluded commutation arrangements with 11 of these captive reinsurers or their sponsoring corporation, whereby the captive reinsurer or the sponsoring corporation assumed full responsibility for current and future claim obligations in exchange for NNIC's return of collateral it held. Such commutations reduce the tail exposure for the affected state guaranty funds and often reduce the number of claims that the affected state guaranty funds would otherwise have to administer. This will have the effect of increasing the percentage of Class 3 loss claims that will ultimately be distributed. The advantage for the captive's sponsoring corporation is the retention of their existing claim administration, avoidance of reinsurance billings from either the Liquidator or one or more guaranty funds, and a return of collateral.

Before the bar date of November 2, 2019, the Liquidator received a total of 255 proofs of claim, tentatively broken down by the highest applicable level of priority, which is subject to revision by the Liquidator, as follows:

50	Class 1 Proofs of Claim (Administration Costs)
82	Class 3 Proofs of Claim (Loss Claims)
3	Class 3 Proofs of Claim (Loss Claims – Highlands Contingency)
1	Class 3c Proof of Claim (Federal Government Claims not in Class 3)
4	Class 4 Proofs of Claim (Unearned Premiums and Small Loss Claims)
5	Class 5 Proofs of Claim (Residual Classification with Some Security)
109	Class 5 Proofs of Claim (Residual Classification - Unsecured)
1	Class 8 Proofs of Claim

Additionally, the Liquidator has deemed filed 27 Class 4 claims for unearned premium, for which no proofs of claim were required, in addition to three Class 4 proofs of claim included in the four noted above that were filed despite the lack of any requirement to do so.

Proofs of claim received after November 2, 2019, have been identified as late-filed and will be administered accordingly. To date, the Liquidator has received 15 late-filed proofs of claim, which, subject to revision by the Liquidator, include eight Class 3 proof of claim and seven Class 5 proofs of claim.

On August 8, 2019, with the cooperation of the Office of the Commissioner of Insurance, NNIC was placed into ancillary receivership under the jurisdiction of the Superintendent of Financial Services of the State of New York by the Decision and Order of Justice W. Franc Perry of the Supreme Court of the State of New York for New York County. The August 8, 2019 Decision and Order established a bar date of November 2, 2019, to coincide with the bar date established by the Dane County, Wisconsin Circuit Court. This ancillary receivership was resolved following the August 8, 2019 Decision and Order and the matter was formally disposed by an Amended Decision and Order of Justice W. Franc Perry on January 27, 2020.

Neither the Liquidator nor the Office of the Commissioner of Insurance has been informed of the commencement or contemplation of any other ancillary receivership proceedings.

As of December 31, 2020, the financial status of NNIC could only be estimated with substantial deficiencies in the availability of information that was beyond the Liquidator's control. As time progresses, it is anticipated that the financial statements will attain improved accuracy, as settlement amounts are finalized with state guaranty funds, direct claimants of NNIC not eligible for guaranty fund coverage, and reinsurers. Subject to the foregoing qualifications, as of December 31, 2020, NNIC reported total admitted assets of \$6,194,722, total liabilities of \$28,207,591, policyholders' surplus of \$(22,012,869), and net income of \$(21,412,684).

### ***Time Insurance Company, in Rehabilitation***

Time Insurance Company (Time), was placed into rehabilitation on July 29, 2020, by Judge Stephen E. Ehlike of the Dane County Circuit Court. The court appointed Wisconsin Commissioner of Insurance Mark V. Afable, and his successor in office or any delegees as Rehabilitator, and Mark H. Femal, as Special Deputy Commissioner.

Time is a Wisconsin domestic, stock, life, accident, and health insurance company. Time was originally licensed as an insurer on February 4, 1910, and over the years wrote direct business of life, annuities, long-term care, and various health products with the later years focusing solely on health

insurance. When Time was actively writing business it was licensed in all states except New York, District of Columbia, and Puerto Rico. In late 2014, the ultimate controlling person of Time, Assurant, Inc., decided to exit the accident and health segment of the insurance market to focus on other business segments, and it made the decision to discontinue operations of Time and put the company into run-off. Since 2014, Time has been in runoff with the majority of its policies covered under a 100% coinsurance basis with financially strong and accredited reinsurers. At the time of rehabilitation, Time had approximately 100 policies that were not covered by any reinsurance.

