

(i) *Mortgagee interests and obligations.* If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, such interest in this policy may be cancelled by giving to such mortgagee a ten days' written notice of cancellation. If the insured fails to render proof of loss such as mortgagee, upon notice, shall render proof of loss in the form herein specified within sixty (60) days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this Company shall claim that no liability existed as to the mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgage. Other provisions relating to the interests and obligations of such mortgagee may be added hereto by agreement in writing.

(j) *Pro rata liability.* This company shall not be liable for a greater portion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

(k) *Requirements in case loss occurs.* The insured shall give written notice as soon as reasonably possible to this Company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed; and within sixty days after the loss, unless such time is extended in writing by this Company, the insured shall render to this Company a proof of loss signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this property, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specifications of any building, fixtures or machinery destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

(l) *Appraisal.* In case the insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or this Company, such umpire shall be

selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

(m) *Company's options.* It shall be optional with this Company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention so to do within thirty days after the receipt of the proof of loss herein required.

(n) *Abandonment.* There can be no abandonment to this Company of any property.

(o) *When loss payable.* The amount of loss for which this Company may be liable shall be payable sixty days after proof of loss, as herein provided, is received by this Company and ascertainment of the loss is made either by agreement between the insured and this Company expressed in writing or by the filing with this Company of an award as herein provided.

(p) *Suit.* No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within 12 months next after inception of the loss.

(q) *Subrogation.* This Company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this Company.

History: Cr, Register, November, 1977, No. 263, eff. 12-1-77; am. (3) (a), Register, November, 1978, No. 275, eff. 12-1-78.

Ins 6.77 Exemption from mid-term cancellation requirements and required uninsured motorist and medical payments coverages. (1) PURPOSE. This section is intended to exempt certain classes of insurance contracts from ss. 631.36 (2) (b) and (c) and 632.32 (4), Stats. This section implements the provisions of ss. 631.01 (5) and 631.36 (1) (c), Stats.

(2) **SCOPE.** This section applies to all insurers authorized to write umbrella or excess liability insurance policies in Wisconsin, and to all insurers authorized to write aircraft insurance policies in Wisconsin.

(3) **DEFINITIONS.** (a) *Aircraft insurance* has the meaning given in s. Ins 6.75 (2) (e).

(b) *Excess liability policy* means an insurance contract providing at least \$1,000,000 of liability coverage per person or per occurrence in excess of certain required underlying liability insurance coverage.

(c) *Umbrella liability policy* means an insurance contract providing at least \$1,000,000 of liability coverage per person or per occurrence in excess of certain required underlying liability insurance coverage or a specified amount of self-insured retention.

(d) *War risks coverage* means insurance coverage provided under an aircraft insurance policy for bodily injury, mental anguish, medical expense, or damage or loss to the covered aircraft or a third party's property caused by declared or undeclared war, invasion, rebellion, insurrection or warlike operations or by an attempt to or the actual seizure or detention of an aircraft by any government, military, naval, or usurped power.

(4) EXEMPTION. (a) Any umbrella or excess liability insurance policy as defined in sub. (3) is exempt from the requirements of ss. 631.36 (2) (a) and 632.32 (4), Stats.

(b) A war risks coverage provision of an aircraft insurance policy is exempt from the requirements of s. 631.36 (2) (b) and (c), Stats.

(5) NOTICE. (a) An insurer cancelling any umbrella liability policy or excess liability policy shall notify the commissioner of the grounds for such cancellation not later than the time at which the insurer notifies the policyholder of such cancellation. Insurers shall provide notice to the insured as set forth in s. 631.36 (2) (b), Stats.

(b) No cancellation under s. 631.36 (2) (a), Stats., of any war risks coverage contained in an aircraft insurance policy is effective until at least 7 days after the 1st class mailing or delivery of a written notice to the policyholder.

History: Emerg. cr. eff. 7-1-77; cr. Register, November, 1977, No. 263, eff. 12-1-77; am. (1), (4) and (5), Register, May, 1987, No. 377, eff. 6-1-87; am. (1) and (2), renum. (3) (a), (4) and (5) to be (3) (c), (4) (a) and (5) (a), cr. (3) (a) and (d), (4) (b) and (5) (b), Register, July, 1990, No. 415, eff. 8-1-90.

Ins 6.78 Exemption from filing of rates. (1) PURPOSE. The purpose of this rule is to exempt from the filing requirements of s. 625.13, Stats., those rates for risks which have been customarily written on a consent-to-rate basis, if having been determined that such filing is not necessary to protect policyholders and the public. This rule implements and interprets ss. 625.04, 625.13 and 625.15, Stats.

