STATEMENT OF SCOPE

Office of the Commissioner of Insurance
Division of Market Regulation and Enforcement

Rule No.: Wis. Admin. Code s. Ins 2.18 Appendices I, II and III

Relating to: Required notices for life insurance policies and settlement contracts

Rule Type: Permanent

1. Finding/nature of emergency:

n/a

2. Detailed description of the objective of the proposed rule:

The objectives of the proposed changes are to remove an obsolete reference and provide life insurance policyowners with accurate and complete contact information for questions and complaints.

3. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

Wis. Admin. Code s. Ins 2.18 requires the insurer to provide the notice prescribed in Appendix I, "Important Information About Your Life Insurance Policy," to the policyowner with the issue of each new life insurance policy. The rule also requires the broker or provider to provide the notice prescribed in Appendix II, ""Wisconsin Guide to Understanding Life Settlements," to the policyowner with each application for a life settlement. Finally, the rule requires the provider to provide the notice prescribed in Appendix III, "Wisconsin Guide to Purchase of a Life Settlement," to the purchaser before a life settlement agreement is signed by all parties.

Appendices I, II, and III all instruct policyowners to contact their insurance company or agent with questions or concerns about their policies. The Appendices all also state, "You may also contact the Wisconsin Office of the Commissioner of Insurance at 1-800-236-8517 or 608-266-0103; Email: ociquestions@wisconsin.gov." Additionally, Appendix II states that OCI provides a list of life settlement brokers on its website, which is no longer accurate.

The proposed changes to the Appendices will clarify for policyowners that they should contact their insurance company or agent for questions specific to their policies; contact their financial advisor for financial inquiries such as tax implications; and contact OCI for more information on life settlements or to file a complaint. This will result in fewer misdirected calls to OCI about individual policy terms and less confusion for policyowners looking for information. Additionally, removing the reference to a nonexistent list of life settlement brokers will save policyowners time and frustration.

The alternative to updating the Appendices is to leave them unchanged. The proposed changes will benefit policyowners and purchasers while using minimal resources. An alternative to removing the reference to the list of brokers in Appendix II is to provide the list of brokers on the OCI website; however, OCI has received no stakeholder requests to do so, and continually updating the list would require additional staff time and resources.

4. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

The Commissioner has the general authority to promulgate rules necessary to administer and enforce chs. 600 to 655, Wis. Stat., as provided under ss. 227.11 (2) (a) and 601.41 (3), Wis. Stat. Wis. Admin. Code s. Ins 2.18 implements and interprets s. 632.69, Wis. Stat., which governs life settlement contracts.

Further, s. 632.69(20)(a), Wis. Stat., explicitly authorizes the Commissioner to "adopt rules implementing and administering this section."

5. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

40 hours

6. List with description of all entities that may be affected by the proposed rule:

The proposed changes will affect life insurers, life settlement brokers, and life settlement providers.

7. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:

The Office is not aware of any existing or proposed federal regulation that is intended to address the activities to be regulated by this rule.

8. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):

The rule is not anticipated to have any significant economic impact.

Contact Person: Molly Pappenheim, (608) 266-0083

__________________________________ ______________
Department Head or Authorized Signature Date

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Date Submitted

August 27, 2026

By Electronic Mail Only

Dear Secretaries and Agency Heads:

On this day, I approved the following permanent statements of scope pursuant to Wis. Stat. § 227.135(2):

- A statement of scope by the Department of Public Instruction, submitted July 10, 2026, relating to creating a school business office specialist license (Wis. Admin. Code ch. PI 34); and
- A statement of scope by the Department of Public Instruction, submitted July 7, 2026, relating to transitioning the speech-language interpreter license to a related service license (Wis. Admin. Code ch. PI 34); and
- A statement of scope by the Department of Natural Resources, submitted August 25, 2026, relating to changes to fishing regulations on inland, outlying and boundary waters (Wis. Admin. Code chs. NR 19-26); and
- A statement of scope by the Office of the Commissioner of Insurance, submitted August 25, 2026, relating to required notices for life insurance policies and settlement contracts (Wis. Admin. Code ch. Ins 2.18).

On this day, I approved the following proposed administrative rules pursuant to Wis. Stat. § 227.185, and, hereby, direct their finalization and filing with the Legislative Reference Bureau pursuant to Wis. Stat. § 227.20:

- A proposed rule by the Department of Public Instruction, submitted August 13, 2026, relating to orientation and mobility license to teach all ages (Wis. Admin. Code ch. PI 34); and
- A proposed rule by the Department of Workforce Development, submitted August 25, 2026, relating to worker's compensation hearings and adjudicatory functions (Wis. Admin. Code chs. HA 4 and DWD 80).

Please direct any questions about this letter to my policy director, Jacob Pankratz.

Sincerely,

Tony Evers
Governor

cc: Mel Barnes, chief legal counsel (mel.barnes@wisconsin.gov)
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