On October 7, 2018, the Office of the Commissioner of Insurance (OCI) approved the acquisition of Time by Haven Holdings, Inc. (Haven), its redomestication to Puerto Rico, and its merger with Haven Insurance Company II with Time being the survivor of the merger. In Puerto Rico, Time was licensed under the name of Time Insurance Company II. On December 5, 2018, the Puerto Rico Office of the Commissioner of Insurance (PR OCI) approved the acquisition, merger, and redomestication, and approved the surviving entity, Time Insurance Company II, as a Class 5 International Insurer.

Following the redomestication and merger, Time began efforts to recapture its fully reinsured life and long-term care policies. On July 2, 2019, Time filed a transaction with the PR OCI to recapture the long-term care block of business reinsured by John Hancock Life Insurance Company (John Hancock). On July 16, 2019, OCI issued a cease and desist order preventing the reinsurance recapture transaction and preventing Time from writing new business in the State of Wisconsin. Several other states issued similar cease and desist orders.

In December 2019, OCI amended its cease and desist order that continued to prohibit Time from engaging in any reinsurance recapture transaction and finding that the transfer of risk for the long-term care policies from a solvent reinsurer to a financially distressed, international insurer was not in the best interest of Wisconsin insureds and the public. States continued to object to the recapture transaction, preventing Time from completing the recapture. Time then indicated that it would seek to convert from a Puerto Rico International Insurer and redomicile as a life, accident, and health insurer in another U.S. jurisdiction.

On February 28, 2020, the Acting Commissioner of Puerto Rico, Time, and the Wisconsin Commissioner agreed that Time would redomesticate back to Wisconsin pursuant to a stipulation and ordered that included Time potentially entering into a retrocession transaction for the long-term care insurance block. Time redomesticated back to Wisconsin, and OCI reissued a Certificate of Authority for Time Insurance Company as a Wisconsin domestic insurer effective February 28, 2020. On May 6, 2020, PR OCI

confirmed the redomestication. The stipulation and order were then amended on March 31, 2020, allowing Time to propose alternative forms of the transaction.

On March 12, 2020, Time submitted a plan to OCI where the key component was a novation transaction where the existing reinsurance agreement could be novated to Haven Reinsurance (an affiliate of Haven), and Haven Reinsurance would assume all obligations under the reinsurance agreement. On May 15, 2020, OCI determined the proposal was contrary to the interest of policyholders, Time’s creditors, and the public. Under the submitted plan, the long-term care reinsurer no longer would be obligated to bear any risk and the transaction was dependent on the capital and surplus of Time and Haven Reinsurance, which OCI determined there would be insufficient surplus available to support the reserves.

On May 18, 2020, OCI petitioned the Court to place Time into rehabilitation, which was ordered on July 29, 2020. On September 25, 2020, the Commissioner filed a proposed Rehabilitation Plan that was approved on October 15, 2020. The plan including working with reinsurers to enter assumption agreements for the blocks of business they reinsured. The Commissioner entered into assumption agreements as follows:

Reinsurer	Type of Policy	Effective Date	Policyholders
National Health Insurance Company	Health and Life	October 1, 2020	92,356
Assurity Life Insurance Company	Disability	November 1, 2020	12
Loyal American Life Insurance Company	Medicare Supplement	February 1, 2021	55

At the time of this report, the reinsurance agreements with John Hancock and Talcott Resolution Life and Annuity Insurance Company remain in place covering approximately 25,000 and 47,000 lives, respectively.

The rehabilitation plan also included a review of Time’s long-term care block of policies to determine the feasibility of a retrocession, novation, or other similar transaction and the necessary capital and surplus needed to support this block of business with no third-party reinsurance. This review was still ongoing on December 31, 2020.

As of December 31, 2020, Time Insurance Company had assets of \$10,155,017, liabilities of \$14,613,914, and surplus of \$(4,458,897).

# Division of Market Regulation and Enforcement

In 2020, the Bureau of Market Regulation became the Division of Market Regulation and Enforcement. The Division of Market Regulation and Enforcement continues to consist of five sections: Consumer Affairs, Rates and Forms, Market Analysis, System Support, and Agent Licensing. Agent licensing activities are described in a separate section on [page 55](#).

