

TABLE OF CONTENTS

Chapter

Ins	1	Fraternal insurance (p. 1)
Ins	2	Life insurance (p. 3)
Ins	3	Casualty insurance (p. 71)
Ins	4	Fire and allied lines insurance (p. 273)
Ins	5	Rules of procedure for hearings (p. 285)
Ins	6	General (p. 293)
Ins	7	Forms (p. 443)
Ins	8	Employe welfare funds; employe benefit plans (p. 447)
Ins	10	Continuing care facilities (p. 469)
Ins	11	Insurance security fund board (p. 473)
Ins	12	Insurance holding companies and intercorporate transactions relating to insurers (p. 475)
Ins	13	Town mutual insurance (p. 487)
Ins	14	Valuation of assets (p. 497)
Ins	15	Exemptions from application of insurance code (p. 501)
Ins	16	Regulatory structure (p. 507)
Ins	17	Patients compensation fund (p. 515)
Ins	18	Health insurance risk-sharing plan (p. 551)
Ins	20	Insurance marketing (p. 561)
Ins	21	Worker's compensation insurance (p. 563)
Ins	22	Legal expense insurance (p. 565)



Printed on
Recycled Paper

forth in s. Ins 6.59 (5), shall apply in lieu of the standards set forth in this subsection.

(b) For partners, directors or principal officers who are not licensed at the time of application under sub. (4) as insurance intermediaries, the following criteria may be used in assessing trustworthiness and competence:

1. Criminal record. The conviction for crimes which are substantially related to insurance marketing.

2. Accuracy of information. Any material misrepresentation in the information submitted on form 11-50.

3. Regulatory action. Any regulatory action taken with regard to any license held, such as insurance licenses in other states, real estate licenses and security licenses.

4. Other criteria which the commissioner considers evidence of untrustworthiness or incompetence.

(5) FEES. (a) Biennially, on or before January 1 of even numbered years, a regulation fee of \$10.00 for resident and \$30.00 for non-resident intermediaries will be billed as authorized by s. 601.31 (1) (m), Stats.

(b) 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.

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

(6) NOTIFICATION OF CHANGES. Each intermediary corporation or partnership shall, within 30 days, notify the commissioner of insurance in writing of any change in its business mailing address, location of the business records, or a change in the name and address of the designated representative.

Note: Intermediary corporations and partnerships are subject to the recordkeeping requirements as set forth in s. Ins 6.61 (1).

Application for the licensing of corporations and partnerships is made on form 11-50. Copies can be obtained at the office of the commissioner of insurance.

History: Cr. Register, August, 1980, No. 296, eff. 9-1-80; am. (5) (a), Register, September, 1981, No. 309, eff. 10-1-81; cr. (6), Register, September, 1981, No. 309, eff. 1-1-82; r. and recr. (2), r. (3) and (8), renum. (4) to (7) to be (3) to (6), Register, April, 1982, No. 316, eff. 5-1-82; r. form 11-50, Register, October, 1982, No. 322, eff. 11-1-82; am. (3) (a) to (f), Register, December, 1984, No. 348, eff. 1-1-85; correction in (5) made under s. 13.93 (am) (b) 7, Stats., Register, December, 1984, No. 348.

Ins 6.59 Licensing of individuals as agents. (s. 628.04, Stats.) (1) PURPOSE. The purpose of this rule is to establish procedures for original licensure and license enlargement of an individual as an insurance agent.

(2) EXAMINATION. An examination is required of each resident applicant for each kind of agent license authority listed in s. Ins 6.50. Each examination will test the applicant's basic knowledge of the kinds of insurance to be solicited and the applicant's basic understanding of the applicable laws and regulations.

(3) FEES. The following fee schedule is established for residents and non-residents:

Application for one or 2 lines of authority	\$40
Application for 3 or 4 lines of authority	\$80

(4) **PROCEDURE.** (a) *Application.* Application for a permanent agent license or an enlargement of authority shall be made on the form specified by the office of the commissioner of insurance and filed with the testing vendor. The testing vendor shall forward a copy of the application to the office of the commissioner of insurance. A completed application consists of receipt by the office of the commissioner of insurance of the required form and examination score report.

(b) *Time of filing.* Applications and appropriate fees shall be filed with the testing vendor, at least 30 days prior to the scheduled date of the written examination.

(c) *Issuance of license.* An applicant for an original license or a license enlargement who passes the written examination, pays the fees, submits a satisfactory application and meets the standards of competence and trustworthiness as described in sub. (5) shall be issued an agent license for those kinds of authority for which the applicant is qualified. Determination of the acceptance or rejection of a completed application shall be made within 60 business days.

(5) **COMPETENCE AND TRUSTWORTHINESS.** The following criteria may be used in assessing trustworthiness and competence:

(a) *Criminal record.* The conviction for crimes which are substantially related to insurance marketing.

(b) *Accuracy of information.* Any material misrepresentation in the information submitted on the application form.

(c) *Regulatory action.* Any regulatory action taken with regard to any license held, such as insurance licenses in other states, real estate licenses and security licenses.

(d) *Other criteria.* Other criteria which the commissioner considers evidence of untrustworthiness or incompetence.

(6) **FREQUENCY AND LOCATION.** Examinations for each kind of agent authority will be administered at least once a month in accordance with a schedule adopted by the commissioner at the following examination centers: Eau Claire, Green Bay, La Crosse, Oshkosh, Madison, Rhineland, Racine, Superior, and Stevens Point. Examinations will be administered twice a month in Milwaukee and at least one other center.

