



DATE: May 2, 2024

TO: Insurers, Agents, and Interested Parties

FROM: Nathan Houdek, Commissioner of Insurance

SUBJECT: Insurance Omnibus Law (2023 Wisconsin Act 212)

This bulletin summarizes a recently enacted law that impacts the insurance industry. The Wisconsin Office of the Commissioner of Insurance (OCI) is providing this summary to make insurers, agents, and interested parties aware of the changes.

On March 22, 2024, an insurance omnibus law, [2023 Wisconsin Act 212](#), was enacted that makes various technical changes to the insurance statutes.

Update Commissioner Designee to Wisconsin Retirement Board

Under 2023 Wis. Act 212, the commissioner of insurance may now appoint the deputy commissioner, chief legal counsel, or chief financial regulator at OCI to serve as a member on the Wisconsin Retirement Board. Previously, the commissioner's designee was limited to an experienced actuary.

Wis. Stat. § 15.165 (3) (b) 9, Wis. Stat. § 601.415 (3)

Allow OCI to Contract for Services

This Act allows the commissioner to enter directly into a contract for the services of a consultant if OCI is coordinating a review on a regulatory matter with another state's insurance regulator that has already procured the services of the consultant. This change removes a barrier that had impeded time-sensitive inter-state regulatory reviews.

Wis. Stat. § 601.41 (13)

Increase Fraudulent Activity Forfeiture Amount

2021 Wis. Act 114 increases the amount of forfeiture from \$1,000 to \$5,000 for violations of insurance statutes that involve a consumer who is an adult at risk or an individual who is at least 60 years of age. This Act increases the forfeiture amount, from \$1,000 to \$5,000 per violation, for a violation of an insurance statute or rule that involves or constitutes fraud to ensure consistency in forfeiture amounts.

Wis. Stat. § 601.64 (3) (c), Wis. Stat. § 601.64 (3) (c) 2. a., b., and c.

Eliminate Outdated Health Insurance Provisions

This Act eliminates the requirement that the commissioner develop a uniform employee application form and the requirement that the commissioner prescribe uniform questions and the format for applications for individual major medical health insurance policies. These forms and applications are no longer necessary given the creation of a federally mandated application.

It also eliminates the commissioner's remaining responsibility regarding dissolution of the former Health Insurance Risk-Sharing Plan which was previously eliminated in rule. This deletion will ensure consistency between statute and rule.

The Act further eliminates the outdated requirement that the commissioner study and provide a report to the legislature and governor on certain health insurance policies and their cost impact.

Change Procedure for Revocation Notices

2023 Wis. Act 212 changes the procedures for providing notice of the revocation of an insurer's authority to do business in this state. This Act provides that, when an insurer's authority to do business in this state is revoked, the insurer shall notify its agents of such and shall provide a copy of that notice to OCI, rather than OCI mailing such a notice to agents as occurred under prior law.

Wis. Stat. § 601.63 (2)

Update Standard for Revocation of Agent License

The Act clarifies statutory provisions to provide that termination of an insurance agent license may be based on incompetence or lack of trustworthiness to create more cohesion between the standards for granting a license. This change will aid in the fair and efficient enforcement of Wisconsin insurance statutes.

Wis. Stat. § 628.10 (2) (b)

Remove Navigator Bond Requirement

2023 Wis. Act 212 codifies current agency practice and removes the requirement that individuals or entities seeking licensure as navigators must furnish a bond or provide other evidence of financial responsibility.

Require HMO Deposit to Insolvency Fund

This Act requires a health maintenance organization (HMO) that participates in the Family Care Program to make a deposit to the insolvency fund. Previously, OCI issued separate orders to each HMO to subject it to the deposit provisions of Wis. Stat. § 648.75. This change eliminates the need for separate orders.

Wis. Stat. § 609.98 (5)

Update Wisconsin Insurance Security Fund Provisions

This Act adds the Wisconsin Insurance Security Fund (WISF) to the list of entities with which OCI may confidentially communicate.

It codifies WISF's current accounting practices by merging the life insurance and annuities segregated account. The Act also changes the assessment base calculation for life and annuities, from a percentage of annual premium for the three most recent years preceding liquidation to a percentage based on the immediately preceding year. This change ensures that the assessment is appropriate in cases of long-term liquidations.

Additionally, the Act codifies WISF's authority to work with other guaranty associations through a mutual assistance arrangement.

Wis. Stat. § 601.465 (1m) (c) 9m., Wis. Stat. § 646.11 (2), Wis. Stat. § 646.13 (2) (h), Wis. Stat. § 646.51 (1m), Wis. Stat. § 646.51 (3) (am), Wis. Stat. § 646.51 (3) (ar), Wis. Stat. § 646.51 (3) (b)

Allow Articles and Bylaws to Require Claims be brought in Wisconsin Courts

Finally, 2023 Wis. Act 212 allows the articles or bylaws of a domestic stock or mutual insurance corporation to require that claims pertaining to the internal affairs of the corporation be brought only in Wisconsin courts. This change is consistent with 2021 Wis. Act 258, Wisconsin's new business entity law, which previously applied the same provision to corporations.

Wis. Stat. § 611.12 (5), Wis. Stat. § 613.12 (4)

Any questions concerning this bulletin may be directed to Lauren.VanBuren@Wisconsin.gov.