(c) Property insurance—as described in section Ins 6.75 (2) (a) and (2) (b);

(d) Casualty insurance—as described in section Ins 6.75 (2) (d) through (n);

(e) Credit life and credit accident and sickness insurance as described in sections Ins 6.75 (1) (a) 1. and Ins 6.75 (1) (c) 1. or (2) (c) 1.;

(g) Automobile insurance—as described in section Ins 6.75 (2) (e);

(h) Title insurance—as described in section Ins 6.75 (2) (h);

(i) Town mutual non-property insurance—as described in s. 612.31 (3), Stats.

History: Cr. Register, December, 1967, No. 144, eff. 1-1-68; r. and recr. (3) (d), Register, November, 1971, No. 191, eff. 12-1-71; am. (2) (e), Register, February, 1973, No. 206, eff. 3-1-73; am. (2) (h), Register, September, 1973, No. 213, eff. 10-1-73; cr. (2) (o), Register, May, 1975, No. 233, eff. 6-1-75; emerg. am. (1), (2), (3) (a) and (c), eff. 6-22-76; am. (1), (2), (3) (a) and (c), Register, September, 1976, No. 249, eff. 10-1-76; r. and recr., Register, August, 1977, No. 260, eff. 9-1-77; r. (2) (f), Register, October, 1981, No. 310, eff. 11-1-81.

Ins 6.51 Group coverage discontinuance and replacement. (1) PURPOSE. The purpose of this rule is to promote the fair and equitable treatment of group policyholders, insurance companies, nonprofit service plans, protected persons, claimants and the general public by setting forth principals and procedures applicable in providing coverage when a group or group type insurance contract is discontinued or replaced. This rule interprets and implements, including but not limited to the following Wisconsin statutes: ss. 601.045, 600.03 (34m), 601.01 (3) (b) and ch. 613.

(2) SCOPE. This rule shall apply to all insurance policies issued or provided by an insurance company under authority of Ins 6.75 (1) (a) or (c) or (2) (c) on a group or group type basis covering persons as employes of employers or as members of unions or associations and to subscriber contracts issued or provided by an organization under authority of ch. 613, Stats., on a group or group type basis covering persons as employes of employers or as members of unions or associations.

(3) DEFINITION. The term "group type basis" means a benefit plan, other than "salary savings" or "salary budget" plans, utilizing individual insurance policies or subscriber contracts, which meets the following conditions:

(a) Coverage is provided through insurance policies or subscriber contracts to classes of employes or members defined in terms of conditions pertaining to employment or membership.

(b) The coverage is not available to the general public and can be obtained and maintained only because of the covered person's membership in or connection with the particular organization or group.

(c) There are arrangements for bulk payment of premiums or subscription charges to the insurer or non-profit service organization.

(d) There is sponsorship of the plan by the employer, union, or association.

(4) EFFECTIVE DATE OF DISCONTINUANCE FOR NON-PAYMENT OF PREMIUM OR SUBSCRIPTION CHARGES. (a) If a policy or contract subject to this rule

provides for automatic discontinuance of the policy or contract after a premium or subscription charge has remained unpaid through the grace period allowed for such payment, the carrier shall be liable for valid claims for covered losses incurred prior to the end of the grace period.

(b) If the actions of the carrier after the end of the grace period indicate that it considers the policy or contract as continuing in force beyond the end of the grace period (such as, by continuing to recognize claims subsequently incurred), the carrier shall be liable for valid claims for losses beginning prior to the effective date of written notice of discontinuance to the policyholder or other entity responsible for making premium payments or submitting subscription charges to the carrier. The effective date of discontinuance shall not be prior to midnight at the end of the third scheduled work day after the date upon which the notice is delivered.

(5) REQUIREMENTS FOR NOTICE OF DISCONTINUANCE. (a) Any notice of discontinuance so given by the carrier shall include a request to the group policyholder or other entity involved to notify employes covered under the policy or subscriber contract of the date as of which the group policy or contract will discontinue and to advise that, unless otherwise provided in the policy or contract, the carrier shall not be liable for claims for losses incurred after such date. Such notice of discontinuance shall also advise, in any instance in which the plan involves employe contributions, that if the policyholder or other entity continues to collect contributions for the coverage beyond the date of discontinuance, the policyholder or other entity may be held solely liable for the benefits with respect to which the contributions have been collected.

