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## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

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<b>2009 Wisconsin Act 342</b> [2009 Assembly Bill 701]	<b>Insurance Law Changes</b>
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*2009 Wisconsin Act 342* makes several changes to state laws relating to insurance, including the following:

- Repeals the Interstate Insurance Receivership Compact which is dissolving and never became effective in Wisconsin.
- Makes changes to current law relating to the Wisconsin Insurance Security Fund which protects insureds under certain kinds and lines of direct insurance in the event of a liquidation of an insurer.
- Treats qualifying long-term care insurance policies purchased in another state under a program similar to Wisconsin's Long-Term Care Partnership Program in the same manner as policies purchased under Wisconsin's Long-Term Care Partnership Program for purposes of disregarding benefits paid under the policy when considering assets an applicant for Medical Assistance has available.
- Permits fraternal insurance organizations to elect its directors by voting using electronic means or another method approved by the fraternal's board of directors in the bylaws.
- Modifies license renewal fees for an insurance agent whose license is revoked but may be reinstated after certain requirements are met.
- Creates an electronic application fee of \$10 for new license applicants for filing an original resident intermediary license application following completion of prelicensing requirements.
- Allows the Commissioner of Insurance ("commissioner") to promulgate rules establishing standards that require insurers to provide continuation coverage for a person who is covered

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

by a group health insurance policy as or through an employee whose insurance is terminated or who is eligible under any federal program that provides for a federal premium subsidy.

- Provides that enrollees under a policy issued under Part C or Part D of Medicare are not liable for health care costs that are covered under such a policy providing prepaid or fee-for-service health care or drug benefits.
- Provides that members of a merging town mutual and the members of an assessable domestic mutual have the right to vote on the merger plan after it has been approved by the commissioner.
- Makes various changes to current law relating to motor vehicle insurance policies and umbrella and excess liability policies, including the following:
  - Exempts policies insuring motor vehicles that are not owned by the insured or that are leased by the insured for a term of less than six months from the requirements related to coverages and coverage limits.
  - Exempts umbrella and excess liability policies from the requirements that apply to motor vehicle insurance policies relating to uninsured, underinsured, and medical payments coverage.
  - Clarifies that only one named insured is required to reject or request uninsured or underinsured coverage for an umbrella or excess liability policy and that such rejection or request applies to all persons insured under the policy.

***Effective date:*** Act 342 takes effect on May 28, 2010.

***Prepared by:*** Anne Sappenfield, Senior Staff Attorney

May 25, 2010

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