(7) **EXEMPTIONS.** A town mutual agent exempt from licensing under s. 628.03 (1), Stats., by s. 628.05 (1), Stats., includes an agent for a town mutual not authorized to insure members against loss to property by windstorm or hail insurance as provided in ss. 612.31 (2) (a) 3 and 612.33 (2) (a), Stats., who provides windstorm or hail insurance to the town mutual's members through an insurance policy issued by another authorized insurer operating on an assessment plan. The town mutual agent need not be licensed but the other insurer must list the agent and pay the listing fee in accordance with s. Ins 6.57.

(8) **CHANGE IN RESIDENCY STATUS.** (a) A licensed nonresident agent, after becoming a Wisconsin resident, may retain authority under the Register, April, 1992, No. 436

nonresident agent license for a maximum of 60 days, at which time all authority granted under the nonresident license shall cease.

(b) A licensed resident agent, after becoming a resident of another state, may retain authority under the resident agent license for a maximum of 60 days, at which time all authority granted under the resident license shall cease.

(c) If an agent changes residency status and becomes licensed under the new status, all authority granted by the license issued under the former status shall terminate on the date the new license is issued.

(d) Criteria used by the insurance commissioner to establish residency shall include, but not be limited to:

1. Jurisdiction for payment of state taxes.
2. Jurisdiction for automobile driver's license and motor vehicle registration.
3. Location of voter registration.
4. Location of principal residence, such as owned or rented dwelling, condominium or apartment.

(e) A licensed nonresident agent, after becoming a resident of a state other than Wisconsin, may retain agent licensing authority under the nonresident agent license for a maximum of 60 days, at which time all authority granted under the nonresident license shall cease, unless a letter of certification from the new state of residence is provided to the commissioner.

Note: A copy of the form referenced in subs. (4) (a) and (5) (b), OCI 11-041, may be obtained from the Office of the Commissioner of Insurance, P.O. Box 7872, Madison, WI 53707-7872.

History: Cr. Register, March, 1977, No. 255, eff. 4-1-77; am. (8), Register, June, 1978, No. 270, eff. 7-1-78; cr. (10), Register, September, 1978, No. 273, eff. 10-1-78; am. (3) and (7), Register, February, 1980, No. 290, eff. 3-1-80; r. (6) and (9), renum. (7), (8) and (10) to be (6), (7) and (8), Register, August, 1980, No. 296, eff. 9-1-80; r. and recr. Register, September, 1981, No. 309, eff. 10-1-81; am. (4), cr. (8), Register, December, 1984, No. 348, eff. 1-1-85; am. (2), (3), (4) (a) and (b) and (6), Register, May, 1987, No. 377, eff. 7-1-87; am. (4) (a) and (5) (b), Register, January, 1992, No. 433, eff. 2-1-92; cr. (8) (e), Register, April, 1992, No. 436, eff. 5-1-92.

Ins 6.61 Intermediary records. (1) **PURPOSE.** This section protects insurance policyholders by prescribing minimum standards and techniques of accounting and data handling of intermediaries to ensure that timely and reliable information will exist and be available to the commissioner. This section implements and interprets ss. 601.42 and 628.34, Stats., by establishing minimum records to be maintained by intermediaries.

(2) **SCOPE.** This section applies to all intermediaries transacting insurance business in this state and to Wisconsin insurance transactions of nonresident intermediaries unless the nonresident is required to maintain records in a similar specified manner by the intermediary's state of domicile.

(3) **DEFINITIONS.** As used in this section:

(a) "Business checking account" means any account utilized by an intermediary for insurance-related transactions.

(b) "Cash disbursed record" means a record showing all monies paid out by the intermediary in connection with insurance.

(c) "Cash receipts record" means a record showing all monies received by the intermediary in connection with insurance.

(d) "Commission statements" means records or statements which show the commissions and fees allocated to the intermediary for insurance transactions.

(e) "Formal disciplinary action" means consent decrees, cease and desist orders, stipulations, suspensions, revocations, license denials, fines, forfeitures or actions limiting the intermediary's method of conducting an insurance business.

(f) "Intermediary" means any person, partnership or corporation requiring a license under the provisions of ch. 628, Stats.

(g) "Personnel records" means those records pertaining to anyone who is directly retained or employed by an intermediary in connection with insurance including subagents, secretaries, phone solicitors, and independent contractors.

(h) "Policyholder records" means all records, applications, request for changes, claims, and complaints associated with a policy generated by or through the intermediary.

(4) **CASH DISBURSED RECORD.** The cash disbursed record shall show the name of the party to whom the payment was made, date of payment, and reason for payment.

(5) **CASH RECEIPTS RECORD.** The cash receipts record shall show the name of the party who remitted the money, date of receipt, and reason for payment.

(6) **COMMISSION STATEMENTS.** The commission statements shall show the insured name, policy number, premium, amount of commission, and date allocated or paid or both.

(7) **PERSONNEL RECORDS.** Personnel records shall include dates of employment, position, description of principal duties, name of employe, and last known address and phone number of employe.

(8) **RECORDKEEPING REQUIREMENTS.** Beginning on January 1, 1988, each intermediary shall maintain, for a 3-year period, unless a specific period is provided elsewhere, the following records:

- (a) Cash receipts record.
- (b) Cash disbursed record.
- (c) Commission statements.
- (d) Policyholder records.
- (e) Business checking account.
- (f) Personnel records.

(9) **SPECIAL REQUIREMENTS FOR NEWLY ISSUED CONTRACTS.** Each intermediary shall maintain records for a 3-year period giving the effective date of the coverage on all newly issued contracts.