The Division of Market Regulation and Enforcement is responsible for the administration and enforcement of laws and rules relating to all market conduct activities of insurers and agents. To complete its duties, the division conducts market analysis and targeted market conduct examinations of insurers in the areas of:

- underwriting and rating
- marketing, advertising, and sales
- claims
- form review
- policyholder services and grievances

In 2020, the division investigated and resolved 2,980 written consumer complaints and inquiries and answered over 10,000 telephone inquiries. The division received 3,101 rate and rule filings and 5,090 form filings and well as 720 advertising material filings.

## Market Conduct Annual Statement

The Market Conduct Annual Statement was developed through the National Association of Insurance Commissioners with the input of state regulators and representatives from the industry. The Market Conduct Annual Statement is an analysis tool that states use to review the market activity of the entire insurance marketplace and to identify companies whose practices are outside normal ranges. The project collects data on an industry-wide basis. Currently, there are nine individual statements: Annuity, Life, Health, Disability Income, Homeowners, Private Passenger Auto, Long-Term Care, Lender-Placed Home/Auto, and Private Flood. Market Conduct Annual Statement data was collected for the first time beginning with the 2020 data year.

For 2020, the following Market Conduct Annual Statements were submitted:

- 36 Health
- 73 Disability Income
- 223 Life
- 123 Annuity
- 146 Private Passenger Auto
- 136 Homeowners
- 87 LTC (including Stand-Alone, Life/LTC Hybrid, and Annuity/LTC Hybrid)
- 11 Lender-Placed Home/Auto
- 3 Private Flood

## Level 1 and Level 2 Market Analysis

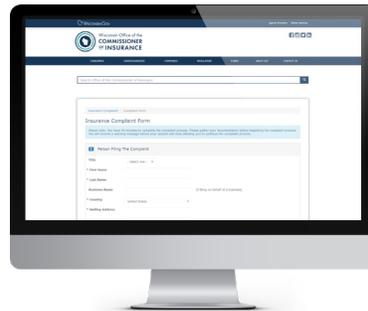
Wisconsin completed an analysis on 22 insurance companies for 11 lines of business: credit, group accident and health, group annuity, group life, homeowners, individual accident and health, individual annuity, individual life, long-term care, Medicare supplement, and private passenger auto.

The analysis followed a uniform process that included the review of information collected in the financial statements and other NAIC databases to identify companies for additional review. Examiners conducted the additional reviews, identified companies for further action, and recorded the results of the reviews in the NAIC Market Analysis Review System (MARS). Examiners then used a comprehensive guide to complete a more detailed analysis of the identified companies in up to 21 areas of review. This process was used to identify companies for further review up to and including market conduct examinations.

## 2020 Major Accomplishments

### Increased Complaint Portal Usage

- ✓ In 2020, OCI sent an email encouraging insurance companies to sign up to use our online complaint portal.
- ✓ In response to that email, 27 additional insurance companies now have access to the complaint portal.
- ✓ This brings the total number of insurance companies with complaint portal access to 695.



- ✓ OCI's complaint portal allows insurance companies to receive electronic notification of an insurance complaint and provides online access so companies can review the complaint and upload their responses directly to the complaint portal.

### Outreach

- ✓ Outreach in 2020 was limited due to the COVID-19 pandemic. Many activities that OCI would typically participate in were canceled or held remotely. We did attend an [in-person listening session in Kenosha, Wisconsin](#).



## COVID-19

### Remote Work

In response to the COVID pandemic, staff in the Division of Market Regulation began to work remotely in March of 2020. This shift involved redesigning many of our processes so that the usual work of the division could continue uninterrupted. We moved to remote meetings and remote interviews for hiring positions.

**“ The lessons learned from the transition to remote working have enabled the Division of Market Regulation to adapt and continue to offer stakeholders the option to select paperless, online interaction. ”**

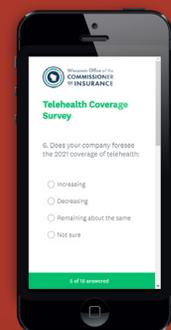
- Rebecca Rebholz, Administrator for the Division of Market Regulation and Enforcement

### Remote Exam Proctoring

Administration of the Agent Licensing exams changed in 2020. The remote proctoring platform was used for over half of the exams taken. What had been envisioned as a convenient alternative to in-person testing became the main approach to testing as candidates opted to test from safe, socially distanced locations.