(b) The carrier will prepare and furnish to the policyholder or other entity at the same time a supply of a notice form to be distributed to the employes or members concerned indicating such discontinuance and the effective date thereof, and urging the employes or members to refer to their certificates or contracts in order to determine what rights, if any, are available to them upon such discontinuance.

(6) EXTENSION OF BENEFITS. (a) Every group policy or other contract subject to this rule hereafter issued, or under which the level of benefits is hereafter altered, modified, or amended, must provide a reasonable provision for extension of benefits in the event of total disability at the date of discontinuance of the group policy or contract during the continuance of total disability as required by the following paragraphs of this section.

(b) In the case of a group or group type life plan which contains a disability benefit extension of any type (e.g., premium waiver extension, extended death benefit in event of total disability, or payment of income for a specified period during total disability), the discontinuance of the policy shall not operate to terminate such extension.

(c) In the case of a group or group type plan providing benefits for loss of time from work or specific indemnity during hospital confinement, discontinuance of the policy during a disability shall have no effect on benefits payable for that disability or confinement.

and disclosure set forth in Ins 6.64 which are to be maintained by intermediary-brokers and do not alter the previous requirements for intermediary-agents. Some intermediary-broker records are required to be maintained for 5 years as opposed to 3 years for intermediary-agent.

History: Cr. Register, March, 1977, No. 255, eff. 4-1-77; am., Register, March, 1979, No. 279, eff. 4-1-79; cr. (5), Register, September, 1981, No. 309, eff. 10-1-81.

Ins 6.63 Regulation charge. (1) The regulation amount to be paid biennially, by each licensed individual intermediary-agent is established to be as follows:

Resident agent	$ 10.00
Non-resident agent	$ 30.00

(2) The commissioner shall mail notification on form OCI 11-51 of the biennial regulation charge due and payable to each agent to the resident address on file with the office of the commissioner of insurance.

(3) Biennially on or before January 1 of each even numbered year the regulation fee is billed, and shall be paid within 30 days after the mailing by the office of the commissioner of insurance of a notification that the charge is due.

Note: A copy of form OCI 11-51 can be obtained from the Office of the Commissioner of Insurance, P.O. Box 7872, Madison, WI 53707.

(4) If payment of the biennial regulation fee is not made within 30 days after the date of billing, the license will be suspended. If payment is made during the suspension, the license will be reinstated.

(5) The license will be revoked if payment is not made within 60 days after suspension.

(6) Any individual intermediary-agent whose license has been revoked shall, in order to be relicensed, satisfy the examination and licensing requirements established by Ins 6.59.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78; am. (1) to (3), Register, September, 1981, No. 309, eff. 1-1-82; r. and recr. (4) to (6), Register, October, 1981, No. 310, eff. 11-1-81.

Ins 6.64 Insurance marketing intermediary-broker. (ss. 628.01 to 628.04, 628.07, 628.32, 628.34, 628.40, 628,45, 628.51 and 628.61, Stats.) (1) PURPOSE. The purpose of this rule is to define the powers and responsibilities of a licensed intermediary-broker, to describe acceptable practices in the conduct of a brokerage business and to ensure fulfillment of the fiduciary obligation of an intermediary-broker to the client through disclosure agreements, bonding, trust accounts, fee regulation and record keeping. An intermediary-broker not also licensed pursuant to ss. 618.41 and 628.04 (2), Stats., may not engage in direct placement of surplus lines insurance. This rule implements sections of ch. 628, Stats., entitled Insurance Marketing.

(2) INTERMEDIARY-BROKER. (a) An intermediary-broker is a person engaged in searching out, negotiating or procuring contracts of insurance with insurers with which the intermediary is not listed as an intermediary-agent, with the consent and on behalf of the insured.

(b) An intermediary-broker licensed in this state pursuant to s. Ins 6.65 shall be responsible in a fiduciary capacity to the insured or prospective insured for all representations and promises, all funds received

or collected in the capacity of a broker, and all funds received or collected from the insurer on the policy.

(c) An intermediary-broker shall not be empowered to bind an insurer or an insured and shall disclose the lack of binding authority to the insured.

(d) An application for insurance that is brokered by an intermediary-broker directly to an insurer or through a listed intermediary-agent or that is brokered upon receipt from an intermediary-agent shall be signed by the intermediary-broker as well as by any other intermediaries involved.