(2) SCOPE. This rule shall apply to the lines or classes of insurance listed in Ins 6.75 (2) (a), (d), (e), (f), (g), (h), (i), (j), (l), (m) and (n).

(3) EXEMPT FILINGS. If a specific risk in a line or class of insurance set forth in (2) above is of a type which is customarily written on a consent-to-rate basis wherein the insured agrees to accept a rate that is different from the insurer's filed rates, the consent-to-rate shall not be filed with the commissioner, provided:

(a) The insurer keeps for a least 1 year after the expiration date of the policy;

1. Record of the rate development; and

2. The written application signed by the insured stating the insured's reason for requesting the rate.

(b) Prior to entering into such insurance agreements in Wisconsin the insurer has notified the commissioner of insurance of its intention so to do, identifying the contemplated lines and classes of insurance.

History: Cr. Register, January, 1980, No. 289, eff. 2-1-80.

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Ins 6.79 Advisory councils. (1) **PURPOSE.** The purpose of this rule is to create advisory councils under s. 15.04 (1) (c) to assist in dealing with regulatory problems pursuant to ss. 227.017 and 601.20 (1), Stats.

(2) **COUNCILS.** This rule creates the following councils:

- (a) Life and Disability.
- (b) Property and Casualty.
- (c) Financial.

(3) **MEMBERSHIP.** Each council shall consist of 9 members and the commissioner of insurance or a designated member of the staff of the office of the commissioner of insurance. Members shall include representatives of licensed insurers, licensed insurance marketing intermediaries and members of the public not affiliated with licensed insurers or licensed intermediaries. The membership of each council shall include 4 representatives of licensed insurers, 3 public representatives and 2 insurance marketing intermediaries.

(4) **TERM.** Members of each council shall be appointed to serve for a term of 3 years except that the initial appointments under this rule shall be 3 members for a one-year term, 3 members for a 2-year term, and 3 members for a 3-year term.

(5) **DUTIES.** It shall be the duty of each council to advise the commissioner on matters relating to subjects presented to members for study and review by the commissioner of insurance.

(6) **OFFICERS.** The commissioner shall annually select a chairperson and a vice-chairperson from among the council members. The commissioner or a designee shall act as secretary and keep a record of all proceedings, transactions, communications, and other official acts of the councils. The files and records of the councils shall be maintained at the office of the commissioner of insurance.

(7) **MEETINGS.** The councils shall meet at least twice a year when called by the commissioner and at such other times when requested by the commissioner or by 3 or more members of each council.

(8) **EXPENSE REIMBURSEMENT.** Members of the councils shall receive no salary or compensation for service on the council but shall be reimbursed for their actual and necessary expenses in attending meetings of while performing other duties as directed by the commissioner.

History: Cr. Register, January, 1980, No. 289, eff. 2-1-80; correction in (1) under s. 13.93 (2m) (b) 7, Stats., Register, September, 1984, No. 348.

Ins 6.80 Retention of records. (1) **PURPOSE.** The purpose of this section is to establish standards for record retention by insurers and other persons subject to the regulation of the commissioner.

(2) **SCOPE.** (a) This section shall apply to all insurers licensed under chs. 611, 612, 613, 614, 615 and 618, Stats., and including the Local Property Insurance Fund, the State Life Insurance Fund, and the State Indemnity Fund.

(b) The following sections also apply:

- 1. Ins 1.01 (3) applies to fraternal.

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2. Ins 2.07 (5) (a) 2.d. and (b) 2.b. apply to life insurance.
 3. Ins 3.25 (9) (d) applies to credit life and accident and sickness insurance.
 4. Ins 3.27 (28) applies to disability insurance.
 5. Ins 6.17 (3) (d) and (e) apply to surplus lines.
 6. Ins 6.03 (2) (a) 1.e., 6.30 (3) (a) 3.e., (4) (a) 2.e. and (5) (a) 3. apply to property and casualty insurers.
 7. Ins 6.55 (5) (b) applies to all insurers.
 8. Ins 6.61 applies to intermediaries.
 9. Ins 8.09 applies to employe welfare funds.
- (3) DEFINITIONS. (a) "Domestic insurer" has the meaning set forth in s. 600.03 (27) (c), Stats.
- (b) "Insurer" has the meaning set forth in s. 600.03 (27) (a), Stats.

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