### COVID Testing Survey

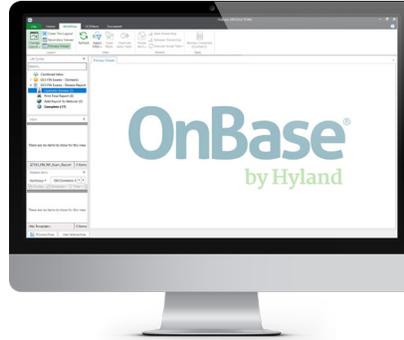
In the fall of 2020, OCI completed a Summary Report of the results of a survey conducted regarding health insurance coverage of COVID-19 testing in Wisconsin.



## 2020 Major Accomplishments

### Provided Over 150 Reports

- ✓ Provided over 150 domestic company market regulation analysis reports. For the first time, we used the OnBase information management platform to move the intra-divisional reports between Financial and Market Regulation.



### Governor's Task Forces

- ✓ Staff in Market Regulation participated in both the Governor's Task Force on Payroll Fraud as well as the Governor's DHS/OCI Partnership – covering both the Workforce and Capacity and the Data Work Groups.

### Consumer Reports



- ✓ Provided technical assistance and support in the updating and revision of a variety of consumer publications available from OCI.

### Mentoring Program

- ✓ Continued our mentoring program for entry-level examiners to ensure continuity of training.

### Centers for Medicare & Medicaid Services



- ✓ Continued to work closely with the Centers for Medicare & Medicaid Services to facilitate insurer, agent, and consumer questions regarding ongoing changes to the Federal Affordable Care Act.

### Active at the National Association of Insurance Commissioners (NAIC)

- ✓ Participated in the NAIC Market Certification Working Group to help facilitate the development of market conduct certification standards.
- ✓ Participated in the Market Conduct Annual Statement program, collecting and analyzing data on claims, complaints, and underwriting in life, annuities, health, LPI, private flood, homeowners, and auto insurance, and using the data in our market analysis process.
- ✓ Served on several NAIC committees, task forces, and working groups. We took a more active role in the Mental Health Parity and Addiction Equity Act (MHPAEA) Working Group and the NAIC Market Regulation Handbook Working Group. A complete list of NAIC activities is found on their [website here](#).
- ✓ Signed onto two Regulatory Settlement Agreements for completed multi-state actions.

### Meeting Participation and Assistance

- ✓ Participated in the Wisconsin Insurance Plan and the Wisconsin Automobile Insurance Plan meetings, quarterly meetings with the Worker's Compensation Rating Bureau and the Department of Workforce Development, and provided technical assistance to Wisconsin Emergency Management.

## Form Submissions and Rate Filings

The following tables summarize the form submission data for 2019 and 2020. Table I shows the number of form submissions received in 2019 and 2020 by line of business for each type of insurance. Table II shows the number of rate filings received for each type of insurance.

**Table I - Number of Form Submissions Received  
By Line of Business in 2019 and 2020**

<b>Product Category</b>	<b>Total for 2019</b>	<b>Total for 2020</b>
<b>Health and Life</b>		
Continuing Care Retirement Community	0	1
Credit Accident and Health	0	0
Credit Life	1	0
Group Accident and Health	356	316
Group Annuity	67	34
Group Life	60	46
Health and Life – Other	303	243
Health Maintenance Organization	283	229
Individual Accident and Health	87	93
Individual Annuity	64	70
Individual Life	107	44
Group Long-Term Care	7	0
Individual Long-Term Care	5	9
Individual LTC – Nursing Home and Home Health	1	0
Long-Term Care – Other	3	1
Annuities – Other	23	35
<b>Total Health and Life</b>	<b>1,367</b>	<b>1,121</b>
<b>Property and Casualty</b>		
Aviation	18	20
Bonds	106	70
Commercial Property and Multiperil	396	370
Commercial Motor Vehicle	201	272
Credit Property	8	10
Homeowner's	239	218
Inland Marine	217	261
Liability	1,141	1,087
Mortgage Guaranty	14	7
Other Lines	1,101	1,180
Personal Farmowners	82	51
Personal Motor Vehicle	111	132
Property	260	246
Title	22	12
Worker's Compensation	31	33
<b>Total Property and Casualty</b>	<b>3,947</b>	<b>3,969</b>
<b>Grand Total</b>	<b>5,314</b>	<b>5,090</b>

