Replaced February, 1978, No. 266.

(2) SCOPE. This rule applies to any individual accident and sickness insurance coverage which relates its benefits to Medicare, is designed to complement Medicare or is advertised or marketed as a supplement to Medicare, including hospital confinement indemnity coverage, nursing home coverage and specified disease coverage sold to the Medicar a At that this rule shall not apply to conversion contracts issued as extensions or replacements for prior individual or group coverage.

(3) DEFINITIONS. For the purpose of this rule:

(a) *Medicare* means the hospital (part A) and medical (part B) insurance program established by title XVIII of the federal social security act of 1965, as amended.

(b) *Medicare eligible persons* include all persons who qualify for Medicare.

(c) *Medicare eligible expenses* are health care expenses of the type covered by Medicare, which may or may not be fully reimbursed by Medicare.

(d) *Medicare supplement coverage* means hospital, surgical or medical expense incurred and/or indemnity coverage which relates its coverage to eligibility for Medicare and which is designed to pay a specific deductible or co-payment requirement imposed under Medicare Parts A and/or B and which conforms to subsection (5) of this rule.

(e) *Hospital confinement indemnity coverage* means coverage as defined in Wisconsin Administrative Code section Ins 3.27 (4) (b) 6.

(f) *Specified disease coverage* means coverage which is limited to named or defined sickness conditions. Such coverage does not include dental or vision care coverage.

(g) *Nursing facility* means an institution which provides professional convalescent or rehabilitative services and which is licensed by the State of Wisconsin.

(h) *Outline of coverage* means an appropriately captioned or titled printed statement which meets the requirements of Wis. Adm. Code section Ins 3.27 (5) (l) and of subsection (4) (b) of this rule.

(i) Terms such as "skilled nursing facility" and "benefit period" used in this rule shall be as defined by Medicare. Terms used in Medicare supplement policies shall be worded no less favorably to the insured person than the corresponding Medicare definition.

(4) REQUIREMENTS. No accident and sickness insurance policy comprehended by this rule shall relate its coverage to Medicare or be structured, advertised or marketed as a supplement to Medicare unless:

(a) The policy:

1. Provides at a minimum the coverage set out in subsection (5);

2. Contains no pre-existing condition waiting period longer than 12 months except that a condition may be excluded from coverage by

name or specific, non-generic description, effective on the date expenses are incurred; and

3. Contains in close conjunction on its first page the Designation, printed in capitals in a clear, contrasting ink in 18-point type of a style in general use, and the Caption, printed in a clear, contrasting ink in 12-point type of a style in general use, prescribed in subsection (5); and

4. Is plainly printed as to text in black or blue ink in type of a style in general use, the size of which is uniform and not less than 10-point with a lower-case unspaced alphabet length not less than 120-point.

(b) The outline of coverage for the policy:

1. Contains a clearly worded and organized chart or charts:

a. Summarizing the benefits provided by Medicare parts A and B;

b. Summarizing the Medicare supplement benefits provided by the policy; and

c. Indicating what Medicare eligible expenses remain uncovered by Medicare and the policy;

2. Complies with sections Ins 3.27 (5) (l) and Ins 3.27 (9) (u), (v) and (zh) 2 and 4;

3. Contains conspicuous statements:

a. That Medicare will not pay for charges it deems "unreasonable and unnecessary";

b. Unless the policy explicitly provides otherwise, that the policy will not pay for charges deemed "unreasonable and unnecessary" by Medicare;

c. Unless the policy explicitly provides otherwise, that the policy will not cover expenses outside of Medicare such as routine doctor examinations or eye glasses;

d. That the chart summarizing Medicare benefits only briefly describes the program; and

e. That the federal social security administration or its Medicare publications should be consulted for further details and limitations;

4. Contains in a close conjunction on its first page the Designation, printed in capitals in a clear, contrasting ink in 24-point type of a style in general use, and the Caption, printed in a clear, contrasting ink in 18-point type of a style in general use, prescribed in subsection (5); and

5. Is submitted to the commissioner for approval along with the policy form.

(5) AUTHORIZED DESIGNATIONS AND CAPTIONS AND MINIMUM COVERAGES. For a policy to meet the requirements of subsection (4), it must contain the authorized Designation, Caption and Minimum Coverage prescribed for one of the following categories of Medicare Supplement insurance.

(a) A MEDICARE SUPPLEMENT 1 policy must include: