



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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DATE: May 31, 2018
TO: All Insurers, Agents, and Interested Parties
FROM: Theodore K. Nickel, Commissioner of Insurance
SUBJECT: Summary of Statutory Changes Enacted in the Last Legislative Session

The following is a summary of the insurance statutory changes recently enacted in 2017, Wisconsin Acts 192, 241, 305, and 313. The purpose of this summary is to make individuals aware of these new provisions. Please review the actual language in order to determine how it affects you or your company.

[2017 Wisconsin Act 192 Relating to Unclaimed Life Insurance and Annuities](#)

Section 632.36 of the statutes was created to require insurers offering life insurance and annuity products to perform a comparison of those in-force policies and contracts against the social security administration death master file on at least a semi-annual basis. The Act requires insurers complete a good faith effort to confirm potential matches and to locate beneficiaries where a match has been confirmed. This Act will become effective May 1, 2019.

[2017 Wisconsin Act 241 Relating to Policy Renewals in an Affiliate and Certificate of Insurance](#)

Renewals in Affiliates

Section 631.39 was created to address the situation where an insurer offers to renew a property and casualty policy in an affiliated insurer. The affiliated insurer must be part of the same holding company system and hold a certificate of authority to write that line of business in Wisconsin. The terms of the policy must be at least as advantageous as the insured's current policy or the insurer must provide a renewal with altered terms notice under Section 631.36(5). At least 60 days prior to the renewal date, the insurer must provide the policyholder notice of the renewal with an affiliate including information about the affiliated insurer, confirmation no interruption in coverage will take place, explanation of premium calculation using the rates of the affiliate, and the affiliate's A.M. Best or similar rating. Specific notice is also required if the premium will increase by 25% or more. If the policy is written by a mutual insurer, notice is required when the policy is being renewed in a stock company and that notice must alert the policyholder that they will no longer have the rights granted to them as a mutual policyholder. The Act will become effective for policies that are renewable on or after July 1, 2018.

Certificate of Insurance

Statutory changes related to certificates of insurance will be addressed in a separate bulletin to follow.

[2017 Wisconsin Act 305 Relating to Prescription Eye Drops](#)

Section 632.895(16t) was created to require that every health plan that provides coverage for prescription eye drops cover a refill of prescription eye drops when a refill is requested after 75% or more days have elapsed since the last prescription was distributed. The Act will become effective on August 1, 2018.

[2017 Wisconsin Act 313 Relating to Disclosures to the Commissioner of Insurance and Other Changes to the Insurance Laws, Extending the Time Limit for Emergency Rule Procedures, Providing an Exemption from Emergency Rule-Making Procedures, and Granting Rule-Making Authority \(OCI Technical Bill\)](#)

Medical Malpractice Insurance Reports

Section 601.427, which required insurers to file annual medical malpractice data with the commissioner, was repealed as the office has access to the information from other sources. The repeal became effective April 18, 2018.

Confidentiality Provisions

Section 601.465 was amended to clarify that privileged information under this Section is not subject to open records laws or to discovery in a private civil action, neither the commissioner nor any person acting under the commissioner's authority may be compelled to testify in any private civil action, and privilege is not waived if the commissioner shares information consistent with the Section. The revisions became effective April 18, 2018.

Corporate Governance Annual Disclosure

Section 610.80 was created to require the filing of a corporate governance annual disclosure by an insurer or insurance holding company system every June 1st. The disclosure and any related materials are confidential. The Act does not prescribe or impose any additional corporate governance standards but, instead, is a reporting of the insurer's current corporate governance practices. The substantive reporting requirements for the corporate governance annual disclosure will be set forth in a forthcoming administrative rule. The first corporate governance annual disclosure will be due 60 days after this administrative rule goes into effect. The corporate governance annual disclosure is a National Association of Insurance Commissioner's (NAIC) accreditation requirement.

Workers Compensation Rating Committee Membership

In Section 626.31, the 10-member requirement for the Workers Compensation Rating Committee was amended to allow for up to 12 members and not fewer than 8 members. For insurer members of the committee, there remains an even split between stock insurer and mutual insurer members. The revisions became effective April 18, 2018.

Corporate Governance Deficiencies

Section 645.31 was amended to allow the commissioner to take action when an insurer has corporate governance deficiencies placing the insurer in a financially hazardous condition. This revision is an NAIC accreditation requirement. The revision became effective April 18, 2018.

Any questions concerning this bulletin should be directed to Zach Bemis at Zachary.Bemis@wisconsin.gov.