**Table II - Rate Filings Received  
By Product Category for 2020**

<b>Accident and Health Section</b>	
Credit Accident and Health	0
Credit Life	15
Health Maintenance Organization	87
Health – Other	288
Group Long-Term Care	9
Individual Long-Term Care	45
Individual LTC – Nursing Home and Home Health	1
Long Term Care – Other	3
<b>Total Accident and Health Section</b>	<b>449</b>
<b>Property and Casualty Section</b>	
Aviation	4
Bonds	65
Commercial Property and Multiperil	373
Commercial Motor Vehicle	417
Credit Property	11
Homeowners	224
Inland Marine	70
Liability	636
Mortgage Guaranty	3
Other Lines	211
Personal Farmowners	47
Property	252
Personal Motor Vehicle	305
Title	8
Worker's Compensation	26
<b>Total Property and Casualty Section</b>	<b>2,652</b>
<b>Grand Total</b>	<b>3,101</b>

**Table III - Form/Rate Filings Received  
By Product Category for 2020**

Individual Health – Dental	14
Individual Health – Disability Income	1
Individual Health – Hospital Indemnity	4
Individual Long-Term Care	6
Long-Term Care – Other	3
Medicare Supplement – Other	2
Indiv. Medicare Supp. – Standard Plans 2010	1
Medicare Supp – Other 2010	<u>7</u>
<b>Total Form/Rate Filings</b>	<b><u>38</u></b>

**Table IV - Advertising Filings  
By Product Category for 2020**

Group Long-Term Care	2
Individual Long-Term Care	5
Indiv. LTC – Nursing Home/Home Health	0
Long-Term Care – Other	2
Indiv. Med. Supp. – Medicare Select	0
Med. Supp. – Other	37
Indiv. Med. Supp. – Medicare Select 2010	16
Indiv. Med. Supp. – Standard Plan 2010	2
Medicare Supplement – Other 2010	<u>656</u>
<b>Total Advertising Filings</b>	<b><u>720</u></b>

**Trends in Complaints**

In 2020, the greatest number of inquiries and complaints received by OCI were related to property and casualty insurance, closely followed by health insurance. Among property and casualty inquiries and complaints received, the majority were related to automobile insurance. Among health insurance inquiries and complaints received, the majority were related to group and individual accident and health insurance coverage. The most common complaint reasons across all product lines were claim handling and policyholder service.

As a result of the pandemic, OCI tracked complaints and inquiries received related to COVID-19. OCI received 285 complaints and inquiries regarding COVID-19. The most common complaint or inquiry reason was related to claim denials followed by complaints or inquiries about copayment and deductible issues. The greatest number of COVID-19 specific complaints and inquiries were related to accident

and health insurance, followed by property and casualty, and life and annuities.

In 2020, OCI encouraged insurance companies to sign up to use our online complaint portal. As a result, 27 additional insurance companies now have access to the complaint portal. This brings the total number of insurance companies with complaint portal access to 695. OCI's complaint portal allows insurance companies to receive electronic notification of an insurance complaint and provides online access so companies can review the complaint and upload their responses directly to the complaint portal. This reduces the delays surrounding physical mail delivery and makes it easier for industry and OCI staff to work remotely as needed.

The following tables summarize the Division's complaint data.

**Table I** shows a comparison of complaint activity over the last six years. A complaint is defined as a written expression of dissatisfaction with an insurance company or agent. Contact may initially be received in person, by telephone, by email, or in writing, but to be considered a formal complaint that initiates an investigation, a complaint must be in writing. The data presented is based on formal complaints.

**Table I - Total Complaint Files**

<b>Year</b>	<b>Received</b>	<b>Closed</b>
2015	3,493	3,773
2016	3,725	3,985
2017	3,518	4,061
2018	3,136	3,520
2019	2,807	3,285
2020	2,589	2,980

In addition to formal complaints received, the Division also handled over 18,000 general inquiries or requests for information in 2020. Most inquiries were by telephone and email.

**Table II** shows 2019 and 2020 complaints by type of insurance. When reviewing this information, it is important to note that a complaint may involve more than one type of insurance.

**Table II - Complaints Filed By Type of Insurance\***

	<b>2019</b>	<b>2020</b>
<b>Accident and Health</b>		
Group Accident and Health	521	471
Individual Accident and Health	358	366
Medicare Supplement	120	112
Long-Term Care	<u>81</u>	<u>89</u>
<b>Total Accident and Health</b>	<b><u>1,080</u></b>	<b><u>1,038</u></b>
<b>Property and Casualty</b>		
Automobile	562	516
Homeowners, Tenants, Farmowners	414	274
Fire, Allied Lines, Other Property	67	92
General Liability/Liability	48	33
Worker's Compensation	81	56
All Other Lines	<u>131</u>	<u>225</u>
<b>Total Property and Casualty</b>	<b><u>1,299</u></b>	<b><u>1,196</u></b>
<b>Life, Including Credit and Annuities</b>	<b><u>428</u></b>	<b><u>354</u></b>
<b>Grand Total</b>	<b><u>2,807</u></b>	<b><u>2,588</u></b>

\* A complaint may involve more than one type of insurance.

**Table III** shows the area of insurance operations that generated the complaint. As with Table II, a complaint may involve more than one area of insurance operations. Just over 55% of the complaints involved claim problems. Policyholder service was the second most common reason for filing a complaint.

**Table III - Reasons for Complaints\***

<b>Basis for Complaint</b>	<b>Through</b>		<b>Through</b>	
	<b>4th</b>	<b>% of</b>	<b>4th</b>	<b>% of</b>
	<b>Quarter</b>	<b>Total</b>	<b>Quarter</b>	<b>Total</b>
	<b>2019</b>		<b>2020</b>	
Claim Handling	1,835	54.4%	1,841	55.7%
Policyholder Service	839	24.9	791	26.8
Marketing and Sales	395	11.7	289	9.8
Underwriting	303	9.0	226	7.7

\*A complaint may have more than one basis.

The Division keeps track of the amount of money recovered by complainants who filed a complaint with our office. From January 1 through the fourth quarter of 2020, the office assisted complainants in recovering **\$4,504,653** from insurers as follows:

**Table IV - Amounts Recovered for Complainants by Types of Coverage and Complaint Reason**

Coverage Type	Claim Handling	Policyholder Service	Marketing and Sales	Underwriting	Total
Group Health	\$ 586,048	\$ 19,448	\$ 12,626	\$ 0	\$ 618,123
Ind. Accident and Health	1,023,334	205,663	1,167	1,574	1,231,738
Automobile	439,715	29,448	951	283	470,397
Life, Including Credit and Annuities	9,424	339,168	844,578	426	1,278,591
Homeowners, Tenants, Farmowners	202,353	14,613	593	0	217,559
Fire, Allied Lines, Other Property	175,715	8,293	0	0	184,008
General Liability/Liability	16,542	119	0	0	16,661
All Other Lines	<u>444,785</u>	<u>42,786</u>	<u>0</u>	<u>0</u>	<u>487,571</u>
<b>Total</b>	<b><u>\$2,982,917</u></b>	<b><u>\$659,538</u></b>	<b><u>\$859,915</u></b>	<b>\$2,284</b>	<b><u>\$4,504,653</u></b>

Complainants may request an additional complaint review following the outcome of the Division’s initial complaint investigation if the complaint was not resolved to the complainant’s satisfaction or if the complainant would like new information to be considered. The additional complaint review also allows the complainant to have their complaint reviewed by advanced level staff or a supervisor.

**Table V** reflects the number of requests for additional complaint reviews. Due to the low number of such requests, trend analysis is difficult. However, one goal of this review process is to ensure consumers are provided a complete and detailed explanation of the outcome surrounding their complaints.

**Table V - 2020 Complaint Additional Reviews by Line of Business**

	Accident & Health	Property & Casualty	Life & Annuities	Total
Number of Additional Reviews in 2020	14	51	8	73

\* Additional Review status regarding complaints received in the period of review.

**Complainant Survey 2020**

In previous Wisconsin Insurance reports, OCI reported the results from follow-up surveys that were sent to complainants. In 2020, OCI sent 2,888 surveys to complainants; 54 were returned. This response rate is similar to previous years. Because the response rate of 1.86% is so small as to not be significant nor is it representative of all complainants, we will no longer be including the survey data in this report.

**Independent Review Process**

Under Wisconsin law, individuals have a right to an independent review of their health insurer’s adverse determination or an

experimental treatment determination. These reviews are carried out by Independent Review Organizations (IROs) registered with OCI. Wisconsin's independent review program began in 2002.

Beginning in 2012, most health plans were required to follow the independent review process outlined in federal law. All health plans subject to Wisconsin law are required to submit a report to OCI for the prior calendar year that summarizes the insurer's experience under both Wisconsin and federal law.

The table below summarizes the total number of IRO determinations, the percent of insurers' decisions that were upheld, and the percent reversed in whole or in part by the IROs.

	Total	Upheld	Reversed
2018	314	63.1%	36.9%
2019	190	62.6%	37.4%
2020	137	62.8%	37.2%

For more information on the independent review process, see the consumer brochure [Fact Sheet on the Independent Review Process in Wisconsin](#), available on the OCI website.

### IRO's Determination

	Reversed	Reversed in Part	Upheld	Annual Total
Adverse Determination	38	2	67	107
Experimental	11	0	19	30
Rescission	0	0	0	0
Pre-existing	0	0	0	0
Total	49	2	86	137

### Agent Licensing Section

Agent Licensing is responsible for:

- Reviewing, issuing, and denying insurance licenses and registrations to individuals and business entities
- Handling the annual company agent appointment billings
- Termination for cause investigations
- Issuing of 1033 waivers to individuals
- Issuing forfeiture orders for nondisclosures or failing to timely report

The Agent Licensing section provides oversight of the professional licensing testing services and administration of prelicensing and continuing education programs which are handled by a third-party vendor.

### Agent Licensing Licensee Counts as of December 31, 2020

Employee Benefit Plan Administrator	377
Intermediary Agent Individual	176,400
Resident	36,527
Nonresident	139,873
Intermediary Firm	7,660
Life Settlement Broker	33
Life Settlement Firm	16
Managing General Agent Firm	58
Managing General Agent Individual	78
Navigator Business Entity	3
Navigator Individual	12
Public Adjuster	71
Reinsurance Intermediary Broker	30
Reinsurance Intermediary Firm	21
Reinsurance Intermediary Manager	4
Surplus Lines	1,868
Temporary Insurance Intermediary	0
Travel Insurance Firm	31

### Agent Licensing Related Bulletins Issued in 2020

- On April 22, 2020, a bulletin was issued announcing the implementation of remote insurance exams. This allowed individuals the flexibility to take their insurance exams during the Safer at Home order since physical testing sites were closed due to Covid-19. Wisconsin was one of the first few states to implement remote exams across the nation.
- On May 29, 2020, a bulletin was issued, allowing educational providers to deliver their approved classroom courses via webinar without having to re-file courses for approval to allow both providers to continue teaching without the obstacle and cost of resubmitting several courses. We also allowed individuals to provide a signed personal attestation form in place of having a physical proctor complete their prelicensing and continuing education courses to continue their path of obtaining an insurance license.
- On June 1, 2020, a bulletin was issued regarding the transition of a new exam vendor. Wisconsin transitioned from Prometric to PSI Services LLC effective July 1, 2020. With the new vendor, we continued to offer remote exam testing. Wisconsin was the only state that had experienced remote proctoring with two vendors which assisted in providing feedback on our experience.

- On July 1, 2020, a bulletin was issued implementing the new registration requirement for Public Adjusters. By the end of 2020, Wisconsin had 71 public adjusters registered in our state.
- On October 21, 2020, a bulletin was issued providing guidance and tips for candidates experiencing issues with the remote testing process. As with any transition, we experienced issues with correct contact information and remote testing system concerns. We continued to work closely with PSI to remedy these concerns and improve the candidate experience.

### Remote Exams Versus Physical Test Sites

Beginning when OCI switched to the new vendor, PSI, on July 1, 2020 — 5,090 individuals took a Wisconsin insurance exam. Of those, 3,088 took the remotely proctored exam and 2,002 took the exam in-person at a physical test site. The proctoring method or location did not seem to affect pass rates as the overall pass rate for remote exams was 59.7% and the pass rate for in-person exams was 58.69%.

- Agent licensing staff manually reviewed and processed close to 11,000 licensing applications that deferred to the state for additional review in 2020 which was about a 4.2% increase from the previous year.
- Administrative actions taken by the Agent Licensing department for 2020 can be found at [oci.wi.gov/Pages/PressReleases/AdminActions.aspx](https://oci.wi.gov/Pages/PressReleases/AdminActions.aspx).
- Agent Licensing staff participated in the NAIC’s Producer Licensing Task Force committee and the Producer Licensing Uniformity (D) Working Group to assist in improving the effectiveness, efficiency, and uniformity of state licensing processes.

### Rate Review

The Office of the Commissioner of Insurance is responsible for enforcing the Wisconsin health insurance laws and regulating the commercial health insurance market in Wisconsin. Rooted in the Wisconsin insurance laws is an approach to insurance regulation that supports functional competition. Functional competition is defined as competition wherein all participants, including consumers, have access to the market on a level playing field. Functional competition in the marketplace supports the pricing of health insurance products at premium rates that reasonably reflects the medical costs, demographics, and utilization patterns of health care delivery in Wisconsin and is therefore critical to a well-functioning market.

In keeping with the mission of OCI to protect and educate Wisconsin’s insurance consumers by maintaining and promoting a strong insurance industry, OCI is committed to supporting the many strengths of the market as it exists

today and to facilitate continued competition in the market in the years to come.

The Rates and Forms Team is responsible for establishing and enforcing rate filing requirements, reviewing comprehensive individual and small group rate filings, and monitoring trends in the Wisconsin comprehensive health insurance marketplace.

Before September 1, 2011, Wisconsin required that individual health insurance rates used to develop premiums for individual policies be filed with OCI. There was no standard filing format in place. Rates used to develop premiums for group policies were not required to be filed. Beginning September 1, 2011, Wisconsin required that health insurance rates used to develop premiums for individual policies, including individually underwritten policies sold through associations, and fully insured group policies issued to employers with two to 50 employees (small group policies) be filed with OCI. Filings are required to be submitted in a

Health Companies in Wisconsin



standardized format. Filings are reviewed for compliance with all applicable laws and regulations, as well as to determine whether there is any indication the premium rates filed are unreasonable. The Wisconsin insurance laws provide that rates are not unreasonable if a sufficient level of functional competition exists in the market.

Rate filings made with OCI are generally available at [oci.wi.gov/Pages/Consumers/HealthPremiumRates.aspx](https://oci.wi.gov/Pages/Consumers/HealthPremiumRates.aspx)

### Rates and Forms Additional Activities

#### Public Adjuster – Wisconsin Act 129

OCI implemented the regulatory requirements of Wisconsin Act 129. The Act became effective July 1, 2020, and OCI issued the [Public Adjuster Law Bulletin](#). The Act created a [new chapter](#) governing public adjusters in Wisconsin making registration mandatory for non-resident public adjusters and optional for resident public adjusters. The Act requires that all public adjusters doing business in Wisconsin file a copy of their public adjuster contract with OCI.

The Act created several provisions addressing consumer protection concerns, including contract and form filing requirements, requirements mandating disclosure of compensation, a bonding requirement, and reporting requirements for administrative and criminal actions. As of December 31, 2021, OCI received over 40 public adjuster contracts for review. We are still updating the reporting feature related to this new filing requirement.



## COVID-19

The COVID-19 health emergency made for a very challenging year nationwide, and it was no different for Wisconsin individuals, businesses, and entities. OCI has issued several **Bulletins** to assist Wisconsin consumers and entities (regulated by OCI), regarding the provisions of insurance-related activities and services during the COVID-19 pandemic.

- [Coronavirus \(COVID-19\) Coverage Request](#)
- [Regulatory Flexibility Regarding COVID-19](#)
- [Complying with Regulatory Requirements during the Public Health Emergency](#)
- [Coverage for Delivery Drivers for Restaurants during the COVID-19 Public Health Emergency](#)
- [Small Employer Coverage](#)
- [Special COVID-19 Session Law 2019 Wisconsin Act 185](#)
- [Update Coverage for Delivery Drivers for Restaurants during the COVID-19 Public Health Emergency](#)
- [Telemedicine Coverage Request Related to COVID-19](#)
- [COVID-19 Immunization Coverage](#)

In response to the COVID-19 health emergency, over 130 Wisconsin Health and Property & Casualty insurers responded with various forms of consumer relief. Some of the most common forms of relief included monthly premium discounts or credits, a one-time premium refund, home delivery of prescription costs waived, COVID-19 diagnostic testing cost-sharing waived, treatment cost-sharing waived for out of network providers, telemedicine cost-sharing waived, reimbursement for additional expenses such as Personal Protective Equipment, emotional support helplines, among other measures. Most Wisconsin insurers made these relief measures available to consumers through at least the end of 2020.

In anticipation of the development of a COVID-19 vaccine, OCI provided guidance with a request to insurers to cover the immunization with no cost-sharing for all covered individuals.



Wisconsin Office of the  
**COMMISSIONER**  
**OF INSURANCE**

**Wisconsin Office of the Commissioner of Insurance**

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